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THE INCOME-TAX (AMENDMENT) ACT, 1965

No. 1 of 1965

[12th March, 1965]

An Act further to amend the Income-tax Act, 1961 and to validate certain searches under that Act.

BE it enacted by Parliament in the Sixteenth Year of the Republic of India as follows:—

1. This Act may be called the Income-tax (Amendment) Act, 1965. Short title

~~43 of 1961.~~ ^{4 xxx)} 2. For section 132 of the Income-tax Act, 1961 (hereinafter referred to as the principal Act), the following sections shall be substituted, namely:— Substitution of new sections for section 132

'132. (1) Where the Director of Inspection or the Commissioner, in consequence of information in his possession, has reason to believe that— Search and seizure

11 of 1922. (a) any person to whom a summons under sub-section (1) of section 37 of the Indian Income-tax Act, 1922 or under sub-section (1) of section 131 of this Act, or a notice under sub-section (4) of section 22 of the Indian Income-tax Act, 1922 or under sub-section (1) of section 142 of this Act was issued to produce, or cause to be produced, any books of account or other documents has omitted or failed to produce, or cause to be produced, such books of account, or other documents as required by such summons or notice, or

11 of 1922. (b) any person to whom a summons or notice as aforesaid has been or might be issued will not, or would not, produce or cause to be produced, any books of account or other documents which will be useful for, or relevant to, any proceeding under the Indian Income-tax Act, 1922 or under this Act, or

118 Law—1

4. S. 2 to 5, rep. by Act 56 of 1974, S. 2 of Sch. I.

(c) any person is in possession of any money, bullion, jewellery or other valuable article or thing and such money, bullion, jewellery or other valuable article or thing represents either wholly or partly income or property which has not been disclosed for the purposes of the Indian Income-tax Act, 1922 or this Act (hereinafter in this section referred to as ¹¹ of 1922. the undisclosed income or property),

he may authorise any Deputy Director of Inspection, Inspecting Assistant Commissioner, Assistant Director of Inspection or Income-tax Officer (hereinafter referred to as the authorised officer) to—

(i) enter and search any building or place where he has reason to suspect that such books of account, other documents, money, bullion, jewellery or other valuable article or thing are kept;

(ii) break open the lock of any door, box, locker, safe, almirah or other receptacle for exercising the powers conferred by clause (i) where the keys thereof are not available;

(iii) seize any such books of account, other documents, money, bullion, jewellery or other valuable article or thing found as a result of such search;

(iv) place marks of identification on any books of account or other documents or make or cause to be made extracts or copies therefrom;

(v) make a note or an inventory of any such money, bullion, jewellery or other valuable article or thing.

(3) The authorised officer may, ^{Requisition on the Services of} where it is not practicable any police officer or of any officer of the Central Government, or of both, to assist him for all or any of the purposes specified in sub-section (1) and it shall be the duty of every such officer to comply with such requisition.

(3) The authorised officer may, where it is not practicable to seize any such book of account, other document, money, bullion, jewellery or other valuable article or thing, serve an order on the owner or the person who is in immediate possession or control thereof that he shall not remove, part with or otherwise deal with it except with the previous permission of such officer and such officer may take such steps as may be necessary for ensuring compliance with this sub-section.

11 of 1922.

(4) The authorised officer may, during the course of the search or seizure, examine on oath any person who is found to be in possession or control of any books of account, documents, money, bullion, jewellery or other valuable article or thing and any statement made by such person during such examination may thereafter be used in evidence in any proceeding under the Indian Income-tax Act, 1922 or under this Act.

(5) Where any money, bullion, jewellery or other valuable article or thing (hereinafter in this section and section 132A referred to as the assets) is seized under sub-section (1), the Income-tax Officer, after affording a reasonable opportunity to the person concerned for being heard, and making such enquiry as may be prescribed, shall, within ninety days of the seizure, make an order, with the previous approval of the Commissioner,—

(i) estimating the undisclosed income (including the income from the undisclosed property) in a summary manner to the best of his judgment on the basis of such materials as are available with him;

11 of 1922.

(ii) calculating the amount of tax on the income so estimated in accordance with the provisions of the Indian Income-tax Act, 1922 or this Act;

(iii) specifying the amount that will be required to satisfy any existing liability under this Act and any one or more of the Acts specified in clause (a) of sub-section (1) of section 230A in respect of which such person is in default or is deemed to be in default,

and retain in his custody such assets or part thereof as are in his opinion sufficient to satisfy the aggregate of the amounts referred to in clauses (ii) and (iii) and forthwith release the remaining portion, if any, of the assets to the person from whose custody they were seized;

Provided that if, after taking into account the materials available with him, the Income-tax Officer is of the view that it is not possible to ascertain to which particular previous year or years such income or any part thereof relates, he may calculate the tax on such income or part, as the case may be, as if such income or part were the total income chargeable to tax at the rates in force in the financial year in which the assets were seized:

Provided further that where a person has paid or made satisfactory arrangements for payment of all the amounts referred to in clauses (ii) and (iii) or any part thereof, the Income-tax Officer may, with the previous approval of the Commissioner, release the assets or such part thereof as he may deem fit in the circumstances of the case.

(6) The assets retained under sub-section (5) may be dealt with in accordance with the provisions of section 132A.

(7) If the Income-tax Officer is satisfied that the seized assets or any part thereof were held by such person for or on behalf of any other person, the Income-tax Officer may proceed under sub-section (5) against such other person and all the provisions of this section shall apply accordingly.

(8) The books of account or other documents seized under sub-section (1) shall not be retained by the authorised officer for a period exceeding one hundred and eighty days from the date of the seizure unless the reasons for retaining the same are recorded by him in writing and the approval of the Commissioner for such retention is obtained:

Provided that the Commissioner shall not authorise the retention of the books of account and other documents for a period exceeding thirty days after all the proceedings under the Indian Income-tax Act, 1922 or this Act in respect of the years for which the books of account or other documents are relevant are completed. 11 of 1922.

(9) The person from whose custody any books of account or other documents are seized under sub-section (1) may make copies thereof, or take extracts therefrom, in the presence of the authorised officer or any other person empowered by him in this behalf, at such place and time as the authorised officer may appoint in this behalf.

(10) If a person legally entitled to the books of account or other documents seized under sub-section (1) objects for any reason to the approval given by the Commissioner under sub-section (8), he may make an application to the Board stating therein the reasons for such objection and requesting for the return of the books of account or other documents.

(11) If any person objects for any reason to an order made under sub-section (5), he may, within thirty days of the date of such order, make an application to such authority, as may be notified in this behalf by the Central Government in the Official Gazette (hereinafter in this section referred to as the notified

authority), stating therein the reasons for such objection and requesting for appropriate relief in the matter.

(12) On receipt of the application under sub-section (10) the Board, or on receipt of the application under sub-section (11) the notified authority, may, after giving the applicant an opportunity of being heard, pass such orders as it thinks fit.

5 of 1898.

(13) The provisions of the Code of Criminal Procedure, 1898 relating to searches and seizure shall apply, so far as may be, to searches and seizure under sub-section (1).

(14) The Board may make rules in relation to any search or seizure under this section; in particular, and without prejudice to the generality of the foregoing power, such rules may provide for the procedure to be followed by the authorised officer—

(i) for obtaining ingress into such building or place to be searched where free ingress thereto is not available;

(ii) for ensuring safe custody of any books of account or other documents or assets seized.

Explanation 1.—In computing the period of ninety days for the purposes of sub-section (5), any period during which any proceeding under this section is stayed by an order or injunction of any court shall be excluded.

11 of 1922.

Explanation 2.—In this section, the word “proceeding” means any proceeding in respect of any year, whether under the Indian Income-tax Act, 1922 or this Act, which may be pending on the date on which a search is authorised under this section or which may have been completed on or before such date and includes also all proceedings under this Act which may be commenced after such date in respect of any year.

132A. (1) The assets retained under sub-section (5) of section 132 may be dealt with in the following manner, namely:— Application of retained assets.

(i) The amount of the existing liability referred to in clause (iii) of the said sub-section and the amount of the liability determined on completion of the regular assessment or reassessment for all the assessment years relevant to the previous years to which the income referred to in clause (i) of that sub-section relates, and in respect of which he is in default or is deemed to be in default may be recovered out of such assets.

(ii) If the assets consist solely of money, or partly of money and partly of other assets, the Income-tax Officer may apply such money in the discharge of the liabilities referred to in clause (i) and the assessee shall be discharged of such liability to the extent of the money so applied.

(iii) The assets other than money may also be applied for the discharge of any such liability referred to in clause (i) as remains undischarged and for this purpose such assets shall be deemed to be under distraint as if such distraint was effected by the Income-tax Officer under authorisation from the Commissioner under sub-section (5) of section 226 and the Income-tax Officer may recover the amount of such liabilities by the sale of such assets and such sale shall be effected in the manner laid down in the Third Schedule.

(2) Nothing contained in sub-section (1) shall preclude the recovery of the amount of liabilities aforesaid by any other mode laid down in this Act.

(3) Any assets or proceeds thereof which remain after the liabilities referred to in clause (i) of sub-section (1) are discharged shall be forthwith made over or paid to the persons from whose custody the assets were seized.

(4) (a) The Central Government shall pay simple interest at the rate of six per cent. per annum on the amount by which the aggregate of money retained under section 132 and of the proceeds, if any, of the assets sold towards the discharge of the existing liability referred to in clause (iii) of sub-section (5) of that section exceeds the aggregate of the amounts required to meet the liabilities referred to in clause (i) of sub-section (1) of this section.

(b) Such interest shall run from the date immediately following the expiry of the period of six months from the date of the order under sub-section (5) of section 132 to the date of the regular assessment or reassessment referred to in clause (i) of sub-section (1) or, as the case may be, to the date of last of such assessments or reassessments.

3. In section 271 of the principal Act, after sub-section (4), the following sub-sections shall be inserted, namely:—

“(4A) Notwithstanding anything contained in clause (i) or clause (iii) of sub-section (1) the Commissioner may, in his discretion—

Amend-
ment of
section
271.

(i) reduce or waive the amount of minimum penalty imposable on a person under clause (i) of sub-section (1) for failure, without reasonable cause, to furnish the return of total income which such person was required to furnish under sub-section (1) of section 139, or

(ii) reduce or waive the amount of minimum penalty imposable on a person under clause (iii) of sub-section (1), if he is satisfied that such person—

(a) in the case referred to in clause (i) of this sub-section has, prior to the issue of notice to him under sub-section (2) of section 139, voluntarily and in good faith, made full disclosure of his income; and in the case referred to in clause (ii) of this sub-section has, prior to the detection by the Income-tax Officer, of the concealment of particulars of income in respect of which the penalty is imposable, or of the inaccuracy of particulars furnished in respect of such income, voluntarily and in good faith, made full and true disclosure of such particulars;

(b) has co-operated in any enquiry relating to the assessment of such income; and

(c) has either paid or made satisfactory arrangements for payment of any tax or interest payable in consequence of an order passed under this Act in respect of the relevant assessment year:

Provided that if in a case the minimum penalty imposable under clause (i) or, as the case may be, clause (iii) of sub-section (1) in respect of the relevant assessment year, or where such disclosure relates to more than one assessment year, the aggregate of the minimum penalty imposable in respect of those years, exceeds a sum of rupees fifty thousand, no order reducing or waiving the penalty shall be made by the Commissioner unless the previous approval of the Board has been obtained.

(4B) An order under sub-section (4A) shall be final and shall not be called in question before any court of law or any other authority.”

4. In Chapter XXII of the principal Act, before section 276, the following section shall be inserted, namely:—

Insertion
of new
section
275A.

Contra-
vention
of order
made
under
sub-sec-
tion (3)
of sec-
tion 132.

"275A. Whoever contravenes any order referred to in sub-section (3) of section 132 shall be punishable with rigorous imprisonment which may extend to two years and shall also be liable to fine."

Amend-
ment
of section
279.

5. In section 279 of the principal Act,—

(i) in sub-section (1), after the words "offence under", the words, figures and letter "section 275A or" shall be inserted;

(ii) after sub-section (1), the following sub-section shall be inserted, namely:—

"(1A) A person shall not be proceeded against for an offence under section 277 in relation to the assessment for an assessment year in respect of which the penalty imposable upon him under clause (iii) of sub-section (1) of section 271 has been reduced or waived by an order under sub-section (4A) of that section."

(iii) after sub-section (2), the following sub-section shall be inserted, namely:—

"(3) Where any proceeding has been taken against any person under sub-section (1), any statement made or account or other document produced by such person before any of the Income-tax authorities specified in clauses (a), (b), (c), (d) and (e) of section 116 shall not be inadmissible as evidence for the purpose of such proceedings merely on the ground that such statement was made or such account or other document was produced in the belief that the penalty imposable would be reduced or waived under sub-section (4A) of section 271 or that the offence in respect of which such proceeding was taken would be compounded."

Validation
of certain
searches
made.

6. Any search of a building or place by an Inspecting Assistant Commissioner or Income-tax Officer purported to have been made in pursuance of sub-section (1) of section 132 of the principal Act before the commencement of this Act shall be deemed to have been made in accordance with the provisions of that sub-section as amended by this Act as if those provisions were in force on the

day the search was made and shall not be called in question before any court of law or any other authority merely on the ground—

(i) that the Inspecting Assistant Commissioner or the Income-tax Officer made such search with the assistance of any other person; or

11 of 1922. (ii) that no proceeding under the Indian Income-tax Act, 1922, or the principal Act was pending against the person concerned when the search was authorised under the said sub-section.

1 of 1965. 7. (1) The Income-tax (Amendment) Ordinance, 1965 is hereby repealed. Repeal *and* saving.

(2) Notwithstanding such repeal, anything done or any action taken under the said Ordinance shall be deemed to have been done or taken under this Act as if this Act had commenced on the 6th day of January, 1965.

THE APPROPRIATION ACT, 1965

No. 2 OF 1965

[15th March, 1965]

An Act to authorise payment and appropriation of certain further sums from and out of the Consolidated Fund of India for the services of the financial year 1964-65.

BE it enacted by Parliament in the Sixteenth Year of the Republic of India as follows:—

- Short title. 1. This Act may be called the Appropriation Act, 1965.
- Issue of Rs. 4,75,00,74,000 out of the Consolidated Fund of India for the year 1964-65. 2. From and out of the Consolidated Fund of India there may be paid and applied sums not exceeding those specified in column 3 of the Schedule amounting in the aggregate to the sum of four hundred and seventy-five crores and seventy-four thousand rupees towards defraying the several charges which will come in course of payment during the financial year 1964-65, in respect of the services specified in column 2 of the Schedule.
- Appropriation. 3. The sums authorised to be paid and applied from and out of the Consolidated Fund of India by this Act shall be appropriated for the services and purposes expressed in the Schedule in relation to the said year.

THE SCHEDULE

(See sections 2 and 3)

I No. of Vote	2 Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Con soli- dated Fund	Total
		Rs.	Rs.	Rs.
1	Ministry of Community Develop- ment and Co-operation	40,000	..	40,000
3	Ministry of Defence	1,28,000	..	1,28,000
6	Defence Services, Effective— Air Force	2,95,70,000	..	2,95,70,000
19	Ministry of Finance	3,08,000	..	3,08,000
21	Union Excise Duties	55,50,000	..	55,50,000
22	Taxes on Income including Cor- poration Tax, etc.	28,00,000	..	28,00,000
23	Stamps	8,19,000	..	8,19,000
24	Audit	55,00,000	2,00,000	57,00,000
26	Mint	20,00,000	..	20,00,000
28	Pensions and Other Retirement Benefits . . . . .	..	2,73,000	2,73,000
29	Territorial and Political Pensions	80,000	..	80,000
30	Opium	39,00,000	..	39,00,000
31	Other Revenue Expenditure of the Ministry of Finance . . . . .	..	2,60,000	2,60,000
33	Grants-in-aid to State and Union territory Governments	50,00,000	..	50,00,000
36	Ministry of Food and Agri- culture	2,82,000	..	2,82,000
37	Agriculture	29,35,000	..	29,35,000
40	Forest	1,000	..	1,000
42	Ministry of Health	1,00,000	..	1,00,000
45	Ministry of Home Affairs	13,43,000	..	13,43,000

1 No. of Vote	2 Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
46	Cabinet	2,20,000	..	2,20,000
47	Zonal Councils	23,000	..	23,000
48	Administration of Justice	16,000	15,000	31,000
51	Statistics	24,21,000	..	24,21,000
52	Privy Purses and Allowances of Indian Rulers . . . . .	..	1,99,000	1,99,000
53	Delhi	20,00,000	14,000	20,14,000
54	Andaman and Nicobar Islands	14,12,000	..	14,12,000
55	Laccadive, Minicoy and Amindivi Islands	4,02,000	..	4,02,000
60	Other Revenue Expenditure of the Ministry of Industry	27,000	..	27,000
61	Ministry of Information and Broadcasting	98,000	..	98,000
63	Other Revenue Expenditure of the Ministry of Information and Broadcasting	1,97,000	..	1,97,000
64	Ministry of International Trade	2,50,000	..	2,50,000
67	Ministry of Irrigation and Power	1,46,000	..	1,46,000
72	Labour and Employment . . . . .	..	17,000	17,000
78	Other Revenue Expenditure of the Ministry of Petroleum and Chemicals	86,11,000	..	86,11,000
79	Ministry of Steel, Mines and Heavy Engineering	13,47,000	..	13,47,000
85	Communications (including National Highways)	1,89,66,000	21,000	1,89,87,000
88	Aviation	20,00,000	..	20,00,000
90	Ministry of Works, Housing and Rehabilitation	88,000	..	88,000
91	Public Works	6,68,31,000	..	6,68,31,000
92	Stationery and Printing	1,62,30,000	..	1,62,30,000

I No. of Vote	2 Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Consoli- dated Fund	Total
		Rs.	Rs.	Rs.
93	Expenditure on Displaced Persons	1,15,89,000	..	1,15,89,000
94	Other Revenue Expenditure of the Ministry of Works, Housing and Rehabilitation	86,000	..	86,000
96	Atomic Energy Research	9,75,000	..	9,75,000
97	Department of Parliamentary Affairs	20,000	..	20,000
98	Department of Posts and Telegraphs	64,000	..	64,000
100	Posts and Telegraphs (Working Expenses)	2,98,16,000	5,000	2,98,21,000
103	Department of Supply	1,42,000	..	1,42,000
104	Supplies and Disposals	4,91,000	..	4,91,000
107	Other Revenue Expenditure of the Department of Technical Development	72,000	..	72,000
	CHARGED.—Union Public Service Commission.	..	4,45,000	4,45,000
120	Commuted Value of Pensions	46,79,000	2,02,000	48,81,000
122	Capital Outlay on Grants to State and Union territory Governments for Development	1,07,26,000	..	1,07,26,000
123	Loans and Advances by the Central Government	34,00,00,000	85,00,00,000	1,19,00,00,000
	CHARGED.—Repayment of Debt	..	2,24,18,00,000	2,24,18,00,000
125	Purchase of Food Grains	86,81,00,000	..	86,81,00,000
126	Other Capital Outlay of the Ministry of Food and Agriculture	4,20,00,000	66,000	4,20,66,000
130	Capital Outlay of the Ministry of Information and Broadcasting	..	1,60,000	1,60,000

I No. Vote	2 Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Consoli- dated Fund	Total
		Rs.	Rs.	Rs.
132	Capital Outlay on Multipurpose River Schemes	6,67,00,000	..	6,67,00,000
133	Other Capital Outlay of the Ministry of Irrigation and Power . . . . .	..	9,000	9,000
135	Capital Outlay of the Ministry of Petroleum and Chemicals	1,000	..	1,000
136	Capital Outlay of the Ministry of Steel, Mines and Heavy Engineering	1,000	..	1,000
137	Capital Outlay on Roads	2,57,05,000	1,000	2,57,06,000
138	Capital Outlay on Ports	60,75,000	..	60,75,000
140	Other Capital Outlay of the Ministry of Transport	3,000	..	3,000
141	Capital Outlay on Public Works	1,50,00,000	..	1,50,00,000
142	Delhi Capital Outlay . . . . .	..	15,00,000	15,00,000
145	Capital Outlay on Posts and Telegraphs (Not Met from Revenue)	5,10,00,000	..	5,10,00,000
146	Other Capital Outlay of the Department of Posts and Telegraphs . . . . .	..	1,000	1,000
	TOTAL	1,65,48,86,000	3,09,51,88,000	4,75,00,74,000

THE APPROPRIATION (RAILWAYS) ACT, 1965

No. 3 of 1965

[26th March, 1965]

An Act to authorise payment and appropriation of certain sums from and out of the Consolidated Fund of India for the service of the financial year 1965-66 for the purposes of Railways.

Be it enacted by Parliament in the Sixteenth Year of the Republic of India as follows:—

1. This Act may be called the Appropriation (Railways) Act, 1965. Short title.

2. From and out of the Consolidated Fund of India there may be paid and applied sums not exceeding those specified in column 3 of the Schedule amounting in the aggregate to the sum of one thousand, three hundred and sixty-four crores, forty-seven lakhs and eighty-seven thousand rupees towards defraying the several charges which will come in course of payment during the financial year 1965-66, in respect of the services relating to Railways specified in column 2 of the Schedule.

Issue of Rs. 1,364,47,87,000 out of the Consolidated Fund of India for the financial year 1965-66.

3. The sums authorised to be paid and applied from and out of the Consolidated Fund of India by this Act shall be appropriated for the services and purposes expressed in the Schedule in relation to the said year.

Appropriation.

THE SCHEDULE

(See sections 2 and 3)

1 No. of Vote	2 Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Con- solidated Fund	Total
		Rs.	Rs.	Rs.
1	Railway Board	1,18,64,000	..	1,18,64,000
2	Miscellaneous Expenditure	3,63,63,000	3,00,000	3,66,63,000
3	Payments to Worked Lines and Others	34,13,000	..	34,13,000
4	Working Expenses—Adminis- tration	52,68,93,000	1,00,000	52,69,93,000
5	Working Expenses—Repairs and Maintenance	167,73,90,000	1,00,000	167,74,90,000
6	Working Expenses—Operating Staff	106,78,34,000	1,00,000	106,79,34,000
7	Working Expenses—Operation (Fuel)	107,76,66,000	1,00,000	107,77,66,000
8	Working Expenses—Operation Other than Staff and Fuel	32,00,17,000	84,06,000	32,84,23,000
9	Working Expenses—Miscella- neous Expenses	29,97,17,000	7,88,000	30,05,05,000
10	Working Expenses—Labour Welfare	20,17,16,000	..	20,17,16,000
11	Working Expenses—Appropri- ation to Depreciation Reserve Fund	85,00,00,000	..	85,00,00,000
11-A	Working Expenses—Appropri- ation to Pension Fund	12,10,00,000	..	12,10,00,000
12	Payments to General Revenues	115,90,17,000	..	115,90,17,000
13	Open Line Works (Revenue)	11,00,00,000	..	11,00,00,000
14	Construction of New Lines	65,82,32,000	..	65,82,32,000
15	Open Line Works—Capital, De- preciation Reserve Fund and Development Fund	519,01,64,000	..	519,01,64,000
16	Pensionary Charges—Pension Fund	3,12,40,000	..	3,12,40,000

1	2	3		
No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Con- solidated Fund	Total
		Rs.	Rs.	Rs.
18	Appropriation to: Development Fund	29,23,67,000	..	29,23,67,000
	TOTAL	1,363,48,93,000	98,94,000	1,364,47,87,000

THE APPROPRIATION (RAILWAYS) No. 2 ACT, 1965

No. 4 OF 1965

[26th March, 1965]

An Act to authorise payment and appropriation of certain further sums from and out of the Consolidated Fund of India for the service of the financial year 1964-65 for the purposes of Railways.

BE it enacted by Parliament in the Sixteenth Year of the Republic of India as follows:—

Short title. 1. This Act may be called the Appropriation (Railways) No. 2 Act, 1965.

Issue of
Rs. 25,16,
48,000 out
of the
Consoli-
dated
Fund of
India for
the finan-
cial year
1964-65.

2. From and out of the Consolidated Fund of India there may be paid and applied sums not exceeding those specified in column 3 of the Schedule amounting in the aggregate to the sum of twenty-five crores, sixteen lakhs and forty-eight thousand rupees towards defraying the several charges which will come in course of payment during the financial year 1964-65, in respect of the services relating to Railways specified in column 2 of the Schedule.

Appropriation.

3. The sums authorised to be paid and applied from and out of the Consolidated Fund of India by this Act shall be appropriated for the services and purposes expressed in the Schedule in relation to the said year.

THE SCHEDULE

(See sections 2 and 3)

I No. of Vote	2 Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Consoli- dated Fund	Total
		Rs.	Rs.	Rs.
1	Railway Board	2,00,000	..	2,00,000
4	Working Expenses—Administra- tion	2,03,70,000	..	2,03,70,000
5	Working Expenses—Repairs and Maintenance	7,63,90,000	..	7,63,90,000
6	Working Expenses—Operating Staff	6,96,19,000	2,50,000	6,98,69,000
7	Working Expenses—Operation (Fuel)	31,81,000	..	31,81,000
8	Working Expenses—Operation Other than Staff and Fuel	42,78,000	..	42,78,000
10	Working Expenses—Labour Welfare	1,32,57,000	..	1,32,57,000
12	Payments to General Revenues	1,28,99,000	..	1,28,99,000
15	Open Line Works—Additions and Replacements	5,05,26,000	6,62,000	5,11,88,000
16	Open Line Works—Development Fund . . . . .	..	16,000	16,000
	TOTAL	25,07,20,000	9,28,000	25,16,48,000

THE APPROPRIATION (VOTE ON ACCOUNT) ACT, 1965

No. 5 OF 1965

[29th March, 1965]

An Act to provide for the withdrawal of certain sums from and out of the Consolidated Fund of India for the services of a part of the financial year 1965-66.

BE it enacted by Parliament in the Sixteenth Year of the Republic of India as follows:—

Short title. 1. This Act may be called the Appropriation (Vote on Account) Act, 1965.

Withdrawal of Rs. 19,37,07,24,000 from and out of the Consolidated Fund of India for the financial year 1965-66.

2. From and out of the Consolidated Fund of India there may be withdrawn sums not exceeding those specified in column 3 of the Schedule amounting in the aggregate to the sum of one thousand nine hundred and thirty-seven crores, seven lakhs and twenty-four thousand rupees towards defraying the several charges which will come in course of payment during the financial year 1965-66.

Appropriation. 3. The sums authorised to be withdrawn from and out of the Consolidated Fund by this Act shall be appropriated for the services and purposes expressed in the Schedule in relation to the said year.

THE SCHEDULE

(See sections 2 and 3)

1 No. of Vote	2 Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Consoli- dated Fund	Total
		Rs.	Rs.	Rs.
1	Ministry of Civil Aviation	2,38,000	..	2,38,000
2	Meteorology	50,15,000	..	50,15,000
3	Aviation	1,13,33,000	..	1,13,33,000
4	Other Revenue Expenditure of the Ministry of Civil Avia- tion	1,35,000	..	1,35,000
5	Ministry of Commerce	6,68,000	..	6,68,000
6	Foreign Trade	1,81,60,000	1,000	1,81,61,000
7	Other Revenue Expenditure of the Ministry of Commerce	81,86,000	..	81,86,000
8	Ministry of Community De- velopment and Co-operation	5,44,000	..	5,44,000
9	Community Development Pro- jects, National Extension Service and Co-opera- tion	84,59,000	..	84,59,000
10	Ministry of Defence	11,38,000	..	11,38,000
11	Defence Services—Effective— Army	97,79,55,000	1,67,000	97,81,22,000
12	Defence Services—Effective— Navy	4,18,46,000	8,000	4,18,54,000
13	Defence Services—Effective— Air Force	26,23,00,000	17,000	26,23,17,000
14	Defence Services—Non-Effec- tive	3,57,85,000	..	3,57,85,000
15	Ministry of Education	15,21,000	..	15,21,000
16	Education	7,45,17,000	..	7,45,17,000

1 No. of Vote	2 Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Consoli- dated Fund	Total
		Rs.	Rs.	Rs.
17	Archaeology	20,33,000	..	20,33,000
18	Survey of India	71,76,000	..	71,76,000
19	Botanical Survey	5,51,000	..	5,51,000
20	Zoological Survey	4,84,000	..	4,84,000
21	Other Revenue Expenditure of the Ministry of Education	1,79,50,000	..	1,79,50,000
22	Tribal Areas	2,69,61,000	..	2,69,61,000
23	External Affairs	3,13,87,000	..	3,13,87,000
24	Other Revenue Expenditure of the Ministry of External Affairs	1,44,23,000	..	1,44,23,000
25	Ministry of Finance	41,02,000	..	41,02,000
26	Customs	83,58,000	9,000	83,67,000
27	Union Excise Duties	2,07,39,000	9,000	2,07,48,000
28	Taxes on Income including Corporation Tax, etc.	1,57,41,000	27,000	1,57,68,000
29	Stamps	59,17,000	..	59,17,000
30	Audit	2,66,89,000	4,72,000	2,71,61,000
31	Currency and Coinage	1,50,32,000	..	1,50,32,000
32	Mint	48,11,000	..	48,11,000
33	Kolar Gold Mines	78,67,000	..	78,67,000
34	Pensions and Other Retirement Benefits	1,47,14,000	4,23,000	1,51,37,000
35	Territorial and Political Pen- sions	3,64,000	..	3,64,000
36	Opium	2,51,64,000	..	2,51,64,000
37	Other Revenue Expenditure of the Ministry of Finance	11,84,82,000	..	11,84,82,000

1 No. of Vote	2 Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Conso- lidated Fund	Total
		Rs.	Rs.	Rs.
38	Planning Commission	25,58,000	..	25,58,000
39	Grants-in-aid to State and Union territory Govern- ments	42,71,30,000	19,21,25,000	61,92,55,000
40	Miscellaneous Adjustments bet- ween the Central and State and Union territory Govern- ments	6,82,000	..	6,82,000
41	Pre-partition Payments	55,000	1,39,000	1,94,000
	CHARGED.—Interest on Debt and Other Obligations and Reduc- tion or Avoidance of Debt . . . . .	..	58,52,41,000	58,52,41,000
	CHARGED.—Payments of States' Share of Union Excise Du- ties . . . . .	..	11,73,73,000	11,73,73,000
42	Ministry of Food and Agricul- ture	16,08,000	..	16,08,000
43	Agriculture	69,62,000	..	69,62,000
44	Agricultural Research	1,08,66,000	..	1,08,66,000
45	Animal Husbandry	21,49,000	..	21,49,000
46	Forest	24,35,000	..	24,35,000
47	Other Revenue Expenditure of the Ministry of Food and Agriculture	5,87,43,000	3,20,000	5,90,63,000
48	Ministry of Health	4,20,000	..	4,20,000
49	Medical and Public Health	2,69,02,000	..	2,69,02,000
50	Other Revenue Expenditure of the Ministry of Health	16,79,000	..	16,79,000
51	Ministry of Home Affairs	80,87,000	..	80,87,000
52	Cabinet	8,80,000	..	8,80,000
53	Zonal Councils	22,000	..	22,000
54	Administration of Justice	54,000	3,67,000	4,21,000

1 No. of Vote	2 Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Conso- lidated Fund	Total
		Rs.	Rs.	Rs.
55	Police	3,00,03,000	..	3,00,03,000
56	Census	23,01,000	..	23,01,000
57	Statistics	44,07,000	..	44,07,000
58	Privy Purses and Allowances of Indian Rulers	28,000	1,26,92,000	1,27,20,000
59	Delhi	3,95,69,000	6,000	3,95,75,000
60	Andaman and Nicobar Is- lands	62,48,000	..	62,48,000
61	Dadra and Nagar Haveli Area	4,24,000	..	4,24,000
62	Laccadive, Minicoy and Admin- divi Islands	9,64,000	..	9,64,000
63	Other Revenue Expenditure of the Ministry of Home Affairs	58,54,000	..	58,54,000
64	Ministry of Industry and Supply	17,43,000	..	17,43,000
65	Industries	81,28,000	1,33,000	82,61,000
66	Salt	10,15,000	..	10,15,000
67	Supplies and Disposals	62,69,000	..	62,69,000
68	Other Revenue Expenditure of the Ministry of Industry and Supply	7,50,000	..	7,50,000
69	Ministry of Information and Broadcasting	2,96,000	..	2,96,000
70	Broadcasting	1,07,75,000	..	1,07,75,000
71	Other Revenue Expenditure of the Ministry of Infor- mation and Broadcasting	82,46,000	..	82,46,000
72	Ministry of Irrigation and Power	5,09,000	..	5,09,000
73	Multi-purpose River Schemes	35,06,000	..	35,06,000

I No. of Vote	2 Services and purposes	3		
		Sums not exceeding		
		Voted by Parliament	Charged on the Conso- lidated Fund	Total
		Rs.	Rs.	Rs.
74	Other Revenue Expenditure of the Ministry of Irrigation and Power	1,56,95,000	..	1,56,95,000
75	Ministry of Labour and Employment	5,00,000	..	5,00,000
76	Chief Inspector of Mines	6,82,000	..	6,82,000
77	Labour and Employment	2,24,87,000	2,000	2,24,89,000
78	Other Revenue Expenditure of the Ministry of Labour and Employment	1,66,000	..	1,66,000
79	Ministry of Law	8,35,000	..	8,35,000
80	Elections	17,10,000	..	17,10,000
81	Other Revenue Expenditure of the Ministry of Law	33,000	..	33,000
82	Ministry of Petroleum and Chemicals	3,03,000	..	3,03,000
83	Other Revenue Expenditure of the Ministry of Petroleum and Chemicals	1,13,11,000	..	1,13,11,000
84	Ministry of Rehabilitation	6,44,000	..	6,44,000
85	Expenditure on Displaced Persons	1,86,17,000	14,000	1,86,31,000
86	Ministry of Steel and Mines	9,06,000	..	9,06,000
87	Geological Survey	64,56,000	..	64,56,000
88	Other Revenue Expenditure of the Ministry of Steel and Mines	3,48,25,000	..	3,48,25,000
89	Ministry of Transport	19,11,000	..	19,11,000
90	Central Road Fund	73,52,000	..	73,52,000
91	Communications (including National Highways)	1,89,85,000	..	1,89,85,000
92	Mercantile Marine	25,38,000	..	25,38,000
93	Lighthouses and Lightships	19,43,000	..	19,43,000

I No. of Vote	2 Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Consoli- dated Fund	Total
		Rs.	Rs.	Rs.
94	Other Revenue Expenditure of the Ministry of Transport	50,13,000	..	50,13,000
95	Ministry of Works and Housing	4,26,000	..	4,26,000
96	Public Works	6,46,49,000	5,33,000	6,51,82,000
97	Stationery and Printing	2,40,39,000	..	2,40,39,000
98	Other Revenue Expenditure of the Ministry of Works and Housing	17,70,000	..	17,70,000
99	Department of Atomic Energy	4,53,000	..	4,53,000
100	Atomic Energy Research	1,87,67,000	..	1,87,67,000
101	Department of Communications	1,97,000	..	1,97,000
102	Overseas Communications Service	28,89,000	..	28,89,000
103	Posts and Telegraphs (Working Expenses)	23,39,04,000	5,000	23,39,09,000
104	Posts and Telegraphs Dividend to General Revenues and Appropriations to Reserve Funds	1,72,59,000	..	1,72,59,000
105	Other Revenue Expenditure of the Department of Communications	4,53,000	..	4,53,000
106	Department of Parliamentary Affairs	76,000	..	76,000
107	Department of Social Security	2,72,000	..	2,72,000
108	Other Revenue Expenditure of the Department of Social Security	3,28,19,000	..	3,28,19,000
109	Lok Sabha	20,97,000	12,000	21,09,000
110	Other Revenue Expenditure of Lok Sabha	43,000	..	43,000
111	Rajya Sabha	9,33,000	12,000	9,45,000
	CHARGED.—Staff, Household and Allowances of the President . . . . .	..	5,14,000	5,14,000
112	Secretariat of the Vice-President	40,000	..	40,000

1 No. of Vote	2 Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Consol- idated Fund	Total
		Rs.	Rs.	Rs.
	CHARGED.— <i>Union Public Service Commission</i> . . . . .	..	10,21,000	10,21,000
113	Capital Outlay on Civil Aviation	1,04,01,000	4,000	1,04,05,000
114	Other Capital Outlay of the Ministry of Civil Aviation	1,000	..	1,000
115	Capital Outlay of the Ministry of Commerce	13,22,000	..	13,22,000
116	Capital Outlay of the Ministry of Community Development and Co-operation	1,83,000	..	1,83,000
117	Defence Capital Outlay	21,75,83,000	1,67,000	21,77,50,000
118	Capital Outlay of the Ministry of Education	1,00,93,000	..	1,00,93,000
119	Capital Outlay of the Ministry of External Affairs	25,00,000	..	25,00,000
120	Capital Outlay on the India Security Press	1,29,000	..	1,29,000
121	Capital Outlay on Currency and Coinage	1,19,65,000	..	1,19,65,000
122	Capital Outlay on Mints	2,16,000	..	2,16,000
123	Capital Outlay on Kolar Gold Mines	12,42,000	..	12,42,000
124	Commuted Value of Pensions	27,16,000	24,000	27,40,000
125	Other Capital Outlay of the Ministry of Finance	14,05,33,000	..	14,05,33,000
126	Capital Outlay on Grants to State and Union territory Governments for Development	8,52,08,000	..	8,52,08,000
127	Loans and Advances by the Central Government	71,74,68,000	1,25,56,88,000	1,97,31,56,000
	CHARGED.— <i>Repayment of Debt</i> . . . . .	..	10,94,89,00,000	10,94,89,00,000

1 No. of Vote	2 Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Conso- lidated Fund	Total
		Rs.	Rs.	Rs.
128	Capital Outlay on Forests	31,000	..	31,000
129	Purchase of Foodgrains	1,15,24,00,000	4,000	1,15,24,04,000
130	Other Capital Outlay of the Ministry of Food and Agri- culture	20,45,95,000	18,000	20,46,13,000
131	Capital Outlay of the Ministry of Health	1,64,27,000	..	1,64,27,000
132	Capital Outlay of the Ministry of Home Affairs	14,54,000	..	14,54,000
133	Capital Outlay of the Ministry of Industry and Supply	10,81,92,000	..	10,81,92,000
134	Capital Outlay of the Ministry of Information and Broad- casting	31,68,000	2,000	31 70,000
135	Capital Outlay on Multipurpose River Schemes	4,25,51,000	..	4,25,51,000
136	Other Capital Outlay of the Ministry of Irrigation and Power	1,71,35,000	..	1,71,35,000
137	Capital Outlay of the Ministry of Labour and Employment	97,000	..	97,000
138	Capital Outlay of the Ministry of Petroleum and Chemicals	5,32,28,000	..	5,32,28,000
139	Capital Outlay of the Ministry of Rehabilitation	1,83,84,000	3,000	1,83,87,000
140	Capital Outlay of the Ministry of Steel and Mines	4,55,31,000	..	4,55,31,000
141	Capital Outlay on Roads	11,07,38,000	..	11,07,38,000
142	Capital Outlay on Ports	1,50,05,000	..	1,50,05,000
143	Other Capital Outlay of the Ministry of Transport	63,55,000	..	63,55,000
144	Capital Outlay on Public Works	2,16,05,000	83,000	2,16,88,000
145	Delhi Capital Outlay	3,39,07,000	7,09,000	3,46,16,000
146	Other Capital Outlay of the Ministry of Works and Hous- ing	23,37,000	..	23,37,000

1	2	3		
No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
147	Capital Outlay of the Department of Atomic Energy	5,50,00,000	..	5,50,00,000
148	Capital Outlay on Posts and Telegraphs (Not Met from Revenue)	9,01,83,000	..	9,01,83,000
149	Other Capital Outlay of the Department of Communications	5,86,000	1,000	5,87,000
	GRAND TOTAL	6,25,34,79,000	13,11,72,45,000	19,37,07,24,000

Rep. by Act No. 56 of 1974, S. 2 & Sch. I.

THE INDUSTRIES (DEVELOPMENT AND REGULATION) AMENDMENT ACT, 1965

No. 6 OF 1965

[29th March, 1965]

An Act further to amend the Industries (Development and Regulation) Act, 1951.

BE it enacted by Parliament in the Sixteenth Year of the Republic of India as follows:—

Short title. 1. This Act may be called the Industries (Development and Regulation) Amendment Act, 1965.

Amendment of section 18A. 2. In section 18A of the Industries (Development and Regulation) Act, 1951, for the proviso to sub-section (2), the following proviso 65 of 1951 shall be substituted, namely:—

“Provided that if the Central Government is of opinion that it is expedient in the public interest that any such notified order should continue to have effect after the expiry of the period of five years aforesaid, it may from time to time issue directions for such continuance for such period, not exceeding two years at a time, as may be specified in the direction, so however that the total period of such continuance (after the expiry of the said period of five years) does not exceed ten years; and where any such direction is issued, a copy thereof shall be laid, as soon as may be, before both Houses of Parliament.”

THE KERALA APPROPRIATION ACT, 1965

No. 7 OF 1965

[31st March, 1965]

An Act to authorise payment and appropriation of certain further sums from and out of the Consolidated Fund of the State of Kerala for the services of the financial year 1964-65.

BE it enacted by Parliament in the Sixteenth Year of the Republic of India as follows:—

1. This Act may be called the Kerala Appropriation Act, 1965. Short title.
2. From and out of the Consolidated Fund of the State of Kerala there may be paid and applied sums not exceeding those specified in column 3 of the Schedule amounting in the aggregate to the sum of twenty-two crores, forty-nine lakhs, sixty-six thousand and four hundred rupees towards defraying the several charges which will come in course of payment during the financial year 1964-65, in respect of the services specified in column 2 of the Schedule. Issue of Rs. 22,49,66,400 from and out of the Consolidated Fund of the State of Kerala for the financial year 1964-65.
3. The sums authorised to be paid and applied from and out of the Consolidated Fund of the State of Kerala by this Act shall be appropriated for the services and purposes expressed in the Schedule in relation to the said year. Appropriation.

THE SCHEDULE

(See sections 2 and 3)

I No. of Vote	2 Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Conso- lidated Fund	Total
		Rs.	Rs.	Rs.
I	Agricultural Income-tax and Sales Tax	1,67,500	..	1,67,500
IV	Taxes on Vehicles	44,000	..	44,000
V	Stamps	5,100	..	5,100
VI	Registration Fees	11,400	..	11,400
	<i>Debt Charges</i> . . . . .	..	17,00,000	17,00,000
IX	Heads of States, Ministers and Head- quarter's Staff	1,77,000	79,100	2,56,100
X	District Administration and Miscella- neous	3,11,600	..	3,11,600
XII	Jails	4,72,000	..	4,72,000
XIII	Police	10,00,000	..	10,00,000
XIV	State Insurance and Miscellaneous	48,700	..	48,700
XVI	University Education	3,20,000	..	3,20,000
XVII	General Education	1,41,88,000	75,000	1,42,63,000
XIX	Medical . . . . .	..	5,700	5,700
XXI	Public Health Engineering	100	..	100
XXII	Agriculture	400	..	400
XXIII	Fisheries	17,11,900	..	17,11,900
XXV	Animal Husbandry	27,000	..	27,000
XXVIII	Community Development Projects, National Extension Service and Local Development Works	100	..	100
XXX	Harijan Welfare	3,00,000	..	3,00,000
XXXI	Statistics and Miscellaneous	100	..	100
XXXII	Irrigation	18,28,500	15,500	18,44,000
XXXIII	Public Works	100	..	100
XXXIV	Ports	86,300	..	86,300

I	2	3		
No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
XXXV	Transport Schemes	43,67,800	..	43,67,800
XXXVII	Pensions	40,07,800	68,300	40,76,100
XL	Miscellaneous	2,00,000	17,300	2,17,300
XLIII	Capital Outlay on Public Health	100	..	100
XLIV	Capital Outlay on Agricultural Improvement . . . . .	..	15,700	15,700
XLVI	Capital Outlay on Irrigation . . . . .	..	24,100	24,100
XLVII	Capital Outlay on Public Works	300	1,54,300	1,54,600
L	Capital Outlay on Transport Schemes	2,500	26,000	28,500
LI	Capital Outlay on Forests	7,93,200	..	7,93,200
LII	Commuted Value of Pensions	1,00,000	..	1,00,000
LIII	Capital Outlay on Schemes of Government Trading	19,25,73,800	40,100	19,26,13,900
	TOTAL	22,27,45,300	22,21,100	22,49,66,400

THE KERALA APPROPRIATION (VOTE ON ACCOUNT)
ACT, 1965

No. 8 OF 1965

[31st March, 1965]

An Act to provide for the withdrawal of certain sums from and out of the Consolidated Fund of the State of Kerala for the services of a part of the financial year 1965-66.

BE it enacted by Parliament in the Sixteenth Year of the Republic of India as follows:—

Short
title.

1. This Act may be called the Kerala Appropriation (Vote on Account) Act, 1965.

Withdrawal
of Rs.
46,39,96,000
from and
out of the
Consolidated
Fund of
the State of
Kerala for
the financial
year
1965-66.

2. From and out of the Consolidated Fund of the State of Kerala there may be withdrawn sums not exceeding those specified in column 3 of the Schedule amounting in the aggregate to the sum of forty-six crores, thirty-nine lakhs and ninety-six thousand rupees towards defraying the several charges which will come in course of payment during the financial year 1965-66.

Appropriation.

3. The sums authorised to be withdrawn from and out of the Consolidated Fund of the State by this Act shall be appropriated for the services and purposes expressed in the Schedule in relation to the said year.

THE SCHEDULE

(See sections 2 and 3)

I No. of Vote	2 Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Consoli- dated Fund	Total
		Rs.	Rs.	Rs.
	A.—REVENUE ACCOUNT			
I	Agricultural Income-tax and Sales Tax	7,44,000	3,000	7,47,000
II	Land Revenue	22,20,000	..	22,20,000
III	Excise	4,84,000	2,000	4,86,000
IV	Taxes on Vehicles	1,65,000	..	1,65,000
V	Stamps	2,24,000	..	2,24,000
VI	Registration Fees	6,57,000	..	6,57,000
	Debt Charges . . . . .	..	1,20,15,000	1,20,15,000
VII	State Legislature	1,53,000	4,000	1,57,000
VIII	Elections	1,56,000	..	1,56,000
IX	Heads of States, Ministers and Head- quarter's Staff	13,03,000	2,10,000	15,13,000
X	District Administration and Mis- cellaneous	16,65,000	6,000	16,71,000
XI	Administration of Justice	17,49,000	2,14,000	19,63,000
XII	Jails	9,16,000	..	9,16,000
XIII	Police	81,44,000	1,000	81,45,000
XIV	State Insurance and Miscellaneous	3,45,000	..	3,45,000
XV	Scientific Departments	1,69,000	..	1,69,000
XVI	University Education	33,54,000	..	33,54,000
XVII	General Education	4,13,85,000	36,000	4,14,21,000
XVIII	Technical Education	21,20,000	..	21,20,000
XIX	Medical	98,00,000	1,000	98,01,000
XX	Public Health	39,74,000	..	39,74,000
XXI	Public Health Engineering	17,54,000	..	17,54,000
XXII	Agriculture	46,37,000	..	46,37,000
XXIII	Fisheries	24,12,000	..	24,12,000

I	2	3		
		Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
XXIV	Rural Development	9,20,000	..	9,20,000
XXV	Animal Husbandry	18,91,000	1,000	18,92,000
XXVI	Co-operation	12,53,000	..	12,53,000
XXVII	Industries	16,40,000	..	16,40,000
XXVIII	Community Development Projects, National Extension Service, and Local Development Works	49,10,000	..	49,10,000
XXIX	Labour and Employment	14,72,000	..	14,72,000
XXX	Harijan Welfare	29,06,000	10,000	29,16,000
XXXI	Statistics and Miscellaneous	8,42,000	..	8,42,000
XXXII	Irrigation	49,66,000	1,000	49,67,000
XXXIII	Public Works	1,56,53,000	20,000	1,56,73,000
XXXIV	Ports	1,25,000	..	1,25,000
XXXV	Transport Schemes	98,34,000	1,000	98,35,000
XXXVI	Famine	3,37,000	..	3,37,000
XXXVII	Pensions	49,73,000	51,000	50,24,000
XXXVIII	Stationery and Printing	13,43,000	..	13,43,000
XXXIX	Forest	23,51,000	1,000	23,52,000
XL	Miscellaneous	9,83,000	8,04,000	17,87,000
XLI	Miscellaneous Compensations and Assignments	2,74,000	17,000	2,91,000
XLII	National Emergency	8,000	..	8,000
	TOTAL—A	14,52,11,000	1,33,98,000	15,86,09,000
	B.—CAPITAL EXPENDITURE OUTSIDE THE REVENUE ACCOUNT.			
XLIII	Capital Outlay on Public Health	18,65,000	..	18,65,000
XLIV	Capital Outlay on Agricultural Im- provement	1,17,000	2,000	1,19,000
XLV	Capital Outlay on Industrial and Economic Development	57,11,000	3,000	57,14,000
XLVI	Capital Outlay on Irrigation	55,45,000	..	55,45,000

I No. of Vote	2 Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Consoli- dated Fund	Total
		Rs.	Rs.	Rs.
XLVII	Capital Outlay on Public Works . . .	96,16,000	19,000	96,35,000
XLVIII	Capital Outlay on Other Works . . .	6,65,000	..	6,65,000
XLIX	Capital Outlay on Ports . . .	13,35,000	..	13,35,000
L	Capital Outlay on Transport Schemes . . .	75,000	3,000	78,000
LI	Capital Outlay on Forests . . .	6,93,000	..	6,93,000
LII	Commuted Value of Pensions . . .	42,000	..	42,000
LIII	Capital Outlay on Schemes of Go- vernment Trading . . .	13,85,35,000	1,000	13,85,36,000
	TOTAL—B . . .	16,41,99,000	28,000	16,42,27,000
	C.—DISBURSEMENT OF LOANS AND ADVANCES AND REPAYMENT OF DEBT.			
LV	Loans and Advances by the Govern- ment . . .	2,98,58,000	..	2,98,58,000
	Public Debt Repayment . . .	..	11,13,02,000	11,13,02,000
	TOTAL—C . . .	2,98,58,000	11,13,02,000	14,11,60,000
	GRAND TOTAL . . .	33,92,68,000	12,47,28,000	46,39,96,000

Rep. by Act.....56.....of 1974, S. 2 & Sch. I.

THE ARMED FORCES (SPECIAL POWERS)
CONTINUANCE ACT, 1965

No. 9 OF 1965

[1st April, 1965]

An Act to continue the Armed Forces (Special Powers) Regulation, 1958 for a further period.

BE it enacted by Parliament in the Sixteenth Year of the Republic of India as follows:—

Short title. 1. This Act may be called the Armed Forces (Special Powers) Continuance Act, 1965.

Amendment of section 1 of Regulation 2 of 1958. 2. In the Armed Forces (Special Powers) Regulation, 1958, in section 1, in sub-section (4), for the words "seven years", the words "eight years" shall be substituted.

THE FINANCE ACT, 1965

No. 10 of 1965

[11th May, 1965]

An Act to give effect to the financial proposals of the Central Government for the financial year 1965-66.

BE it enacted by Parliament in the Sixteenth Year of the Republic of India as follows:—

1. (1) This Act may be called the Finance Act, 1965.

Short title
and com-
mencement.

(2) Save as otherwise provided in this Act, sections 3 to 67 and 69 to 74 shall be deemed to have come into force on the 1st day of April, 1965, and section 68 shall be deemed to have come into force on the 1st day of March, 1965.

2. (1) Subject to the provisions of sub-sections (2), (3), (4) and (5), for the assessment year commencing on the 1st day of April, 1965, income-tax shall be charged at the rates specified in Part I of the First Schedule and, in the cases to which Paragraphs A, B, C and D of that Part apply, shall be increased by a surcharge for purposes of the Union calculated in either case in the manner provided therein.

Income-
tax.

(2) In making any assessment for the assessment year commencing on the 1st day of April, 1965, where the total income of an assessee, not being a company, includes any income chargeable under the head "Salaries", the income-tax payable by the assessee on that part of his total income which consists of such inclusion shall be an amount bearing to the total amount of income-tax and super-tax payable according to the rates applicable under the operation of the Finance Act, 1964, on his total income the same proportion as the amount of such inclusion bears to his total income.

5 of 1964.

(3) In making any assessment for the assessment year commencing on the 1st day of April, 1965, where the total income of a company, other than the Life Insurance Corporation of India established under the Life Insurance Corporation Act, 1956, includes any profits and gains from life insurance business, the income-tax payable by it shall be the aggregate of the income-tax calculated—

(i) on the amount of profits and gains from life insurance business so included, at the rate applicable to the Life Insurance Corporation of India in accordance with Paragraph E of Part I of the First Schedule; and

(ii) on the remaining part of its total income, at the rate applicable to the company on its total income.

(4) In cases to which Chapter XII of the Income-tax Act, 1961 (hereinafter referred to as the Income-tax Act) applies, the tax chargeable shall be determined as provided in that Chapter, and with reference to the rates imposed by sub-section (1) or the rates as specified in that Chapter, as the case may be.

(5) (a) In respect of any assessment for the assessment year commencing on the 1st day of April, 1965—

(i) an assessee being an Indian company or any other company which has made the prescribed arrangements for the declaration and payment of dividends within India or an assessee (other than a company) whose total income includes any profits and gains derived from the export of any goods or merchandise out of India, shall be entitled to a deduction, from the amount of income-tax with which he is chargeable, of an amount equal to the income-tax calculated at one-tenth of the average rate of income-tax on the amount of such profits and gains included in the total income;

(ii) where an assessee of the type referred to in sub-clause (i) engaged in the manufacture of any articles in an industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951, has during the previous year exported such articles out of India, he shall be entitled, in addition to the deduction of income-tax referred to in sub-clause (i), to a further deduction, from the amount of income-tax with which he is chargeable for the assessment year, of an amount equal to the income-tax calculated at the average rate of income-tax on an amount equal to two per cent. of the sale proceeds receivable by him in respect of such export;

(iii) where an assessee of the type referred to in sub-clause (i) engaged in the manufacture of any articles in an industry specified in the said First Schedule has, during the previous year, sold such articles to any other person in India who himself has exported them out of India and evidence is produced before the Income-tax Officer of such articles having been so exported, the assessee shall be entitled to a deduction, from the amount of income-tax with which he is chargeable for the assessment year, of an amount equal to the income-tax calculated at the average rate of income-tax on a sum equal to two per cent. of the sale proceeds receivable by him in respect of such articles from the exporter.

(b) The total of the deductions under this sub-section shall in no case exceed the amount of income-tax otherwise payable by the assessee.

(c) Nothing contained in sub-clause (ii) and sub-clause (iii) of clause (a) shall apply, —

(i) in relation to—

- (1) fuels,
- (2) fertilisers,
- (3) photographic raw film and paper,
- (4) textiles (including those dyed, printed or otherwise processed) made wholly or in part of jute, including jute twine and rope,
- (5) newsprint,
- (6) pulp—wood pulp, mechanical, chemical, including dissolving pulp,
- (7) sugar,
- (8) vegetable oils and vanaspathi,
- (9) cement and gypsum products,
- (10) arms and ammunition, and
- (11) cigarettes,

respectively specified in items 2, 18, 20, 23(2), 24(2), 24(5), 25; 28, 35, 37 and 38 of the First Schedule to the Industries (Development and Regulation) Act, 1951; or

65 of 1951.

(ii) in relation to textiles specified in items 23(1), 23(3), 23(4) and 23(5) of that Schedule where such textiles have been exported before the 1st day of March, 1964.

(d) The amount of any profits and gains derived from the export of any goods or merchandise out of India in respect of which deduction of income-tax is admissible under sub-clause (i) of clause (a) shall be computed in accordance with the rules made by the Central Board of Direct Taxes in this behalf.

(6) In cases in which tax has to be deducted under sections 193 to 195 of the Income-tax Act at the rates in force, the deduction shall be made at the rates specified in Part II of the First Schedule.

(7) For the purposes of this section, and of the rates of income-tax imposed thereby, and of section 3—

(i) the expressions "assessment year", "average rate of income-tax", "non-resident", "partner", and "total income" have, unless the context otherwise requires, the meanings respectively assigned to them under clauses (9), (10), (30), (23) and (45) of ~~section 183 of the said Act~~ *Section 2 of the Income-tax Act,*

(ii) the expression "earned income" means any income of an assessee who is an individual, Hindu undivided family, unregistered firm or other association of persons or body of individuals, whether incorporated or not, not being a company, a local authority, a registered firm or a firm assessed under clause (b) of section 183 of the said Act—

(a) which is chargeable under the head "Salaries"; or

(b) which is chargeable under the head "Profits and gains of business or profession" where the business or profession is carried on by the assessee or, in the case of a firm, where the assessee is a partner actively engaged in the conduct of the business or profession; or

(c) which is chargeable under the head "Income from other sources" if it is immediately derived from personal exertion or represents a pension or superannuation or other allowance given to the assessee in respect of the past services of any deceased person, or which is chargeable under that head under clause (ia) of sub-section (2) of section 56 of the Income-tax Act; and

includes any such income which, though it is the income of another person, is included in the assessee's income under the provisions of the Income-tax Act, but does not include any such income on which income-tax is not payable under clause (iii) or clause (v) of section 86 of that Act or which is exempted from tax under a notification issued under section 60 of the Indian Income-tax Act, 1922, as continued in force by clause (l) of **11 of 1922**, sub-section (2) of section 297 of the Income-tax Act;

(iii) the expression "unearned income" means income which is not "earned income".

Annuity
deposit.

3. (1) Save as otherwise provided in Chapter XXIIA of the Income-tax Act, annuity deposit for the assessment year commencing on the 1st day of April, 1965 shall be made by every person to whom

the provisions of that Chapter apply at the rates specified in the Second Schedule.

(2) For the purposes of this section and the Second Schedule, the expressions "adjusted total income", "annuity deposit" and "depositor" have the meanings respectively assigned to them under clauses (1), (5) and (6) of section 280B of the Income-tax Act.

4. In section 2 of the Income-tax Act,—

Amend-
ment of
section 2.

(i) in clause (7), for the words "income-tax or super-tax", the words "any tax" shall be substituted;

(ii) clause (11) shall be omitted;

(iii) in clause (18),—

(i) in sub-clause (b) (i), for the words and brackets "held by, the Government or a corporation established by a Central, State or Provincial Act or the public (not being a director, or a company to which this clause does not apply)", the following shall be substituted, namely:—

"held by—

(a) the Government, or

(b) a corporation established by a Central, State or Provincial Act, or

(c) any company to which this clause applies or any subsidiary company of such company where such subsidiary company fulfils the conditions laid down in clause (b) of section 108 (hereinafter in this clause referred to as the subsidiary company), or

(d) the public (not being a director, or a company to which this clause does not apply)";

(ii) in clause (i) of *Explanation 1*, after the word "applies", the words "or the subsidiary company of such company" shall be inserted;

(iv) in clause (22), after sub-clause (i), the following sub-clause shall be inserted, namely:—

"(ia) a distribution made in accordance with sub-clause (c) or sub-clause (d) in so far as such distribution is attributable to the capitalised profits of the company representing bonus shares allotted to its equity shareholders after the 31st day of March, 1964;"

(v) in clause (30), the figures "113" shall be omitted;

(vi) for clause (43), the following clauses shall be substituted, namely:—

“(43) “tax” in relation to the assessment year commencing on the 1st day of April, 1965, and any subsequent assessment year means income-tax chargeable under the provisions of this Act, and in relation to any other assessment year income-tax and super-tax chargeable under the provisions of this Act prior to the aforesaid date;

(43A) “tax credit certificate” means a tax credit certificate granted to any person in accordance with the provisions of Chapter XXII B and any scheme made thereunder;”;

(vii) clause (46) shall be omitted.

Amend-
ment of
section 8.

5. In section 8 of the Income-tax Act,—

(i) for the words “For the purposes of inclusion in the total income of an assessee, any dividend”, the words, brackets and letter “For the purposes of inclusion in the total income of an assessee,—

(a) any dividend” shall be substituted;

(ii) the following clause shall be inserted at the end, namely:—

“(b) any interim dividend shall be deemed to be the income of the previous year in which the amount of such dividend is unconditionally made available by the company to the member who is entitled to it.”

Amend-
ment of
section 10.

6. In section 10 of the Income-tax Act,—

(i) after clause (4), the following clause shall be inserted, namely:—

“(4A) in the case of a non-resident, any income from interest on moneys standing to his credit in a non-resident account in any bank in India in accordance with the Foreign Exchange Regulation Act, 1947, and any rules made there- 7 of 1947.
under;”;

(ii) in sub-clause (vii) (a) of clause (6),—

(a) after the words “such person continues”, the words, figure and letters “with the approval of the Central Government obtained before the 1st day of October of the relevant assessment year” shall be inserted;

(b) for the words “twenty-four months”, the words “sixty months” shall be substituted;

(iii) for clause (13), the following clause shall be substituted and shall be deemed always to have been substituted, namely:—

“(13) any payment from an approved superannuation fund made—

(i) on the death of a beneficiary; or

(ii) to an employee in lieu of or in commutation of an annuity on his retirement at or after a specified age or on his becoming incapacitated prior to such retirement; or

(iii) by way of refund of contributions on the death of a beneficiary; or

(iv) by way of refund of contributions to an employee on his leaving the service in connection with which the fund is established otherwise than by retirement at or after a specified age or on his becoming incapacitated prior to such retirement, to the extent to which such payment does not exceed the contributions made prior to the commencement of this Act and any interest thereon;”;

(iv) after clause (27), the following clause shall be inserted, namely:—

“(28) in the case of any person granted a tax credit certificate, any amount adjusted or paid to him in respect of such certificate under the provisions of Chapter XXIIB and any scheme made thereunder.”.

7. In section 18 of the Income-tax Act, in clause (i) of sub-section (1), after the word “Government”, the words, figures and letters “not being interest payable under section 280D in respect of any annuity deposit made under Chapter XXIIA” shall be inserted. Amendment of section 18.

8. In section 33 of the Income-tax Act,—

(i) in sub-section (1), for clause (iii), the following clause shall be substituted, namely:— Amendment of section 33.

“(iii) in the case of machinery or plant installed after the 31st day of March, 1961—

(a) where the machinery or plant is installed after the 31st day of March, 1963 and before the 1st day of April, 1966 for the purposes of business of mining coal, thirty-five per cent. of the actual cost of the machinery or plant to the assessee,

(b) where the machinery or plant is installed before the 1st day of April, 1965 for the purposes of any other business, twenty per cent.,

(c) where the machinery or plant is installed after the 31st day of March, 1965—

(A) for the purposes of business of construction, manufacture or production of any one or more of the articles or things specified in the list in the Fifth Schedule, twenty-five per cent. of the actual cost of the machinery or plant to the assessee, and

(B) for the purposes of any other business,—

(a) twenty per cent. of the actual cost of the machinery or plant to the assessee, where it is installed before the 1st day of April, 1967; and

(b) fifteen per cent. of such cost, in any other case;”;

(ii) in sub-section (2), for the words, brackets, figures and letter “any allowance under sub-section (1) or sub-section (1A)”, wherever they occur, the words, brackets, figures and letters “any allowance under sub-section (1) or sub-section (1A) of this section or sub-section (1) of section 33A” shall be substituted;

(iii) after sub-section (5), the following sub-section shall be inserted, namely:—

“(6) Notwithstanding anything contained in the foregoing provisions of this section, no deduction by way of development rebate shall be allowed in respect of any machinery or plant installed after the 31st day of March, 1965 in any office premises or any residential accommodation, including any accommodation in the nature of a guest-house.”.

Insertion
of new
section
33A.

Develop-
ment
allowance

9. After section 33 of the Income-tax Act, the following section shall be inserted, namely:—

‘33A. (1) In respect of planting of tea bushes on any land in India owned by an assessee who carries on business of growing and manufacturing tea in India, a sum by way of development allowance equivalent to—

(i) where tea bushes have been planted on any land not planted at any time with tea bushes or on any land which had been previously abandoned, forty per cent of the actual cost of planting; and

(ii) where tea bushes are planted in replacement of tea bushes that have died or have become permanently useless on any land already planted, twenty per cent. of the actual cost of planting,

shall, subject to the provisions of this section, be allowed as a deduction in respect of the third succeeding previous year next following the previous year in which the land is prepared for planting or replanting, as the case may be:

Provided that no deduction under clause (i) shall be allowed unless the planting has commenced after the 31st day of March, 1965, and no deduction shall be allowed under clause (ii) unless the planting has commenced after the 31st day of March, 1965, and been completed before the 1st day of April, 1970.

(2) Where the total income of the assessee assessable for the assessment year relevant to the third succeeding previous year next following the previous year in which the land has been prepared [the total income for this purpose being computed after making the allowance under sub-section (1) or sub-section (1A) or clause (ii) of sub-section (2) of section 33 but without making any allowance under sub-section (1) of this section] is *nil* or is less than the full amount of the development allowance calculated at the rates specified in sub-section (1)—

(i) the sum to be allowed by way of development allowance for that assessment year under sub-section (1) shall be only such amount as is sufficient to reduce the said total income to *nil*; and

(ii) the amount of the development allowance, to the extent to which it has not been allowed as aforesaid, shall be carried forward to the following assessment year, and the development allowance to be allowed for the following assessment year shall be such amount as is sufficient to reduce the total income of the assessee assessable for that assessment year, computed in the manner aforesaid, to *nil*, and the balance of the development allowance, if any, still outstanding shall be carried forward to the following assessment year and so on, so however, that no portion of the development allowance shall be carried forward for more than eight assessment years immediately succeeding the assessment year in which the deduction was first allowable.

Explanation.—Where for any assessment year development allowance is to be allowed in accordance with the provisions of sub-section (2) in respect of more than one

previous year, and the total income of the assessee assessable for that assessment year [the total income for this purpose being computed after making the allowance under sub-section (1) or sub-section (1A) or clause (ii) of sub-section (2) of section 33 but without making any allowance under sub-section (1) of this section] is less than the amount of the development allowance due to be made in respect of that assessment year, the following procedure shall be followed, namely :—

(i) the allowance under clause (ii) of sub-section (2) of this section shall be made before any allowance under clause (i) of that sub-section is made; and

(ii) where an allowance has to be made under clause (ii) of sub-section (2) of this section in respect of amounts carried forward from more than one assessment year, the amount carried forward from an earlier assessment year shall be allowed before any amount carried forward from a later assessment year.

(3) The deduction under sub-section (1) shall be allowed only if the following conditions are fulfilled, namely:—

(i) the particulars prescribed in this behalf have been furnished by the assessee;

(ii) an amount equal to seventy-five per cent. of the development allowance to be actually allowed is debited to the profit and loss account of the relevant previous year and credited to a reserve account to be utilised by the assessee during a period of eight years next following for the purposes of the business of the undertaking, other than—

(a) for distribution by way of dividends or profits;

or

(b) for remittance outside India as profits or for the creation of any asset outside India; and

(iii) such other conditions as may be prescribed.

(4) If any such land is sold or otherwise transferred by the assessee to any person at any time before the expiry of eight years from the end of the previous year in which the deduction under sub-section (1) was allowed, any allowance under this section shall be deemed to have been wrongly made for the purposes of this Act, and the provisions of sub-section (5A) of section 155 shall apply accordingly.

Provided that this sub-section shall not apply—

(i) where the land is sold or otherwise transferred by the assessee to the Government, a local authority, a corporation established by a Central, State or Provincial Act or a Government company as defined in section 617 of the Companies Act, 1956; or

1 of 1956.

(ii) where the sale or transfer of the land is made in connection with the amalgamation or succession referred to in sub-section (5) or sub-section (6).

(5) Where in a scheme of amalgamation, a company (hereinafter in this sub-section referred to as the predecessor) sells or otherwise transfers to the company formed in pursuance of the predecessor's amalgamation with that company (hereinafter in this sub-section referred to as the successor) any land in respect of which development allowance has been allowed to the predecessor under sub-section (1),—

(a) the successor shall continue to fulfil the conditions mentioned in sub-section (3) in respect of the reserve created by the predecessor and in respect of the period within which such land shall not be sold or otherwise transferred and in default of any of these conditions, the provisions of sub-section (5A) of section 155 shall apply to the successor as they would have applied to the predecessor had it committed the default;

(b) the balance of development allowance, if any, still outstanding to the predecessor in respect of such land shall be allowed to the successor in accordance with the provisions of sub-section (2), so however, that the total period for which the balance of development allowance shall be carried forward in the assessments of the predecessor and the successor shall not exceed the period of eight years specified in sub-section (2) and the successor shall be treated as the assessee in respect of such land for the purposes of this section.

Explanation.—For the purposes of this sub-section, “amalgamation” shall have the meaning assigned to it in the *Explanation* to sub-section (3) of section 33.

(6) Where a firm is succeeded to by a company in the business carried on by it as a result of which the firm sells or otherwise transfers to the company any land on which development allowance has been allowed, the provisions of clauses (a) and (b) of

sub-section (5) shall, so far as may be, apply to the firm and the company.

Explanation.—The provisions of this sub-section shall apply if the conditions laid down in the *Explanation* to sub-section (4) of section 33 are fulfilled.

(7) For the purposes of this section, “actual cost of planting” means the aggregate of—

(i) the cost of preparing the land;

(ii) the cost of seeds, cutting and nurseries;

(iii) the cost of planting and replanting; and

(iv) the cost of up-keep thereof for the previous year in which the land has been prepared and the three successive previous years next following such previous year,

reduced by that portion of the cost, if any, as has been met directly or indirectly by any other person or authority:

Provided that where such cost exceeds twelve thousand five hundred rupees per hectare in respect of land situate in a hilly area or exceeds ten thousand rupees per hectare in any other area, then the excess shall be ignored.

(8) The Board may, having regard to the elevation and topography, by general or special order, declare any areas to be hilly areas for the purposes of this section and such order shall not be questioned before any court of law or any other authority.

Amend-
ment of
section 34.

10. In section 34 of the Income-tax Act, in the *Explanation* to clause (i) of sub-section (2), for the words, brackets and figures “is transferred by a company to a subsidiary company, then, if the conditions of clause (iv) of section 47 are satisfied”, the following shall be substituted, namely :—

“is transferred by a holding company to its subsidiary company or by a subsidiary company to its holding company, then, if the conditions of clause (iv) or, as the case may be, of clause (v) of section 47 are satisfied”.

Amend-
ment of
section 36.

11. In section 36 of the Income-tax Act, in sub-section (1), after clause (viii), the following clause shall be inserted, namely:—

“(ix) any expenditure *bona fide* incurred by a company for the purpose of promoting family planning amongst its employees:

Provided that where such expenditure or any part thereof is of a capital nature, one-fifth of such expenditure shall be deducted for the previous year in which it was incurred; and the balance thereof shall be deducted in equal instalments for each of the four immediately succeeding previous years:

Provided further that the provisions of sub-section (2) of section 32 and of sub-section (2) of section 72 shall apply in relation to deductions allowable under this clause as they apply in relation to deductions allowable in respect of depreciation:

Provided further that the provisions of clauses (ii), (iii), (iv) and (v) of sub-section (2) of section 35, of sub-section (3) of section 41 and of *Explanation 1* to clause (1) of section 43 shall, so far as may be, apply in relation to an asset representing expenditure of a capital nature for the purposes of promoting family planning as they apply in relation to an asset representing expenditure of a capital nature on scientific research."

12. In section 37 of the Income-tax Act, in clause (i) of sub-section (2), after the word and figures "section 33", the words, figures and letter "or section 33A" shall be inserted. Amendment of section 37.

13. In section 40 of the Income-tax Act, in sub-clause (iii) of clause (c),— Amendment of section 40.

(a) in the proviso:—

(i) after the words, brackets and figure "in sub-clause (i)", the words, brackets and figures "or any payment of tax referred to in sub-clause (vii)" shall be inserted;

(ii) after the words, brackets and figures "clause (iv) or clause (v)", the words, brackets and figures "or any expenditure referred to in clause (ix)" shall be inserted;

(b) after the proviso, the following proviso shall be inserted, namely:—

'Provided further that nothing in this sub-clause shall apply to any expenditure which results directly or indirectly in the provision of any benefit or amenity or perquisite to an employee whose income chargeable under the head "Salaries" is seven thousand five hundred rupees or less.'

14. In section 43 of the Income-tax Act,—

(a) for *Explanation 6* to clause (1), the following *Explanation* shall be substituted, namely:— Amendment of section 43.

"*Explanation 6.*—When any capital asset is transferred by a holding company to its subsidiary company or by a subsidiary company to its holding company, then, if the conditions of clause (iv) or, as the case may be, of clause (v) of section 47 are satisfied, the actual cost of the transferred capital asset to the transferee company shall be taken to be the same as it would have been if the transferor company had continued to hold the capital asset for the purposes of its business.";

(b) for *Explanation 2* to clause (6), the following *Explanation* shall be substituted, namely:—

Explanation 2.—When any capital asset is transferred by a holding company to its subsidiary company or by a subsidiary company to its holding company, then, if the conditions of clause (iv) or, as the case may be, of clause (v) of section 47 are satisfied, the written down value of the transferred capital asset to the transferee company shall be taken to be the same as it would have been if the transferor company had continued to hold the capital asset for the purposes of its business.”

Amend-
ment of
section 47.

15. In section 47 of the Income-tax Act, after clause (iv), the following clause shall be inserted, namely:—

“(v) any transfer of a capital asset by a subsidiary company to the holding company if—

(a) the whole of the share capital of the subsidiary company is held by the holding company, and

(b) the holding company is an Indian company.”

Amend-
ment of
section 49.

16. In section 49 of the Income-tax Act,—

(i) In sub-clause (e) of clause (iii), after the word, brackets and figures “clause (iv)”, the words, brackets and figure “or clause (v)” shall be inserted;

(ii) at the end, the following *Explanation* shall be added, namely:—

Explanation.—In this section the expression “previous owner of the property” in relation to any capital asset owned by an assessee means the last previous owner of the capital asset who acquired it by a mode of acquisition other than that referred to in clause (i) or clause (ii) or clause (iii) of this section.”

Insertion
of new
section
54A.

Relief of
tax on
capital
gains in
certain
cases.

17. After section 54 of the Income-tax Act, the following section shall be inserted, namely:—

‘54A. (1) Where in the case of an assessee, being an individual who is not a citizen of India or being a company which is not an Indian company, a capital gain arises from the transfer of a capital asset, being shares in an Indian company, and the assessee has, within a period of two years from the date of such transfer, re-invested the full value of the consideration or any part thereof received or accruing as a result of such transfer in an investment approved by the Central Government in this behalf (hereinafter in this section referred to as the approved investment), the assessee shall, subject to the provisions of sub-

section (3), be entitled to a credit of a sum calculated in accordance with the provisions of sub-section (2).

(2) The amount to be given as credit under sub-section (1) shall be a sum which bears to the amount of income-tax payable by the assessee on the income chargeable under the head "Capital gains" arising from the transfer referred to in sub-section (1) the same proportion as the amount invested in the approved investment as reduced by the cost of acquisition [as ascertained for the purposes of clause (ii) of section 48] of the transferred shares bears to the capital gains arising from such transfer.

(3) The amount of credit so calculated shall be given in the following manner, namely:—

(a) if the approved investment is made by the assessee within the period of two years aforesaid and before the completion of the assessment in respect of the year in which the income arising from such transfer is chargeable to tax, the amount of the credit shall, on the assessee making a claim in this behalf in the prescribed form and in the prescribed manner, be adjusted against the tax payable by the assessee in respect of that assessment year, and

(b) if the approved investment is made by the assessee within the period of two years aforesaid but after the assessment for the relevant year is made, the amount of the credit shall, on the assessee making a claim in the prescribed form and in the prescribed manner, be deemed to be refund due to the assessee under Chapter XIX and all the provisions of this Act shall apply accordingly.

18. In section 56 of the Income-tax Act, in sub-section (2), after clause (i), the following clause shall be inserted, namely:—

Amendment of section 56.

"(ia) income referred to in sub-clause (viii) of clause (24) of section 2;"

19. After section 69A of the Income-tax Act, the following section shall be inserted under the sub-heading "Aggregation of Income", namely:—

Insertion of new section 69B.

"69B. Where in any financial year the assessee has made investments or is found to be the owner of any bullion, jewellery or other valuable article, and the Income-tax Officer finds that the amount expended on making such investments or in ac-

Amount of investments, etc., not fully disclosed in

books of
account.

quiring such bullion, jewellery or other valuable article exceeds the amount recorded in this behalf in the books of account maintained by the assessee for any source of income, and the assessee offers no explanation about such excess amount or the explanation offered by him is not, in the opinion of the Income-tax Officer, satisfactory, the excess amount may be deemed to be the income of the assessee for such financial year."

Insertion
of new
Chapter
VIA.

20. After section 80 of the Income-tax Act, the following Chapter and sections shall be inserted, namely:—

'CHAPTER VIA

DEDUCTIONS TO BE MADE IN COMPUTING TOTAL INCOME

Deduction
in respect
of life
insurance
premia,
annuities
and contri-
butions to
provident
fund, etc.

80A. (1) In computing the total income of an assessee there shall be deducted, in accordance with and subject to the provisions of this section, an amount equal to sixty per cent. of the first five thousand rupees of the aggregate of the sums specified in sub-section (2) and fifty per cent. of the balance, if any, of such aggregate.

(2) The sums referred to in sub-section (1) shall be the following, namely:—

(a) where the assessee is an individual, any sums paid in the previous year by the assessee out of his income chargeable to tax—

(i) to effect or to keep in force an insurance on the life of the assessee or on the life of the wife or husband of the assessee; or

(ii) to effect or to keep in force a contract for a deferred annuity on the life of the assessee or on the life of the wife or husband of the assessee; or

(iii) as a contribution to any provident fund to which the Provident Funds Act, 1925 applies;

19 of 1925.

(b) where the assessee is a Hindu undivided family, any sums paid in the previous year by the assessee out of its income chargeable to tax, to effect or to keep in force an insurance on the life of any male member of the family or of the wife of any such member;

(c) any sum deducted in the previous year from the salary payable by or on behalf of the Government to any individual, being a sum deducted in accordance with the conditions of his service, for the purpose of securing to him

a deferred annuity or making provision for his wife or children, in so far as the sum so deducted does not exceed one-fifth of the salary;

(d) if the assessee is an employee participating in a recognized provident fund, his own contributions to his individual account in the fund in the previous year, in so far as the aggregate of such contributions does not exceed one-fifth of his salary in that previous year or eight thousand rupees, whichever is less.

Explanation.—In clause (d) of this sub-section and in clause (d) of sub-section (1) of section 87, “salary” shall have the meaning assigned to it in clause (h) of rule 2 of Part A of the Fourth Schedule;

(e) if the assessee is an employee participating in an approved superannuation fund, any sum paid in the previous year by him by way of contribution towards the superannuation fund;

(f) where the assessee is an individual, any sums deposited, in the previous year by the assessee out of his income chargeable to tax, in a ten-year account or a fifteen-year account under the Post Office Savings Bank (Cumulative Time Deposits) Rules, 1959, as amended from time to time.

(3) The provisions of clauses (a) and (b) of sub-section (2) shall apply only to so much of any premium or other payment made on a policy other than a contract for a deferred annuity as is not in excess of ten per cent. of the actual capital sum assured.

Explanation.—In calculating any such capital sum, no account shall be taken—

(i) of the value of any premiums agreed to be returned,

or

(ii) of any benefit by way of bonus or otherwise over and above the sum actually assured, which is to be or may be received under the policy by any person.

(4) The aggregate of the sums referred to in sub-section (2), which qualifies for the purposes of computing the deduction referred to in sub-section (1), shall not exceed—

(i) in the case of an individual being an author, playwright, artist, musician or actor, such percentage of his total income, as computed before making any deduction under this Chapter and before deduction of any amount of annuity

deposit under section 280O, or such amount, as may be prescribed :

Provided that such individual has effected an insurance referred to in sub-clause (i) of clause (a) of sub-section (2) prior to the 1st day of March, 1964 and has paid any sum in the previous year to keep in force such insurance;

(ii) in the case of any other individual [including an author, playwright, artist, musician or actor to whom the provisions of clause (i) do not apply], twenty-five per cent. of the total income, as computed before making any deduction under this Chapter and before deduction of any amount of annuity deposit under section 280O, or twelve thousand five hundred rupees, whichever is less;

(iii) in the case of a Hindu undivided family, twenty-five per cent. of its total income, as computed before making any deduction under this Chapter and before deduction of any amount of annuity deposit under section 280O, or twenty-five thousand rupees, whichever is less.

(5) If the total income of the assessee includes any income chargeable under the head "Salaries", the deduction under sub-section (1) shall be made in computing the income under that head, and if there is no income chargeable under that head, or if the amount required to be deducted exceeds such income, the whole or the balance of the amount required to be deducted shall be allowed as a deduction in computing earned income chargeable under any other head, and, if there is no earned income chargeable under any other head or the whole or the balance of the amount required to be deducted exceeds such earned income, the whole or the balance of the amount required to be deducted shall be allowed as a deduction in computing any other income under any head.

(6) This section shall apply in respect of—

(i) the assessment year commencing on the 1st day of April, 1966 and any subsequent assessment year, in the case of an assessee whose total income includes any income chargeable under the head "Salaries" from which tax is deducted, or deductible, at source in accordance with the provisions of section 192; and

(ii) the assessment year commencing on the 1st day of April, 1965 and any subsequent assessment year, in the case of any other assessee.

80B. (1) Where an assessee who is resident in India, being an individual or Hindu undivided family, who has, during the previous year, incurred out of his or its income chargeable to income-tax, any expenditure for the medical treatment (including nursing) of a person who—

Deduction in respect of medical treatment, etc., of handicapped persons.

(a) is a relative of the individual, or, as the case may be, is a member of the Hindu undivided family and is not dependent on any person other than such individual or Hindu undivided family for his support or maintenance, and

(b) is suffering from a physical or mental disability which is certified by a registered medical practitioner to have the effect of reducing considerably such person's capacity for normal work or engaging in a gainful employment (hereinafter in this section referred to as handicapped dependant),

the assessee shall, subject to the provisions of this section, be allowed a deduction of the amount specified in sub-section (2) in the computation of his total income in respect of the previous year.

(2) The deduction under sub-section (1) shall be—

(i) in a case where the handicapped dependant has, for a period of one hundred and eighty-two days or more during the previous year, been admitted in a hospital or a nursing home or a medical institution or in such other institution as may be notified by the Central Government in the Official Gazette to be an institution for the care of handicapped persons, and fees and charges for his medical treatment (including nursing) are payable to such hospital or nursing home or medical or other institution, as the case may be, a sum of two thousand four hundred rupees, or

(ii) in any other case, a sum of six hundred rupees,

as reduced, in either case, by an amount equal to the income, if any, of the handicapped dependant in respect of the previous year :

Provided that where the assessee has, during the previous year, incurred expenditure on more than one handicapped dependant, the deduction under sub-section (1) shall be allowed only with reference to one such handicapped dependant as may be chosen by the assessee.

(3) If the total income of the assessee includes any earned income, the allowance referred to in sub-section (1) shall be

made in computing the earned income chargeable under any head, and if there is no such income or the amount of the allowance exceeds such income, the whole or the balance of such amount, as the case may be, shall be allowed as a deduction in computing the assessee's unearned income chargeable under any head.

Relief relating to payment for securing retirement annuities.

80C. (1) Where in the case of an assessee, being an individual who is a citizen of India and is resident in India his share in the income of a registered firm which renders professional service as chartered accountant, solicitor, lawyer, architect, or such other professional service as may be notified in this behalf by the Central Government in the Official Gazette is chargeable to tax and he has paid out of his income chargeable to tax a premium (by whatever name called) in any previous year under an annuity contract for the time being approved by the Commissioner as having for its main object the provision for the individual of a life annuity in old age (hereinafter in this section referred to as qualifying premium), then the assessee shall, subject to the provisions of this section, be allowed a deduction of the amount of the qualifying premium in the computation of his total income in respect of the previous year:

Provided that the amount which may be so deducted shall not exceed the sum of five thousand rupees or one-tenth of his total income for that year, whichever is less:

Provided further that any annuity payable to the individual shall be deemed to be his earned income to the extent to which it is attributable to the amount in respect of which deduction has been allowed under this section and chargeable to tax accordingly.

Explanation.—For the purposes of the first proviso, “total income” means the total income computed in accordance with the provisions of this Act, before making any deduction under this Chapter and before deduction of any amount of annuity deposit under section 280O but excluding any income which would otherwise be included in his total income under the provisions of section 64.

(2) Subject to sub-section (3) and any rules made by the Board in this behalf, the Commissioner shall not approve a contract unless he is satisfied that it does not—

(a) provide for the payment during the life of the individual of any sum except sums payable by way of annuity to the individual; or

(b) provide for the annuity payable to the individual to commence before he attains the age of fifty-eight or after he attains the age of sixty-eight; or

(c) provide for the payment of any other sums except sums payable by way of annuity to the individual's widow or widower and any sums which, in the event of no annuity becoming payable either to the individual or to a widow or widower of the individual, are payable to the individual's legal representative, by way of return of premiums, by way of reasonable interest on premiums and by way of bonus out of profits; or

(d) provide for the payment of annuity, if any, payable to a widow or widower of the individual to be of a greater annual amount than that paid or payable to the individual; or

(e) provide for the payment of any annuity otherwise than for the life of the annuitant;

and that it does include a provision that no annuity payable under it shall be capable in whole or in part of surrender, commutation or assignment.

(3) The Commissioner may, if he thinks fit, and subject to any conditions the Board may, by rules, prescribe and subject to any conditions he thinks proper to impose, approve a contract notwithstanding that the contract provides for one or more of the following matters, that is to say,—

(a) for the payment after the individual's death of an annuity to a dependant other than the widow or widower of the individual;

(b) for the payment to the individual of an annuity commencing before he attains the age of fifty-eight, if the annuity is payable on his becoming incapable through infirmity of mind or body of being actively engaged in his profession or any profession of a similar nature for which he is trained or fitted;

(c) for the annuity payable to any person to continue for a specified term (not exceeding ten years), notwithstanding his death within that term;

(d) in the case of an annuity which is to continue for such specified term, for the annuity to be assignable by will.

(4) The foregoing provisions of this section shall apply in relation to a contribution (by whatever name called) to a fund approved by the Commissioner as they apply in relation to any premium under an annuity contract so approved provided the fund satisfies also the conditions set out below and any other conditions which the Board may, by rules, prescribe, namely :—

(a) the fund shall be a fund established in India under an irrevocable trust for the benefit of individuals engaged in any profession referred to in sub-section (1);

(b) the fund shall have for its sole purpose the provision of annuities for individuals engaged in such profession on attaining a specified age or on their becoming incapacitated prior to attaining such age, or for the widow, children or dependants of such persons on their death;

(c) all annuities, pensions and other benefits granted from the fund shall be payable only in India.

(5) The Commissioner may, at any time, after giving a reasonable opportunity of showing cause against the proposed withdrawal to the persons by and to whom premiums are payable under any contract for the time being approved under this section, or to the trustees of any fund so approved, withdraw the approval.

(6) Notwithstanding anything contained in sub-sections (1) and (4), no deduction under this section shall be allowed in the case of any individual—

(i) whose total income includes unearned income of more than ten thousand rupees; or

(ii) who is entitled to any pension or participating in any pension or superannuation scheme.

(7) The allowance under this section shall be made in computing the earned income of the assessee included in the total income, so however, that the allowance shall not in any case exceed the amount of the income computed under the head "Profits and gains of business or profession".

(8) Any annuity payable under an approved contract referred to in sub-section (1) or from any fund referred to in sub-section (4), to a person other than the individual who pays the premium or makes the contribution and any interest on premiums or bonus out of profits payable to such person, shall be deemed to

be his unearned income to the extent it is attributable to the amount of deduction allowed under sub-section (1) and chargeable to tax accordingly.

(9) Where any payment by way of annuity or otherwise is made by a person to whom premiums or contributions are payable under sub-section (1) or sub-section (4), such person shall, subject to any rules made by the Board in this behalf, deduct from the total amount so paid during any financial year, tax at such rate or rates in force in that year as would be applicable to such amount, if it were the total income and shall pay the amount so deducted to the credit of the Central Government within the prescribed time and in such manner as the Board may direct and the provisions of section 201 shall, so far as may be, apply to such person if he does not deduct, or after deducting fails to pay, such tax.

(10) Where a deduction under this section is claimed and allowed for any assessment year in respect of any payment, relief shall not be given in respect of it under any other provision of this Act for the same or a later assessment year nor (in the case of a payment under an annuity contract) in respect of any other premium or consideration for an annuity under the same contract.

(11) (a) The Board may, by notification in the Official Gazette, make rules for carrying out the purposes of this section.

(b) In particular and without prejudice to the generality of the foregoing power, such rules may—

(i) prescribe the statements and other information to be submitted along with an application for approval;

(ii) prescribe the returns, statements, particulars or information which the Income-tax Officer may require from a person by and to whom premiums or contributions are payable under this section;

(iii) provide for the assessment by way of penalty of any consideration received by an individual for an assignment of, or creation of a charge upon, any annuity or other sum receivable by him under any contract or from any fund approved for the time being under this section; and

(iv) provide for securing such further control over the approval granted under this section and administration of funds approved under this section as it may deem requisite.

Definitions. 80D. In this Chapter—

(i) "relative" in relation to an individual means—

(a) the mother, father, husband or wife of the individual, or

(b) a son, daughter, brother, sister, nephew or niece of the individual, or

(c) a grandson or grand-daughter of the individual, or

(d) the spouse of any person referred to in sub-clause (b);

(ii) "income" in relation to a handicapped dependant means the aggregate income of such person from all sources;

(iii) the expressions "earned income" and "unearned income" shall have the meanings respectively assigned to them in the Finance Act of the relevant year.

Amend-
ment of
section 84.

21. In section 84 of the Income-tax Act, in sub-section (6), for the word, figures and letter "Chapter XI-D", the word and figures "Chapter XI" shall be substituted.

Insertion
of new
section
85A.

22. After section 85 of the Income-tax Act, the following section shall be inserted, namely :—

Deduction
of tax on
inter-
corporate
dividends.

"85A. Where the total income of an assessee being a company includes any income by way of dividends received by it from an Indian company or a company which has made the prescribed arrangements for the declaration and payment of dividends (including dividends on preference shares) within India, the assessee shall be entitled to a deduction from the income-tax with which it is chargeable on its total income for any assessment year of so much of the amount of income-tax calculated at the average rate of income-tax on the income so included (other than any such income on which no income-tax is payable under the provisions of this Act) as exceeds an amount of twenty-five per cent. thereof:

Provided that in the case of a company which has not made the prescribed arrangements for the declaration and payment of dividends within India and whose total income includes any income by way of dividends received by it from an Indian company which is not such a company as is referred to in section 108 and which is wholly or mainly engaged in the business of generation or distribution of electricity or of construction, manufacture or production of any one or more of the articles or

7 of 1964.

things specified in the list in paragraph 2 of the Third Schedule to the Companies (Profits) Surtax Act, 1964, the amount of income-tax deductible under this section shall be so much of the amount of income-tax calculated at the average rate of income-tax on the income so included (other than any such income on which no income-tax is payable under the provisions of this Act) as exceeds an amount of fifteen per cent. thereof.

7 of 1964.

Explanation.—For the purposes of this section, a company shall be deemed to be mainly engaged in the business of generation or distribution of electricity or of construction, manufacture or production of any one or more of the articles or things specified in the list in paragraph 2 of the Third Schedule to the Companies (Profits) Surtax Act, 1964, if the income attributable to any of the aforesaid activities included in its total income for the previous year is not less than fifty-one per cent. of such total income.”

23. In section 86 of the Income-tax Act, clauses (i) and (ii) shall be omitted.

Amendment of section 86.

24. In Chapter VII of the Income-tax Act, after section 86, the following section shall be inserted, namely:—

Insertion of new section 86A.

“86A. Where there is included in the total income of an assessee—

Deduction from tax on certain securities.

(i) the interest due on any security of the Central Government issued or declared to be income-tax free, or

(ii) the interest due on any security of a State Government issued income-tax free, the income-tax whereon is payable by the State Government,

the assessee shall be entitled to a deduction from the amount of income-tax with which he is chargeable on his total income, of an amount equal to the income-tax calculated on the amount so included at the average rate of income-tax or at the rate of twenty-five per cent., whichever is less.”

25. In section 87 of the Income-tax Act,—

Amendment of section 87.

(i) in clause (d) of sub-section (1), for the words, figure and letter “to the extent provided in rule 7 of Part A of the Fourth Schedule”, the words “in so far as the aggregate of such contributions does not exceed one-fifth of his salary in that previous year or eight thousand rupees; whichever is less” shall be substituted;

(ii) in sub-section (4), the words, figures and letter "together with the amount of super-tax deductible under section 99A," shall be omitted;

(iii) after sub-section (4), the following sub-section shall be inserted, namely:—

(5) This section shall not apply in respect of—

(i) the assessment year commencing on the 1st day of April, 1966 and any subsequent assessment year, in the case of an assessee whose total income includes any income chargeable under the head "Salaries" from which tax is deducted, or deductible, at source in accordance with the provisions of section 192; and

(ii) the assessment year commencing on the 1st day of April, 1965 and any subsequent assessment year in the case of any other assessee.

Amend-
ment of
section 88.

26. In section 88 of the Income-tax Act,—

(i) in sub-section (1), for the words "of an amount equal to the income-tax calculated at the average rate of income-tax on any sums paid by him in the previous year", the following shall be substituted, namely:—

"(a) where the assessee is a company, of an amount equal to the income-tax calculated at the average rate of income-tax or at the rate of twenty-five per cent., whichever is less, and

(b) in the case of any other assessee, of an amount equal to the income-tax calculated at the average rate of income-tax,

on any sums paid by the assessee in the previous year";

(ii) in sub-section (3), after the first proviso, the following proviso shall be inserted, namely:—

"Provided further that where any such sums paid during any previous year relevant to the assessment year commencing on the 1st day of April, 1965 or any subsequent assessment year include any donation referred to in sub-section (6), and such sums exceed the limit of two hundred thousand rupees specified in the first proviso, then such limit shall be raised to cover that portion of the donation which is equal to the difference between such sums and the said limit, so however, that the limit so raised shall not exceed

ten per cent. of the assessee's total income as reduced as aforesaid or five hundred thousand rupees, whichever is less."

(iii) in sub-section (4), the words and figures "together with the amount of super-tax deductible under section 100" shall be omitted;

(iv) in sub-section (6),—

(a) for the words "any temple, mosque, gurdwara, church or any other place", the words "any such temple, mosque, gurdwara, church or other place" shall be, and shall be deemed always to have been, substituted;

(b) after the words "artistic importance", the words "or to be a place of public worship of renown throughout any State or States" shall be inserted.

27. In section 90 of the Income-tax Act, in clause (a), the brackets and words "(including super-tax)" shall be omitted.

Amendment of section 90.

28. In section 91 of the Income-tax Act, in clause (i) of the *Explanation*, the words "and super-tax" shall be omitted.

Amendment of section 91.

29. In Chapter XI of the Income-tax Act,—

Amendment of Chapter XI.

(i) for the heading "SUPER-TAX", the heading "ADDITIONAL INCOME-TAX ON UNDISTRIBUTED PROFITS" shall be substituted;

(ii) sub-headings "A.—General", "B.—Incomes forming part of total income on which no super-tax is payable", "C.—Rebate of super-tax" and "D.—Additional super-tax on undistributed profits" and sections 95 to 103 (both inclusive) shall be omitted.

30. In section 104 of the Income-tax Act, in sub-section (1),—

Amendment of section 104.

(i) for the word "super-tax", the word "income-tax" shall be substituted;

(ii) in clause (a), the word "and" shall be omitted;

(iii) for the brackets, letter and words "(b) thirty-seven per cent. in the case of any other company", the following shall be substituted, namely:—

"(b) thirty-seven per cent. in the case of a trading company, and

(c) twenty-five per cent. in the case of any other company".

Amend-
ment of
section 109.

31. In section 109 of the Income-tax Act,—

(i) in sub-clause (a) of clause (i), the words “and super-tax” shall be omitted and for the words “any super-tax”, the words “any income-tax” shall be substituted;

(ii) after clause (ii), the following clause shall be inserted, namely:—

‘(iia) “trading company” means a company whose business consists wholly or mainly in dealing in goods or merchandise manufactured, produced or processed by a person other than that company and whose income attributable to such business included in its total income is not less than fifty-one per cent. of the amount of such total income;’

(iii) in clause (iii), to sub-clause (4) (a), the following proviso shall be added, namely:—

‘Provided that in the case of such company, not being a trading company, sub-clause (a) shall have effect as if for the word “exceed”, the words “exceed twice the amount of” were substituted.’

Substitu-
tion of new
section for
section 110.

32. For section 110 of the Income-tax Act, the following section shall be substituted, namely:—

Deter-
mination
of tax
where
total
income
includes
income on
which no
tax is
payable.

“110. Where there is included in the total income of an assessee any income on which no income-tax is payable under the provisions of this Act, the assessee shall be entitled to a deduction, from the amount of income-tax with which he is chargeable on his total income, of an amount equal to the income-tax calculated at the average rate of income-tax on the amount on which no income-tax is payable.”

Amend-
ment of
section 111.

33. In section 111 of the Income-tax Act, for the words “income-tax and super-tax”, the word “tax” shall be substituted.

Amend-
ment of
section 112.

34. In section 112 of the Income-tax Act,—

(i) in clause (i), for the word “income-tax”, the word “tax” shall be substituted;

(ii) clause (ii) shall be omitted;

(iii) in clause (iii), for the words "income-tax and super-tax", the word "tax" shall be substituted.

35. Section 113 of the Income-tax Act shall be omitted.

Omission of section 113.

36. In section 114 of the Income-tax Act,—

Amendment of section 114.

(i) the words "and super-tax", wherever they occur, shall be omitted;

(ii) in clause (b)—

(a) in sub-clause (i), the words "and the average rate of super-tax respectively" shall be omitted;

(b) in sub-clause (ii), after the second proviso, the following proviso shall be inserted, namely:—

"Provided further that the amount of income-tax so calculated in respect of the capital gains relating to bonus shares, if any, chargeable under sub-section (2) of section 45, shall be reduced by an amount equal to twelve and a half per cent. of the face value of such bonus shares or the amount of income-tax so calculated, whichever is less."; and

(c) the words "and three-fourths of the average rate of super-tax respectively", "and one-half of the average rate of super-tax respectively" and "and average rate of super-tax" shall be omitted.

37. For section 115 of the Income-tax Act, the following section shall be substituted, namely:—

Substitution of new section for section 115.

'115. Where the total income of a company includes any income chargeable under the head "Capital gains" (whether such gains relate to short-term capital assets or to other capital assets), the income-tax payable by it shall be the aggregate of—

Tax on capital gains in case of companies.

(i) the amount of income-tax calculated at the rate of twelve and a half per cent. on the amount of capital gains relating to bonus shares, if any, chargeable under sub-section (2) of section 45 as reduced by an amount equal to twelve and a half per cent. of the face value of such bonus shares; so however, that the reduction shall in no case exceed the amount of income-tax so calculated;

(ii) the amount of income-tax calculated on the amount of capital gains relating to capital assets other than

short-term capital assets included in the total income—

(a) at the rate of forty per cent. on so much of the amount of such capital gains as relate to buildings or lands or any rights in buildings or lands; and

(b) at the rate of thirty per cent. on the balance of such capital gains, if any [excluding capital gains, if any, referred to in clause (i)]; and

(iii) the amount of income-tax with which it would have been chargeable had its total income been reduced by the amount of capital gains referred to in clauses (i) and (ii).'

Amend-
ment of
section 131.

38. In section 131 of the Income-tax Act, after the words "Appellate Assistant Commissioner", the words ", Inspecting Assistant Commissioner" shall be inserted.

Amend-
ment of
section 155.

39. In section 155 of the Income-tax Act,—

(i) after sub-section (5), the following sub-section shall be inserted, namely:—

"(5A) Where an allowance by way of development allowance has been made wholly or partly to an assessee in respect of the cost of planting in any area in any assessment year under section 33A and subsequently—

(i) at any time before the expiry of eight years from the end of the previous year in which such allowance was made, the land is sold or otherwise transferred by the assessee to any person other than the Government, a local authority, a corporation established by a Central, State or Provincial Act or a Government company as defined in section 617 of the Companies Act, 1956, or in connection with any amalgamation or succession referred to in sub-section (5) or sub-section (6) of section 33A; 1 of 1956.
or

(ii) at any time before the expiry of the eight years referred to in sub-section (3) of section 33A, the assessee utilises the amount credited to the reserve account under clause (ii) of that sub-section—

(a) for distribution by way of dividends or profits; or

(b) for remittance outside India as profits or for the creation of any asset outside India; or

(c) for any other purpose which is not a purpose of the business of the undertaking.

the development allowance originally allowed shall be deemed to have been wrongly allowed, and the Income-tax Officer may, notwithstanding anything contained in this Act, recompute the total income of the assessee for the relevant previous year and make the necessary amendment; and the provisions of section 154 shall, so far as may be, apply thereto, the period of four years specified in sub-section (7) of that section being reckoned from the end of the previous year in which the sale or transfer took place or the money was so utilised.”;

(ii) in sub-section (7), for the words “the super-tax”, the words “the tax” shall be substituted.

40. In section 164 of the Income-tax Act, the words “or total world income” shall be omitted.

Amendment of section 164.

41. In section 178 of the Income-tax Act, for sub-sections (3) and (4), the following sub-sections shall be substituted, namely:—

Amendment of section 178.

“(3) The liquidator—

(a) shall not, without the leave of the Commissioner, part with any of the assets of the company or the properties in his hands until he has been notified by the Income-tax Officer under sub-section (2); and

(b) on being so notified, shall set aside an amount equal to the amount notified and, until he so sets aside such amount, shall not part with any of the assets of the company or the properties in his hands:

Provided that nothing contained in this sub-section shall debar the liquidator from parting with such assets or properties for the purpose of the payment of the tax payable by the company or for making any payment to secured creditors whose debts are entitled under law to priority of payment over debts due to Government on the date of liquidation or for meeting such costs and expenses of the winding up of the company as are in the opinion of the Commissioner reasonable.

(4) If the liquidator fails to give the notice in accordance with sub-section (1) or fails to set aside the amount as required by sub-section (3) or parts with any of the assets of the company or the properties in his hands in contravention of the provisions of that sub-section, he shall be personally liable for the payment of the tax which the company would be liable to pay:

Provided that if the amount of any tax payable by the company is notified under sub-section (2), the personal liability of the liquidator under this sub-section shall be to the extent of such amount.”.

Amend-
ment of
section 181. 42. In section 181 of the Income-tax Act, after the words "tax free",
the following words shall be inserted, namely:—

"at such rate not exceeding twenty-five per cent. as may be notified by the Central Government in the Official Gazette from time to time."

Amend-
ment of
section 191. 43. In section 191 of the Income-tax Act, the brackets and figure
"(1)" and sub-section (2) shall be omitted.

Amend-
ment of
section 192. 44. In section 192 of the Income-tax Act,—

(i) in sub-section (1), the words "and super-tax" and the words "and average rate of super-tax respectively" shall be omitted;

(ii) sub-section (2) shall be omitted;

(iii) in sub-section (3), the words, brackets and figure "or sub-section (2)" shall be omitted;

(iv) in sub-section (5), for the words "income-tax and super-tax", the word "tax" shall be substituted;

(v) the *Explanation* shall be omitted.

Amend-
ment of
section 193. 45. In section 193 of the Income-tax Act,—

(a) the words "and super-tax" shall be omitted;

(b) the following *Explanation* shall be inserted at the end, namely:—

Explanation.—In this section, and in sections 194, 195 and 197, the expression "rates in force" means the rate or rates specified for the purpose of deduction by the Finance Act of the year in which such deduction is required to be made.'

Amend-
ment of
section 194. 46. In section 194 of the Income-tax Act, the words "and super-
tax" and the words "or the total world income" shall be omitted.

Amend-
ment of
section 195. 47. In section 195 of the Income-tax Act, in sub-section (1), the
words "and super-tax", wherever they occur, shall be omitted.

Amend-
ment of
section 197. 48. In section 197 of the Income-tax Act,—

(i) in sub-section (1),—

(a) the words "or super-tax", wherever they occur, and the words "or the total world income" shall be omitted;

(b) in clause (b), for the word "super-tax", the word "income-tax" shall be substituted;

(ii) in sub-section (2), the words "and super-tax" shall be omitted;

(iii) in sub-section (3),—

(a) for the words and figures "sections 84 and 101", the word and figures "section 84" shall be substituted;

(b) the words, brackets and figures "and sub-section (2) of section 101" shall be omitted;

(c) for the words and figures "sections 85 and 101", the word and figures "section 85" shall be substituted.

49. In section 199 of the Income-tax Act, for the words "income-tax or super-tax, as the case may be," the word "tax" shall be substituted. Amendment of section 199.

50. In section 203 of the Income-tax Act, for the words "income-tax or super-tax", wherever they occur, the word "tax" shall be substituted. Amendment of section 203.

51. In section 206 of the Income-tax Act, in clause (c) of sub-section (1), the words "and super-tax" shall be omitted. Amendment of section 206.

52. In section 209 of the Income-tax Act,—

Amendment of section 209.

(i) in clause (a),—

(a) in sub-clauses (ii) and (iii), the words "and super-tax", wherever they occur, shall be omitted;

(b) in sub-clause (iv), the words "and super-tax" and the brackets and letter "(b)" shall be omitted;

(ii) clause (b) shall be omitted;

(iii) in the *Explanation*, for the words, brackets and letters "clauses (a) and (b)", the word, brackets and letter "clause (a)" shall be substituted.

53. In sections 213 to 217, 220, 243 and 244 of the Income-tax Act, for the words "four per cent.", the words "six per cent." shall be substituted. Amendment of sections 213 to 217, 220, 243, and 244.

54. In section 226 of the Income-tax Act, for sub-section (5), the following sub-section shall be substituted, namely:— Amendment of section 226.

"(5) The Income-tax Officer may, if so authorised by the Commissioner by general or special order, recover any arrears of tax due from an assessee by distraint and sale of his movable property in the manner laid down in the Third Schedule."

Amend-
ment of
section 235. 55. In section 235 of the Income-tax Act, for clause (b), the following clause shall be substituted, namely:—

“(b) where the shareholder—

(i) is not a company, the amount of income-tax payable by him under this Act but not exceeding income-tax calculated at the rate of twenty-five per cent., and

(ii) is a company, twenty-five per cent.,

on that portion of the dividend which is attributable to the profits of the company assessed to agricultural income-tax.”

Amend-
ment of
section 236. 56. In section 236 of the Income-tax Act, in clause (iii) of *Explanation 2*, for the words and figures “sections 88 and 100”, the word and figures “section 88” shall be substituted.

Amend-
ment of
section
236A. 57. In section 236A of the Income-tax Act, in sub-section (2), for the word “super-tax”, the word “tax” shall be substituted.

Insertion
of new
section
276A. 58. After section 276 of the Income-tax Act, the following section shall be inserted, namely:—

“276A. If a person, without reasonable cause or excuse,—

(i) fails to give the notice in accordance with sub-section (1) of section 178; or

(ii) fails to set aside the amount as required by sub-section (3) of that section; or

(iii) parts with any of the assets of the company or the properties in his hands in contravention of the provisions of the aforesaid sub-section,

he shall be punishable with rigorous imprisonment for a term which may extend to two years:

Provided that in the absence of special and adequate reasons to the contrary to be recorded in the judgment of the court, such imprisonment shall not be for less than six months.”

Amend-
ment of
section 279. 59. In section 279 of the Income-tax Act, in sub-section (1), after the word and figures “section 276”, the words, figures and letter “or section 276A” shall be inserted.

Amend-
ment of
section
280P. 60. In section 280P of the Income-tax Act, the words “and super-tax” shall be omitted.

Amend-
ment of
section
280X. 61. In section 280X of the Income-tax Act, in sub-section (2), the brackets and words “(but not super-tax)” shall be omitted.

62. After section 280X of the Income-tax Act, the following Chapter and sections shall be inserted, namely:—

Insertion of new Chapter XXII B.

CHAPTER XXII B

TAX CREDIT CERTIFICATES

280Y. In this Chapter,—

Definitions

(a) "eligible issue of capital" means an issue of ordinary shares specified as such in the scheme;

1 of 1956.

(b) "public company" means a public company as defined in section 3 of the Companies Act, 1956;

(c) "scheme" means a scheme made under this Chapter;

(d) "urban area" means any area which the Central Government may, having regard to the population, concentration of industries, need for proper planning of the area and other relevant factors, by general or special order, declare to be an urban area for the purposes of this Chapter.

280Z. (1) An individual shall be granted a tax credit certificate if he by himself or some other person on his behalf has subscribed to, and made payments in respect of, any eligible issue of capital.

Tax credit certificates to certain equity shareholders.

(2) A Hindu undivided family shall also be granted a tax credit certificate if any person has subscribed to, and made payments in respect of, any eligible issue of capital on behalf of that Hindu undivided family.

(3) A tax credit certificate granted under the provisions of this section shall be for the amount or the aggregate of the amounts computed as hereunder with reference to the capital so subscribed and paid:

- | | |
|---|--------------------------------|
| (i) On the first Rs. 15,000 of the amount paid in the financial year | .. at the rate of 5 per cent.; |
| (ii) On the next Rs. 10,000 of the amount paid in the financial year | .. at the rate of 3 per cent.; |
| (iii) On the next Rs. 10,000 of the amount paid in the financial year | .. at the rate of 2 per cent.; |
| (iv) On the balance of the amount paid in the financial year | Nil. |

Explanation.—For the purposes of this section—

(i) "subscribed" includes acquisition of the shares forming part of an eligible issue of capital from a person who is specified as an underwriter in pursuance of clause 11 of Part I of Schedule II to the Companies Act, 1956 1 of 1956. (hereinafter in this section referred to as the underwriter);

(ii) a payment shall be treated as having been made to the extent to which and on the date on which the amount of the said payment has been credited to the share capital account of the Company.

(4) A tax credit certificate for the amount specified in subsection (3) shall be granted to an individual or Hindu undivided family—

(a) where payment by way of subscription has been made to the company, in respect of the financial year in which payment has been made and each of the three financial years following that year; and

(b) where the acquisition has been made from the underwriter, in respect of the financial year in which the capital was so acquired and each one, if any, of the following financial years not falling beyond the third financial year from the end of the financial year in which the payment by way of subscription has been made to the company by the underwriter:

Provided that, in either case, the capital is held by or on behalf of the individual or on behalf of the Hindu undivided family, as the case may be, at the end of the relevant financial year:

Provided further that where any part of the capital in respect of which a tax credit certificate had been granted in a financial year (hereinafter referred to as the earlier financial year) is sold, transferred or otherwise disposed of in a subsequent financial year, the tax credit certificate to be granted with reference to the remaining capital in respect of the said subsequent financial year or any financial year following that year shall be for such amount as bears to the amount for which the tax credit certificate was granted in the earlier financial year the same proportion as the amount of the remaining capital as on the 31st day of March of the subsequent financial year bears to the total amount of the capital with reference to which the tax credit certificate was granted in the earlier financial year.

(5) If any individual by himself or on behalf of any other individual or on behalf of any Hindu undivided family has acquired any shares forming part of an eligible issue of capital from the underwriter, he shall not be entitled to a tax credit certificate under this section, unless his name is entered as a shareholder in respect of such shares in the register of shareholders of the company.

11 of 1922.

(6) The amount shown on a tax credit certificate granted to an individual or Hindu undivided family shall, on the certificate being produced before the Income-tax Officer, be adjusted against any existing liability of such individual or Hindu undivided family under the Indian Income-tax Act, 1922, or this Act, or any such liability arising within the period of twelve months from the date on which the certificate was produced before the Income-tax Officer, and where the amount of such certificate exceeds such liability, or where there is no such liability, the excess or the whole of such amount, as the case may be, shall, notwithstanding anything contained in Chapter XIX, be deemed, on the date of the expiry of the said period of twelve months, to be refund due to such individual or Hindu undivided family, as the case may be, under that Chapter and the provisions of this Act shall apply accordingly.

(7) The Central Government may specify in a scheme any issue of ordinary shares by a public company as eligible issue of capital.

(8) In specifying any issue of ordinary shares as eligible issue of capital, the Central Government shall have regard to the following factors, namely:—

- (a) the total amount of the capital issued;
- (b) the terms and conditions subject to which the capital is issued;
- (c) the trade or business in which the company concerned is engaged;
- (d) the purposes for which the issue is being made;
- (e) any other relevant factor.

280ZA. (1) If any public company owning an industrial undertaking situate in an urban area shifts, with the prior approval of the Board, such undertaking to any area (not being the area in which such undertaking is situate), it shall be granted a tax credit certificate.

Tax credit certificates for shifting of industrial undertaking from urban area.

(2) The tax credit certificate to be granted under sub-section (1) shall be for an amount computed in the following manner with reference to the amount of the tax payable by the company on its income chargeable under the head "Capital gains" arising from the transfer of capital assets being buildings or lands or any rights in buildings or lands used for the purposes of the business of the said undertaking in the urban area, effected in the course of or in consequence of the shifting of such industrial undertaking, namely:—

(a) the amount of expenditure incurred by the company in—

(i) acquiring lands or constructing buildings for the purposes of the business of the company in the area to which the undertaking is shifted, and

(ii) shifting its machinery or plant and other effects and transferring its establishment to such area,

within a period of three years, from the date of the approval referred to in sub-section (1), or such further period as the Board may allow, shall first be ascertained;

(b) the amount of the tax credit certificate shall bear to the amount of tax payable by the company on its income chargeable under the head "Capital gains" as aforesaid, the same proportion as the amount of expenditure ascertained under clause (a) bears to the amount of the said income:

Provided that the amount of the tax credit certificate shall in no case exceed the amount of the tax aforesaid.

(3) The amount shown on a tax credit certificate granted to a public company under sub-section (1) shall, on the certificate being produced before the Income-tax Officer, be adjusted against any existing liability of the company under the Indian Income-tax Act, 1922, or this Act, or any such liability arising within the period of twelve months from the date on which the certificate was produced before the Income-tax Officer, and where the amount of such certificate exceeds such liability, or where there is no such liability, the excess or the whole of such amount, as the case may be, shall, notwithstanding anything contained in Chapter XIX, be deemed, on the date of the expiry of the said period of twelve months, to be refund due to such company under that Chapter and the provisions of this Act shall apply accordingly.

1 of 1956.

(4) Where a capital asset, being building or land, or any right in building or land, acquired or, as the case may be, constructed in the area to which the undertaking of the company is shifted, is transferred by the company within a period of five years from the date of acquisition or, as the case may be, the date of completion of construction to any person other than the Government, a local authority, a corporation established by a Central, State or Provincial Act or a Government company as defined in section 617 of the Companies Act, 1956, an amount equal to one-half of the amount for which a tax credit certificate has been granted to the company under sub-section (1) shall be deemed to be tax due from the company on the thirtieth day following the date of transfer under a notice of demand issued under section 156, and all the provisions of this Act shall apply accordingly.

Explanation.—Any land or building used for the residence of persons employed in the business of the company or for the use of such persons as a hospital, creche, school, canteen, library, recreational centre, shelter, rest-room or lunch-room shall, for the purposes of this section, be deemed to be land or building used for the purposes of the business of the company.

65 of 1951.

280ZB. (1) Where any company engaged in the manufacture or production of any of the articles mentioned in the First Schedule to the Industries (Development and Regulation) Act, 1951 is, in respect of its profits and gains attributable to such manufacture or production,—

Tax credit certificate to certain manufacturing companies in certain cases.

(i) liable to pay any tax for the assessment year commencing on the 1st day of April, 1965 (hereinafter referred to as the base year) and for any one or more of the five assessment years next following that year; or

(ii) not liable to pay any tax for the base year but becomes so liable for any succeeding year (hereinafter referred to as the succeeding base year) and also for any one or more of the assessment years following that year, not being an assessment year commencing on the 1st day of April, 1971, or any subsequent assessment year

and the tax for any such succeeding year exceeds—

(a) in the case referred to in clause (i), the tax payable for the base year;

(b) in the case referred to in clause (ii), the tax payable for the succeeding base year,

then the company shall be granted a tax credit certificate for an amount equal to twenty per cent. of such excess:

Provided that the amount of the tax credit certificate shall not for any assessment year exceed ten per cent. of such tax payable by the company for that year.

(2) The amount shown on a tax credit certificate granted to any company under the provisions of sub-section (1) shall, on the certificate being produced before the Income-tax Officer, be adjusted against any existing liability of such company under the Indian Income-tax Act, 1922, or this Act, or any such liability arising within a period of twelve months from the date on which the certificate was produced before the Income-tax Officer and where the amount of such certificate exceeds such liability, or where there is no such liability, the excess or the whole of such amount, as the case may be, shall, notwithstanding anything contained in Chapter XIX, be deemed, on the date of the expiry of the said period of twelve months, to be refund due to such company under that Chapter and the provisions of this Act shall apply accordingly: 11 of 1922.

Provided that the adjustment or refund, as the case may be, under this sub-section shall be only for such amount, not exceeding the amount of the certificate, as is used within such period as may be specified in the scheme—

(i) for repayment of loans taken by the company from any of the financial institutions notified in this behalf by the Central Government, or

(ii) for redemption of its debentures, or

(iii) for the acquisition of any capital asset in India, including the construction of any building, for the purposes of the business of the company.

Explanation 1.—In this section, "tax" means income-tax payable under this Act and surtax, if any, payable under the Companies (Profits) Surtax Act, 1964. 7 of 1964

Explanation 2.—The amount of income-tax in respect of the profits or gains attributable to the manufacture or production of the articles referred to in sub-section (1) shall be an amount bearing to the total amount of income-tax payable on the total income (such income-tax being computed in the manner specified

hereunder) the same proportion as the amount of such profits or gains bears to the total income. The amount of income-tax payable by the company for any assessment year shall be computed after making allowance for any relief, rebate or deduction in respect of income-tax to which the company is entitled under the provisions of this Act or the annual Finance Act and after deducting from such amount of income-tax the amount of additional income-tax, if any, payable by the company under the provisions of section 104 and also the amount, if any, by which the rebate of income-tax admissible to the company under the provisions of the annual Finance Act is, under the provisions of the said Act, reduced with reference to the face value of any bonus shares or the amount of any bonus issued by the company to its shareholders during the previous year or any previous year prior to that year or with reference to any amount of dividends declared or distributed by it during the previous year or any previous year prior to that year.

Explanation 3.—The amount of surtax in respect of the chargeable profits attributable to the manufacture or production of the articles referred to in sub-section (1) shall be an amount bearing to the total amount of surtax payable under the Companies (Profits) Surtax Act, 1964 the same proportion as the amount of such chargeable profits bears to the whole of the chargeable profits.

7 of 1964.

280ZC. (1) Subject to the provisions of this section, a person who exports any goods or merchandise out of India after the 28th day of February, 1965, and receives the sale proceeds thereof in India in accordance with the Foreign Exchange Regulation Act, 1947, and the rules made thereunder, shall be granted a tax credit certificate for an amount calculated at a rate not exceeding fifteen per cent. on the amount of such sale proceeds.

Tax credit
certificate
in relation
to exports.

7 of 1947.

(2) The goods or merchandise in respect of which a tax credit certificate shall be granted under sub-section (1) (including the destination of their export) and the rate at which the amount of such certificate shall be calculated shall be such as may be specified in the scheme:

Provided that different rates may be specified in respect of different goods or merchandise.

(3) In specifying the goods or merchandise (including the destination of their export) and the rates, the Central Government shall have regard to the following factors, namely:—

(a) the cost of manufacture or production of such goods or merchandise and prices of similar goods in the foreign markets;

(b) the need to develop foreign markets for such goods or merchandise;

(c) the need to earn foreign exchange;

(d) any other relevant factor.

(4) The amount shown on a tax credit certificate granted to any person under this section shall, on the certificate being produced before the Income-tax Officer, be adjusted against any existing liability of that person under the Indian Income-tax Act, 1922, or this Act, or any such liability arising within the period of twelve months from the date on which the certificate was produced before the Income-tax Officer and where the amount of such certificate exceeds such liability, or where there is no such liability, the excess or the whole of such amount, as the case may be, shall, notwithstanding anything contained in Chapter XIX, be deemed, on the date of the expiry of the said period, to be refund due to such person under that Chapter and the provisions of this Act shall apply accordingly. 11 of 1922.

Tax credit certificates in relation to increased production of certain goods.

280ZD. (1) Subject to the provisions of this section, a person, who during any financial year commencing on the 1st day of April, 1965 or any subsequent financial year (not being a year commencing on the 1st day of April, 1970 or any financial year thereafter) manufactures or produces any goods, shall be granted a tax credit certificate for an amount calculated at a rate not exceeding twenty-five per cent. of the amount of the duty of excise payable by him on that quantum of the goods cleared by him during the relevant financial year which exceeds the quantum of the goods cleared by him during the base year, whether the clearance in either case is for home consumption or export.

(2) The goods in respect of which a tax credit certificate shall be granted under sub-section (1) and the rate at which the amount of such certificate shall be calculated shall be such as may be specified in the scheme :

Provided that different rates may be specified in respect of different goods.

(3) In specifying the goods and the rates under sub-section (1), the Central Government shall have regard to the following factors, namely:—

(a) the need for stimulating industrial output;

(b) the need for financial assistance to industrial undertakings engaged in the manufacture or production of such goods;

(c) any other relevant factor.

(4) Where any undertaking begins, after the 1st day of April in the base year, to manufacture or produce any goods in respect of which a tax credit certificate may be granted under sub-section (1), the quantum of goods cleared in that year shall, for the purposes of that sub-section, be determined in such manner as may be provided in the scheme.

(5) The amount shown on a tax credit certificate granted to any person under the provisions of sub-section (1) shall, on the certificate being produced before the Income-tax Officer, be adjusted against any existing liability of such person under the Indian Income-tax Act, 1922, or this Act, or any such liability arising within a period of twelve months from the date on which the certificate was produced before the Income-tax Officer and where the amount of such certificate exceeds such liability, or where there is no such liability, the excess or the whole of such amount, as the case may be, shall, notwithstanding anything contained in Chapter XIX, be deemed, on the date of the expiry of the said period of twelve months, to be refund due to such person under that Chapter and the provisions of this Act shall apply accordingly:

11 of 1922.

Provided that the adjustment or refund, as the case may be, under this sub-section shall be only for such amount, not exceeding the amount of the certificate, as is used within such period as may be specified in the scheme—

(i) for repayment of loans taken by the person from any of the financial institutions notified in this behalf by the Central Government, or

(ii) for the acquisition of any capital asset in India, including the construction of any building, for the purposes of his business, or

(iii) where the person is a company, also for redemption of its debentures.

(6) In this section—

(a) "base year", in relation to an existing undertaking which manufactures or produces the goods referred to in

sub-section (1), means the financial year commencing on the 1st day of April, 1964 and in relation to any other undertaking, the financial year in which such undertaking begins to manufacture or produce such goods;

(b) "duty of excise" means the duty of excise leviable under the Central Excises and Salt Act, 1944.

1 of 1944.

Tax credit
certificate
scheme.

280ZE. (1) The Central Government shall, by notification in the Official Gazette, frame one or more scheme or schemes to be called tax credit certificate scheme or schemes in relation to tax credit certificates to be granted under this Chapter.

(2) A scheme framed under sub-section (1) may provide for—

(a) the form and manner in which, and the authority to which, applications for the grant of tax credit certificates shall be made;

(b) the form in which, and the intervals at which, and the authority by which, such certificates shall be issued;

(c) the verification of any information or particulars furnished, or contained in any application made, by or on behalf of any person entitled to tax credit certificates;

(d) the determination of the rights and obligations of a person to whom such certificate has been granted and the circumstances in which any right in or title to the said certificate may be transferred to or devolve on any other person by succession or otherwise;

(e) the determination of the rights and obligations of persons who jointly subscribe to an eligible issue of capital;

(f) the determination of the rights and obligations of persons who subscribe to an eligible issue of capital, on behalf, or for the benefit, of any other person;

(g) the appointment of any officer of Government or of the Reserve Bank of India to exercise any rights or perform any duties in connection with the grant of the said certificates;

(h) the goods or merchandise and the rate or rates for the purposes of section 280ZC and section 280ZD and the destination of the export of such goods or merchandise for the purposes of section 280ZC;

(i) any other matter which may be necessary or proper for the effective implementation of the provisions of this Chapter or the scheme.

(3) The Central Government may, by notification in the Official Gazette, add to, amend, vary or rescind any scheme made under this section.

(4) Any scheme made under this section shall be laid, as soon as may be, after it is made, before each House of Parliament while it is in session for a total period of thirty days which may be comprised in one session or in two successive sessions, and if, before the expiry of the session in which it is so laid or the session immediately following, both Houses agree in making any modification in any provision of the scheme or both Houses agree that any provision in the scheme should not be made, that provision of the scheme 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 provision.'

63. In section 294 of the Income-tax Act, the words "or super-tax" shall be omitted. Amendment of section 294.

64. In section 295 of the Income-tax Act, in clause (e) of sub-section (2), after the words, brackets and figures "clause (i) of sub-section (3) of section 87", the words, brackets, figures and letter "or clause (i) of sub-section (4) of section 80A, as the case may be" shall be inserted. Amendment of section 295.

65. In the First Schedule to the Income-tax Act, in rule 3, in clause (c), for the words "but no income-tax shall be payable on the annual average of the amount of such interest", the words "but the assessee shall be entitled to a deduction from the amount of income-tax with which he is chargeable on his total income, of an amount calculated at the rate of twenty-five per cent. on the annual average of the amount of such interest" shall be substituted. Amendment of First Schedule.

66. In the Fourth Schedule to the Income-tax Act,—

(a) in Part A,—

(i) in rule 6, the words "and super-tax" shall be omitted;

(ii) for rule 7, the following rule shall be substituted, namely:—

"7. An employee participating in a recognised provident fund shall, in respect of his own contributions to his individual account in the fund in the previous year, be entitled to a deduction in the computation of his total income of an amount determined in accordance with section 80A or, as the case may be, to a deduction Exemption for employee's contributions.

from the amount of income-tax with which he is chargeable on his total income of an amount of income-tax determined in accordance with section 87.”;

(iii) in sub-rule (1) of rule 9, for the words “income-tax and super-tax”, wherever they occur, the word “tax” shall be substituted;

(iv) in sub-rule (3) of rule 11, the words “and super-tax” shall be omitted;

(v) in clause (d) of sub-rule (1) of rule 15, for the words “income-tax and super-tax”, the word “tax” shall be substituted;

(b) in Part B,—

(i) in rule 5, the words “and super-tax” shall be omitted;

(ii) in rule 6,—

(a) for the words “income-tax and super-tax”, wherever they occur, the word “tax” shall be substituted;

(b) after the words “paid to an employee during his lifetime,”, the words, brackets and figures “in circumstances other than those referred to in clause (13) of section 10” shall be inserted;

(iii) in clause (e) of sub-rule (1) of rule 11, for the words “income-tax and super-tax”, the word “tax” shall be substituted;

(c) in Part C, in rule 7, the words “and super-tax” shall be omitted.

Insertion
of new
Schedule.

67. After the Fourth Schedule to the Income-tax Act, the following Schedule shall be inserted, namely :—

‘THE FIFTH SCHEDULE

[See section 33(1) (iii) (c)]

List of articles and things

- (1) Iron and steel (metal), ferro-alloys and special steels.
- (2) Aluminium, copper, lead and zinc (metals).
- (3) Iron ore, bauxite, manganese ore, dolomite, limestone, magnesite and mineral oil.

65 of 1951.

- (4) Industrial machinery specified under the heading "8. Industrial machinery", sub-heading "A. Major items of specialised equipment used in specific industries", of the First Schedule to the Industries (Development and Regulation) Act, 1951.
- (5) Boilers and steam generating plants, steam engines and turbines and internal combustion engines.
- (6) Flame and drip proof motors.
- (7) Equipment for the generation and transmission of electricity including transformers, cables and transmission towers.
- (8) Machine tools and precision tools (including their attachments and accessories, cutting tools and small tools), dies and jigs.
- (9) Tractors, earth-moving machinery and agricultural implements.
- (10) Motor trucks and buses.
- (11) Steel castings and forgings and malleable iron and steel castings.
- (12) Cement and refractories.
- (13) Fertilisers, namely, ammonium sulphate, ammonium sulphate nitrate (double salt), ammonium nitrate, calcium ammonium nitrate (nitrolime stone), ammonium chloride, super phosphate, urea and complex fertilisers of synthetic origin containing both nitrogen and phosphorus, such as ammonium phosphates, ammonium sulphate phosphate and ammonium nitro phosphate.
- (14) Soda ash.
- (15) Pesticides.
- (16) Paper and pulp.
- (17) Electronic equipment, namely, radar equipment, computers, electronic accounting and business machines, electronic communication equipment, electronic control instruments and basic components, such as valves, transistors, resistors, condensers, coils, magnetic materials and micro wave components.
- (18) Petrochemicals including corresponding products manufactured from other basic raw materials like calcium carbide, ethyl alcohol or hydrocarbons from other sources.
- (19) Ships.
- (20) Automobile ancillaries.
- (21) Seamless tubes.
- (22) Gears.
- (23) Ball, roller and tapered bearings.

(24) Component parts of the articles mentioned in items Nos. (4), (5), (7) and (9), that is to say, such parts as are essential for the working of the machinery referred to in the items aforesaid and have been given for that purpose some special shape or quality which would not be essential for their use for any other purpose and are in complete finished form and ready for fitment.

(25) Cotton seed oil.'

Voluntary
disclosure
of income.

68. (1) Where any person makes a declaration in accordance with sub-section (2) in respect of the amount representing income—

(a) which he has failed to disclose in a return of income for any assessment year filed by him before the 1st day of March, 1965 under the Indian Income-tax Act, 1922 or the Income-tax Act, 1961, or

11 of 1922.
43 of 1961.

(b) which has escaped assessment for any assessment year for which an assessment has been made before the 1st day of March, 1965 under either of the said Acts, or

(c) for the assessment of which no proceeding under either of the said Acts has been taken before the 1st day of March, 1965, he shall, notwithstanding anything contained in the said Acts, be charged income-tax at the rate specified in sub-section (3) in respect of the amount so declared if he,—

(i) pays the amount of income-tax as computed at the said rate, or

(ii) furnishes adequate security for the payment thereof in accordance with sub-section (4) and undertakes to pay such income-tax within a period, not exceeding six months, from the date of the declaration as may be specified by him therein, or

(iii) on or before the 31st day of May, 1965, pays such amount as is not less than one-half of the amount of income-tax as computed at the said rate or furnishes adequate security for the payment thereof in accordance with sub-section (4), and in either case assigns any shares in, or debentures of, a joint stock company or mortgages any immovable property, in favour of the President of India by way of security for the payment of the balance, and undertakes to pay such balance within the period referred to in clause (ii).

(2) The declaration shall be made to the Commissioner, and shall specify the period required to be specified under clause (ii) of sub-section (1), contain the name, address and signature of the person

making the declaration and also full information in respect of the following matters, namely:—

(a) Whether he was assessed to income-tax or not and, if assessed, the name of the Income-tax Circle in which he was assessed.

(b) The amount of income declared, giving where available, details of the financial year or years in which the income was earned and the amount pertaining to each such year.

(c) Whether the amount declared is represented by cash (including bank deposits), bullion, investments in shares, debts due from other persons, commodities, or any other assets, and the name in which it is held and location thereof:

Provided that the declaration shall be of no effect unless it is made after the 28th day of February, 1965 and before the 1st day of June, 1965.

(3) The rate of income-tax chargeable in respect of the amount referred to in sub-section (1) shall be sixty per cent. of such amount:

Provided that if before the 1st day of April, 1965, the tax on the amount declared is paid by the declarant at the rate of fifty-seven per cent. of such amount, he shall not be liable to pay any further tax on such amount.

(4) A person shall not be considered to have furnished adequate security for the payment of the tax for the purposes of sub-section (1) unless the payment is guaranteed by a scheduled bank or the person makes an assignment, in favour of the President of India, of any security of the Central or State Government.

Explanation.—For the purposes of this sub-section, where an assignment of Government securities is made in favour of the President, the amount covered by such assignment shall be the market value of the securities on the date of the assignment.

(5) Any amount of income-tax paid in pursuance of a declaration made under this section shall not be refundable in any circumstances, and no person who has made the declaration shall be entitled, in respect of any amount so declared or any amount of tax so paid, to reopen any assessment or reassessment made under the Indian Income-tax Act, 1922, or the Income-tax Act, 1961, or the Excess Profits Tax Act, 1940, or the Business Profits Tax Act, 1947, or the Super Profits Tax Act, 1963, or the Companies (Profits) Surtax Act, 1964, or claim any set off or relief in any appeal, reference, revision or other proceeding in relation to any such assessment or reassessment.

11 of 1922.

43 of 1961.

15 of 1940.

21 of 1947.

14 of 1963.

7 of 1964.

(6) (a) Any amount declared by any person under this section in respect of which the tax referred to in sub-section (3) is paid shall not be included in his total income for any assessment under any of the Acts mentioned in sub-section (5) if he credits in the books of account, if any, maintained by him for any source of income or in any other record, the amount declared as reduced by the tax paid thereon under this section.

(b) A credit made under clause (a) shall be intimated to the Income-tax Officer.

(7) (a) The Commissioner shall grant a certificate to every person who has made a declaration under this section and paid the income-tax under this section.

(b) The certificate shall set forth the particulars of the amount stated in the declaration, the amount of income-tax paid in respect of the same and the date of payment.

(8) (a) All particulars contained in any declaration made under this section or record of any proceeding under this section shall be treated as confidential and, notwithstanding anything contained in any law for the time being in force, no court shall be entitled to require any public servant to produce before it any such declaration or record or any part thereof or to give evidence before it in respect thereof.

(b) No public servant shall disclose any particulars contained in any such declaration or record except to any officer employed in the execution of any of the Acts mentioned in sub-section (5) or to any officer appointed by the Comptroller and Auditor-General of India or the Board to audit income-tax receipts or refunds.

(9) Any payment of income-tax under this section shall be made by depositing the amount to the credit of the Central Government at a Government treasury or sub-treasury, or at any branch of the Reserve Bank of India, or at any branch of the State Bank of India or at any of its agencies conducting Government treasury business.

(10) In this section,—

(i) "Board" means the Central Board of Direct Taxes constituted under the Central Boards of Revenue Act, 1963;

54 of 1963.

(ii) "Commissioner" means the Commissioner of Income-tax appointed under the Income-tax Act, 1961 having for the time being jurisdiction for the purposes of that Act over the person who makes a declaration under this section.

43 of 1961.

69. In the Estate Duty Act, 1953,—

(i) in section 9, in sub-section (1), for the words "two years", the words "one year" shall be substituted;

(ii) in section 10,—

(a) in the proviso, for the words "two years", the words "one year" shall be substituted;

(b) after the proviso, the following proviso shall be inserted, namely:—

"Provided further that a house or part thereof taken under any gift made to the spouse, son, daughter, brother or sister, shall not be deemed to pass on the donor's death by reason only of the residence therein of the donor except where a right of residence therein is reserved or secured directly or indirectly to the donor under the relevant disposition or under any collateral disposition.";

(iii) in sub-section (2) of section 11,—

(a) for the words "two years"; wherever they occur, the words "one year" shall be substituted;

(b) after the first proviso, the following proviso shall be inserted, namely:—

"Provided further that where the disposition or determination of an interest limited to cease on the death in a house or part thereof was effected or suffered in favour of the spouse, son, daughter, brother or sister, then, the disposition or determination shall, notwithstanding the residence therein of the person who immediately before the disposition or determination had the interest, be deemed to be excepted by this sub-section save where a right of residence therein is reserved or secured directly or indirectly to such person under the relevant disposition or under any collateral disposition.";

(iv) in sub-section (1) of section 12,—

(a) in the proviso, for the words "two years", the words "one year" shall be substituted;

(b) after the proviso and before the *Explanation*, the following proviso shall be inserted, namely:—

"Provided further that a house or part thereof comprised in such settlement made in favour of the spouse, son, daughter, brother or sister, shall not be deemed to pass on the settlor's death by reason only of the residence therein of the settlor except where a right of residence is reserved or secured directly or indirectly to the settlor under the settlement or under any collateral disposition.";

(v) in section 22,—

(a) for the words “two years”, the words “one year” shall be substituted;

(b) for the proviso, the following proviso shall be substituted, namely:—

“Provided that a house or part thereof held by the deceased as trustee for another person under a disposition made by him in favour of the spouse, son, daughter, brother or sister, shall not be deemed to be included in the property passing on the death of the deceased by reason only of the residence therein of the deceased except where a right of residence therein is reserved or secured directly or indirectly to the deceased under the relevant disposition or under any collateral disposition.”;

(vi) after section 29, the following section shall be inserted, namely:—

Exemption
of pen-
sions, etc.,
in certain
cases.

“29A. Estate duty shall not be payable in respect of—

(a) any pension accruing or arising on the death of the deceased to his widow or other dependants under the revised Pension Rules of the Central Government or under any similar scheme of a State Government, a local authority or a corporation established by a Central, State or Provincial Act, or under the New Pension Code applicable to the members of the Defence Services; or

(b) any annuity or pension payable to such widow or dependants from—

(i) a superannuation fund approved under the Indian Income-tax Act, 1922, or the Income-tax Act, 11 of 1922, 1961, to the extent to which the amount of such annuity or pension does not exceed the equivalent of fifteen thousand rupees per annum, or 43 of 1961.

(ii) a superannuation or pension fund established by such international organisations as the Central Government may, by notification in the Official Gazette, specify in this behalf.”;

(vii) in section 33, in sub-section (1),—

(a) in clause (b), for the words “two years”, the words “one year” shall be substituted;

(b) after clause (n), the following clause shall be inserted, namely:—

“(o) property taken under any gift made by the deceased to the spouse, son, daughter, brother or sister, beyond a period of five years before his death:—

18 of 1958.

Provided that the property is either chargeable to gift-tax under the Gift-tax Act, 1958, or is not chargeable under section 5 of that Act, for any assessment year commencing after the 31st day of March, 1964.”;

(viii) in section 34, in clause (a) of sub-section (1), for the word, brackets and letter “and (n)”, the brackets, letters and word “, (n) and (o)” shall be substituted;

(ix) in section 46, in sub-section (2), for the words “two years”, the words “one year” shall be substituted.

70. In the Wealth-tax Act, 1957,—

Amend-
ment of
Act 27 of
1957.

(i) in sub-section (1) of section 5, after clause (xix), the following clause shall be inserted, namely:—

“(xx) the value of any equity shares held by the assessee in any company of the type referred to in clause (d) of section 45, where such shares form part of the initial issue of equity share capital made by the company after the 31st day of March, 1964, for a period of five successive assessment years commencing with the assessment year next following the date on which such company commences the operations for which it has been established;”;

(ii) for Part I of the Schedule, the following Part shall be substituted, namely:—

PART I

Paragraph A

(a) In the case of every individual:—

	Rate of tax
(i) on the first rupees one lakh of net wealth ..	Nil
(ii) on the next rupees four lakhs of net wealth ..	0.5%
(iii) on the next rupees five lakhs of net wealth ..	1.0%
(iv) on the next rupees ten lakhs of net wealth ..	2.0%
(v) on the balance of net wealth ..	2.5%

(b) In the case of every Hindu undivided family:—

(i) on the first rupees two lakhs of net wealth ..	Nil
(ii) on the next rupees three lakhs of net wealth ..	0.5%
(iii) on the next rupees five lakhs of net wealth ..	1.0%
(iv) on the next rupees ten lakhs of net wealth ..	2.0%
(v) on the balance of net wealth ..	2.5%

(c) In addition, in the case of every individual and Hindu undivided family, where the net wealth of the individual or Hindu undivided family includes the value of any asset, being building or land (other than business premises), or any right in such building or land, situated in any area falling in Category A or Category B or Category C or Category D specified in rule 2 of Paragraph B, tax at the following rate or rates computed with reference to the value of such assets determined in accordance with rule 1 of the said Paragraph B:—

- | | |
|---|---|
| (i) where the total value of such assets as determined under Paragraph B does not exceed rupees two lakhs. | Nil. |
| (ii) where the total value of such assets as determined under Paragraph B exceeds rupees two lakhs but does not exceed rupees seven lakhs. | 1% of the amount by which the total value of such assets as so determined exceeds rupees two lakhs. |
| (iii) where the total value of such assets as determined under Paragraph B exceeds rupees seven lakhs but does not exceed rupees twelve lakhs. | Rs. 5,000 plus 2% of the amount by which the total value of such assets as so determined exceeds rupees seven lakhs. |
| (iv) where the total value of such assets as determined under Paragraph B exceeds rupees twelve lakhs but does not exceed rupees seventeen lakhs. | Rs. 15,000 plus 3% of the amount by which the total value of such assets as so determined exceeds rupees twelve lakhs. |
| (v) where the total value of such assets as determined under Paragraph B exceeds rupees seventeen lakhs. | Rs. 30,000 plus 4% of the amount by which the total value of such assets as so determined exceeds rupees seventeen lakhs. |

Explanation.—For the purposes of this Part “business premises” means any building or land or part of such building or land, or any right in building or land or part thereof, owned by the assessee and used throughout the previous year for the purposes of his business or profession, and includes any building used for the purpose of residence of persons employed in the business or any building used for the welfare of such persons as a hospital, creche, school, canteen, library, recreational centre, shelter rest-room or lunch-room.

Paragraph B

Rule 1.—The total value of assets for the purposes of clause (c) of Paragraph A shall be determined as being the aggregate amount by which the value of such assets, included in the net wealth of the individual or Hindu undivided family, which are situated in any area falling in the category specified in column 1 hereunder exceeds the amount specified thereagainst in column 2:—

Category of area (1)	Amount (2)
A	Rs. 5,00,000
B	The amount by which the value of such assets situated in any area falling in Category A falls short of Rs. 5,00,000, or an amount of Rs. 4,00,000, whichever is less.
C	The amount by which the aggregate of the value of such assets situated in any area falling in Category A or Category B falls short of Rs. 5,00,000, or in a case where there is no such asset situated in an area falling in Category A, the amount by which the value of such assets situated in any area falling in Category B falls short of Rs. 4,00,000, or, in either case, an amount of Rs. 3,00,000, whichever is less.
D	The amount by which the aggregate of the value of such assets situated in any area falling in Category A or Category B or Category C falls short of Rs. 5,00,000, or, in a case where there is no such asset situated in an area falling in Category A, the amount by which the aggregate of the value of such assets situated in any area falling in Category B or Category C falls short of Rs. 4,00,000, or, in a case where there is no such asset situated in an area falling in Category A or Category B, the amount by which the value of such assets situated in any area falling in Category C falls short of Rs. 3,00,000, or, in each case, an amount of Rs. 2,00,000, whichever is less.

Rule 2.—For the purposes of this Part, all cities and towns in India, the population of which, including the population of the contiguous municipalities and cantonments according to the census held in the year 1961—

(i) exceeds sixteen lakhs shall be treated as falling in Category A;

(ii) exceeds eight lakhs but does not exceed sixteen lakhs shall be treated as falling in Category B;

(iii) exceeds four lakhs but does not exceed eight lakhs shall be treated as falling in Category C; and

(iv) exceeds one lakh but does not exceed four lakhs shall be treated as falling in Category D.'

Amend-
ment of
Act 18 of
1958.

71. In the Gift-tax Act, 1958,—

(i) in section 5, in sub-section (1), after clause (v), the following clause shall be inserted, namely:—

“(va) (i) to such temple, mosque, gurdwara, church or other place as has been notified by the Central Government for the purposes of sub-section (6) of section 88 of the Income-tax Act, 1961; or

43 of 1961.

(ii) by way of settlement on trust, of property the income from which, according to the deed of settlement, is to be used exclusively in connection with the temple, mosque, gurdwara, church or other place specified therein and notified as aforesaid;”;

(ii) in Chapter IV, after section 18, the following section shall be inserted, namely:—

Credit for
stamp duty
paid on
instrument
of gift.

“18A. Where any stamp duty has been paid under any law relating to stamp duty in force in any State on an instrument of gift of property in respect of which the gift-tax payable exceeds one thousand rupees, the assessee shall be entitled to a deduction from the gift-tax payable by him of an amount equal to the stamp duty so paid or one-half of the sum by which the gift-tax payable, before making the deduction under this section, exceeds one thousand rupees, whichever is less.”.

Amend-
ment of
Act 63 of
1960.

72. In the Preference Shares (Regulation of Dividends) Act, 1960,—

(i) in section 2,—

(a) in clause (b), for the words, brackets, figures and letters “clause (7A) of section 2 of the Indian Income-tax Act, 1922 and includes a company referred to in sub-clause (u) of clause (5A)”, the following shall be substituted, namely:—

“clause (26) of section 2 of the Income-tax Act, 1961 and includes a company referred to in sub-clause (ii) of clause (17)”;

(b) in clause (c), the words, figures and letters “having been issued and subscribed for before the 1st day of April, 1960” shall be omitted;

11 of 1922.
43 of 1961.

(c) in clause (d), for the words and figures "Indian Income-tax Act, 1922", the words and figures "Income-tax Act, 1961" shall be substituted;

(ii) in section 3,—

(a) in sub-section (1) and in sub-section (3), after the words "preference share of a company", the words, figures and letters "issued and subscribed for before the 1st April, 1960" shall be inserted;

(b) in sub-section (2), after the words, figures and letters "after the 31st March, 1959", the words, figures and letters "and before the 1st April, 1960" shall be inserted;

(c) in sub-section (4), after the words "preference share", the words, figures and letters "issued and subscribed for before the 1st April, 1960" shall be inserted;

(d) in sub-section (6),—

(i) after the words "in this section", the words, figure and letter "and section 4A" shall be inserted;

11 of 1922.
43 of 1961.

(ii) for the words, brackets, figures and letter "sub-section (3D) of section 18 of the Indian Income-tax Act, 1922", the words and figures "section 194 of the Income-tax Act, 1961" shall be substituted;

(iii) in section 4,—

(a) for the words "Where any preference share has been issued by a company any portion of the profits and gains of which", the following shall be substituted, namely:—

"Where any preference share of a company has been issued and subscribed for before the 1st April, 1960, and any portion of the profits and gains of the company";

11 of 1922.
43 of 1961.

(b) for the words and figures "Indian Income-tax Act, 1922", the words and figures "Income-tax Act, 1961" shall be substituted;

(iv) after section 4, the following section shall be inserted, namely:—

"4A. Where the stipulated dividend in respect of a preference share of a company—

(a) is specified to be subject to income-tax and a deduction is made therefrom on account of the income-tax payable by the company, or

(b) is being paid subject to a deduction therefrom on account of the income-tax payable by the company,

Deduction
of income-
tax.

notwithstanding the absence of any specification that the dividend would be subject to income-tax,

such deduction shall in no case exceed twenty-five per cent. of the stipulated dividend.”;

(v) in section 6, for the words “this Act”, the words and figures “section 3 or section 4” shall be substituted.

Amend-
ment of
Act 52 of
1963.

73. In section 32 of the Unit Trust of India Act, 1963,—

(i) in sub-section (1), for clause (b), the following clause shall be substituted, namely:—

“(b) where in the case of a unit holder, being an individual, the total income for any previous year as computed under the Income-tax Act, 1961 before including therein the amount of qualifying dividend— 43 of 1961

(i) does not exceed a sum of twenty thousand rupees, the qualifying dividend shall not be included in computing the total income of the unit holder for that year;

(ii) exceeds a sum of twenty thousand rupees, the qualifying dividend shall be included in computing the total income of the unit holder for that year, but he shall be entitled to a deduction from the amount of income-tax payable by him of a sum calculated at the rate of twenty-five per cent. on such qualifying dividend.

Explanation.—In this section, “qualifying dividend” means, where the income received by a unit holder from the Trust in respect of units does not exceed one thousand rupees, such income, and where such income exceeds one thousand rupees, a sum of one thousand rupees.”;

(ii) in sub-section (2),—

(a) in clause (a), the word “and” shall be omitted;

(b) in clause (b), after the word “individual”, the words “who is resident; and” shall be inserted;

(c) after clause (b), the following clause shall be inserted, namely:—

“(c) deduction of income-tax shall be made by the Trust from the income distributed by it to a unit holder being an individual who is not resident in India at the rate of fifteen per cent. of such income.”.

74. In the Companies (Profits) Surtax Act, 1964,—

Amend-
ment of
Act 7 of
1964.

(i) in section 18, the words "and super-tax" shall be omitted;

(ii) in the First Schedule,—

(a) in clause (xii) of rule 1, the words "and super-tax" shall be omitted;

(b) in clause (i) of rule 2, the words "and super-tax", wherever they occur, shall be omitted, and for the word "super-tax" occurring in sub-clause (b), the word "income-tax" shall be substituted;

(iii) in the Third Schedule,—

(a) in Paragraph 1,—

(i) in the first proviso, for the words "of manufacture or production of any one or more of the articles", the words "of construction, manufacture or production of any one or more of the articles or things" shall be substituted;

(ii) in the second proviso, for the words "of manufacture or production of any article", the words "of construction, manufacture or production of any article or thing" shall be substituted;

(iii) after the second proviso, the following proviso shall be inserted, namely:—

"Provided further that where in the case of an Indian company or a company which has made the prescribed arrangements for the declaration and payment of dividends within India—

(i) which is such a company as is referred to in section 108 of the Income-tax Act, and

(ii) whose paid up share capital (subscribed and paid for in cash) as on the last day of the previous year, is not less than twenty-five per cent. of the amount of the capital as computed under the Second Schedule to this Act,

the aggregate of—

(a) the amount of income-tax payable by the company in respect of its total income of the previous year under the provisions of the Income-tax Act after making allowance for any relief, rebate or deduction in respect of

income-tax to which the company is entitled under the provisions of the said Act or the annual Finance Act after deducting from such amount of income-tax the amount, if any, by which the rebate of income-tax admissible to the company under the provisions of the annual Finance Act is, under the provisions of the said Act, reduced with reference to the face value of any bonus shares or the amount of any bonus issued by the company to its shareholders during the previous year or any previous year prior to that year; and

(b) the amount of surtax computed in accordance with the foregoing provisions of this Paragraph,

exceeds the amount calculated at seventy per cent. of the total income of the company, the amount of such excess shall be deducted from the amount of surtax referred to in clause (b) above and the balance shall be the amount of the surtax payable by the company.”;

(b) for Paragraph 2, the following Paragraph shall be substituted, namely:—

‘2. The list of articles and things referred to in Paragraph 1 shall be as follows:—

(1) Iron and steel (metal), ferro-alloys and special steels.

(2) Aluminium, copper, lead and zinc (metals).

(3) Coal, lignite, iron ore, bauxite, manganese ore, dolomite, limestone, magnesite and mineral oil.

(4) Industrial machinery specified under the heading “8. Industrial machinery”, sub-heading “A. Major items of specialised equipment used in specific industries”, of the First Schedule to the Industries (Development and Regulation) Act, 1951.

65 of 1951.

(5) Boilers and steam generating plants, steam engines and turbines and internal combustion engines.

(6) Flame and drip proof motors.

(7) Equipment for the generation and transmission of electricity including transformers, cables and transmission towers.

(8) Machine tools and precision tools (including their attachments and accessories, cutting tools and small tools), dies and jigs.

(9) Tractors, earth-moving machinery and agricultural implements.

(10) Motor trucks and buses.

(11) Steel castings and forgings and malleable iron and steel castings.

(12) Cement and refractories.

(13) Fertilisers, namely, ammonium sulphate, ammonium sulphate nitrate (double salt), ammonium nitrate, calcium ammonium nitrate (nitrolime stone), ammonium chloride, super phosphate, urea and complex fertilisers of synthetic origin containing both nitrogen and phosphorus, such as ammonium phosphates, ammonium sulphate phosphate and ammonium nitro phosphate.

(14) Soda ash.

(15) Pesticides.

(16) Paper and pulp.

(17) Tea.

(18) Electronic equipment, namely, radar equipment, computers, electronic accounting and business machines, electronic communication equipment, electronic control instruments and basic components, such as valves, transistors, resistors, condensers, coils, magnetic materials and micro wave components.

(19) Petrochemicals including corresponding products manufactured from other basic raw materials like calcium carbide, ethyl alcohol or hydrocarbons from other sources.

(20) Ships.

(21) Automobile ancillaries.

(22) Seamless tubes.

(23) Gears.

(24) Ball, roller and tapered bearings.

(25) Component parts of the articles mentioned in items Nos. (4), (5), (7) and (9), that is to say, such parts as are essential for the working of the machinery referred to in the items aforesaid and have

been given for that purpose some special shape or quality which would not be essential for their use for any other purpose and are in complete finished form and ready for fitment.

(26) Cotton seed oil.

Amend-
ment of
Act 32
of 1934.

75. The Indian Tariff Act, 1934 (hereinafter referred to as the Tariff Act) shall be amended in the manner specified in the Third Schedule.

Surcharge
on duties
of
customs.

76. (1) In the case of goods chargeable with a duty of customs which is specified in the First Schedule to the Tariff Act as amended by this Act or any subsequent Act of Parliament, or in that Schedule read with any notification of the Central Government for the time being in force, there shall be levied and collected as an addition to, and in the same manner as, the total amount so chargeable, a sum equal to 10 per cent. of such amount:

Provided that in computing the total amount so chargeable, any duty chargeable under section 2A of the Tariff Act or section 77 of this Act shall not be included.

(2) Sub-section (1) shall cease to have effect after the 31st day of March, 1966 except as respects things done or omitted to be done before such cesser; and section 6 of the General Clauses Act, 1897 10 of 1897. shall apply upon such cesser as if the said sub-section had then been repealed by a Central Act.

Regulatory
duty of
customs.

77. (1) With a view to regulating, or bringing greater economy in, imports there shall be levied and collected, with effect from such date, and at such rate, as may be specified in this behalf by the Central Government by notification in the Official Gazette, on all or any of the goods mentioned in the First Schedule to the Tariff Act as amended by this Act or any subsequent Act of Parliament, a regulatory duty of customs not exceeding—

(a) 25 per cent. of the rate, if any, specified in the said First Schedule read with any notification issued under section 3A or sub-section (1) of section 4 of the Tariff Act; or

(b) 10 per cent. of the value of the goods as determined in accordance with the provisions of section 14 of the Customs Act, 1962,

52 of 1962.

whichever is higher:

Provided that different dates and different rates may be specified by the Central Government for different kinds of goods.

(2) Sub-section (1) shall cease to have effect after the 15th day of May, 1966 except as respects things done or omitted to be done before such cesser; and section 6 of the General Clauses Act, 1897 10 of 1897.

shall apply upon such cesser as if the said sub-section had then been repealed by a Central Act.

52 of 1962. (3) The regulatory duty of customs leviable under this section in respect of any goods referred to in sub-section (1) shall be in addition to any other duty of customs chargeable on such goods under the Customs Act, 1962.

52 of 1962. (4) The provisions of the Customs Act, 1962 and the rules and regulations made thereunder, including those relating to refunds and exemptions from duties, shall, as far as may be, apply in relation to the levy and collection of the regulatory duty of customs leviable under this section in respect of any goods as they apply in relation to the levy and collection of the duties of customs on such goods under that Act or those rules and regulations.

(5) Every notification issued under sub-section (1) shall, as soon as may be after it is issued, be placed before each House of Parliament.

5 of 1964.
52 of 1962. (6) All regulatory duties of customs levied under sub-section (1) of section 58 of the Finance Act, 1964, shall, subject to any notification issued under section 25 of the Customs Act, 1962 read with sub-section (4) of the said section 58, continue to have effect until the other provisions of this section come into force.

78. In the Indian Tariff (Amendment) Act, 1949, in sections 4 and 5, for the figures "1965", the figures "1966" shall be substituted. Amendment of Act 1 of 1949.

79. In the Central Excises and Salt Act, 1944 (hereinafter referred to as the Central Excises Act), in the First Schedule,— Amendment of Act 1 of 1944.

(a) in Item No. 4, under "II. Manufactured tobacco—", for sub-item (2), the following sub-item shall be substituted, namely:—

"(2) Cigarettes . . . One hundred per cent. *ad valorem*.";

(b) in Item No. 26, for the entry in the third column, the entry "Sixty rupees per metric tonne." shall be substituted;

(c) in Item No. 26A, for the entries in the third column against sub-items (1) and (2), the entries "One thousand rupees per metric tonne." and "One thousand and five hundred rupees per metric tonne." shall, respectively, be substituted;

(d) in Item No. 26AA,—

(i) for the entry in the third column against each of the sub-items (i) and (ia), the entry "Forty-five rupees per metric tonne plus the excise duty for the time being leviable on steel ingots." shall be substituted;

(ii) for sub-items (ii) and (iii), the following sub-items shall be substituted, namely:—

“(ii) Plates and sheets (including un-coated plates and sheets intended for tinning and forms such as ridges, channels, rain water pipes and their fittings made from plates or sheets, but not including plates and sheets after tinning), and hoops, all sorts, other than skelp and strips.

Three hundred rupees per metric tonne *plus* the excise duty for the time being leviable on steel ingots.

(iii) Skelp and strips

• Three hundred rupees per metric tonne *plus* the excise duty for the time being leviable on steel ingots.” ;

(e) in Item No. 27,—

(i) for the entry in the second column against sub-item (b), the entry “Manufactures, the following, namely, plates, sheets, circles and strips in any form or size, not otherwise specified.” shall be substituted ;

(ii) for the entry in the second column against sub-item (c), the entry “Pipes and tubes, other than extruded pipes and tubes.” shall be substituted ;

(iii) after sub-item (c), the following sub-item shall be inserted, namely :—

“(d) Extruded shapes and sections including extruded pipes and tubes. Ten per cent. *ad valorem*.” ;

(f) in Item No. 28, for the entry in the third column, the entry “Three hundred and seventy-five rupees per metric tonne.” shall be substituted.

Special
duty of
excise
on cer-
tain
goods.

80. (1) When goods of the description mentioned in this section chargeable with a duty of excise under the Central Excises Act (as amended by this Act or any subsequent Act of Parliament) read with any notification for the time being in force issued by the Central Government in relation to the duty so chargeable, are assessed to duty, there shall be levied and collected—

(a) as respects goods comprised in Items Nos. 6, 8, 9, 14D, 22A, 23A except sub-item (1) thereof, 23B, 28, 29, sub-items (2) and (3) of Item No. 31 and Item No. 32 of the First Schedule to the Central Excises Act, a special duty of excise equal to 10 per cent. of the total amount so chargeable on such goods;

(b) as respects goods comprised in Items Nos. 2, 3(1), sub-items I, II(2) and II(3) of Item No. 4, Items Nos. 13, 14, 14F, 15, 15A, 15B, 16, 16A, 17, 18A(2), 21, 22, 23, 23A(1), 27, 30, 31(1), 33, sub-items (1), (3a) and (4) of Item No. 34 and Item No. 37 of that Schedule, a special duty of excise equal to 20 per cent. of the total amount so chargeable on such goods; and

(c) as respects goods comprised in Items Nos. 4II(1), 18, 18A(1), 18B, 20, 29A, 33A, sub-items (2) and (3) of Item No. 34 and radiograms comprised in Item No. 37A of that Schedule, a special duty of excise equal to 33½ per cent. of the total amount so chargeable on such goods.

10 of 1897. (2) Sub-section (1) shall cease to have effect after the 31st day of March, 1966, except as respects things done or omitted to be done before such cesser; and section 6 of the General Clauses Act, 1897 shall apply upon such cesser as if the said sub-section had then been repealed by a Central Act.

(3) The duties of excise referred to in sub-section (1) in respect of the goods specified therein shall be in addition to the duties of excise chargeable on such goods under the Central Excises Act or any other law for the time being in force and such special duties shall be levied for purposes of the Union and the proceeds thereof shall not be distributed among the States.

(4) The provisions of the Central Excises Act and the rules made thereunder, including those relating to refunds and exemptions from duties, shall, as far as may be, apply in relation to the levy and collection of the duty of excise leviable under this section in respect of any goods as they apply in relation to the levy and collection of the duties of excise on such goods under that Act or those rules.

81. (1) With a view to regulating or bringing greater economy in consumption, there shall be levied and collected, with effect from such date, and at such rate, as may be specified in this behalf by the Central Government by notification in the Official Gazette, on all or any of the goods mentioned in the First Schedule to the Central Excises Act as amended by this Act or any subsequent Act of Parliament, a regulatory duty of excise which shall not exceed 15 per cent. of the value of the goods as determined in accordance with the provisions of section 4 of the Central Excises Act: Regulatory duty of excise.

Provided that different dates and different rates may be specified by the Central Government for different kinds of goods.

10 of 1897. (2) Sub-section (1) shall cease to have effect after the 15th day of May, 1966, except as respects things done or omitted to be done before such cesser; and section 6 of the General Clauses Act, 1897 shall apply upon such cesser as if the said sub-section had then been repealed by a Central Act.

(3) The duties of excise referred to in sub-section (1) in respect of the goods specified therein shall be in addition to the duties of excise chargeable on such goods under the Central Excises Act or any other law for the time being in force and such regulatory duties shall be levied for purposes of the Union and the proceeds thereof shall not be distributed among the States.

(4) The provisions of the Central Excises Act and the rules made thereunder, including those relating to refunds and exemptions from duties, shall, as far as may be, apply in relation to the levy and collection of the regulatory duty of excise leviable under this section in respect of any goods as they apply in relation to the levy and collection of the duties of excise on such goods under that Act or those rules.

(5) Every notification issued under sub-section (1) shall, as soon as may be after it is issued, be placed before each House of Parliament.

(6) All regulatory duties of excise levied under sub-section (1) of section 62 of the Finance Act, 1964, shall, subject to any notification issued under rule 8 of the Central Excise Rules, 1944, read with sub-section (4) of the said section, continue to have effect until the other provisions of this section come into force. 5 of 1964.

Disconti-
nuance of
salt duty.

32. For the year beginning on the 1st day of April, 1965, no duty under the Central Excises Act, or the Tariff Act shall be levied in respect of salt manufactured in, or imported into, India.

Amend-
ment of
Act 58 of
1957.

83. In the First Schedule to the Additional Duties of Excise (Goods of Special Importance) Act, 1957, in Item No. 4, under "II. Manufactured tobacco—", for sub-item (2), the following sub-item shall be substituted, namely:—

"(2) Cigarettes . . . Twenty-five per cent. *ad valorem*".

THE FIRST SCHEDULE

(See section 2)

PART I

*Income-tax and surcharge on income-tax**Paragraph A*

In the case of every individual or Hindu undivided family or unregistered firm or other association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act, not being a case to which any other Paragraph of this Part applies—

Rates of income-tax

- (1) where the total income does not exceed Rs. 5,000 5 per cent. of the total income.
- (2) where the total income exceeds Rs. 5,000 but does not exceed Rs. 10,000 Rs. 250 plus 10 per cent. of the amount by which the total income exceeds Rs. 5,000.
- (3) where the total income exceeds Rs. 10,000 but does not exceed Rs. 15,000 Rs. 750 plus 15 per cent. of the amount by which the total income exceeds Rs. 10,000.
- (4) where the total income exceeds Rs. 15,000 but does not exceed Rs. 20,000 Rs. 1,500 plus 20 per cent. of the amount by which the total income exceeds Rs. 15,000.
- (5) where the total income exceeds Rs. 20,000 but does not exceed Rs. 25,000 Rs. 2,500 plus 30 per cent. of the amount by which the total income exceeds Rs. 20,000.
- (6) where the total income exceeds Rs. 25,000 but does not exceed Rs. 30,000 Rs. 4,000 plus 40 per cent. of the amount by which the total income exceeds Rs. 25,000.
- (7) where the total income exceeds Rs. 30,000 but does not exceed Rs. 50,000 Rs. 6,000 plus 50 per cent. of the amount by which the total income exceeds Rs. 30,000.
- (8) where the total income exceeds Rs. 50,000 but does not exceed Rs. 70,000 Rs. 16,000 plus 60 per cent. of the amount by which the total income exceeds Rs. 50,000.
- (9) where the total income exceeds Rs. 70,000 Rs. 28,000 plus 65 per cent. of the amount by which the total income exceeds Rs. 70,000.

Provided that for the purposes of this Paragraph, in the case of a person, not being a non-resident—

(i) no income-tax shall be payable on a total income not exceeding the following limit, namely:—

(a) Rs. 6,000 in the case of every Hindu undivided family which as at the end of the previous year satisfies either of the following two conditions, namely:—

(i) that it has at least two members entitled to claim partition who are not less than eighteen years of age; or

(ii) that it has at least two members entitled to claim partition who are not lineally descended one from the other and who are not lineally descended from any other living member of the family;

(b) Rs. 3,000 in every other case;

(ii) where such person is an individual or a Hindu undivided family, the income-tax computed at the rate hereinbefore specified shall be reduced by so much of the amount specified hereunder, as does not exceed the amount of income-tax so computed:—

(a) Rs. 100 in the case of an unmarried individual;

(b) Rs. 175 in the case of a married individual who has no child wholly or mainly dependent on him or a Hindu undivided family which has no minor coparcener;

(c) Rs. 195 in the case of a married individual who has one child wholly or mainly dependent on him or a Hindu undivided family which has one minor coparcener wholly or mainly supported from the income of such family;

(d) Rs. 215 in the case of a married individual who has more than one child wholly or mainly dependent on him or a Hindu undivided family which has more than one minor coparcener wholly or mainly supported from the income of such family;

(iii) where the total income is twenty thousand rupees or less, the income-tax payable shall not exceed forty per cent. of the amount by which the total income exceeds the limit specified in sub-clause (a) or, as the case may be, sub-clause (b) of clause (i) of this proviso.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph shall be increased by a surcharge for purposes of the Union, which shall be equal to the aggregate of the sums computed as hereunder:—

(a) where—

(i) in the case of an individual or a Hindu undivided family, the amount of unearned income, not being income by way of interest on any security of the Central or State Government or income received in respect of units from the Unit Trust of India under the Unit Trust of India Act, 1963, included in the total income, or

52 of 1963.

(ii) in any other case, the amount of unearned income included in the total income

exceeds Rs. 15,000,

a sum calculated on the difference between the amount of income-tax computed in respect of the income referred to in sub-clause (i) or, as the case may be, sub-clause (ii), if such income had been the total income and the amount of income-tax computed in respect of an income of Rs. 15,000 if it had been the total income, at the following rate, namely:—

- | | |
|---|---|
| (1) where the amount of the difference does not exceed Rs. 14,500 | 20 per cent. of the amount of such difference. |
| (2) where the amount of the difference exceeds Rs. 14,500 | Rs. 2,900 plus 25 per cent. of the amount by which the difference aforesaid exceeds Rs. 14,500. |

(b) where—

(i) in the case of an individual or a Hindu undivided family, the earned income and income by way of interest on any security of the Central or State Government and income received in respect of units from the Unit Trust of India under the Unit Trust of India Act, 1963, included in the total income, or

52 of 1963.

(ii) in any other case, the earned income included in the total income

exceeds Rs. 1 lakh,

a sum calculated on the amount of the difference between the income-tax computed in respect of the income referred to in sub-clause (i)

or, as the case may be, sub-clause (ii), if such income had been the total income and the income-tax computed in respect of a total income of Rs. 1 lakh, at the following rate, namely:—

- | | |
|--|---|
| (1) where the amount of the difference does not exceed Rs. 65,000 | 5 per cent. of the amount of such difference. |
| (2) where the amount of the difference exceeds Rs. 65,000 but does not exceed Rs. 1,30,000 | Rs. 3,250 plus 10 per cent. of the amount by which the difference aforesaid exceeds Rs. 65,000. |
| (3) where the amount of the difference exceeds Rs. 1,30,000 | Rs. 9,750 plus 15 per cent. of the amount by which the difference aforesaid exceeds Rs. 1,30,000. |

Paragraph B

In the case of every association of persons being a co-operative society, as defined in clause (19) of section 2 of the Income-tax Act,—

Rates of income-tax

- | | |
|--|---|
| (1) where the total income does not exceed Rs. 5,000 | 5 per cent. of the total income. |
| (2) where the total income exceeds Rs. 5,000 but does not exceed Rs. 10,000 | Rs. 250 plus 10 per cent. of the amount by which the total income exceeds Rs. 5,000. |
| (3) where the total income exceeds Rs. 10,000 but does not exceed Rs. 15,000 | Rs. 750 plus 15 per cent. of the amount by which the total income exceeds Rs. 10,000. |
| (4) where the total income exceeds Rs. 15,000 but does not exceed Rs. 20,000 | Rs. 1,500 plus 20 per cent. of the amount by which the total income exceeds Rs. 15,000. |
| (5) where the total income exceeds Rs. 20,000 but does not exceed Rs. 25,000 | Rs. 2,500 plus 25 per cent. of the amount by which the total income exceeds Rs. 20,000. |
| (6) where the total income exceeds Rs. 25,000 | Rs. 3,750 plus 41 per cent. of the amount by which the total income exceeds Rs. 25,000. |

Provided that—

(i) no income-tax shall be payable on a total income not exceeding Rs. 3,000; and

(ii) where the total income is twenty thousand rupees or less, the income-tax payable shall not exceed forty per cent. of the amount by which the total income exceeds Rs. 3,000.

Surcharge on income-tax

Where the total income exceeds Rs. 25,000, the amount of income-tax on such total income computed at the rates hereinbefore specified

shall be increased by a surcharge for purposes of the Union of 6½ per cent. of the amount of the difference between the income-tax so computed and the income-tax computed in respect of a total income of Rs. 25,000.

Paragraph C

In the case of every registered firm,—

Rates of income-tax

- | | |
|--|---|
| (1) where the total income does not exceed Rs. 25,000 | Nil |
| (2) where the total income exceeds 6 per cent. of the amount Rs. 25,000 but does not exceed Rs. 50,000 | by which the total income exceeds Rs. 25,000. |
| (3) where the total income exceeds Rs. 50,000 but does not exceed Rs. 1,00,000 | Rs. 1,500 plus 8 per cent. of the amount by which the total income exceeds Rs. 50,000. |
| (4) where the total income exceeds Rs. 1,00,000 | Rs. 5,500 plus 12 per cent. of the amount by which the total income exceeds Rs. 1,00,000. |

Surcharge on income-tax

The amount of income-tax computed at the rates hereinbefore specified shall be increased by a surcharge for purposes of the Union of twenty per cent. of the amount of income-tax:

Provided that in the case of a registered firm whose total income includes income derived from a profession carried on by it and the income so included is not less than fifty-one per cent. of such total income, the amount of surcharge for purposes of the Union computed at the rate hereinbefore specified shall be reduced by one-half of such amount.

Paragraph D

In the case of every local authority,—

Rate of income-tax

On the whole of the total income .. 45 per cent.

Surcharge on income-tax

The amount of income-tax computed at the rate hereinbefore specified shall be increased by a surcharge for purposes of the Union of ten per cent. of the amount of income-tax.

Paragraph E

In the case of the Life Insurance Corporation of India established under the Life Insurance Corporation Act, 1956,—

31 of 1956.

Rate of income-tax

On the whole of its profits and gains from life insurance business 47.5 per cent.

Paragraph F

In the case of every company, other than the Life Insurance Corporation of India established under the Life Insurance Corporation Act, 1956,—

31 of 1956.

Rate of income-tax

On the whole of the total income 80 per cent.:

Provided that a rebate shall be allowed in the case of such companies on such income at such rate or rates as are specified hereunder:—

Income on which rebate is to be allowed	Rate of rebate
I. In the case of a company which—	
(a) in respect of its income liable to income-tax under the Income-tax Act for the assessment year commencing on the 1st day of April, 1965, has made the prescribed arrangements for the declaration and payment within India of the dividends payable out of such income in accordance with the provisions of section 194 of that Act; and	
(b) is such a company as is referred to in section 108 of the Income-tax Act,—	
(i) where the total income does not exceed Rs. 25,000	on the whole of the total income 37.5 per cent.

	Income on which rebate is to be allowed	Rate of rebate
(ii) where the total income exceeds Rs. 25,000	(a) on so much of the total income as consists of profits and gains at- tributable to the busi- ness of generation or distribution of elec- tricity or of construc- tion, manufacture or production of any one or more of the articles or things specified in the list in Part III of this Schedule . . .	35 per cent.
	(b) on the balance of the total income . . .	30 per cent.
II. In the case of a company which—		
(a) satisfies condition (a) of item I hereinabove, and		
(b) is not such a company as is referred to in section 108 of the Income-tax Act,—		
(i) in the case of a company which is wholly or mainly engaged in the busi- ness of generation or distribution of electricity or any other form of power or in the construc- tion of ships or in the manufacture or processing of goods or in mining	(a) on so much of the total income as consists of profits and gains attributable to the business of generation or distribution of elec- tricity or of construc- tion, manufacture or production of any one or more of the articles or things speci- fied in the list in Part III of this Schedule—	
	(i) on so much of the profits and gains aforesaid as do not exceed Rs. 10 lakhs	35 per cent.
	(ii) on the balance of the profits and gains aforesaid . . .	26 per cent

	Income on which rebate is to be allowed	Rate of rebate
	(b) on any income other than the profits and gains referred to in (a) hereinabove—	
	(i) on so much of such income as, together with the profits and gains referred to in (a) hereinabove, does not exceed Rs. 10 lakhs	30 per cent
	(ii) on the balance of such income	20 per cent
(ii) in any other case	(a) on so much of the total income as consists of profits and gains attributable to the business of generation or distribution of electricity or of construction, manufacture or production of any one or more of the articles or things specified in the list in Part III of this Schedule	26 per cent.
	(b) on the balance of the total income	20 per cent.
III. In the case of a company which in respect of its income liable to income-tax under the Income-tax Act for the assessment year commencing on the 1st day of April, 1965, has not made the prescribed arrangements for the declaration and payment within India of the dividends payable out of such income in accordance with the provisions of section 194 of that Act	(a) on so much of the total income as consists of royalties received from an Indian concern in pursuance of an agreement made by it with the Indian concern on or after the 1st day of April, 1961 and which has been approved by the Central Government	30 per cent.

Income on which rebate is to be allowed	Rate of rebate
(b) on so much of the total income as consists of fees for rendering technical services received from an Indian concern in pursuance of an agreement made by it with the Indian concern after the 29th day of February, 1964 and which has been approved by the Central Government	30 per cent.
(c) on the balance of the total income	15 per cent.:

Provided further that—

(i) the amount of rebate arrived at under the preceding proviso in the case of a company referred to in item I or item II of that proviso shall be reduced by the sum, if any, equal to the amount or the aggregate of the amounts, as the case may be, computed as hereunder:—

- 5 of 1964.
- (a) on the aggregate of the sums computed in the manner provided in clause (i) of the second proviso to Paragraph D of Part II of the First Schedule to the Finance Act, 1964 as reduced by the amount, if any, which is deemed to have been taken into account, in accordance with clause (ii) of the said proviso, for the purpose of reducing the rebate mentioned in clause (i) of the said proviso to nil; at the rate of 100 per cent.
- (b) on the amount representing the face value of any bonus shares or the amount of any bonus issued to its shareholders during the previous year with a view to increasing the paid-up capital except where such bonus shares or bonus have been issued wholly out of the share premium account of the company after the 31st day of March, 1964; at the rate of 12.5 per cent.
- and
- (c) in addition, in the case of—
- (i) a company as is referred to in section 108 of the Income-tax Act, or

- (ii) a company as is referred to in clause (iii) of sub-section (2) or sub-section (4) of section 104 of the said Act, or
- (iii) such a company as is exempt from the operation of section 104 of the said Act by a notification issued under the provisions of sub-section (3) of that section,

which has declared or distributed to its shareholders during the previous year any dividends other than dividends on preference shares—

- (A) in the case of a company which since the date of the commencement of its activities has declared or distributed any dividends for the first time during the previous year or any one of the four previous years immediately preceding such previous year—

on that part of the dividends other than dividends on preference shares which exceeds ten per cent. of the paid-up equity capital at the rate of 7.5 per cent.

- (B) in any other case—

on the whole amount of the dividends other than dividends on preference shares at the rate of 7.5 per cent. ;

- (ii) where the sum arrived at in accordance with clause (i) of this proviso exceeds the amount of the rebate arrived at under the preceding proviso, only so much of the amounts of reduction mentioned in sub-clauses (a), (b) and (c) of clause (i) of this proviso as is sufficient, in that order, to reduce the rebate to nil shall be deemed to have been taken into account for the purpose:

Provided further that the income-tax payable by a company, as is referred to in section 108 of the Income-tax Act, and the total income of which exceeds Rs. 25,000, shall not exceed the aggregate of—

- (a) the income-tax which would have been payable by the company if its total income had been Rs. 25,000 (the income of Rs. 25,000 for this purpose being computed as if such income included income from various sources in the same proportion as the total income of the company); and

- (b) eighty per cent. of the amount by which its total income exceeds Rs. 25,000.

Explanation 1.—For the purposes of this Paragraph, a company shall be deemed to be mainly engaged in the business of generation or distribution of electricity or any other form of power or in the

construction of ships or in the manufacture or processing of goods or in mining, if the income attributable to any of the aforesaid activities included in its total income for the previous year is not less than fifty-one per cent. of such total income.

Explanation 2.—For the purposes of this Paragraph, where a part of the income of a company is not included in its total income because it is agricultural income, the amount declared or distributed as dividends (other than dividends on preference shares), the amount representing the face value of any bonus shares and the amount of any bonus issued to its shareholders shall each be deemed to be such proportion thereof as the sum specified in clause (a) bears to the sum specified in clause (b), such sums being—

(a) the average amount of the total income of the company in the five previous years in which it has been in receipt of taxable income immediately preceding the relevant previous year; and

(b) the average amount of the total profits and gains (excluding capital receipts) of the company for the five previous years referred to in clause (a) reduced by such allowances as may be admissible under the Income-tax Act but which have not been taken into account by the company in its profit and loss accounts for the said five previous years.

Explanation 3.—For the purpose of sub-clause (b) of clause (i) of the second proviso, "share premium account" means an account forming a separate and identifiable part of the reserves of a company to which has been transferred a sum equal to the aggregate amount or value of the premiums on shares issued by the company.

Explanation 4.—For the removal of doubts it is hereby declared that where any dividends were declared by the company before the commencement of the previous year and are distributed by it during that year, no reduction in the rebate shall be made under sub-clause (c) of clause (i) of the second proviso in respect of such dividends.

PART II

Rates for deduction of tax at source in certain cases.

In every case in which under the provisions of sections 193 to 195 of the Income-tax Act, tax is to be deducted at the rates in force,

deduction shall be made from the income subject to deduction, at the following rates:—

	Income-tax	
	Rate of income-tax	Rate of surcharge
In the case of a person other than a company—		
(a) where the person is resident—		
on the whole income (excluding interest payable on any security of the Central Government issued or declared to be income-tax free, and interest payable on any security of a State Government issued income-tax free, the income-tax whereon is payable by the State Government);	18 per cent.	2 per cent.
(b) where the person is not resident in India—		
(i) on the whole income (excluding interest payable on any security of the Central Government issued or declared to be income-tax free, and interest payable on any security of a State Government issued income-tax free, the income-tax whereon is payable by the State Government);	Income-tax at 25 per cent. and surcharge at 5 per cent. of the amount of the income	
	or	
	income-tax and surcharge on income-tax in respect of the income at the rates prescribed in Paragraph A of Part I of this Schedule, if such income had been the total income,	
	whichever is higher.	
(ii) on the income from interest payable on any security of the Central Government issued or declared to be income-tax free, and interest payable on any security of a State Government issued income-tax free, the income-tax whereon is payable by the State Government	12.5 per cent.	2.5 per cent.

	Income-tax	
	Rate of income-tax	Rate of surcharge
2. In the case of a company—		
(a) where the company is either an Indian company or a company which has made the prescribed arrangements for the declaration and payment of dividends within India,—		
on the whole income (excluding interest payable on any security of the Central Government issued or declared to be income-tax free, and interest payable on any security of a State Government issued income-tax free, the income-tax whereon is payable by the State Government);	20 per cent.	Nil.
(b) where the company is neither an Indian company nor a company which has made the prescribed arrangements for the declaration and payment of dividends within India,—		
(i) on the income from dividends payable by an Indian company which is not such a company as is referred to in section 108 of the Income-tax Act and which is wholly or mainly engaged in the business of generation or distribution of electricity or of construction, manufacture or production of any one or more of the articles or things specified in the list in Part III of the Schedule ;	15 per cent.	Nil.
(ii) on the income from dividends payable by any other Indian company or any company which has made the prescribed arrangements for the declaration and payment of dividends within India ;	25 per cent.	Nil.

	Income-tax	
	Rate of income-tax	Rate of surcharge
(iii) on the income from royalties payable by an Indian concern in pursuance of an agreement which is made by it with the Indian concern on or after the 1st day of April, 1961, and which has been approved by the Central Government ;	50 per cent.	Nil.
(iv) on the income from fees for rendering technical services received from an Indian concern in pursuance of an agreement made by it with the Indian concern after the 29th day of February, 1964 and which has been approved by the Central Government ;	50 per cent.	Nil.
(v) on the income from interest payable on any security of the Central Government issued or declared to be income-tax free, and interest payable on any security of a State Government issued income-tax free, the income-tax whereon is payable by the State Government ; and	40 per cent.	Nil.
(vi) on any other income	65 per cent.	Nil.

PART III

List of articles and things

- (1) Iron and steel (metal), ferro-alloys and special steels.
- (2) Aluminium, copper, lead and zinc (metals).
- (3) Coal, lignite, iron ore, bauxite, manganese ore, dolomite, limestone, magnesite and mineral oil.
- (4) Industrial machinery specified under the heading "8. Industrial machinery", sub-heading "A. Major items of specialised equipment used in specific industries", of the First Schedule to the Industries (Development and Regulation) Act, 1951.

- (5) Boilers and steam generating plants, steam engines and turbines and internal combustion engines.
- (6) Flame and drip proof motors.
- (7) Equipment for the generation and transmission of electricity including transformers, cables and transmission towers.
- (8) Machine tools and precision tools (including their attachments and accessories, cutting tools and small tools), dies and jigs.
- (9) Tractors, earth-moving machinery and agricultural implements.
- (10) Motor trucks and buses.
- (11) Steel castings and forgings and malleable iron and steel castings.
- (12) Cement and refractories.
- (13) Fertilisers, namely, ammonium sulphate, ammonium sulphate nitrate (double salt), ammonium nitrate, calcium ammonium nitrate (nitrolime stone), ammonium chloride, super phosphate, urea and complex fertilisers of synthetic origin containing both nitrogen and phosphorus, such as ammonium phosphates, ammonium sulphate phosphate and ammonium nitrophosphate.
- (14) Soda ash.
- (15) Pesticides.
- (16) Paper and pulp.
- (17) Tea.
- (18) Electronic equipment, namely, radar equipment, computers, electronic accounting and business machines, electronic communication equipment, electronic control instruments and basic components, such as valves, transistors, resistors, condensers, coils, magnetic materials and micro wave components.
- (19) Petrochemicals including corresponding products manufactured from other basic raw materials like calcium carbide, ethyl alcohol or hydrocarbons from other sources.
- (20) Ships.
- (21) Automobile ancillaries.
- (22) Seamless tubes.
- (23) Gears.

- (24) Ball, roller and tapered bearings.
- (25) Component parts of the articles mentioned in items Nos. (4), (5), (7) and (9), that is to say, such parts as are essential for the working of the machinery referred to in the items aforesaid and have been given for that purpose some special shape or quality which would not be essential for their use for any other purpose and are in complete finished form and ready for fitment.
- (26) Cotton seed oil.

THE SECOND SCHEDULE

(See section 3)

Rates of Annuity Deposits

(i) In the case of any depositor whose total income does not exceed Rs. 15,000 .. Nil.

(ii) In the case of any depositor whose total income exceeds Rs. 15,000 but does not exceed Rs. 20,000—

5 per cent. of the adjusted total income:

Provided that the annuity deposit to be made shall in no case exceed half the amount by which the total income exceeds Rs. 15,000.

(iii) In the case of a depositor whose total income exceeds Rs. 20,000 but does not exceed Rs. 40,000—

7½ per cent. of the adjusted total income:

Provided that the annuity deposit to be made shall in no case exceed the aggregate of the following sums, namely:—

(a) an amount calculated at five per cent. on so much of the adjusted total income as does not exceed Rs. 20,000;

(b) one-half of the amount by which the total income exceeds Rs. 20,000.

(iv) In the case of a depositor whose total income exceeds Rs. 40,000 but does not exceed Rs. 70,000—

10 per cent. of the adjusted total income:

Provided that the annuity deposit to be made shall in no case exceed the aggregate of the following sums, namely:—

(a) an amount calculated at seven and a half per cent. on so much of the adjusted total income as does not exceed Rs. 40,000;

(b) one-half of the amount by which the total income exceeds Rs. 40,000.

(v) In the case of a depositor whose total income exceeds Rs. 70,000—

12½ per cent. of the adjusted total income:

Provided that the annuity deposit to be made shall in no case exceed the aggregate of the following sums, namely:—

(a) an amount calculated at ten per cent. on so much of the adjusted total income as does not exceed Rs. 70,000;

(b) one-half of the amount by which the total income exceeds Rs. 70,000.

Explanation.—In this Schedule, “total income” means total income computed in the manner laid down in the Income-tax Act without making any allowance under section 2800 of that Act.

THE THIRD SCHEDULE

(See section 75)

PART I

In the First Schedule to the Tariff Act,—

(i) in Item No. 30, for the figures “60” and “50” in the fourth and fifth columns, the figures “75” and “65” shall, respectively, be substituted;

(ii) in Items Nos. 31, 31(2), 31(3) and 31(5), for the entry against each of them in the fourth column, the entry “100 per cent. *ad valorem*” shall be substituted;

(iii) in Item No. 31(1), for the figures “75” and “65” in the fourth and sixth columns, the figures “100” and “90” shall, respectively, be substituted;

(iv) in Item No. 44, for the figures "50" in the fourth column, the figures "75" shall be substituted;

(v) in Item No. 46(3), for the figures "26" in the fourth column, the figures "50" shall be substituted;

(vi) in Item No. 47(2), for the entry in the fourth column, the entry "Rs. 10.25 per kilogram or 75 per cent. *ad valorem*, whichever is higher" shall be substituted;

(vii) in Item No. 63(10),—

(1) for the entry in the fourth column against sub-item (i), the entry "Rs. 305.00 per tonne" shall be substituted;

(2) for the entry in the fourth column against sub-item (ii), the entry "Rs. 325.00 per tonne" shall be substituted; and

(viii) in Item No. 63(20A), for the figures "30" in the fourth column, the figures "100" shall be substituted.

PART II

Item No.	Name of article	Nature of duty	Standard rate of duty	Preferential rate of duty if the article is the produce or manufacture of		Duration of protective rates of duty
				The United Kingdom	A British Colony	
1	2	3	4	5	6	7

In the First Schedule to the Tariff Act, in SECTION VI, after Item No. 28A, the following Item shall be inserted, namely:—

"28B	Sodium hydrosulphite	Preferential Revenue	100 per cent. <i>ad valorem</i>	90 per cent. <i>ad valorem</i>	90 per cent. <i>ad valorem</i>	.. "
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THE APPROPRIATION (No. 2) ACT, 1965

No. 11 OF 1965

[11th May, 1965]

An Act to authorise payment and appropriation of certain sums from and out of the Consolidated Fund of India for the services of the financial year 1965-66.

Be it enacted by Parliament in the Sixteenth Year of the Republic of India as follows:—

1. This Act may be called the Appropriation (No. 2) Act, 1965. Short title.
2. From and out of the Consolidated Fund of India there may be paid and applied sums not exceeding those specified in column 3 of the Schedule amounting in the aggregate [inclusive of the sums specified in column 3 of the Schedule to the Appropriation (Vote on Account) Act, 1965] to the sum of eleven thousand, two hundred and seventy-one crores, fifty-four lakhs and ninety-eight thousand rupees towards defraying the several charges which will come in course of payment during the financial year 1965-66 in respect of the services specified in column 2 of the Schedule. Issue of Rs.
1,12,71,54,
98,000
out of the
Consoli-
dated
Fund of
India for
the year
1965-66.
3. The sums authorised to be paid and applied from and out of the Consolidated Fund of India by this Act shall be appropriated for the services and purposes expressed in the Schedule in relation to the said year. Appro-
priation

5 of 1965.

THE SCHEDULE

(See sections 2 and 3)

I No of Vote	2 Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
1	Ministry of Civil Aviation .	14,26,000	..	14,26,000
2	Metcorology	3,00,90,000	..	3,00,90,000
3	Aviation	6,80,00,000	..	6,80,00,000
4	Other Revenue Expendi- ture of the Ministry of Civil Aviation	8,09,000	..	8,09,000
5	Ministry of Commerce .	40,06,000	..	40,06,000
6	Foreign Trade	10,89,62,000	5,000	10,89,67,000
7	Other Revenue Expendi- ture of the Ministry of Commerce	4,91,17,000	..	4,91,17,000
8	Ministry of Community Development and Co- operation	32,65,000	..	32,65,000
9	Community Development Projects, National Ex- tension Service and Co-operation	5,07,53,000	..	5,07,53,000
10	Ministry of Defence .	68,28,000	..	68,28,000
11	Defence Services, Effective —Army	5,86,77,30,000	10,00,000	5,86,87,30,000
12	Defence Services, Effective —Navy	25,10,76,000	50,000	25,11,26,000
13	Defence Services, Effective —Air Force	1,57,38,00,000	1,00,000	1,57,39,00,000
14	Defence Services—Non- effective	21,47,12,000	..	21,47,12,000
15	Ministry of Education .	91,26,000	..	91,26,000
16	Education	44,71,04,000	..	44,71,04,000
17	Archaeology	1,21,96,000	..	1,21,96,000
18	Survey of India	4,30,58,000	..	4,30,58,000
19	Botanical Survey	33,05,000	..	33,05,000

I No. of Vote	2 Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
20	Zoological Survey	29,03,000	..	29,03,000
21	Other Revenue Expenditure of the Ministry of Education	10,76,99,000	..	10,76,99,000
22	Tribal Areas	16,17,68,000	..	16,17,68,000
23	External Affairs	18,83,23,000	..	18,83,23,000
24	Other Revenue Expenditure of the Ministry of External Affairs	8,65,39,000	..	8,65,39,000
25	Ministry of Finance	2,46,10,000	..	2,46,10,000
26	Customs	5,01,48,000	53,000	5,02,01,000
27	Union Excise Duties	12,44,34,000	54,000	12,44,88,000
28	Taxes on Income including Corporation tax, etc.	9,44,48,000	1,61,000	9,46,09,000
29	Stamps	3,54,99,000	..	3,54,99,000
30	Audit	16,01,32,000	28,33,000	16,29,65,000
31	Currency and Coinage	9,01,92,000	..	9,01,92,000
32	Mint	2,88,69,000	..	2,88,69,000
33	Kolar Gold Mines	4,72,00,000	..	4,72,00,000
34	Pensions and Other Retirement Benefits	5,88,55,000	16,94,000	6,05,49,000
35	Territorial and Political Pensions	21,87,000	..	21,87,000
36	Opium	3,05,72,000	..	3,05,72,000
37	Other Revenue Expenditure of the Ministry of Finance	71,08,94,000	..	71,08,94,000
38	Planning Commission	1,53,46,000	..	1,53,46,000
39	Grants-in-aid to State and Union territory Governments	2,56,27,83,000	76,85,00,000	3,33,12,83,000
40	Miscellaneous Adjustments between the Central and State and Union territory Governments	40,94,000	..	40,94,000

1 No. of Vote	2 Services and purposes	3		
		Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
41	Pre-partition Payments	3,34,000	8,36,000	11,70,000
	CHARGED.— <i>Interest on Debt and other obligations and Reduction or Avoidance of Debt</i> . . . . .	..	3,56,14,46,000	3,56,14,46,000
	CHARGED.— <i>Payments of States' Share of Union Excise Duties</i> . . . . .	..	1,40,84,79,000	1,40,84,79,000
42	Ministry of Food and Agri- culture	96,46,000	..	96,46,000
43	Agriculture	4,17,72,000	..	4,17,72,000
44	Agricultural Research	6,51,99,000	..	6,51,99,000
45	Animal Husbandry	1,28,93,000	..	1,28,93,000
46	Forest	1,46,09,000	..	1,46,09,000
47	Other Revenue Expendi- ture of the Ministry of Food and Agriculture	35,24,55,000	19,23,000	35,43,78,000
48	Ministry of Health	25,17,000	..	25,17,000
49	Medical and Public Health	16,14,12,000	..	16,14,12,000
50	Other Revenue Expendi- ture of the Ministry of Health	1,00,72,000	..	1,00,72,000
51	Ministry of Home Affairs	4,85,21,000	..	4,85,21,000
52	Cabinet	52,80,000	..	52,80,000
53	Zonal Councils	1,32,000	..	1,32,000
54	Administration of Justice	3,23,000	22,01,000	25,24,000
55	Police	18,00,17,000	..	18,00,17,000
56	Census	1,38,04,000	..	1,38,04,000
57	Statistics	2,64,42,000	..	2,64,42,000
58	Privy Purses and Allow- ances of Indian Rulers	1,14,000	5,07,67,000	5,08,81,000
59	Delhi	23,74,13,000	35,000	23,74,48,000
60	Andaman and Nicobar Islands	3,74,90,000	..	3,74,90,000
61	Dadra and Nagar Haveli Area	25,43,000	..	25,43,000

No. of Vote	2 Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
62	Laccadive, Minicoy and Amindivi Islands	57,86,000	..	57,86,000
63	Other Revenue Expendi- ture of the Ministry of Home Affairs	3,51,23,000	..	3,51,23,000
64	Ministry of Industry and Supply	1,04,57,000	..	1,04,57,000
65	Industries	4,87,72,000	8,00,000	4,95,72,000
66	Salt	60,92,000	..	60,92,000
67	Supplies and Disposals	3,76,14,000	..	3,76,14,000
68	Other Revenue Expendi- ture of the Ministry of Industry and Supply	44,98,000	..	44,98,000
69	Ministry of Information and Broadcasting	17,79,000	..	17,79,000
70	Broadcasting	6,46,48,000	..	6,46,48,000
71	Other Revenue Expendi- ture of the Ministry of Information and Broad- casting	4,94,75,000	..	4,94,75,000
72	Ministry of Irrigation and Power	30,56,000	..	30,56,000
73	Multi-purpose River Schemes	2,10,37,000	..	2,10,37,000
74	Other Revenue Expendi- ture of the Ministry of Irrigation and Power	9,41,74,000	..	9,41,74,000
75	Ministry of Labour and Employment	29,97,000	..	29,97,000
76	Chief Inspector of Mines	40,91,000	..	40,91,000
77	Labour and Employment	13,49,22,000	10,000	13,49,32,000
78	Other Revenue Expendi- ture of the Ministry of Labour and Employment	9,93,000	..	9,93,000
79	Ministry of Law	50,11,000	..	50,11,000
80	Elections	1,02,62,000	..	1,02,62,000
81	Other Revenue Expendi- ture of the Ministry of Law	2,00,000	..	2,00,000

1 No. of Vote	2 Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
82	Ministry of Petroleum and Chemicals	18,18,000	..	18,18,000
83	Other Revenue Expendi- ture of the Ministry of Petroleum and Chemi- cals	6,78,63,000	..	6,78,63,000
84	Ministry of Rehabilitation	38,64,000	..	38,64,000
85	Expenditure on Displaced Persons	11,17,03,000	82,000	11,17,85,000
86	Ministry of Steel and Mines	54,36,000	..	54,36,000
87	Geological Survey	3,87,35,000	..	3,87,35,000
88	Other Revenue Expendi- ture of the Ministry of Steel and Mines	20,89,47,000	..	20,89,47,000
89	Ministry of Transport	1,14,68,000	..	1,14,68,000
90	Central Road Fund	4,41,10,000	..	4,41,10,000
91	Communications (includ- ing National Highways).	11,39,07,000	..	11,39,07,000
92	Mercantile Marine	1,52,25,000	..	1,52,25,000
93	Lighthouses and Light- ships	1,16,56,000	..	1,16,56,000
94	<i>Other</i> Other Revenue Expendi- ture of the Ministry of Transport	3,00,77,000	..	3,00,77,000
95	Ministry of Works and Housing	25,58,000	..	25,58,000
96	Public Works	38,78,96,000	31,97,000	39,10,93,000
97	Stationery and Printing	14,42,35,000	..	14,42,35,000
98	Other Revenue Expendi- ture of the Ministry of Works and Housing	1,06,18,000	..	1,06,18,000
99	Department of Atomic Energy	27,19,000	..	27,19,000
100	Atomic Energy Research	11,26,00,000	..	11,26,00,000
101	Department of Communi- cations	11,85,000	..	11,85,000
102	Overseas Communications Service	1,73,35,000	..	1,73,35,000
103	Posts and Telegraphs (Working Expenses)	1,40,34,27,000	30,000	1,40,34,57,000

1 No. of Vote	2 Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Consoli- dated Fund	Total
		Rs.	Rs.	Rs.
104	Posts and Telegraphs Dividend to General Revenues and Appropriations to Reserve Funds	10,35,55,000	..	10,35,55,000
105	Other Revenue Expenditure of the Department of Communications	27,18,000	..	27,18,000
106	Department of Parliamentary Affairs	4,60,000	..	4,60,000
107	Department of Social Security	16,31,000	..	16,31,000
108	Other Revenue Expenditure of the Department of Social Security	19,69,14,000	..	19,69,14,000
109	Lok Sabha	1,25,80,000	68,000	1,26,48,000
110	Other Revenue Expenditure of Lok Sabha	43,000	..	43,000
111	Rajya Sabha	55,98,000	72,000	56,70,000
	<i>CHARGED.—Staff, Household and allowances of the President</i> . . . . .	..	30,82,000	30,82,000
112	Secretariat of the Vice-President	2,38,000	..	2,38,000
	<i>CHARGED.—Union Public Service Commission</i> . . . . .	..	61,29,000	61,29,000
113	Capital Outlay on Civil Aviation	6,24,08,000	25,000	6,24,33,000
114	Other Capital Outlay of the Ministry of Civil Aviation	2,000	..	2,000
115	Capital Outlay of the Ministry of Commerce	79,30,000	..	79,30,000
116	Capital Outlay of the Ministry of Community Development and Co-operation	11,00,000	..	11,00,000
117	Defence Capital Outlay	1,30,55,00,000	10,00,000	1,30,65,00,000
118	Capital Outlay of the Ministry of Education	6,05,55,000	..	6,05,55,000
119	Capital Outlay of the Ministry of External Affairs	1,50,00,000	..	1,50,00,000
120	Capital Outlay on the India Security Press	7,73,000	..	7,73,000

1 No. of Vote	2 Services and purposes	3 Sum not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
121	Capital Outlay on Currency and Coinage	7,17,89,000	..	7,17,89,000
122	Capital Outlay on Mints	12,95,000	..	12,95,000
123	Capital Outlay on Kolar Gold Mines	74,50,000	..	74,50,000
124	Commuted Value of Pensions	1,62,95,000	1,45,000	1,64,40,000
125	Other Capital Outlay of the Ministry of Finance	84,32,00,000	..	84,32,00,000
126	Capital Outlay on Grants to State and Union territory Governments for Development	51,12,45,000	..	51,12,45,000
127	Loans and Advances by the Central Government	3,70,48,07,000	6,93,41,27,000	10,63,89,34,000
	CHARGED.— <i>Repayment of Debt</i> . . . . .	..	65,98,87,13,000	65,98,87,13,000
128	Capital Outlay on Forests	1,88,000	..	1,88,000
129	Purchase of Foodgrains	4,48,37,75,000	25,000	4,48,38,00,000
130	Other Capital Outlay of the Ministry of Food and Agriculture	90,75,72,000	1,08,000	90,76,80,000
131	Capital Outlay of the Ministry of Health	9,85,60,000	..	9,85,60,000
132	Capital Outlay of the Ministry of Home Affairs	87,27,000	..	87,27,000
133	Capital Outlay of the Ministry of Industry and Supply	64,91,53,000	..	64,91,53,000
134	Capital Outlay of the Ministry of Information and Broadcasting	1,90,10,000	10,000	1,90,20,000
135	Capital Outlay on Multipurpose River Schemes	25,53,04,000	..	25,53,04,000
136	Other Capital Outlay of the Ministry of Irrigation and Power	10,28,12,000	..	10,28,12,000
137	Capital Outlay of the Ministry of Labour and Employment	5,82,000	..	5,82,000

I No. of Vote	2 Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Consoli- dated Fund	Total
		Rs.	Rs.	Rs.
138	Capital Outlay of the Ministry of Petroleum and Chemicals	27,21,88,000	..	27,21,88,000
139	Capital Outlay of the Ministry of Rehabilitation	11,03,04,000	20,000	11,03,24,000
140	Capital Outlay of the Ministry of Steel and Mines	27,31,85,000	..	27,31,85,000
141	Capital Outlay on Roads	66,44,28,000	..	66,44,28,000
142	Capital Outlay on Ports	9,00,30,000	..	9,00,30,000
143	Other Capital Outlay of the Ministry of Transport	3,81,28,000	..	3,81,28,000
144	Capital Outlay on Public Works	12,96,30,000	5,00,000	13,01,30,000
145	Delhi Capital Outlay	20,34,43,000	42,57,000	20,77,00,000
146	Other Capital Outlay of the Ministry of Works and Housing	1,40,21,000	..	1,40,21,000
147	Capital Outlay of the Department of Atomic Energy	33,00,00,000	..	33,00,00,000
148	Capital Outlay on Posts and Telegraphs (Not met from Revenue)	54,11,00,000	..	54,11,00,000
149	Other Capital Outlay of the Department of Communications	35,19,000	1,000	35,20,000
	TOTAL	33,97,29,60,000	78,74,25,38,000	1,12,71,54,98,000

NOT CORRECTED: SEE INDIA CODE
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THE KERALA STATE LEGISLATURE (DELEGATION
OF POWERS) ACT, 1965

No. 12 OF 1965

[14th May, 1965]

An Act to confer on the President the power of the Legislature of the State of Kerala to make laws.

Be it enacted by Parliament in the Sixteenth Year of the Republic of India as follows:—

Short title. 1. This Act may be called the Kerala State Legislature (Delegation of Powers) Act, 1965.

Definition. 2. In this Act, "Proclamation" means the Proclamation issued on the 24th day of March, 1965, under clause (1) of article 356 of the Constitution, by the Vice-President of India discharging the functions of the President, and published with the notification of the Government of India, in the Ministry of Home Affairs, No. G.S.R. 490 of the said date.

Conferment ~~on~~ ^{on} the President of the power of the State Legislature to make laws. 3. (1) The power of the Legislature of the State of Kerala to make laws, which has been declared by the Proclamation to be exercisable by or under the authority of Parliament, is hereby conferred on the President.

(2) In the exercise of the said power, the President may, from time to time, whether Parliament is or is not in session, enact as a President's Act a Bill containing such provisions as he considers necessary:

Provided that before enacting any such Act, the President shall, whenever he considers it practicable to do so, consult a committee constituted for the purpose, consisting of—

(a) thirty members of the House of the People nominated by the Speaker among whom shall be included all members who

for the time being fill the seats allotted to the State of Kerala in that House; and

(b) fifteen members of the Council of States nominated by the Chairman among whom shall be included all members who for the time being fill the seats allotted to the State of Kerala in that House.

(3) Every Act enacted by the President under sub-section (2) shall, as soon as may be after enactment, be laid before each House of Parliament.

(4) Either House of Parliament may, by resolution passed within seven days from the date on which the Act has been laid before it under sub-section (3), direct any modifications to be made in the Act and if the modifications are agreed to by the other House of Parliament during the session in which the Act has been so laid before it or the session succeeding, such modifications shall be given effect to by the President by enacting an amending Act under sub-section (2):

Provided that nothing in this sub-section shall affect the validity of the Act or of any action taken thereunder before it is so amended.

THE KERALA APPROPRIATION (No. 2) ACT, 1965

No. 13 OF 1965

[14th May, 1965]

An Act to authorise payment and appropriation of certain sums from and out of the Consolidated Fund of the State of Kerala for the services of the financial year 1965-66.

Be it enacted by Parliament in the Sixteenth Year of the Republic of India as follows:—

Short title. 1. This Act may be called the Kerala Appropriation (No. 2) Act, 1965.

Issue of Rs 2,78,93,15,100 out of the Consolidated Fund of the State of Kerala for the financial year 1965-66. 2. From and out of the Consolidated Fund of the State of Kerala there may be paid and applied sums not exceeding those specified in column 3 of the Schedule amounting in the aggregate [inclusive of the sums specified in column 3 of the Schedule to the Kerala Appropriation (Vote on Account) Act, 1965] to the sum of 8 of 1965, two hundred and seventy-eight crores, ninety-three lakhs, fifteen thousand and one hundred rupees towards defraying the several charges which will come in course of payment during the financial year 1965-66 in respect of the services specified in column 2 of the Schedule.

Appropriation. 3. The sums authorised to be paid and applied from and out of the Consolidated Fund of the State of Kerala by this Act shall be appropriated for the services and purposes expressed in the Schedule in relation to the said year.

THE SCHEDULE

(See sections 2 and 3)

1 No. of Vote	2 Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Consoli- dated Fund	Total
		Rs.	Rs.	Rs.
I	Agricultural Income-tax and Sales Tax	44,65,600	15,000	44,80,600
II	Land Revenue	1,33,22,900	..	1,33,22,900
III	Excise	29,04,500	10,000	29,14,500
IV	Taxes on Vehicles	9,90,600	..	9,90,600
V	Stamps	13,45,400	..	13,45,400
VI	Registration Fees	39,43,300	..	39,43,300
	<i>Debt Charges</i> . . . . .	..	7,74,38,500	7,74,38,500
VII	State Legislature	9,16,600	25,500	9,42,100
VIII	Elections	9,37,100	..	9,37,100
IX	Heads of States, Ministers and Headquarters Staff	78,15,900	12,61,700	90,77,600
X	District Administration and Miscellaneous	99,90,000	33,000	1,00,23,000
XI	Administration of Justice	1,04,93,900	12,85,800	1,17,79,700
XII	Jails	54,98,500	..	54,98,500
XIII	Police	4,88,64,700	4,000	4,88,68,700
XIV	State Insurance and Mis- cellaneous	20,67,300	..	20,67,300
XV	Scientific Departments	10,13,200	..	10,13,200
XVI	University Education	2,01,24,000	..	2,01,24,000
XVII	General Education	24,83,08,700	2,15,000	24,85,23,700
XVIII	Technical Education	1,27,21,400	..	1,27,21,400
XIX	Medical	5,88,01,400	4,000	5,88,05,400

1	2	3		
		Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
XX	Public Health	2,38,44,700	..	2,38,44,700
XXI	Public Health Engineering	1,05,25,500	..	1,05,25,500
XXII	Agriculture	2,78,24,100	..	2,78,24,100
XXIII	Fisheries	1,44,74,300	..	1,44,74,300
XXIV	Rural Development . .	55,17,300	..	55,17,300
XXV	Animal Husbandry . . .	1,13,44,500	4,000	1,13,48,500
XXVI	Co-operation	75,20,300	500	75,20,800
XXVII	Industries	98,38,900	..	98,38,900
XXVIII	Community Development Projects, National Extension Service and Local Development Works . .	2,94,60,400	..	2,94,60,400
XXIX	Labour and Employment .	88,33,900	..	88,33,900
XXX	Harijan Welfare	1,74,32,900	60,000	1,74,92,900
XXXI	Statistics and Miscellaneous	50,51,700	..	50,51,700
XXXII	Irrigation	2,97,96,100	5,000	2,98,01,100
XXXIII	Public Works	9,39,17,200	1,18,700	9,40,35,900
XXXIV	Ports	7,51,700	..	7,51,700
XXXV	Transport Schemes . . .	5,90,02,200	1,000	5,90,03,200
XXXVI	Famine	20,18,000	..	20,18,000
XXXVII	Pensions	2,98,39,100	3,10,300	3,01,49,400
XXXVIII	Stationery and Printing .	80,58,500	..	80,58,500
XXXIX	Forest	1,41,08,000	5,000	1,41,13,000
XL	Miscellaneous	58,96,500	48,25,000	1,07,21,500
XLI	Miscellaneous Compensations and Assignments . .	16,42,400	1,00,000	17,42,400
XLII	National Emergency . .	49,000	..	49,000
XLIII	Capital Outlay on Public Health	1,11,92,300	..	1,11,92,300

I No. of Vote	2 Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Consoli- dated Fund	Total
		Rs.	Rs.	Rs.
XLIV	Capital Outlay on Agri- cultural Improvement .	7,01,400	10,000	7,11,400
XLV	Capital Outlay on Industrial and Economic Develop- ment	3,42,63,800	20,000	3,42,83,800
XLVI	Capital Outlay on Irrigation	3,32,68,800	..	3,32,68,800
XLVII	Capital Outlay on Public Works	5,76,94,000	1,15,000	5,78,09,000
XLVIII	Capital Outlay on Other Works	39,90,300	..	39,90,300
XLIX	Capital Outlay on Ports .	80,12,000	..	80,12,000
L	Capital Outlay on Transport Schemes	4,46,800	20,000	4,66,800
LI	Capital Outlay on Forests .	41,58,700	..	41,58,700
LII	Commuted Value of Pensions	2,50,000	..	2,50,000
LIII	Capital Outlay on Schemes of Government Trading	83,12,11,900	5,000	83,12,16,900
LV	Loans and Advances by the Government	17,91,48,700	..	17,91,48,700
	<i>Public Debt Repayment</i> .	..	66,78,12,200	66,78,12,200
	GRAND TOTAL .	2,03,56,10,900	75,37,04,200	2,78,93,15,100

Rep. by Act No. 56 of 1974, S. 2 & Sch. I.

THE REPRESENTATION OF THE PEOPLE (AMENDMENT) ACT, 1965

No. 14 OF 1965

[21st May, 1965]

An Act further to amend the Representation of the People Act, 1950

BE it enacted by Parliament in the Sixteenth Year of the Republic of India as follows:—

Short title. 1. This Act may be called the Representation of the People (Amendment) Act, 1965.

Amendment of Fourth Schedule to Act 43 of 1950. 2. In the Fourth Schedule to the Representation of the People Act, 1950,—

(a) under the heading "ANDHRA PRADESH", the entry "4. City and Town Committees." shall be omitted;

(b) under the heading "MYSORE", after the entry "4. Notified Area Committees.", the entry "5. Town Panchayats." shall be inserted;

(c) under the heading "WEST BENGAL",—

(i) for the entry "2. District Boards.", the entry "2. Zilla Parishads." shall be substituted,

(ii) for the entry "4. Local Boards.", the following entries shall be substituted, namely:—

"4. Anchalik Parishads.

5. Town Committees."

THE FINANCE (No. 2) ACT, 1965

No. 15 OF 1965

[11th September, 1965.]

An Act further to amend certain laws relating to direct taxes, to provide for voluntary disclosure of income, to increase or modify duties of customs on certain goods imported into India and to increase or modify and to impose duties of excise on certain goods produced or manufactured in India.

BE it enacted by Parliament in the Sixteenth Year of the Republic of India as follows:—

1. This Act may be called the Finance (No. 2) Act, 1965.

Short title

43 of 1961.

2. In section 2 of the Income-tax Act, 1961 (hereinafter referred to as the Income-tax Act), in sub-clause (iv) of clause (14), after the figures "1977", the following shall be, and shall be deemed to have been, inserted with effect from the 1st day of April, 1965, namely:—

Amendment of section 2.

"or 7 per cent. Gold Bonds, 1980".

3. In section 10 of the Income-tax Act,—

Amendment of section 10

(a) after clause (10), the following clause shall be, and shall be deemed always to have been, inserted, namely:—

"(10A)(i) any payment in commutation of pension received under the Civil Pensions (Commutation) Rules of the Central Government or under any similar scheme applicable to the members of the Defence Services or to the employees of a State Government, a local authority or a corporation established by a Central, State or Provincial Act ;

(ii) any payment in commutation of pension received under any scheme of any other employer, to the extent it does not exceed—

(a) in a case where the employee receives any gratuity, the commuted value of one-third of the pension which he is normally entitled to receive, and

(b) in any other case, the commuted value of one-half of such pension,

such commuted value being determined having regard to the age of the recipient, the state of his health, the rate of interest and officially recognised tables of mortality:

Provided that the maximum limit of payment specified in sub-clause (ii) (a) or sub-clause (ii) (b) shall not apply in respect of any such payment made before the 19th day of August, 1965;”;

(b) in sub-clause (ii) of clause (15), for the words “and interest on deposits in Post Office Savings Banks”, the following shall be substituted, namely :—

“interest on deposits in Post Office Savings Banks and bonus in respect of deposits under the Post Office Savings Bank (Cumulative Time Deposits) Rules, 1959”;

(c) after clause (23), the following clause shall be, and shall be deemed always to have been, inserted, namely :—

“(23A) any income (other than income chargeable under the head “Interest on securities” or “Income from house property” or any income received for rendering any specific services or income by way of interest or dividends derived from its investments) of an association or institution established in India having as its object the control, supervision, regulation or encouragement of the profession of law, medicine, accountancy, engineering or architecture or such other profession as the Central Government may specify in this behalf, from time to time, by notification in the Official Gazette:

Provided that—

(i) the association or institution applies its income, or accumulates it for application, solely to the objects for which it is established ; and

(ii) the association or institution is for the time being approved for the purpose of this clause by the Central Government by general or special order;";

(d) after clause (26), the following clause shall be, and shall be deemed always to have been, inserted, namely:—

"(26A) any income accruing or arising to any person (not being an individual who is in the service of Government) from any source in the district of Ladakh or outside India in any previous year relevant to any assessment year commencing before the 1st day of April, 1970, where such person is resident in the said district in that previous year:

Provided that this clause shall not apply in the case of any such person unless he was resident in that district in the previous year relevant to the assessment year commencing on the 1st day of April, 1962.

Explanation.—For the purposes of this clause, a person shall be deemed to be resident in the district of Ladakh if he fulfils the requirements of sub-section (1) or sub-section (2) or sub-section (3) or sub-section (4) of section 6, as the case may be, subject to the modifications that—

(i) references in those sub-sections to India shall be construed as references to the said district; and

(ii) in clause (i) of sub-section (3), reference to Indian company shall be construed as reference to a company formed and registered under any law for the time being in force in the State of Jammu and Kashmir and having its registered office in that district in that year;";

(e) for clause (28), the following clause shall be substituted, namely:—

"(28) any amount adjusted or paid in respect of a tax credit certificate under the provisions of Chapter XXIIB and any scheme made thereunder."

4. In section 17 of the Income-tax Act, in sub-clause (ii) of clause (3), after the word, brackets and figures "clause (10)", the word, brackets, figures and letter "clause (10A)," shall be, and shall be deemed always to have been, inserted. Amend-
ment of
section 17.

5. In section 33 of the Income-tax Act, in clause (iii) of sub-section (1),— Amend-
ment of
section 33.

(i) in sub-clause (a), for the figures "1966", the figures "1965" shall be, and shall be deemed to have been, substituted with effect from the 1st day of April, 1965;

(ii) for sub-clause (c), the following sub-clause shall be, and shall be deemed to have been, substituted with effect from the 1st day of April, 1965, namely:—

“(c) where the machinery or plant is installed after the 31st day of March, 1965,—

(A) for the purposes of business of construction, manufacture or production of any one or more of the articles or things specified in the list in the Fifth Schedule,—

(a) thirty-five per cent. of the actual cost of the machinery or plant to the assessee, where it is installed before the 1st day of April, 1970, and

(b) twenty-five per cent. of such cost, where it is installed after the 31st day of March, 1970, and

(B) for the purposes of any other business,—

(a) twenty per cent. of the actual cost of the machinery or plant to the assessee, where it is installed before the 1st day of April, 1970, and

(b) fifteen per cent. of such cost, where it is installed after the 31st day of March, 1970.”

Amend-
ment of
section 43.

6. In section 43 of the Income-tax Act, in clause (6), after sub-clause (b), the following proviso shall be, and shall be deemed always to have been, inserted, namely:—

‘Provided that in determining the written down value in respect of buildings, machinery or plant for the purposes of clause (ii) of sub-section (1) of section 32, “depreciation actually allowed” shall not include depreciation allowed under sub-clauses (a), (b) and (c) of clause (vi) of sub-section (2) of section 10 of the Indian Income-tax Act, 1922, where such depreciation was not deductible in determining the written down value for the purposes of the said clause (vi).’

Amend-
ment of
section 44A.

7. In section 44A of the Income-tax Act, in sub-section (1), after the words “any trade, professional or similar association”, the brackets, words, figures and letter “[other than an association or institution referred to in clause (23A) of section 10]” shall be, and shall be deemed always to have been, inserted.

Amend-
ment of
section 84.

8. In section 84 of the Income-tax Act, in clause (iii) of sub-section (2), for the words “eighteen years”, the words “twenty-three years” shall be substituted.

Amend-
ment of
section 88.

9. In section 88 of the Income-tax Act,—

(a) after sub-section (5), the following sub-sections shall be, and shall be deemed to have been, inserted with effect from the

1st day of April, 1964, namely :—

(5A) In this section, "charitable purpose" does not include any purpose the whole or substantially the whole of which is of a religious nature.

(5B) Nothing contained in sub-section (5A) shall affect the benefit conferred by sub-section (1) in respect of any sums paid before the 1st day of April, 1964, by way of donations referred to in clause (ii) or clause (iii) of that sub-section.;

(b) in sub-section (6), for the words, brackets and figure "in sub-section (5)", the words, brackets, figures and letter "in sub-section (5) or sub-section (5A)" shall be, and shall be deemed to have been, substituted with effect from the 1st day of April, 1964.

10. In section 112 of the Income-tax Act,—

(a) in clause (i), for the words "and of the capital gains", the words and brackets "and by the amount of the interest on National Savings Certificates (First Issue) and of the capital gains" shall be substituted;

(b) in clause (iii), for the words "by the amount of capital gains", the words and brackets "by the amount of the interest on National Savings Certificates (First Issue) and of the capital gains" shall be substituted;

(c) for clause (iv), the following clause shall be substituted, namely :—

"(iv) the tax on the interest on National Savings Certificates (First Issue) and on capital gains, if any, computed in accordance with the provisions of clause (b) of section 112A and clause (b) of section 114, respectively."

11. After section 112 of the Income-tax Act, the following section shall be inserted, namely:—

"112A. Where the total income of an assessee, not being a company, includes any interest on National Savings Certificates (First Issue), the tax payable by him on his total income shall be—

(a) the amount of income-tax payable on the total income as reduced by the amount of such inclusion and by the amount of compensation or other payment referred to in clause (ii) of section 28 and of the capital gains, if any, had the total income so reduced been his total income; plus

(b) the amount of income-tax calculated on the amount of such interest included in the total income at the average rate of income-tax which would have been applicable to the

Amend-
ment of
section 112.

Insertion
of new
section
112A.

Tax on
interest on
National
Savings
Certificates
(First
Issue).

total income if the amount of such interest and the amount of compensation or other payment and of the capital gains aforesaid, if any, had not formed part of it; *plus*

(c) income-tax on such compensation or other payment and on such capital gains, if any, computed in accordance with the provisions of clause (iii) of section 112 and of clause (b) of section 114, respectively.

Explanation.—For the purposes of clause (b), the average rate of income-tax shall be calculated as if the total income as reduced in the manner specified in the said clause consisted wholly of earned income as defined in the Finance Act of the relevant year.”.

Amend-
ment of
section 114.

12. In section 114 of the Income-tax Act,—

(a) in clause (a), for the words, brackets and figures “if any, referred to in clause (ii) of section 28”, the words, brackets and figures “referred to in clause (ii) of section 28 and of the interest on National Savings Certificates (First Issue), if any,” shall be substituted;

(b) in sub-clause (i) of clause (b), after the words “the amount of compensation or other payment”, the words and brackets “and of the interest on National Savings Certificates (First Issue)” shall be inserted;

(c) for clause (c), the following clause shall be substituted, namely:—

“(c) the tax on such compensation or other payment and on the interest on National Savings Certificates (First Issue) aforesaid, if any, computed in accordance with the provisions of clause (iii) of section 112 and of clause (b) of section 112A, respectively.”.

Amend-
ment of
section 193.

13. In section 193 of the Income-tax Act, for the proviso, the following proviso shall be substituted, namely:—

“Provided that no tax shall be deducted from—

(i) any interest payable on 4½ per cent. National Defence Bonds, 1972, where the bonds are held by an individual, not being a non-resident; or

(ii) any interest payable on National Savings Certificates (First Issue); or

(iii) any interest payable on 6½ per cent. Gold Bonds, 1977 or 7 per cent. Gold Bonds, 1980, where the bonds are

held by an individual not being a non-resident, and the holder thereof makes a declaration in writing before the person responsible for paying the interest that the total nominal value of the 6½ per cent. Gold Bonds, 1977 or, as the case may be, the 7 per cent. Gold Bonds, 1980 held by him (including such bonds, if any, held on his behalf by any other person) did not in either case exceed ten thousand rupees at any time during the period to which the interest relates.”.

14. In section 280M of the Income-tax Act, for sub-section (2), the following sub-section shall be substituted, namely:—

Amend-
ment of
section
280M.

“(2) Where any depositor has deposited any amount for any assessment year which—

(a) he is not liable to deposit under the provisions of this Chapter or which is in excess of the amount required to be deposited under the said provisions for that year; or

(b) is less than the amount required to be deposited under the said provisions for that year and an additional amount has been recovered to make up the deficiency,

then the entire amount, excess amount or additional amount, as the case may be, may be refunded, adjusted or otherwise dealt with in such manner and having regard to such factors as may be specified in a scheme framed under section 280W.”.

15. In section 280N of the Income-tax Act, for the words “adjusted or otherwise dealt with in such manner as may be provided”, the following shall be substituted, namely:—

Amend-
ment of
section
280N.

“refunded, adjusted or otherwise dealt with in such manner and having regard to such factors as may be specified”.

16. In section 280W of the Income-tax Act, in clause (b) of sub-section (2), for the words “and the manner in which the excess or deficiency of annuity deposit may be adjusted or otherwise dealt with;”, the following shall be substituted, namely:—

Amend-
ment of
section
280W.

“and the manner in which the amount of annuity deposit which is not required to be deposited under the provisions of this Chapter or the excess or deficiency of annuity deposit, as the case may be, may be refunded, adjusted or otherwise dealt with

and the factors that may be taken into account in this connection;”.

Amend-
ment of
section
280ZC.

17. In section 280ZC of the Income-tax Act,—

(i) in sub-section (1), the following *Explanations* shall be, and shall be deemed to have been, inserted with effect from the 1st day of April, 1965, namely:—

Explanation 1.—For the removal of doubts it is hereby declared that the expression “sale proceeds” in this sub-section does not include freight or insurance attributable to the transport of the goods or merchandise beyond the customs station as defined in the Customs Act, 1962.

52 of 1962.

Explanation 2.—For the purposes of this sub-section, a person who exports any goods or merchandise in respect of which the declaration in pursuance of rule 3 of the Foreign Exchange Regulation Rules, 1952 is required to be in Form E.P., or Form E.P. I in the First Schedule to the said rules, shall not in respect of such goods or merchandise be deemed to have received the sale proceeds in India in accordance with the Foreign Exchange Regulation Act, 1947, and the rules made thereunder unless he receives the same in India through an authorised dealer as defined in the said Act;.

(ii) for sub-section (4), the following sub-section shall be substituted, namely:—

“(4) The amount shown on a tax credit certificate granted to any person under this section shall, on the certificate being produced before the Income-tax Officer, be adjusted against any liability of that person under the Indian Income-tax Act, 1922, or this Act, existing on the date on which the certificate was produced before the Income-tax Officer and where the amount of such certificate exceeds such liability, or where there is no such liability, the excess or the whole of such amount, as the case may be, shall, notwithstanding anything contained in Chapter XIX, be deemed, on the said date, to be refund due to such person under that Chapter and the provisions of this Act shall apply accordingly.”.

Amend-
ment of
Fifth
Schedule.

18. In the Fifth Schedule to the Income-tax Act, in item (3), for the words “Iron ore”, the words “Coal, lignite, iron ore” shall be, and shall be deemed to have been, substituted with effect from the 1st day of April, 1965.

19. In section 3 of the Estate Duty Act, 1953, after sub-section (3), the following sub-section shall be, and shall be deemed to have been, inserted with effect from the 1st day of April, 1964, namely:— Amendment of Act 34 of 1953.

“(4) Any reference in sections 9, 11 and 33 to public charitable purpose or purposes in relation to a gift made or disposition or determination of an interest effected or suffered on or after the 1st day of April, 1964 shall be construed as not including a purpose the whole or substantially the whole of which is of a religious nature.”.

20. In the Wealth-tax Act, 1957,—

Amendment of Act 27 of 1957.

(i) in section 5, in sub-section (1), for clause (xvii), the following clause shall be, and shall be deemed to have been, substituted with effect from the 1st day of April, 1965, namely:—

“(xvii) 6½ per cent. Gold Bonds, 1977 and 7 per cent. Gold Bonds, 1980;”;

(ii) in section 18, after sub-section (2), the following sub-sections shall be inserted, namely:—

“(2A) Notwithstanding anything contained in clause (i) or clause (iii) of sub-section (1), the Commissioner may, in his discretion,—

(i) reduce or waive the amount of minimum penalty imposable on a person under clause (i) of sub-section (1) for failure, without reasonable cause, to furnish the return of net wealth which such person was required to furnish under sub-section (1) of section 14, or

(ii) reduce or waive the amount of minimum penalty imposable on a person under clause (iii) of sub-section (1),

if he is satisfied that such person—

(a) in the case referred to in clause (i) of this sub-section has, prior to the issue of notice to him under sub-section (2) of section 14, voluntarily and in good faith, made full disclosure of his net wealth; and in the case referred to in clause (ii) of this sub-section has, prior to the detection by the Wealth-tax Officer of the concealment of particulars of assets or of the inaccuracy of particulars furnished in respect of the assets or debts in respect of which the penalty is imposable,

voluntarily and in good faith, made full and true disclosure of such particulars;

(b) has co-operated in any enquiry relating to the assessment of the wealth represented by such assets; and

(c) has either paid or made satisfactory arrangements for payment of any tax or interest payable in consequence of an order passed under this Act in respect of the relevant assessment year.

(2B) An order under sub-section (2A) shall be final and shall not be called in question before any court of law or any other authority.”;

(iii) in sections 31 and 34A, for the words “four per cent.”, wherever they occur, the words “six per cent.” shall be, and shall be deemed to have been, substituted with effect from the 1st day of April, 1965;

(iv) in section 36,—

(a) after sub-section (3), the following sub-section shall be inserted, namely:—

“(3A) A person shall not be proceeded against for an offence under sub-section (2) in relation to the assessment for an assessment year in respect of which the penalty imposable upon him under clause (iii) of sub-section (1) of section 18 has been reduced or waived by an order under sub-section (2A) of that section.”;

(b) after sub-section (4), the following sub-section shall be inserted, namely:—

“(4A) Where any proceeding has been taken against any person under sub-section (3), any statement made or account or other document produced by such person before any of the Wealth-tax authorities specified in sections 8, 9, 10, 10A and 11 shall not be inadmissible as evidence for the purpose of such proceedings merely on the ground that such statement was made or such account or other document was produced in the belief that the penalty imposable would be reduced or waived under sub-section (2A) of section 18 or that the offence in respect of which such proceeding was taken would be compounded.”.

21. In the Gift-tax Act, 1958,—

Amendment of Act 18 of 1958.

(i) in section 5, after sub-section (1), the following sub-section shall be, and shall be deemed to have been, inserted with effect from the 1st day of April, 1964, namely:—

“(1A) Any reference in clause (v) or clause (vi) of sub-section (1) to charitable purpose in relation to a gift made on or after the 1st day of April, 1964 shall be construed as not including a purpose the whole or substantially the whole of which is of a religious nature.”;

(ii) in sections 32 and 33A, for the words “four per cent.” wherever they occur, the words “six per cent.” shall be, and shall be deemed to have been, substituted with effect from the 1st day of April, 1965.

22. After section 24 of the Companies (Profits) Surtax Act, 1964, the following section shall be inserted, namely:—

Insertion of new section 24A in Act 7 of 1964.

“24A. The Central Government may enter into an agreement—

Agreement with foreign countries.

(a) with the Government of any country outside India for the granting of relief in respect of chargeable profits on which have been paid both surtax under this Act and tax of a similar character or income-tax on such profits in that country, or

(b) with the Government of any country outside India for the avoidance of double taxation of chargeable profits under this Act and under any law relating to the taxation of income or profits in force in that country.”.

23. Notwithstanding anything contained in the Indian Income-tax Act, 1922, any sum due to or received by any person in commutation of pension shall not be included and shall be deemed never to have been includible in computing the total income of such person under the provisions of that Act.

Exclusion of commuted value of pension from total income under the Indian Income-tax Act, 1922.

24. (1) Subject to the provisions of this section, where any person makes, on or after the 19th day of August, 1965, and before the 1st day of April, 1966, a declaration in accordance with sub-section (2) in respect of the amount representing income chargeable to tax under the Indian Income-tax Act, 1922 or the Income

Voluntary disclosure of income.

tax Act, 1961 for any assessment year commencing on or before the 1st day of April, 1964— 43 of 1961.

(a) for which he has failed to furnish a return within the time allowed under section 22 of the Indian Income-tax Act, 1922 or section 139 of the Income-tax Act, 1961, or 11 of 1922.
43 of 1961.

(b) which he has failed to disclose in a return of income filed by him on or before the 19th day of August, 1965 under the Indian Income-tax Act, 1922 or the Income-tax Act, 1961, or 11 of 1922.
43 of 1961.

(c) which has escaped assessment by reason of the omission or failure on the part of such person to make a return under either of the said Acts to the Income-tax Officer or to disclose fully and truly all material facts necessary for his assessment, he shall, notwithstanding anything contained in the said Acts, be charged income-tax in accordance with sub-section (3) in respect of the amount so declared or if more than one declaration has been made by a person the aggregate of the amounts declared therein as reduced by any amount specified in any order made under sub-section (4) or, if such amount is altered by an order of the Board under sub-section (6), then, such altered amount (hereafter in this section referred to as the voluntarily disclosed income):

Provided that nothing in this section shall apply to the amount representing income assessable for any assessment year for which a notice under section 22 or section 34 of the Indian Income-tax Act, 1922 or section 139 or section 148 of the Income-tax Act, 1961 11 of 1922.
43 of 1961. has been served upon such person and the date for furnishing the return, whether fixed originally or on extension, falls beyond the 19th day of August, 1965 and the return has not been furnished on or before the said date.

(2) The declaration shall be made to the Commissioner and shall contain the name, address and signature of the person making the declaration (hereafter in this section referred to as the declarant) and also full information in respect of the following matters, namely:—

(a) whether he was assessed to income-tax or not and, if assessed, the designation of the Income-tax Officer by whom he was last assessed;

(b) the amount of income declared, giving, where available, details of the previous year or years in which the income was earned and the amount pertaining to each such year;

(c) whether the amount declared is represented by cash (including bank deposits), bullion, investment in shares, debts due from other persons, commodities or any other assets, and the name in which it is held and location thereof.

(3) Income-tax shall be charged on the amount of the voluntarily disclosed income—

(a) where the declarant is a person other than a company, at the rates specified in Paragraph A, and

(b) where the declarant is a company, at the rates specified in Paragraph F,

10 of 1965. of Part I of the First Schedule to the Finance Act, 1965, as if such amount were the total income of the declarant, so, however, that—

(i) the proviso to the said Paragraph A or, as the case may be, the second proviso to the said Paragraph F shall not apply;

(ii) where the declarant is a person other than a company, the voluntarily disclosed income shall be deemed to be earned income;

(iii) where the declarant is a company, the voluntarily disclosed income shall be deemed to consist of income other than income by way of royalties or fees for rendering technical services or profits and gains derived from the business of generation or distribution of electricity or any other form of power or of construction, manufacture or production of any article or thing or of processing of goods or mining; and

(iv) where the declarant is a firm, it shall be deemed to be an unregistered firm.

10 of 1965.
43 of 1961. *Explanation.*—For the purpose of charging income-tax at the rates specified in Paragraph F of Part I of the First Schedule to the Finance Act, 1965, a company shall be deemed to be a company as is referred to in section 108 of the Income-tax Act, 1961, if it is such a company in relation to the assessment year commencing on the 1st day of April, 1965.

(4) (a) Within thirty days of the receipt of a declaration under sub-section (2), the Commissioner shall, if he is satisfied that the whole or any part of the amount of income declared therein has been detected or is deemed to have been detected by the Income-tax Officer prior to the date of the declaration, make an order in writing to that effect recording therein his reasons therefor and specifying the amount of such income [which he shall estimate to

the best of his judgment on the basis of such statement, information, document or other relevant material (including any asset) as is referred to in clause (b)] and forward a copy thereof to the declarant:

Provided that no order under this sub-section shall be made unless the declarant has been given an opportunity of being heard.

(b) For the purposes of this section, income shall be deemed to have been detected by the Income-tax Officer if—

(i) on the basis of any statement, information, document or other relevant material (including any asset seized under section 132 of the Income-tax Act, 1961) which is in the knowledge or possession of the Income-tax Officer before the date of the declaration, or 43 of 1961.

(ii) on the basis of any statement, information, document or other relevant material (including any asset seized under any other law for the time being in force) which is in the knowledge or possession of any other officer of Government before the said date and which has come to the knowledge or possession of the Income-tax Officer not later than fifteen days from the date of the declaration,

such income can be shown to exist or its existence is considered so probable that a prudent man ought under the circumstances of the particular case to act upon the supposition that it exists.

(5) If any person objects for any reason to an order passed by the Commissioner under sub-section (4), he may, within thirty days of the date on which such order is served on him, make an application to the Board, stating therein the reasons for such objection and requesting for appropriate relief in the matter.

~~(4) and the Income-tax Officer shall thereupon determine the sum~~
(6) on receipt of the application under sub-section (5), the Board, may, after giving the applicant an opportunity of being heard, pass such orders as it thinks fit and forward a copy thereof to the applicant and also to the Commissioner.

(7) (a) The Commissioner shall, as soon as may be after the receipt of the declaration, forward the same to the Income-tax Officer together with a copy of his order, if any, under sub-section (4) and the Income-tax Officer shall thereupon determine the sum payable by the declarant in accordance with sub-section (3) and shall serve upon him a notice of demand under section 156 of the Income-tax Act, 1961, and the provisions of Chapter XV and Chapter XVII-D of, and the Second Schedule and the Third Schedule to, that 43 of 1961.

Act shall, as far as may be, apply accordingly as if the said sum were a sum payable under that Act:

Provided that nothing contained in the said Chapter XVII-D shall be deemed to authorise the Income-tax Officer to extend the time for payment of the tax due or allow payment thereof in instalments unless—

(i) such amount as is not less than ten per cent. of the amount specified as payable in the notice of demand is paid by the declarant within thirty-five days of the service of the notice; and

(ii) the previous authority of the Commissioner is obtained by him for allowing payment of the balance by instalments:

Provided further that—

(i) the Commissioner shall in no case authorise payment by instalments unless the declarant furnishes such security for the payment of the balance of tax due in such form and in such manner as the Commissioner may, in his discretion, direct;

(ii) the instalments so authorised shall in no case extend beyond four years from the date of the declaration.

43 of 1961.

(b) Where, in consequence of an order passed by the Board under sub-section (6), any additional amount of income-tax is found to be payable by the declarant under this section, the Income-tax Officer shall serve upon the declarant a further notice under section 156 of the Income-tax Act, 1961, in respect of such additional amount and all the provisions of clause (a) of this sub-section shall apply accordingly as if the notice were a notice issued under that clause.

(8) An order under sub-section (6) shall be final and shall not be called in question before any court of law or any other authority.

11 of 1922.
43 of 1961.
15 of 1940.
21 of 1947.
14 of 1963.
7 of 1964.

(9) Any amount of income-tax paid in pursuance of a declaration made under this section shall not be refundable in any circumstances and no person who has made the declaration shall be entitled, in respect of the voluntarily disclosed income or any amount of tax paid thereon, to re-open any assessment or re-assessment made under the Indian Income-tax Act, 1922, or the Income-tax Act, 1961, or the Excess Profits Tax Act, 1940, or the Business Profits Tax Act, 1947, or the Super Profits Tax Act, 1963, or the Companies (Profits) Surtax Act, 1964, or claim any set off or relief in any appeal, reference, revision or other proceeding in relation to any such assessment or re-assessment.

(10) (a) The amount of the voluntarily disclosed income shall not be included in the total income of the declarant for any assessment year under any of the Acts mentioned in sub-section (9) if he has credited such amount in the books of account, if any, maintained by him for any source of income or in any other record.

(b) The credit made shall be intimated by the declarant to the Income-tax Officer.

(11) Notwithstanding anything contained hereinabove or in any other law for the time being in force, nothing contained in any declaration made under this section shall be admissible as evidence against the declarant for the purpose of any assessment proceeding or any proceeding relating to imposition of penalty or for the purpose of prosecution under any of the Acts mentioned in sub-section (9) or the Wealth-tax Act, 1957, in respect of any amount specified in an order made by the Commissioner under sub-section (4) or, if such amount is altered by an order of the Board under sub-section (6), then, such altered amount. **27 of 1957.**

(12) (a) All particulars contained in any declaration made under this section or record of any proceeding under this section shall be treated as confidential and, notwithstanding anything contained in any law for the time being in force, no court shall be entitled to require any public servant to produce before it any such declaration or record or any part thereof or to give evidence before it in respect thereof.

(b) No public servant shall disclose any particulars contained in any such declaration or record except to any officer employed in the execution of any of the Acts mentioned in sub-section (9), or the Wealth-tax Act, 1957, or to any officer appointed by the Comptroller and Auditor-General of India or the Board to audit income-tax receipts or refunds. **27 of 1957.**

(13) The provisions of section 154 of the Income-tax Act, 1961 shall, as far as may be, apply in respect of the rectification of any mistake apparent from the record of any proceeding under this section as they apply to the rectification of a mistake in any order under the said Act. **43 of 1961.**

(14) Any payment of income-tax under this section shall be made by depositing the amount to the credit of the Central Government at a Government treasury or sub-treasury, or at any branch of the Reserve Bank of India, or at any branch of the State Bank of India, or at any of its agencies conducting Government treasury business.

(15) The Commissioner shall on an application by the declarant grant a certificate to him setting forth the particulars of the voluntarily disclosed income and the amount of income-tax paid in respect of the same and the date of payment:

Provided that no certificate under this sub-section shall be granted unless the income-tax charged in pursuance of sub-section (3) of this section and the interest, if any, payable under sub-section (2) of section 220 of the Income-tax Act, 1961, has been paid by the declarant in full.

(16) (a) In this section,—

(i) “earned income” shall have the meaning assigned to it in the Finance Act, 1965;

(ii) “person” shall have the meaning assigned to it in clause (31) of section 2 of the Income-tax Act, 1961, but shall not include any local authority or a corporation established by a Central, State or Provincial Act.

(b) All other words and expressions used in this section but not defined and defined in the Income-tax Act, 1961, shall have the meanings respectively assigned to them in the said Act.

25. In the Indian Tariff Act, 1934 (hereinafter referred to as the Tariff Act),—

Amendment of Act 32 of 1934.

(a) in section 2A—

(i) in sub-section (1),—

(1) for the words “shall be liable to customs duty”, the following shall be substituted, namely:—

“shall, in addition, be liable to duty (hereafter in this section referred to as the additional duty)”;

(2) for the words “the customs duty”, the words “the additional duty” shall be substituted;

(ii) in sub-section (1A), for the words “the customs duty on any imported article equal to the excise duty for the time being leviable on a like article, if produced or manufactured in India, where such excise duty”, the following shall be substituted, namely:—

“the additional duty on any imported article, where such duty”;

(iii) for sub-section (2), the following sub-sections shall be substituted, namely:—

“(2) If the Central Government is satisfied that in respect of any article imported, the duty leviable under

sub-section (1) does not fully countervail the excise duty chargeable on a like article if produced or manufactured in India including the excise duty chargeable on the raw materials, components or ingredients used in the production or manufacture of such article, the Central Government may, by notification in the Official Gazette, direct that the additional duty chargeable in respect of the imported article shall include an amount representing such portion of the excise duty chargeable on such raw materials, components or ingredients as may be determined by rules made by the Central Government in this behalf.

(3) In making any rules for the purposes of sub-section (2), the Central Government shall have regard to the average quantum of the excise duty payable on the raw materials, components or ingredients used in the production or manufacture of such like article.

(4) The duty chargeable under this section shall be in addition to any duty imposed under this Act or under any other law for the time being in force.

(5) The provisions of the Customs Act, 1962 and the rules and regulations made thereunder, including those relating to refunds and exemption from duties, shall, so far as may be, apply to the duty chargeable under this section.”;

52 of 1962.

(b) the First Schedule shall be amended in the manner specified in Parts I and II of the Schedule to this Act.

Amend-
ment of
Act 1 of
1944.

26. In the Central Excises and Salt Act, 1944, in the First Schedule,—

(a) in Item No. 6, for the entry in the third column, the entry “Four hundred and fifty-five rupees per kilolitre at fifteen degrees of Centigrade thermometer.” shall be substituted;

(b) in Item No. 7, for the entry in the third column, the entry “Two hundred and thirty-five rupees per kilolitre at fifteen degrees of Centigrade thermometer.” shall be substituted;

(c) in Item No. 8, for the entry in the third column against each of the sub-items (a) and (b), the entry “Four hundred and eighty-nine rupees per kilolitre at fifteen degrees of Centigrade thermometer” shall be substituted;

(d) in Item No. 9, for the entry in the third column the entry "Ninety rupees per metric tonne." shall be substituted;

(e) in Item No. 10, for the entry in the third column, the entry "Eighty rupees per metric tonne." shall be substituted;

(f) in Item No. 11, for the entry in the third column against each of the sub-items (1) and (2), the entry "Thirty per cent. *ad valorem*." shall be substituted;

(g) in Item No. 11A, for the entry in the third column, the entry "Ten per cent. *ad valorem*." shall be substituted;

(h) in Item No. 14E,—

(i) the existing *Explanation* shall be numbered as *Explanation I*;

(ii) after *Explanation I* as so re-numbered, the following *Explanation* shall be inserted, namely:—

'*Explanation II*—"Alcohol", "Opium", "Indian Hemp", "Narcotic Drugs" and "Narcotics" have the meanings respectively assigned to them in section 2 of the Medicinal and Toilet Preparations (Excise Duties) Act, 1955.');

16 of 1955.

(i) in Item No. 14F, the following *Explanation* shall be inserted at the end, namely:—

'*Explanation*—"Alcohol", "Opium", "Indian Hemp". "Narcotic Drugs" and "Narcotics" have the meanings respectively assigned to them in section 2 of the Medicinal and Toilet Preparations (Excise Duties) Act, 1955.');

16 of 1955 .

(j) in Item No. 26, for the entry in the third column, the entry "Seventy-five rupees per metric tonne." shall be substituted;

(k) in Item No. 26A, for the entries in the third column against sub-items (1) and (2), the entries "One thousand and five hundred rupees per metric tonne." and "Two thousand rupees per metric tonne." shall, respectively, be substituted;

(l) in Item No. 26AA, for the entry in the third column against each of the sub-items (i) and (ia), the entry "Fifty rupees per metric tonne plus the excise duty for the time being leviable on steel ingots." shall be substituted;

(m) in Item No. 26B, for sub-items (1) and (2), the following sub-items shall be substituted, namely:—

- | | |
|---|---|
| <p>(1) Unwrought, including ingots, cakes, bars, blocks, hard or soft slabs, billets, plates, cathodes, anodes, pellets, spelter, dross, ashes and broken zinc.</p> | <p>Five hundred rupees per metric tonne.</p> |
| <p>(2) Manufactures, the following, namely, plates, sheets, circles, strips and foils in any form or size.</p> | <p>Eight hundred rupees per metric tonne.</p> |
| <p>(3) Pipes and tubes</p> | <p>Ten per cent. <i>ad valorem.</i>”;</p> |

(n) after Item No. 27, the following Item shall be inserted, namely:—

- | | |
|--|---|
| <p>“27A. LEAD unwrought, including ingots, pigs, blocks, anodes, slabs, cakes and cast sticks.</p> | <p>Five hundred rupees per metric tonne.”</p> |
|--|---|

THE SCHEDULE

[See section 25(b)]

PART I

The First Schedule to the Tariff Act shall be amended in the manner and to the extent specified in the Table annexed hereto, and the existing entries in any column thereof which have not been so amended shall continue unaltered.

TABLE

Item No.	Name of article	Nature of duty	Standard rate of duty	Preferential rate of duty if the article is the produce or manufacture of		Duration of protective rates of duty
				The United Kingdom	A British Colony	
1	2	3	4	5	6	7
For the existing entries in columns 4, 5 and 6, substitute—						
1	60 per cent <i>ad valorem.</i>	..	..	..
1(1)	60 per cent <i>ad valorem.</i>	..	..	..
2	60 per cent <i>ad valorem.</i>	..	..	..
3	60 per cent <i>ad valorem.</i>	..	..	..
3(1)	60 per cent <i>ad valorem.</i>	..	..	..
3(2)	60 per cent <i>ad valorem.</i>	..	..	..
3(3)	60 per cent <i>ad valorem.</i>	..	50 per cent <i>ad valorem</i>	..
3(4)	60 per cent <i>ad valorem.</i>	..	..	..
4	60 per cent <i>ad valorem.</i>	..	..	..
4(1)	60 per cent <i>ad valorem.</i>	..	..	..
4(4)	60 per cent <i>ad valorem.</i>	..	..	..
4(5)	60 per cent <i>ad valorem.</i>	..	..	..
5	40 per cent <i>ad valorem.</i>	..	..	..

1	2	3	4	5	6	7
5(1)	60 per cent <i>ad valorem.</i>	..	..	..
5(2)	60 per cent <i>ad valorem.</i>	..	50 per cent <i>ad valorem.</i>	..
6	60 per cent <i>ad valorem.</i>	..	..	..
6(1)	60 per cent <i>ad valorem.</i>	..	..	..
7	100 per cent <i>ad valorem.</i>	..	90 per cent <i>ad valorem.</i>	..
7(1)	100 per cent <i>ad valorem.</i>	..	94 per cent <i>ad valorem.</i>	..
8	100 per cent <i>ad valorem.</i>	..	90 per cent <i>ad valorem.</i>	..
8(1)	100 per cent <i>ad valorem.</i>	..	..	..
8(2)(A)(a)	Rs. 860 per quintal.	..	Rs. 860 per quintal less 10 per cent <i>ad valorem.</i>	..
8(2)(A)(b)(i)	Rs. 500 per quintal.	..	Rs. 500 per quintal less 10 per cent <i>ad valorem.</i>	..
8(2)(A)(b)(ii)	Rs. 280 per quintal.	..	Rs. 280 per quintal less 10 per cent <i>ad valorem.</i>	..
8(2)(B)(a)	Rs. 150 per quintal.	..	Rs. 150 per quintal less 10 per cent <i>ad valorem.</i>	..
8(2)(B)(b)	Rs. 100 per quintal.	..	Rs. 100 per quintal less 10 per cent <i>ad valorem.</i>	..
8(2)(B)(c)	Rs. 70 per quintal.	..	Rs. 70 per quintal less 10 per cent <i>ad valorem.</i>	..
8(2)(C)	Rs. 30 per quintal.	..	Rs. 30 per quintal less 10 per cent <i>ad valorem.</i>	..
8(2)(D)(a)	Rs. 400 per quintal.	..	Rs. 400 per quintal less 10 per cent <i>ad valorem.</i>	..
8(2)(D)(b)	Rs. 1,000 per quintal.	..	Rs. 1,000 per quintal less 10 per cent <i>ad valorem.</i>	..
8(2)(E)(a)	Rs. 200 per quintal.	..	Rs. 200 per quintal less 10 per cent <i>ad valorem.</i>	..

1	2	3	4	5	6	7
8(2)(E)(b)	Rs. 260 per quintal.	..	Rs. 260 per quintal less 10 per cent <i>ad valorem</i> .	..
8(2)(E)(c)	Rs. 400 per quintal.	..	Rs. 400 per quintal less 10 per cent <i>ad valorem</i> .	..
8(2)(F)	100 per cent <i>ad valorem</i> .	..	90 per cent <i>ad valorem</i> .	..
8(3)	100 per cent <i>ad valorem</i>.	..	..	..
8(4)	100 per cent <i>ad valorem</i> .	..	94 per cent <i>ad valorem</i> .	..
8(5)	100 per cent <i>ad valorem</i> .	..	94 per cent <i>ad valorem</i> .	..
9	100 per cent <i>ad valorem</i> .	..	100 per cent <i>ad valorem</i> less 13 Paise per kilogram.	..
9(1)	100 per cent <i>ad valorem</i> .	..	90 per cent <i>ad valorem</i> .	..
9(2)	100 per cent <i>ad valorem</i> .	..	100 per cent <i>ad valorem</i> less 26 Paise per kilogram.	..
9(4)	100 per cent <i>ad valorem</i> .	..	92½ per cent <i>ad valorem</i> .	..
9(6)	60 per cent <i>ad valorem</i>.	..	..	..
II	60 per cent <i>ad valorem</i>.	..	..	..
II(2)	60 per cent <i>ad valorem</i>.	..	..	..
II(3)	60 per cent <i>ad valorem</i> .	..	50 per cent <i>ad valorem</i> .	..
II(4)	60 per cent <i>ad valorem</i>.	..	..	..
II(5)	60 per cent <i>ad valorem</i>.	..	..	..
II(6)	60 per cent <i>ad valorem</i> .	..	50 per cent <i>ad valorem</i> .	..
I2	60 per cent <i>ad valorem</i>.	..	..	..
I2(2)	60 per cent <i>ad valorem</i> .	..	50 per cent <i>ad valorem</i> .	..
I2(3)	60 per cent <i>ad valorem</i>.	..	..	..
I2(4)	100 per cent <i>ad valorem</i>.	..	..	..
I2(5)	60 per cent <i>ad valorem</i>.	..	..	..
I2(6)	60 per cent <i>ad valorem</i>.	..	..	..

	2	3	4	5	6	7
13	40 per cent <i>ad valorem.</i>	..	..	..
13(1)	40 per cent <i>ad valorem.</i>	..	..	..
13(2)	60 per cent <i>ad valorem.</i>	..	50 per cent <i>ad valorem.</i>	..
13(3)	60 per cent <i>ad valorem.</i>	..	..	..
13(4)	60 per cent <i>ad valorem.</i>	..	50 per cent <i>ad valorem.</i>	..
13(5)	60 per cent <i>ad valorem.</i>	..	..	..
13(6)	60 per cent <i>ad valorem.</i>	..	..	..
13(7)	60 per cent <i>ad valorem.</i>	..	..	..
13(8)	60 per cent <i>ad valorem.</i>	..	..	..
13(9)	60 per cent <i>ad valorem.</i>	..	60 per cent <i>ad valorem.</i>	..
14	60 per cent <i>ad valorem.</i>	..	..	..
15	60 per cent <i>ad valorem.</i>	..	..	..
15(1)	60 per cent <i>ad valorem.</i>	..	..	..
15(2)	60 per cent <i>ad valorem.</i>	..	..	..
15(3)	60 per cent <i>ad valorem.</i>	..	..	..
15(4)	60 per cent <i>ad valorem.</i>	..	..	..
15(5)	60 per cent <i>ad valorem.</i>	..	..	..
15(6)	60 per cent <i>ad valorem.</i>	..	50 per cent <i>ad valorem.</i>	..
15(7)	60 per cent <i>ad valorem.</i>	..	50 per cent <i>ad valorem.</i>	..
15(8)	60 per cent <i>ad valorem.</i>	..	..	..
15(9)	60 per cent <i>ad valorem.</i>	..	..	..
15(10)	60 per cent <i>ad valorem.</i>	..	..	..
15(12)	60 per cent <i>ad valorem.</i>	..	..	..
16	100 per cent <i>ad valorem.</i>	..	..	..
16(1)	100 per cent <i>ad valorem.</i>	..	..	..
16(2)	100 per cent <i>ad valorem.</i>	..	..	..

1	2	3	4	5	6	7
16(3)	100 per cent <i>ad valorem.</i>	..	..	..
17	60 per cent <i>ad valorem.</i>	..	..	..
17(1)	60 per cent <i>ad valorem.</i>	..	..	..
17(2)	100 per cent <i>ad valorem.</i>	..	..	..
17(3)	60 per cent <i>ad valorem.</i>	..	..	..
18(a)	60 per cent <i>ad valorem.</i>	..	..	..
18(b)	100 per cent <i>ad valorem.</i>	..	..	..
19	100 per cent <i>ad valorem.</i>	..	..	..
19(1)	60 per cent <i>ad valorem.</i>	..	..	..
19(2)	60 per cent <i>ad valorem.</i>	..	..	..
19(3)	100 per cent <i>ad valorem.</i>	..	..	..
20	100 per cent <i>ad valorem.</i>	..	..	..
20(1)	100 per cent <i>ad valorem.</i>	..	90 per cent <i>ad valorem.</i>	..
20(2)	100 per cent <i>ad valorem.</i>	..	90 per cent <i>ad valorem.</i>	..
20(3)	100 per cent <i>ad valorem.</i>	..	90 per cent <i>ad valorem.</i>	..
20(4)	100 per cent <i>ad valorem.</i>	..	..	..
20(5)(a)	94 per cent <i>ad valorem.</i>	..	..	..
20(5)(b)	100 per cent <i>ad valorem.</i>	..	..	..
20(6)	100 per cent <i>ad valorem.</i>	..	100 per cent <i>ad valorem.</i>	..
20(7)	100 per cent <i>ad valorem.</i>	..	94 per cent <i>ad valorem.</i>	..
20(8)	100 per cent <i>ad valorem.</i>	..	94 per cent <i>ad valorem.</i>	..
20(9)	100 per cent <i>ad valorem.</i>	..	92 per cent <i>ad valorem.</i>	..
21	100 per cent <i>ad valorem.</i>	..	..	..
21(1)	100 per cent <i>ad valorem.</i>	..	..	..
21(2)	100 per cent <i>ad valorem.</i>	..	..	..
21(3)	100 per cent <i>ad valorem.</i>	..	..	..

1	2	3	4	5	6	7
21(4)	100 per cent <i>ad valorem</i>.	..	..	..
21(5)	100 per cent <i>ad valorem</i>.	..	..	..
21(6)	100 per cent <i>ad valorem</i>.	..	..	..
21(7)	100 per cent <i>ad valorem</i>.	..	..	..
21(8)	100 per cent <i>ad valorem</i>.	..	..	..
21(9)	100 per cent <i>ad valorem</i>.	..	..	..
21(10)	100 per cent <i>ad valorem</i>.	..	..	..
22	100 per cent <i>ad valorem</i>.	..	..	..
22(4)(b)(ii)	Rs. 60 per litre or 170 per cent <i>ad valorem</i> , whichever is higher, plus Rs. 5 per litre.	..	..	..
22(5)(b)(i)	Rs. 14.40 per litre or 60 per cent <i>ad valorem</i> , whichever is higher, plus Rs. 5 per litre.	Rs. 13.50 per litre or 50 per cent <i>ad valorem</i> , whichever is higher, plus Rs. 5 per litre.	Rs. 13.50 per litre or 50 per cent <i>ad valorem</i> , whichever is higher, plus Rs. 5 per litre.	..
22(5)(b)(ii)	Rs. 14.40 per litre or 60 per cent <i>ad valorem</i> , whichever is higher, plus Rs. 5 per litre.	Rs. 13.50 per litre or 50 per cent <i>ad valorem</i> , whichever is higher, plus Rs. 5 per litre.	Rs. 13.50 per litre or 50 per cent <i>ad valorem</i> , whichever is higher, plus Rs. 5 per litre.	..
22(6)	60 per cent <i>ad valorem</i>.	..	..	..
22(7)	60 per cent <i>ad valorem</i>.	..	..	..
23	60 per cent <i>ad valorem</i>.	..	..	..
24	100 per cent <i>ad valorem</i>.	..	..	..
24(1)	100 per cent <i>ad valorem</i>.	..	..	..
24(2)	100 per cent <i>ad valorem</i>.	..	..	..
25	60 per cent <i>ad valorem</i>.	..	..	..
25(1)	For "ex- empted", substi- tute "falling".	..	Rs. 10 per quintal.	..	..	..

1	2	3	4	5	6	7
25(2)	Rs. 10 per quintal.	..	..	..
25(3)	60 per cent <i>ad valorem</i>.	..	..	..
25(4)	60 per cent <i>ad valorem</i> .	50 per cent <i>ad valorem</i>.	..	..
25(5)	60 per cent <i>ad valorem</i>.	..	..	..
25(6)	60 per cent <i>ad valorem</i>.	..	..	..
25(7)	60 per cent <i>ad valorem</i>.	..	..	..
26	40 per cent <i>ad valorem</i>.	..	..	..
26(1)	40 per cent <i>ad valorem</i>.	..	..	..
27	40 per cent <i>ad valorem</i>.	..	..	..
27(1)	40 per cent <i>ad valorem</i> .	..	31 per cent <i>ad valorem</i> .	..
27(2)	40 per cent <i>ad valorem</i>.	..	..	..
27(3)	40 per cent <i>ad valorem</i>.	..	..	..
27(4)(b)	40 per cent <i>ad valorem</i>.	..	..	..
27(7)(a)	40 per cent <i>ad valorem</i>.	..	..	..
27(8)	40 per cent <i>ad valorem</i>.	..	..	..
27(9)	40 per cent <i>ad valorem</i>.	..	..	..
28	60 per cent <i>ad valorem</i> .	50 per cent <i>ad valorem</i> .	50 per cent <i>ad valorem</i> .	..
28A	60 per cent <i>ad valorem</i> .	50 per cent <i>ad valorem</i> .	50 per cent <i>ad valorem</i> .	..
28(1)	40 per cent <i>ad valorem</i>.	..	..	..
28(4)(a)	50 per cent <i>ad valorem</i>.	..	..	..
28(4)(b)	60 per cent <i>ad valorem</i>.	..	..	..
28(5)	60 per cent <i>ad valorem</i>.	..	..	..
28(6)(a)	60 per cent <i>ad valorem</i>.	..	..	..
28(6)(b)	60 per cent <i>ad valorem</i>.	..	..	..
28(7)	60 per cent <i>ad valorem</i>.	..	..	..
28(7A)	100 per cent <i>ad valorem</i>.	..	..	..
28(8)	60 per cent <i>ad valorem</i>.	..	..	..

1	2	3	4	5	6	7
28(9)	Rs. 20 per kilogram.	..	..	..
28(10)	60 per cent <i>ad valorem</i> or Rs. 42 per kilogram of Saccharine content, whichever is higher.	..	..	..
28(11)	60 per cent <i>ad valorem</i>.	..	..	..
28(12)	60 per cent <i>ad valorem</i>.	..	..	..
28(15)(a)	50 per cent <i>ad valorem</i>.	..	..	..
28(15)(b)	60 per cent <i>ad valorem</i>.	..	..	..
28(16)	60 per cent <i>ad valorem</i>.	..	..	..
28(17)	60 per cent <i>ad valorem</i>.	..	..	..
28(18)(a)	60 per cent <i>ad valorem</i> .	50 per cent <i>ad valorem</i> .	50 per cent <i>ad valorem</i> .	..
28(18)(b)	60 per cent <i>ad valorem</i> .	50 per cent <i>ad valorem</i> .	50 per cent <i>ad valorem</i> .	..
28(18)(c)	60 per cent <i>ad valorem</i> .	50 per cent <i>ad valorem</i> .	50 per cent <i>ad valorem</i> .	..
28(18)(d)	60 per cent <i>ad valorem</i> .	50 per cent <i>ad valorem</i> .	50 per cent <i>ad valorem</i> .	..
28(19)	60 per cent <i>ad valorem</i>.	..	..	..
28(20)(a)	60 per cent <i>ad valorem</i>.	..	..	..
28(20)(b)	60 per cent <i>ad valorem</i>.	..	..	..
28(20)(c)	60 per cent <i>ad valorem</i>.	..	..	..
28(20)(d)	60 per cent <i>ad valorem</i>.	..	..	..
28(20)(e)	60 per cent <i>ad valorem</i>.	..	..	..
28(21)	60 per cent <i>ad valorem</i> .	54 per cent <i>ad valorem</i> .	54 per cent <i>ad valorem</i> .	..
28(22)	60 per cent <i>ad valorem</i> .	54 per cent <i>ad valorem</i> .	54 per cent <i>ad valorem</i> .	..
28(23)	60 per cent <i>ad valorem</i> .	54 per cent <i>ad valorem</i> .	54 per cent <i>ad valorem</i> .	..
28(24)	60 per cent <i>ad valorem</i> .	54 per cent <i>ad valorem</i> .	54 per cent <i>ad valorem</i> .	..
28(25)	60 per cent <i>ad valorem</i> .	54 per cent <i>ad valorem</i> .	54 per cent <i>ad valorem</i> .	..
28(26A)	60 per cent <i>ad valorem</i> .	54 per cent <i>ad valorem</i> .	54 per cent <i>ad valorem</i> .	..
28(27)	60 per cent <i>ad valorem</i> .	54 per cent <i>ad valorem</i> .	54 per cent <i>ad valorem</i> .	..

1	2	3	4	5	6	7
28(28)(a)	60 per cent <i>ad valorem.</i>	54 per cent <i>ad valorem.</i>	54 per cent <i>ad valorem.</i>	..
28(28)(b)	60 per cent <i>ad valorem.</i>	54 per cent <i>ad valorem.</i>	54 per cent <i>ad valorem.</i>	..
28(29)	60 per cent <i>ad valorem.</i>	..	..	..
28(30)	100 per cent <i>ad valorem.</i>	..	..	..
28(31)	60 per cent <i>ad valorem.</i>	50 per cent <i>ad valorem.</i>	50 per cent <i>ad valorem.</i>	..
28(32)	60 per cent <i>ad valorem.</i>	50 per cent <i>ad valorem.</i>	50 per cent <i>ad valorem.</i>	..
28(33)	60 per cent <i>ad valorem.</i>	..	..	..
28(34)(a)	50 per cent <i>ad valorem.</i>	..	..	..
28(34)(b)	60 per cent <i>ad valorem.</i>	..	..	..
28(35)(a)	50 per cent <i>ad valorem.</i>	..	..	..
28(35)(b)	60 per cent <i>ad valorem.</i>	..	..	..
28(36)(a)	90 per cent <i>ad valorem.</i>	..	..	..
28(36)(b)	100 per cent <i>ad valorem.</i>	..	..	..
28(37)(a)	90 per cent <i>ad valorem.</i>	..	..	..
28(37)(b)	100 per cent <i>ad valorem.</i>	..	..	..
29	Rs. 15 per 100 linear metres.	..	..	..
30	100 per cent <i>ad valorem.</i>	90 per cent <i>ad valorem.</i>	..	..
30(1)(a)	60 per cent <i>ad valorem.</i>	..	..	..
30(1)(b)(i)	60 per cent <i>ad valorem.</i>	..	..	..
30(1)(b)(ii)	100 per cent <i>ad valorem.</i>	..	..	..
30(1)(b)(iii)	60 per cent <i>ad valorem.</i>	..	..	..
30(1)(c)	60 per cent <i>ad valorem.</i>	..	..	..
30(2)(a)	60 per cent <i>ad valorem.</i>	50 per cent <i>ad valorem.</i>	..	..
30(2)(b)	60 per cent <i>ad valorem.</i>	50 per cent <i>ad valorem.</i>	..	..
30(2)(c)	60 per cent <i>ad valorem.</i>	50 per cent <i>ad valorem.</i>	..	..
30(2)(cc)(i)	60 per cent <i>ad valorem.</i>	54 per cent <i>ad valorem.</i>	..	..
30(2)(cc)(ii)	60 per cent <i>ad valorem.</i>	54 per cent <i>ad valorem.</i>	..	..

1	2	3	4	5	6	7
30(2)(cc)(iii)	60 per cent <i>ad valorem.</i>	54 per cent <i>ad valorem.</i>	..	..
30(2)(cc)(iv)	60 per cent <i>ad valorem.</i>	54 per cent <i>ad valorem.</i>	..	..
30(2)(d)	60 per cent <i>ad valorem.</i>	50 per cent <i>ad valorem.</i>	..	..
30(3)(a)	60 per cent <i>ad valorem.</i>	..	..	..
30(3)(b)	60 per cent <i>ad valorem.</i>	..	..	..
30(3)(c)	60 per cent <i>ad valorem.</i>	..	..	..
30(3)(d)	60 per cent <i>ad valorem.</i>	..	..	..
30(4)	60 per cent <i>ad valorem.</i>	..	..	..
30(5)	60 per cent <i>ad valorem.</i>	..	50 per cent <i>ad valorem.</i>	..
30(6)	60 per cent <i>ad valorem.</i>	..	..	..
30(7)	100 per cent <i>ad valorem.</i>	..	..	..
30(8)	100 per cent <i>ad valorem.</i>	..	..	..
30(9)(a)	50 per cent <i>ad valorem.</i>	..	..	..
30(9)(b)	60 per cent <i>ad valorem.</i>	..	..	..
30(10)	60 per cent <i>ad valorem.</i>	..	..	..
30(11)	100 per cent <i>ad valorem.</i>	100 per cent <i>ad valorem.</i>	..	..
30(12)	60 per cent <i>ad valorem.</i>	54 per cent <i>ad valorem.</i>	..	..
30(13)	Dyes, derived from coal-tar, the fol- lowing, namely:—					
		Alizar- ine moist exceed- ing 20 per cent.	..	60 per cent <i>ad valorem.</i>	..	..
		Alizarine red.	..	60 per cent <i>ad valorem.</i>	..	..
		Azo dyes not other- wise specified.	..	60 per cent <i>ad valorem.</i>	..	..

1	2	3	4	5	6	7
	Sulphur dyes of other colours.	..	60 per cent <i>ad valorem.</i>	..	..	..
	Ultra-zols.	..	60 per cent <i>ad valorem.</i>	..	..	..
	Vats, powder.	..	60 per cent <i>ad valorem.</i>	..	..	..
30(14)(a)	..	..	50 per cent <i>ad valorem.</i>	..	..	..
30(14)(b)	..	..	60 per cent <i>ad valorem.</i>	..	..	..
30(15)	Dyes, derived from coal-tar, and coal-tar derivatives used in any dyeing process, the following, namely:—					
	Dyes belonging to the class of Rapid Fast Colours. Rapidogens and Rapidazols.	..	60 per cent <i>ad valorem.</i>	..	..	..
	Fast colour salts.	..	60 per cent <i>ad valorem.</i>	..	..	..
	Solubilised vats.	..	60 per cent <i>ad valorem.</i>	..	..	..
30(16)	Dyes, derived from coal-tar, the following, namely:—					
	Acid Azo Dyes (including Acid Fast Red A).	..	60 per cent <i>ad valorem.</i>	..	..	..

1	2	3	4	5	6	7
	Direct Azo Dyes (including Congo Red).	..	60 per cent <i>ad valorem</i>.	..	..	..
	Sulphur black.	..	60 per cent <i>ad valorem</i>.	..	..	..
31(4)	100 per cent <i>ad valorem</i>.	..	..	..
32(3)	100 per cent <i>ad valorem</i>.	..	..	..
32(4)	100 per cent <i>ad valorem</i>.	..	..	..
33	60 per cent <i>ad valorem</i>.	..	..	..
33(1)	60 per cent <i>ad valorem</i>.	..	..	..
34	100 per cent <i>ad valorem</i>.	..	..	..
34(1)	60 per cent <i>ad valorem</i>.	..	..	..
34(2)	60 per cent <i>ad valorem</i>.	..	..	..
34(3)	100 per cent <i>ad valorem</i>.	..	..	..
34(4)(a)	100 per cent <i>ad valorem</i>.	..	..	..
34(4)(b)	100 per cent <i>ad valorem</i>.	..	..	..
34(4)(c)	100 per cent <i>ad valorem</i>.	..	..	..
36	60 per cent <i>ad valorem</i>.	..	..	..
36(2)	100 per cent <i>ad valorem</i>.	..	..	..
39	40 per cent <i>ad valorem</i>.	..	..	..
39(1)	100 per cent <i>ad valorem</i>.	..	..	..
39(2)	60 per cent <i>ad valorem</i>.	..	..	..
39(3)	60 per cent <i>ad valorem</i>.	..	..	..
40	60 per cent <i>ad valorem</i>.	..	..	..
40(1)	60 per cent <i>ad valorem</i>.	..	..	..
40(3)	60 per cent <i>ad valorem</i>.	..	..	..
40(4)	60 per cent <i>ad valorem</i>.	..	..	..
40(5)	60 per cent <i>ad valorem</i>.	..	..	..

1	2	3	4	5	6	7
40(6)	60 per cent <i>ad valorem.</i>	..	..	..
40(7)	60 per cent <i>ad valorem.</i>	..	..	..
41	60 per cent <i>ad valorem.</i>	..	..	..
43	40 per cent <i>ad valorem.</i>	..	..	..
43(1)	40 per cent <i>ad valorem.</i>	..	..	..
44	100 per cent <i>ad valorem.</i>	..	..	..
44(1)	100 per cent <i>ad valorem.</i>	..	..	..
44(4)	100 per cent <i>ad valorem.</i>	..	..	..
44(7)	100 per cent <i>ad valorem.</i>	..	..	..
45(b)	100 per cent <i>ad valorem.</i>	..	..	..
45(c)	100 per cent <i>ad valorem.</i>	..	..	..
45(2)	100 per cent <i>ad valorem.</i>	..	..	..
45(3)	100 per cent <i>ad valorem.</i>	..	..	..
45(4)	100 per cent <i>ad valorem.</i>	..	..	..
45(5)	100 per cent <i>ad valorem.</i>	..	..	..
45(6)	100 per cent <i>ad valorem.</i>	..	..	..
46	60 per cent <i>ad valorem plus</i> Rs. 8.80 per kilogram.	..	..	..
46(1)	60 per cent <i>ad valorem.</i>	..	..	..
46(2)	40 per cent <i>ad valorem.</i>	..	..	..
46(3)	40 per cent <i>ad valorem.</i>	..	..	..
46(4)(a)	40 per cent <i>ad valorem.</i>	..	..	..
46(4)(b)	40 per cent <i>ad valorem.</i>	..	..	..
46(5)	40 per cent <i>ad valorem.</i>	..	30 per cent <i>ad valorem.</i>	..
46(6)	40 per cent <i>ad valorem.</i>	..	..	..
47(a)	60 per cent <i>ad valorem</i> <i>plus</i> Rs. 8.80 per kilogram.	..	..	..

1	2	3	4	5	6	7
47(b)	60 per cent <i>ad valorem</i> plus Rs. 11.60 per kilogram.	..	..	..
47(c)	60 per cent <i>ad valorem.</i>	..	..	..
47(1)	60 per cent <i>ad valorem.</i>	..	..	..
47(2)	100 per cent <i>ad valorem.</i>	..	..	..
47(3)	60 per cent <i>ad valorem.</i>	..	..	..
47(4)	60 per cent <i>ad valorem.</i>	..	..	..
47(5)	60 per cent <i>ad valorem.</i>	..	..	..
47(6)(a)(i)	60 per cent <i>ad valorem.</i>	..	..	..
47(6)(a)(ii)	60 per cent <i>ad valorem.</i>	..	..	..
47(6)(b)(i)	60 per cent <i>ad valorem.</i>	..	..	..
47(6)(b)(ii)	60 per cent <i>ad valorem.</i>	..	..	..
47(7)	60 per cent <i>ad valorem.</i>	..	..	..
47(8)	40 per cent <i>ad valorem.</i>	..	..	..
48(1)(a)	80 per cent <i>ad valorem.</i>	..	..	..
48(1)(b)	100 per cent <i>ad valorem.</i>	..	..	..
48(2)	100 per cent <i>ad valorem.</i>	..	..	..
48(4)(a)	100 per cent <i>ad valorem.</i>	..	..	..
48(4)(b)(i)	100 per cent <i>ad valorem.</i>	..	..	..
48(5)(a)(i)	80 per cent <i>ad valorem.</i>	..	..	..
48(5)(a)(ii)	100 per cent <i>ad valorem.</i>	..	..	..
48(5)(b)(i)	80 per cent <i>ad valorem.</i>	..	..	..
48(5)(b)(ii)	100 per cent <i>ad valorem.</i>	..	..	..

I	2	3	4	5	6	7
48(6)	100 per cent <i>ad valorem.</i>	..	..	..
49(a)	100 per cent <i>ad valorem.</i>	..	..	..
49(b)	Omit the words "if of British manu- facture, or", "if not of British manu- facture" and "whether of British manu- facture or other- wise".	..	100 per cent <i>ad valorem.</i>	..	..	..
49(c)	Omit the words "if not of British manu- facture and".	..	100 per cent <i>ad valorem.</i>	..	..	..
49(1)(a)	100 per cent <i>ad valorem.</i>	90 per cent <i>ad valorem.</i>	..	..
49(1)(b)	100 per cent <i>ad valorem.</i>	90 per cent <i>ad valorem.</i>	..	..
49(1)(c)	100 per cent <i>ad valorem.</i>	90 per cent <i>ad valorem.</i>	..	..
49(2)	100 per cent <i>ad valorem.</i>	..	..	..
49(3)	100 per cent <i>ad valorem.</i>	..	..	..
49(4)	100 per cent <i>ad valorem.</i>	90 per cent <i>ad valorem.</i>	..	..
49(5)	100 per cent <i>ad valorem.</i>	..	..	..
50	100 per cent <i>ad valorem.</i>	..	..	..
50(1)	100 per cent <i>ad valorem.</i>	..	..	..
50(2)	100 per cent <i>ad valorem.</i>	..	..	..
50(3)	40 per cent <i>ad valorem.</i>	..	..	..
50(4)	60 per cent <i>ad valorem.</i>	..	..	..

1	2	3	4	5	6	7
50(6)	60 per cent <i>ad valorem.</i>	..	..	..
50(7)	100 per cent <i>ad valorem.</i>	..	..	..
50(8)	60 per cent <i>ad valorem.</i>	..	50 per cent <i>ad valorem.</i>	..
51(1)	100 per cent <i>ad valorem.</i>	..	..	..
51(2)(a)	100 per cent <i>ad valorem.</i>	..	..	..
51(2)(b)	100 per cent <i>ad valorem.</i>	..	..	..
51(3)	100 per cent <i>ad valorem.</i>	..	..	..
52(1)	60 per cent <i>ad valorem.</i>	..	..	..
53(1)	40 per cent <i>ad valorem.</i>	..	..	..
54(a)	100 per cent <i>ad valorem.</i>	..	..	..
54(b)	100 per cent <i>ad valorem.</i>	..	..	..
54(2)	60 per cent <i>ad valorem.</i>	..	..	..
55	100 per cent <i>ad valorem.</i>	..	..	..
55(1)	100 per cent <i>ad valorem.</i>	..	..	..
55(3)	100 per cent <i>ad valorem.</i>	..	..	..
56(1)	100 per cent <i>ad valorem.</i>	..	..	..
58	60 per cent <i>ad valorem.</i>	..	..	..
58(1)	60 per cent <i>ad valorem.</i>	..	..	..
58(2)	60 per cent <i>ad valorem.</i>	..	..	..
59	60 per cent <i>ad valorem.</i>	..	..	..
59(1)	60 per cent <i>ad valorem.</i>	..	..	..
59(2)	100 per cent <i>ad valorem.</i>	..	..	..
59(3)	100 per cent <i>ad valorem.</i>	..	..	..
59(4)	100 per cent <i>ad valorem.</i>	..	..	..
59(5)	100 per cent <i>ad valorem.</i>	..	..	..

1	2	3	4	5	6	7
59(6)	60 per cent <i>ad valorem.</i>	..	..	..
60	100 per cent <i>ad valorem.</i>	..	..	..
60(1)(a)	100 per cent <i>ad valorem.</i>	..	..	..
60(1)(b)	100 per cent <i>ad valorem.</i>	..	..	..
60(3)	100 per cent <i>ad valorem.</i>	..	..	..
60(5)	100 per cent <i>ad valorem.</i>	..	..	..
60(6)	100 per cent <i>ad valorem.</i>	..	..	..
60(7)	100 per cent <i>ad valorem.</i>	..	..	..
60(8)(a)	100 per cent <i>ad valorem.</i>	..	..	..
60(8)(b)	100 per cent <i>ad valorem.</i>	..	..	..
61	40 per cent <i>ad valorem.</i>	..	..	..
61(1)	60 per cent <i>ad valorem.</i>	..	..	..
61(2)	100 per cent <i>ad valorem.</i>	..	..	..
61(3)	100 per cent <i>ad valorem.</i>	..	..	..
61(5)	100 per cent <i>ad valorem.</i>	..	..	..
61(7)	100 per cent <i>ad valorem.</i>	..	..	..
61(8)	100 per cent <i>ad valorem.</i>	..	..	..
61(11)	100 per cent <i>ad valorem.</i>	..	..	..
62(1)	100 per cent <i>ad valorem.</i>	..	..	..
62(2)	100 per cent <i>ad valorem.</i>	..	..	..
63	40 per cent <i>ad valorem.</i>	..	..	..
63(1)	40 per cent <i>ad valorem.</i>	..	..	..
63(2)(a)(i)	40 per cent <i>ad valorem.</i>	..	..	..
63(2)(a)(ii)	40 per cent <i>ad valorem.</i>	..	..	..
63(2)(b)	40 per cent <i>ad valorem.</i>	..	..	..

I	2	3	4	5	6	7
63(3)(i)	40 per cent <i>ad valorem.</i>	..	..	..
63(3)(ii)	40 per cent <i>ad valorem.</i>	..	..	..
63(4)	40 per cent <i>ad valorem.</i>	..	..	..
63(5)	40 per cent <i>ad valorem.</i>	..	..	..
63(6)(i)	40 per cent <i>ad valorem.</i>	..	..	..
63(6)(ii)	40 per cent <i>ad valorem.</i>	..	..	..
63(7)	40 per cent <i>ad valorem.</i>	..	..	..
63(8)	40 per cent <i>ad valorem.</i>	..	..	..
63(9)	40 per cent <i>ad valorem.</i>	..	..	..
63(10)(i)	40 per cent <i>ad valorem</i> less Rs. 20 per tonne.	..	..	..
63(10)(ii)	40 per cent <i>ad valorem.</i>	..	..	..
63(11)	40 per cent <i>ad valorem.</i>	..	..	..
63(12)	60 per cent <i>ad valorem.</i>	..	..	..
63(13)	40 per cent <i>ad valorem.</i>	..	..	..
63(14)	40 per cent <i>ad valorem.</i>	30 per cent <i>ad valorem.</i>	..	..
63(14A)	60 per cent <i>ad valorem.</i>	50 per cent <i>ad valorem.</i>	..	..
63(15)	60 per cent <i>ad valorem.</i>	..	..	..
63(16)	60 per cent <i>ad valorem.</i>	..	..	..
63(17)(i)	40 per cent <i>ad valorem.</i>	..	..	..
63(17)(ii)	40 per cent <i>ad valorem.</i>	..	..	..
63(18)(a)	60 per cent <i>ad valorem.</i>	..	..	..
63(18)(b)	60 per cent <i>ad valorem.</i>	..	..	..
63(19)(a)(i)	40 per cent <i>ad valorem.</i>	..	..	..
63(19)(a)(ii)	40 per cent <i>ad valorem.</i>	..	..	..

1	2	3	4	5	6	7
63(19)(b)	40 per cent <i>ad valorem.</i>	..	..	..
63(20)(a)(1)(i)	40 per cent <i>ad valorem.</i>	..	..	..
63(20)(a)(1)(ii)	40 per cent <i>ad valorem.</i>	..	..	..
63(20)(a)(2)(i)	40 per cent <i>ad valorem.</i>	..	..	..
63(20)(a)(2)(ii)	40 per cent <i>ad valorem.</i>	..	..	..
63(20)(b)(1)(i)	40 per cent <i>ad valorem.</i>	..	..	..
63(20)(b)(1)(ii)	40 per cent <i>ad valorem.</i>	..	..	..
63(20)(b)(2)(i)	40 per cent <i>ad valorem.</i>	..	..	..
63(20)(b)(2)(ii)	40 per cent <i>ad valorem.</i>	..	..	..
63(21)A(a)(i)	40 per cent <i>ad valorem.</i>	..	..	..
63(21)A(a)(ii)	40 per cent <i>ad valorem.</i>	..	..	..
63(21)A(b)(i)	40 per cent <i>ad valorem.</i>	..	..	..
63(21)A(b)(ii)	40 per cent <i>ad valorem.</i>	..	..	..
63(21)B(a)(i)	40 per cent <i>ad valorem.</i>	..	..	..
63(21)B(a)(ii)	40 per cent <i>ad valorem.</i>	..	..	..
63(21)B(b)(i)	40 per cent <i>ad valorem.</i>	..	..	..
63(21)B(b)(ii)	40 per cent <i>ad valorem.</i>	..	..	..
63(21)C(i)	40 per cent <i>ad valorem.</i>	..	..	..
63(21)C(ii)	40 per cent <i>ad valorem.</i>	..	..	..
63(21)D(i)	40 per cent <i>ad valorem.</i>	..	..	..
63(21)D(ii)	40 per cent <i>ad valorem.</i>	..	..	..
63(21)E(i)	40 per cent <i>ad valorem.</i>	..	..	..
63(21)E(ii)	40 per cent <i>ad valorem.</i>	..	..	..
63(21)F(i)	40 per cent <i>ad valorem.</i>	..	..	..
63(21)F(ii)	40 per cent <i>ad valorem.</i>	..	..	..
63(22)	40 per cent <i>ad valorem.</i>	..	..	..

I	2	3	4	5	6	7
63(23)	40 per cent <i>ad valorem.</i>	..	..	..
63(25)(i)	40 per cent <i>ad valorem</i> less Rs. 35 per tonne.	..	..	..
63(25)(ii)	40 per cent <i>ad valorem.</i>	..	..	..
63(26)	40 per cent <i>ad valorem.</i>	..	..	..
63(27)(i)	30 per cent <i>ad valorem.</i>	..	..	..
63(27)(ii)	40 per cent <i>ad valorem.</i>	..	..	..
63(29)(a)	100 per cent <i>ad valorem.</i>	..	..	..
63(29)(b)	100 per cent <i>ad valorem.</i>	..	..	..
63(30)(a)	30 per cent <i>ad valorem.</i>	..	..	..
63(30)(b)	40 per cent <i>ad valorem.</i>	..	..	..
63(31)(a)	40 per cent <i>ad valorem.</i>	..	..	..
63(31)(b)	40 per cent <i>ad valorem.</i>	..	..	..
63(32)(a)	40 per cent <i>ad valorem</i> less Rs. 35 per tonne.	..	..	..
63(32)(b)	40 per cent <i>ad valorem.</i>	..	..	..
63(33)(a)	60 per cent <i>ad valorem.</i>	..	..	..
63(33)(b)	60 per cent <i>ad valorem.</i>	..	..	..
63(34)(a)	40 per cent <i>ad valorem.</i>	30 per cent <i>ad valorem.</i>	..	..
63(34)(b)	40 per cent <i>ad valorem.</i>	30 per cent <i>ad valorem.</i>	..	..
63(34)(c)	40 per cent <i>ad valorem.</i>	30 per cent <i>ad valorem.</i>	..	..
63(35)	40 per cent <i>ad valorem.</i>	..	..	..
64	60 per cent <i>ad valorem.</i>	50 per cent <i>ad valorem.</i>	..	..
64(1)	40 per cent <i>ad valorem.</i>	..	..	..
64(2)	40 per cent <i>ad valorem.</i>	..	..	..
64(3)(a)	50 per cent <i>ad valorem.</i>	..	..	..

1	2	3	4	5	6	7
64(3)(b)	60 per cent <i>ad valorem.</i>	..	..	..
64(4)	40 per cent <i>ad valorem.</i>	30 per cent <i>ad valorem.</i>	30 per cent <i>ad valorem.</i>	..
64(5)(a)	50 per cent <i>ad valorem.</i>	..	..	..
64(5)(b)	60 per cent <i>ad valorem.</i>	..	..	..
65(a)	40 per cent <i>ad valorem.</i>	..	..	..
65(b)	40 per cent <i>ad valorem.</i>	..	..	..
65(1)	40 per cent <i>ad valorem.</i>	..	..	..
66(a)	40 per cent <i>ad valorem.</i>	..	..	..
66(b)	60 per cent <i>ad valorem.</i>	..	..	..
66(1)	40 per cent <i>ad valorem.</i>	..	..	..
66(2)	40 per cent <i>ad valorem.</i>	..	..	..
67	40 per cent <i>ad valorem.</i>	..	..	..
67(1)	40 per cent <i>ad valorem.</i>	..	..	..
67(2)	40 per cent <i>ad valorem.</i>	..	..	..
67(3)	40 per cent <i>ad valorem.</i>	..	..	..
67(4)	40 per cent <i>ad valorem.</i>	..	..	..
68	40 per cent <i>ad valorem.</i>	..	..	..
68(1)	40 per cent <i>ad valorem.</i>	..	..	..
68(2)	40 per cent <i>ad valorem.</i>	..	..	..
68(2A)	40 per cent <i>ad valorem.</i>	..	..	..
68(3)	40 per cent <i>ad valorem.</i>	..	..	..
68(4)	40 per cent <i>ad valorem.</i>	..	..	..
69	40 per cent <i>ad valorem.</i>	..	..	..
69(1)	40 per cent <i>ad valorem.</i>	..	..	..
69(2)	40 per cent <i>ad valorem.</i>	..	..	..
70	60 per cent <i>ad valorem.</i>	..	..	..
70A	60 per cent <i>ad valorem.</i>	..	..	..

1	2	3	4	5	6	7
70(1)	60 per cent <i>ad valorem.</i>	..	..	..
70(2)	40 per cent <i>ad valorem.</i>	..	..	..
70(3)	60 per cent <i>ad valorem.</i>	..	..	..
70(4)	40 per cent <i>ad valorem.</i>	..	..	..
70(5)	60 per cent <i>ad valorem.</i>	..	..	..
70(5A)	60 per cent <i>ad valorem.</i>	..	..	..
70(6)	60 per cent <i>ad valorem.</i>	..	..	..
70(7)	40 per cent <i>ad valorem.</i>	..	..	..
70(8)	40 per cent <i>ad valorem.</i>	..	..	..
70(9)	40 per cent <i>ad valorem.</i>	..	..	..
71(1)	60 per cent <i>ad valorem.</i>	..	..	..
71(4)	60 per cent <i>ad valorem.</i>	..	..	..
71(5)	40 per cent <i>ad valorem.</i>	..	..	..
71(6)	40 per cent <i>ad valorem.</i>	..	..	..
71(7)	100 per cent <i>ad valorem.</i>	..	..	..
71(8)	40 per cent <i>ad valorem.</i>	..	..	..
71(9)(a)	100 per cent <i>ad valorem.</i>	..	..	..
71(9)(b)	100 per cent <i>ad valorem.</i>	..	..	..
71(10)(a)	100 per cent <i>ad valorem.</i>	..	..	..
71(10)(b)	100 per cent <i>ad valorem.</i>	..	..	..
71(11)	100 per cent <i>ad valorem.</i>	..	..	..
71(12)	40 per cent <i>ad valorem.</i>	..	..	..
71(13)(1)(a)	100 per cent <i>ad valorem.</i>	..	..	..
71(13)(1)(b)	100 per cent <i>ad valorem.</i>	..	..	..
71(13)(1)(c)	100 per cent <i>ad valorem.</i>	..	..	..

I	2	3	4	5	6	7
71(13)(2)(a)	100 per cent <i>ad valorem.</i>	..	..	..
71(14)	60 per cent <i>ad valorem.</i>	..	..	..
72	40 per cent <i>ad valorem.</i>	..	..	..
72(1)	40 per cent <i>ad valorem.</i>	..	..	..
72(2)	40 per cent <i>ad valorem.</i>	..	..	..
72(3)	40 per cent <i>ad valorem.</i>	..	..	..
72(4)(a)	40 per cent <i>ad valorem.</i>	..	..	..
72(4)(b)	40 per cent <i>ad valorem.</i>	..	..	..
72(5)	100 per cent <i>ad valorem.</i>	94 per cent <i>ad valorem.</i>	..	..
72(6)	60 per cent <i>ad valorem.</i>	..	..	..
72(7)	60 per cent <i>ad valorem.</i>	..	..	..
72(8)	40 per cent <i>ad valorem.</i>	..	..	..
72(9)	40 per cent <i>ad valorem.</i>	..	..	..
72(10)	60 per cent <i>ad valorem.</i>	50 per cent <i>ad valorem.</i>	..	..
72(11)(a)	100 per cent <i>ad valorem.</i>	90 per cent <i>ad valorem.</i>	..	..
72(11)(b)	100 per cent <i>ad valorem.</i>	90 per cent <i>ad valorem.</i>	..	..
72(12)	60 per cent <i>ad valorem.</i>	..	..	..
72(12A)	60 per cent <i>ad valorem.</i>	..	..	..
72(13)	40 per cent <i>ad valorem.</i>	..	..	..
72(14)(a)(i)	40 per cent <i>ad valorem.</i>	..	..	..
72(14)(a)(ii)	40 per cent <i>ad valorem.</i>	..	..	..
72(14)(a)(iii)	40 per cent <i>ad valorem.</i>	..	..	..
72(14)(a)(iv)	60 per cent <i>ad valorem.</i>	..	..	..
72(14)(b)	40 per cent <i>ad valorem.</i>	..	..	..
72(14)(c)	60 per cent <i>ad valorem.</i>	..	..	..
72(15)	40 per cent <i>ad valorem.</i>	..	..	..

1	2	3	4	5	6	7
72(16)	40 per cent <i>ad valorem.</i>	..	..	..
72(17)	40 per cent <i>ad valorem.</i>	..	..	..
72(18)	40 per cent <i>ad valorem.</i>	..	..	..
72(19)	40 per cent <i>ad valorem.</i>	..	..	..
72(20)	40 per cent <i>ad valorem.</i>	..	..	..
72(21)	40 per cent <i>ad valorem.</i>	..	..	..
72(22)	40 per cent <i>ad valorem.</i>	..	..	..
72(23)	40 per cent <i>ad valorem.</i>	..	..	..
72(24)	40 per cent <i>ad valorem.</i>	..	..	..
72(25)	40 per cent <i>ad valorem.</i>	..	..	..
72(26)	60 per cent <i>ad valorem.</i>	..	..	..
72(27)	60 per cent <i>ad valorem.</i>	..	..	..
72(28)	60 per cent <i>ad valorem.</i>	..	..	..
72(29)	40 per cent <i>ad valorem.</i>	..	..	..
72(31)(a)	40 per cent <i>ad valorem.</i>	..	..	..
72(31)(b)	40 per cent <i>ad valorem.</i>	..	..	..
72(32)(a)	40 per cent <i>ad valorem.</i>	..	..	..
72(32)(b)	40 per cent <i>ad valorem.</i>	..	..	..
72(33)	60 per cent <i>ad valorem.</i>	..	..	..
72(34)	40 per cent <i>ad valorem.</i>	..	..	..
72(35)	100 per cent <i>ad valorem.</i>	..	..	..
72(36)	100 per cent <i>ad valorem.</i>	..	..	..
72(37)	100 per cent <i>ad valorem.</i>	..	..	..
72(38)	40 per cent <i>ad valorem.</i>	..	..	..
72(39)	40 per cent <i>ad valorem.</i>	..	..	..

1	2	3	4	5	6	7
72(40)(a)	40 per cent <i>ad valorem.</i>	..	..	..
72(40)(b)	40 per cent <i>ad valorem.</i>	..	..	..
73(2)	60 per cent <i>ad valorem.</i>	..	..	..
73(3)	40 per cent <i>ad valorem.</i>	..	..	..
73(4)	100 per cent <i>ad valorem.</i>	94 per cent <i>ad valorem.</i>	..	..
73(6)	60 per cent <i>ad valorem.</i>	..	..	..
73(7)(a)	40 per cent <i>ad valorem.</i>	..	..	..
73(7)(b)	60 per cent <i>ad valorem.</i>	..	..	..
73(8)	40 per cent <i>ad valorem.</i>	..	..	..
73(9)(a)	60 per cent <i>ad valorem.</i>	..	..	..
73(9)(b)	60 per cent <i>ad valorem.</i>	..	..	..
73(10)	100 per cent <i>ad valorem.</i>	94 per cent <i>ad valorem.</i>	..	..
73(11)	100 per cent <i>ad valorem.</i>	94 per cent <i>ad valorem.</i>	..	..
73(12)	100 per cent <i>ad valorem.</i>	94 per cent <i>ad valorem.</i>	..	..
73(13)	40 per cent <i>ad valorem.</i>	30 per cent <i>ad valorem.</i>	..	..
73(14)	100 per cent <i>ad valorem.</i>	..	..	..
73(15)(a)	60 per cent <i>ad valorem.</i>	..	..	..
73(15)(b)	60 per cent <i>ad valorem.</i>	..	..	..
73(16)	100 per cent <i>ad valorem.</i>	90 per cent <i>ad valorem.</i>	..	..
73(17)	100 per cent <i>ad valorem.</i>	90 per cent <i>ad valorem.</i>	..	..
73(18)	100 per cent <i>ad valorem.</i>	90 per cent <i>ad valorem.</i>	..	..
73(19)	40 per cent <i>ad valorem.</i>	..	..	..
73(20)	60 per cent <i>ad valorem.</i>	..	..	..
73(23)	60 per cent <i>ad valorem.</i>	..	..	..
74(a)	30 per cent <i>ad valorem.</i>	..	..	..
74(b)	40 per cent <i>ad valorem.</i>	..	..	..

I	2	3	4	5	6	7
74(1)	40 per cent <i>ad valorem.</i>	..	..	..
74(2)	40 per cent <i>ad valorem.</i>	..	..	..
74(3)	40 per cent <i>ad valorem.</i>	..	..	..
74(4)	40 per cent <i>ad valorem.</i>	..	..	..
75	60 per cent <i>ad valorem.</i>	..	..	..
75(2)	60 per cent <i>ad valorem.</i>	52½ per cent <i>ad valorem.</i>	..	..
75(3)	60 per cent <i>ad valorem.</i>	52½ per cent <i>ad valorem.</i>	..	..
75(4)	60 per cent <i>ad valorem.</i>	..	..	..
75(5)(a)	90 per cent <i>ad valorem.</i>	..	..	..
75(5)(b)	100 per cent <i>ad valorem.</i>	..	..	..
75(6)(a)	90 per cent <i>ad valorem.</i>	..	..	..
75(6)(b)	100 per cent <i>ad valorem.</i>	..	..	..
75(7)(a)	90 per cent <i>ad valorem.</i>	..	..	..
75(7)(b)	100 per cent <i>ad valorem.</i>	..	..	..
75(7A)(a)	90 per cent <i>ad valorem.</i>	..	..	..
75(7A)(b)	100 per cent <i>ad valorem.</i>	..	..	..
75(8)(a)	90 per cent <i>ad valorem.</i>	..	..	..
75(8)(b)	100 per cent <i>ad valorem.</i>	..	..	..
75(9)	60 per cent <i>ad valorem.</i>	..	..	..
75(10)	60 per cent <i>ad valorem.</i>	..	..	..
75(11)	60 per cent <i>ad valorem.</i>	..	..	..
75(12)	60 per cent <i>ad valorem.</i>	..	..	..
75(12A)	60 per cent <i>ad valorem.</i>	..	..	..
75(13)	60 per cent <i>ad valorem.</i>	52½ per cent <i>ad valorem.</i>	..	..
75(14)	60 per cent <i>ad valorem.</i>	..	..	..
75(15)	60 per cent <i>ad valorem.</i>	..	..	..

1	2	3	4	5	6	7
75(16)	100 per cent <i>ad valorem.</i>	..	..	..
75(17)	100 per cent <i>ad valorem.</i>	..	..	..
75(18)(a)	40 per cent <i>ad valorem.</i>	..	..	..
75(18)(b)(i)	40 per cent <i>ad valorem.</i>	..	..	..
75(18)(b)(ii)	60 per cent <i>ad valorem.</i>	..	..	..
76	40 per cent <i>ad valorem.</i>	..	..	..
76(1)	40 per cent <i>ad valorem.</i>	..	..	..
76(2)	40 per cent <i>ad valorem.</i>	..	..	..
76(3)	60 per cent <i>ad valorem.</i>	..	..	..
77(2)(a)	60 per cent <i>ad valorem.</i>	..	..	..
77(2)(b)	60 per cent <i>ad valorem.</i>	..	..	..
77(3)	60 per cent <i>ad valorem.</i>	..	50 per cent <i>ad valorem.</i>	..
77(4)	60 per cent <i>ad valorem.</i>	..	..	..
77(5)	100 per cent <i>ad valorem.</i>	90 per cent <i>ad valorem.</i>	..	..
77(6)(a)	100 per cent <i>ad valorem.</i>	..	..	..
77(6)(b)	100 per cent <i>ad valorem.</i>	..	..	..
77(7)	100 per cent <i>ad valorem.</i>	..	..	..
78(1)	100 per cent <i>ad valorem.</i>	..	..	..
79	100 per cent <i>ad valorem.</i>	..	..	..
80(1)	100 per cent <i>ad valorem.</i>	..	..	..
80(2)(a)	100 per cent <i>ad valorem.</i>	..	..	..
80(2)(b)	100 per cent <i>ad valorem.</i>	..	..	..
80(2)(c)	100 per cent <i>ad valorem.</i>	..	..	..
80(2)(d)	100 per cent <i>ad valorem.</i>	..	..	..
80(2)(e)	100 per cent <i>ad valorem.</i>	..	..	..
80(2)(f)	100 per cent <i>ad valorem.</i>	..	..	..

1	2	3	4	5	6	7
80(2)(g)	100 per cent <i>ad valorem.</i>	..	..	..
80(4)	100 per cent <i>ad valorem.</i>	..	..	..
82	60 per cent <i>ad valorem.</i>	..	..	..
82(2)	100 per cent <i>ad valorem.</i>	..	..	..
82(3)	60 per cent <i>ad valorem.</i>	..	..	..
82(4)	60 per cent <i>ad valorem.</i>	..	..	..
82(5)	100 per cent <i>ad valorem.</i>	..	..	..
83	100 per cent <i>ad valorem.</i>	..	..	..
84(a)(i)	100 per cent <i>ad valorem.</i>	..	..	..
84(a)(ii)	100 per cent <i>ad valorem.</i>	..	..	..
84(b)	100 per cent <i>ad valorem.</i>	..	..	..
84(i)	60 per cent <i>ad valorem.</i>	..	..	..
85(c)	100 per cent <i>ad valorem.</i>	..	..	..
85(i)	100 per cent <i>ad valorem.</i>	..	..	..
86	100 per cent <i>ad valorem.</i>	..	..	..
86(i)	100 per cent <i>ad valorem.</i>	..	..	..

PART II

In the First Schedule to the Tariff Act,—

(a) after Item No. 72, the following Item shall be inserted, namely:—

Item No.	Name of article	Nature of duty	Standard rate of duty	Preferential rate of duty if the article is the produce or manufacture of		Duration of protective rates of duty
				The United Kingdom	A British Colony	
72A.	(i) All Items of— (a) machinery including prime-movers, (b) instruments, apparatus and appliances,	Revenue	40 per cent <i>ad valorem.</i>

1	2	3	4	5	6	7
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(c) control gear and transmission equipment,

(d) auxiliary equipment,

as well as, all components (whether finished or not) or raw materials for the manufacture of the aforesaid items and their components, required for the initial setting up of a unit, or the substantial expansion of an existing unit, of a specified—

(1) industrial plant,

(2) irrigation project,

(3) power project,

(4) mining project,

(5) project for the exploration for oil or other minerals, and

(6) such other projects as the Central Government may, having regard to the economic development of the country, notify in the Official Gazette in this behalf:

Provided these are imported (whether in one or in more than one consignment) against one or more specific contracts, which have been registered in advance of their importation, with the appropriate Custom House in the manner prescribed by Regulations which the Central Board of Excise and Customs may make under section 157 of the Customs Act, 1962 (52 of 1962);

(ii) all spare parts other raw materials (including semi-finished material), or consumable stores imported, as a part of

Revenue 40 per cent
ad valorem.

1	2	3	4	5	6	7
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a contract or contracts, registered in terms of sub-item (i), provided the total value of such spare parts, raw materials and consumable stores are up to such value as does not exceed ten per cent of the value of the goods covered by sub-item (i), and further provided that such spare parts, raw materials or consumable stores are essential for the maintenance of the plant or project mentioned in sub-item (i).

(b) after Item No. 87, the following Item shall be inserted namely :—

“87A. All dutiable articles Revenue 100 per cent
imported by a passenger as baggage, even *ad valorem*.
if specified elsewhere,
but excluding the following articles,
namely:—

- (i) motor vehicles,
- (ii) betelnuts,
- (iii) alcoholic drinks and other preparations containing spirit, and
- (iv) tobacco, unmanufactured.

Rep. by Act.....56...of 1974, S. 28 Sch. I.

THE PRESS AND REGISTRATION OF BOOKS
(AMENDMENT) ACT, 1965

No. 16 OF 1965

[22nd September, 1965]

An Act further to amend the Press and Registration of Books
Act, 1867

Be it enacted by Parliament in the Sixteenth Year of the Republic of India as follows:—

1. (1) This Act may be called the Press and Registration of Books (Amendment) Act, 1965. Short title and commencement.

(2) It shall come into force on such date¹ as the Central Government may, by notification in the Official Gazette, appoint.

25 of 1867. 2. Section 1 of the Press and Registration of Books Act, 1867 Amendment of section 1.
(hereinafter referred to as the principal Act) shall be re-numbered as sub-section (1) thereof, and—

(a) in sub-section (1) as so re-numbered, the definition of "India" shall be omitted;

(b) after sub-section (1) as so re-numbered, the following sub-section shall be inserted, namely:—

"(2) Any reference in this Act to any law which is not in force in the State of Jammu and Kashmir shall, in relation to that State, be construed as a reference to the corresponding law in force in that State."

¹ 1st November 1965, vide Notification No. G.S.R. 1639, dated 30-10-1965, Gazette of India, Pt. II, Sec. 3(i), p. 1726.

REPRINTED

196 Press and Registration of Books (Amendment) [ACT 16 OF 1965]

Insertion
of new
section 5A.

3. After section 5 of the principal Act, the following section shall be inserted, namely:—

Keepers of printing presses and printers and publishers of newspapers in Jammu and Kashmir to make and subscribe fresh declarations within specified period.

“5A. (1) No person who has made and subscribed a declaration in respect of any press under section 4 of the Jammu and Kashmir State Press and Publications Act, S. 1989 shall keep the press in his possession for the printing of books or papers after the expiry of a period of two months from the date of commencement of the Press and Registration of Books (Amendment) Act, 1965 unless before the expiry of that period he makes and subscribes a fresh declaration in respect of that press under section 4 of this Act. Jammu and Kashmir Act No. I of S. 1989.

(2) Every person who has subscribed to any declaration in respect of a newspaper under section 5 of the Jammu and Kashmir State Press and Publications Act, S. 1989 shall cease to be the editor, printer or publisher of the newspaper mentioned in such declaration after the expiry of a period of two months from the date of commencement of the Press and Registration of Books (Amendment) Act, 1965 unless before the expiry of that period he makes and subscribes a fresh declaration in respect of that newspaper under rule (2) of the rules laid down in section 5 of this Act.”

Amendment
of section 22.

4. In section 22 of the principal Act, the words “except the State of Jammu and Kashmir” shall be omitted.

Rep. by Act 56 of 1974, S. 2 & Sch. I

THE REPRESENTATION OF THE PEOPLE
(SECOND AMENDMENT) ACT, 1965

No. 17 OF 1965

[22nd September, 1965]

An Act further to amend the Representation of the People Act,
1951.

BE it enacted by Parliament in the Sixteenth Year of the
Republic of India as follows:—

1. This Act may be called the Representation of the People Short
(Second Amendment) Act, 1965. title.

43 of 1951. 2. In Part VIII of the Representation of the People Act, 1951, after section 145, the following Chapter and sections shall be inserted, namely:— Insertion
of new
Chapter
and
sections
after
section
145.

“CHAPTER IV

*Powers of Election Commission in connection with Inquiries as to
Disqualifications of Members*

20 of 1963. 146. (1) Where in connection with the tendering of any Powers of
opinion to the President under article 103 or, as the case may Election
be, under sub-section (4) of section 14 of the Government of Commis-
Union Territories Act, 1963, or to the Governor under article sion.
192, the Election Commission considers it necessary or proper
to make an inquiry, and the Commission is satisfied that on the
basis of the affidavits filed and the documents produced in such
inquiry by the parties concerned of their own accord, it cannot
come to a decisive opinion on the matter which is being in-
quired into, the Commission shall have, for the purposes of such
inquiry, the powers of a civil court, while trying a suit under

UNRECORDED

the Code of Civil Procedure, 1908, in respect of the following 5 of 1908. 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 producible as evidence;

(c) receiving evidence on affidavits;

(d) requisitioning any public record or a copy thereof from any court or office;

(e) issuing commissions for the examination of witnesses or documents.

(2) The Commission shall also have the power to require any person, subject to any privilege which may be claimed by that person under any law for the time being in force, to furnish information on such points or matters as in the opinion of the Commission may be useful for, or relevant to, the subject matter of the inquiry.

(3) The Commission shall be deemed to be a civil court and when any such offence, as is described in section 175, 45 of 1860. section 178, section 179, section 180 or section 228 of the Indian Penal Code, is committed in the view or presence of the Commission, the Commission may after recording the facts constituting the offence and the statement of the accused as provided for in the Code of Criminal Procedure, 1898, forward 5 of 1898. the case to a magistrate having jurisdiction to try the same and the magistrate to whom any such case is forwarded shall proceed to hear the complaint against the accused as if the case had been forwarded to him under section 482 of the Code of Criminal Procedure, 1898.

(4) Any proceeding before the Commission shall be deemed to be a judicial proceeding within the meaning of section 193 and section 228 of the Indian Penal Code.

State-
ments
made by
persons
to the Elec-
tion Com-
mission.

146A. No statement made by a person in the course of giving evidence before the Election Commission shall subject him to, or be used against him in, any civil or criminal proceeding except a prosecution for giving false evidence by such statement:

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OF 1965] *Representation of the People (Second Amendment)* 193

Provided that the statement—

(a) is made in reply to a question which he is required by the Commission to answer, or

(b) is relevant to the subject-matter of the inquiry.

146B. The Election Commission shall have the power to regulate its own procedure (including the fixing of places and times of its sittings and deciding whether to sit in public or in private).

Procedure to be followed by the Election Commission.

146C. No suit, prosecution or other legal proceeding shall lie against the Commission or any person acting under the direction of the Commission in respect of anything which is in good faith done or intended to be done in pursuance of the foregoing provisions of this Chapter or of any order made thereunder or in respect of the tendering of any opinion by the Commission to the President or, as the case may be, to the Governor or in respect of the publication, by or under the authority of the Commission of any such opinion, paper or proceedings."

Protection of action taken in good faith.

Rep. by Act 45 of 1968

Not Corrected: See India Code, Volume VA, Pt. I, p. 217.

THE GOLD (CONTROL) ACT, 1963

ARRANGEMENT OF SECTIONS

CHAPTER I

PRELIMINARY

SECTIONS

1. Short title, extent, application and commencement.
2. Definitions.

CHAPTER II

CONTROL OF BUSINESS IN GOLD

3. Prohibition of manufacture of articles of gold in certain cases.
4. Restrictions on the making, etc., of ornaments and other articles of gold.
5. Restrictions on possession and sale of gold.
6. Prohibition of loans on hypothecation of gold.

CHAPTER III

LICENSING OF DEALERS AND REFINERS AND CERTIFICATION OF GOLDSMITHS

7. Licensing of dealers.
8. Licensing of refiners.
9. Cancellation of licences by Administrator.
10. Cancellation of licence on application by dealer or refiner.
11. Disposal of gold in the possession of dealers or refiners in certain cases.
12. Display of licences.
13. Certified goldsmiths.
14. Registration and certification of dealers not falling under section 7 or 13.
15. Special provisions regarding public religious institutions.

CHAPTER IV

DECLARATION OF GOLD

SECTIONS

16. Declaration as to possession of gold other than ornament.
17. Declaration as to possession of ornaments.

CHAPTER V

ADMINISTRATOR

18. Appointment and functions of Administrator.

CHAPTER VI

RETURNS AND ACCOUNTS

19. Returns as to gold.
20. Accounts.

CHAPTER VII

MISCELLANEOUS PROVISIONS

21. Power of Administrator to issue directions and orders.
22. Persons permitted to buy gold to observe conditions
23. Prohibition of use of buildings for carrying on unlicensed refinery.
24. Transfer or transmission of business.
25. Secrecy and fidelity.
26. Power to enter, search and seize, to obtain information and to take samples.
27. Power to hold inquiry and to call for information.
28. Confiscation of conveyances.
29. Confiscation of gold seized and imposition of penalty.
30. Adjudication, appeal and revision.
31. Penalties.
32. Offences by companies.
33. Limitation of prosecutions.
34. Protection of action taken in good faith.
35. Administrator, etc., to be public servants and application of certain provisions of Central Excises and Salt Act.

SECTIONS

- 36. Power to exempt.
- 37. Effect of Act and rules, etc., inconsistent with other enactments.
- 38. Act not to apply to Government.
- 39. Government may perform functions and exercise powers of the Administrator.
- 40. Licensing of dealers in areas without sales tax law.
- 41. Presumption as to orders.
- 42. Power to make rules.
- 43. Repeal and savings.

Rep. by Act 45 of 1968

Not Corrected: See India Code, Vol. I A, Pt. I, p. 217.

THE GOLD (CONTROL) ACT, 1965

No. 18 OF 1965

[22nd September, 1965]

An Act to provide, in the economic and financial interests of the community, for the control of the production, supply, distribution, use and possession of, and business in, gold and ornaments and other articles of gold and for matters connected therewith.

BE it enacted by Parliament in the Sixteenth Year of the Republic of India as follows:—

CHAPTER I

PRELIMINARY

1. (1) This Act may be called the Gold (Control) Act, 1965.

(2) It extends to the whole of India and it applies also to citizens of India outside India.

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

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

(a) "Administrator" means the Administrator appointed under section 18;

(b) "company" means any company as defined in section 3 of the Companies Act, 1956;

(c) "certified goldsmith" means a dealer who holds a valid certificate granted or deemed to be granted under section 13 recognising him as a goldsmith;

Short title, extent, application and commencement.

Definitions.

(d) "dealer" means any person who carries on, directly or otherwise, the business of—

(1) making, manufacturing, preparing, buying, selling, supplying, distributing, melting, processing or converting ornaments;

(2) buying, selling, supplying or distributing gold for the purpose of making, manufacturing or preparing ornaments;

(3) melting, processing or converting gold for the purpose of making, manufacturing or preparing ornaments, whether for cash or for deferred payment, or for commission, remuneration or other valuable consideration, and includes—

(a) an undivided Hindu family which carries on such business;

(b) a local authority, company, society registered under the Societies Registration Act, 1860, co-operative society registered under any law with respect to co-operative societies, club, firm or other association which carries on such business, or

(i) buys ornaments, or gold for the purpose of making ornaments, from, or

(ii) makes or manufactures ornaments for,

(iii) processes, melts or converts ornaments, or gold for the purpose of making ornaments, for

(iv) sells, supplies or distributes ornaments, or gold for the purpose of making ornaments, to,

its members; and

(c) a commission agent, broker, *del credere* agent, auctioneer or other mercantile agent, by whatever name called, who carries on such business on behalf of any principal;

but does not include the Reserve Bank of India, the State Bank of India, any subsidiary bank as defined in clause (k) of section 2 of the State Bank of India (Subsidiary Banks) Act, 1959, or any banking company as defined in clause (c) of section 5 of the

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Gold (Control)

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10 of 1949.

Banking Companies Act, 1949, in so far as such bank sells or transfers or exhibits for sale or transfer any gold.

Explanation.—For the purposes of this Act—

(a) every person who acts as an agent of a dealer residing outside India and carries on the business of such dealer in India or acts on behalf of such dealer as—

3 of 1930.

(i) a mercantile agent as defined in the Sale of Goods Act, 1930; or

(ii) an agent for handling gold or documents of title relating to gold; or

(iii) an agent for the collection or payment of sale price of gold or as a guarantor for such collection or payment; and

(b) every branch in India of a firm or company having its registered office outside India,

shall be deemed to be a dealer;

(e) "gold" means gold, including its alloy, whether virgin, melted, re-melted, wrought or unwrought in any shape or form, of a purity of not less than nine carats and includes any gold coin (whether legal tender or not), any ornament and any other article of gold;

(f) "ornament" means any article in a finished form, meant for personal adornment or for the adornment of any idol, deity or any other object of religious worship, made of, or manufactured from, gold, whether or not set with stones or gems, real or artificial, or with pearls, real, cultured or imitation or with all or any of them and includes parts, pendants or broken pieces of ornaments;

(g) "prescribed" means prescribed by rules made under this Act;

(h) "primary gold" means gold in any unfinished form and includes all ingots, bars, blocks, slabs, billets, shots, pellets, rods and wires;

(i) "refiner" means the owner or occupier of a refinery;

(j) "refinery" means a place where gold is melted, assayed, refined, alloyed or subjected to any other process for the purpose

of making primary gold and includes a place where gold is assayed at the request of any dealer or other person, whether for the purpose of making primary gold or not, but does not include any place used by a dealer for the purposes permitted under clause (d).

CHAPTER II

CONTROL OF BUSINESS IN GOLD

Prohibition of manufacture of articles of gold in certain cases.

3. (1) Subject to the other provisions of this Act.—

(a) a dealer shall not make, manufacture or prepare—

(i) any article of gold other than ornament, or

(ii) any article containing gold of any purity;

(b) a refiner shall not make, manufacture or prepare—

(i) any article of gold other than primary gold, or

(ii) any article containing gold of any purity; and

(c) any other person shall not make, manufacture or prepare any article of gold or any article containing gold of any purity,

unless such dealer, refiner or other person is, on an application made by him in this behalf (which shall be accompanied by such fee as the Administrator may by direction specify and different fees may be specified for different classes of cases), authorised by the Administrator, by general or special order, to make, manufacture or prepare such article; and in granting such authorisation, the Administrator may, by the order aforesaid, also require such dealers, refiners or other persons or any class of them to pay such charges for supervision by the Administrator as may be specified in such order.

(2) A certified goldsmith may, and no other dealer shall, accept any ornament having gold of a purity exceeding fourteen carats for polishing or repair.

(3) A dealer (including a certified goldsmith) may accept any ornament having gold of any purity for the purpose of making, manufacturing or preparing new ornament or ornaments having gold of a purity not exceeding fourteen carats:

Provided that a certified goldsmith may, in accordance with the provisions of section 13, accept any ornament having gold of a purity exceeding fourteen carats for the purpose of making, manufacturing or preparing new ornaments having gold of a purity exceeding fourteen carats.

4. (1) Save as provided in section 13,—

(a) no dealer, whether licensed under this Act or not, shall—

(i) make, manufacture or prepare, or

(ii) sell or otherwise transfer, agree to sell or otherwise transfer, or expose or offer for sale or transfer, and

(b) no person shall place any order with any dealer, whether licensed under this Act or not, for the making, manufacture or preparation of,

any ornament having gold of a purity exceeding fourteen carats.

(2) No person shall make or manufacture any article of gold of a purity exceeding fourteen carats:

Provided that—

(i) any refiner may, if authorised by the Administrator to do so by general or special order, make, manufacture or have in his possession, custody or control any primary gold containing gold of a purity exceeding fourteen carats, and

(ii) any refiner or dealer who as such refiner or dealer acquires or comes into the possession of any primary gold, or ornament or other article of gold, of a purity exceeding fourteen carats under any provision of this Act shall convert that gold, ornament or article into gold of a purity not exceeding fourteen carats within such period as the Administrator may by general or special order grant.

(3) Notwithstanding anything contained in sub-section (1) or sub-section (2), the Administrator may by general or special order permit any person to make, manufacture or prepare any ornament, or other article of gold, of a purity exceeding fourteen carats subject to such conditions (including conditions as to the payment of any fee or charges for supervision) and restrictions as may be specified in the order.

(4) Every person who makes, manufactures or sells any primary gold shall, unless the Administrator by notification in the Official Gazette otherwise directs, put a stamp on each piece of primary gold,—

(i) certifying the purity of gold contained in such primary gold and the date of making or manufacturing thereof; and

(ii) containing such descriptive and other particulars which may enable the identification of the maker or manufacturer of such primary gold, as may be prescribed.

(5) No stamp referred to in sub-section (4) shall be used in stamping any primary gold unless such stamp has been approved and registered by the Administrator.

Restrictions on the making, etc., of ornaments and other gold articles of gold. CJ

Restrictions
on possession
and sale of
gold.

5. (1) Except in the case of any quantity of gold acquired after the date of making any return under this Act, no dealer, and no refiner, who is licensed under this Act, shall have in his possession or under his control any gold which has not been included in such return:

Provided that any gold acquired after the date of making such return shall be included in the next succeeding return.

(2) Save as otherwise provided in this Act,—

(a) a refiner may sell or deliver gold only to a dealer licensed under this Act in accordance with the conditions and restrictions, if any, contained in the dealer's licence but shall not sell or deliver gold to any other person:

Provided that a refiner may sell gold to any person on production by that person of a permit granted by the Administrator in this behalf or to such other person as the Administrator may, by general or special order, authorise in this behalf;

(b) a dealer licensed under this Act may, in accordance with the conditions and restrictions, if any, contained in his licence, buy or otherwise acquire, or agree to buy or otherwise acquire, gold, not being ornament, only from a dealer, or refiner, licensed under this Act but not from any other person:

Provided that any such dealer may buy or otherwise acquire or accept gold, not being ornament, from any person if such gold has been included in a declaration made by that person under Part XIIA of the Defence of India Rules, 1962, or under section 16, or if in respect of such gold no such declaration is required and the dealer complies with the provisions of subsection (3);

(c) a dealer licensed under this Act may, in accordance with the conditions and restrictions, if any, contained in his licence—

(i) sell or otherwise transfer, or agree to sell or otherwise transfer, or

(ii) expose or offer for sale or transfer,

gold, not being ornament, only to a dealer, or refiner, licensed under this Act but not to any other person:

Provided that a dealer licensed under this Act may sell gold, not being ornament, to any person on production by that person of a permit granted by the Administrator in this behalf;

(d) a person other than a dealer licensed under this Act shall not buy or agree to buy or otherwise acquire or agree to acquire gold, not being ornament, except in accordance with a permit granted by the Administrator or in accordance with

such authorisation as the Administrator may, by general or special order, make in this behalf, nor shall he otherwise acquire or agree to acquire such gold except by succession, intestate or testamentary:

Provided that a refiner may buy or accept gold from a dealer licensed under this Act;

(e) a person acquiring gold in accordance with any general or special authorisation made by the Administrator shall not—

(i) sell or otherwise transfer, or agree to sell or otherwise transfer, or

(ii) expose or offer for sale or transfer,

such gold to any person other than a person authorised by the Administrator by general or special order in this behalf.

(3) Any gold (other than ornament) which is not required to be declared under this Act may be sold or otherwise transferred or hypothecated, pledged, mortgaged or charged but the person to or with whom such gold is sold or otherwise transferred or hypothecated, pledged, mortgaged or charged shall give to such officer as may be authorised by the Administrator in this behalf, intimation thereof in such form and manner and within such period as may be prescribed:

6. (1) No person shall make, advance or grant any loan to any other person on the hypothecation, pledge, mortgage or charge of any gold other than ornament unless the person making, advancing or granting the loan gives intimation thereof in accordance with sub-section (3) of section 5 or unless such gold has been included, if so required, in a declaration or a further declaration made under Part XIII A of the Defence of India Rules, 1962, or under section 16.

Prohibition of loans on hypothecation of gold

(2) No person who is a dealer, whether licensed or not, shall—

(a) carry on business as a dealer in the same premises in which he or any other person carries on business as a money-lender or banker involving the hypothecation, pledge, mortgage or charge of any gold,

(b) (i) sell or otherwise transfer to any person any gold on the hypothecation, pledge, mortgage or charge of which he has advanced any loan, whether before or after the 10th day of January, 1963, or

(ii) return such gold to the borrower, whether before or after the repayment of the loan,

except under and in accordance with such conditions, limitations or restrictions, if any, as may be imposed by the Administrator in this behalf.

(3) No pawnee who is not a dealer shall sell any gold pledged with him, on the failure of the pawnor to redeem such gold, except in accordance with such conditions as may be prescribed.

CHAPTER III

LICENSING OF DEALERS AND REFINERS AND CERTIFICATION OF GOLDSMITHS

Licensing
of dealers

7. (1) Save as otherwise provided in this Act, no dealer who is registered under any law with respect to sales tax shall carry on business as such dealer unless he holds a valid licence issued in this behalf by the Administrator.

(2) A licence issued under sub-section (1) may contain such conditions and restrictions as the Administrator may think fit to impose and different conditions and restrictions may be imposed for different classes of dealers.

(3) Every dealer who is registered under any law with respect to sales tax shall, as soon as possible after such registration and in any case before the expiry of sixty days thereafter, make to the Administrator an application in such form and on payment of such fee as may be prescribed, for the issue of a licence under this section.

(4) Any dealer who is not required to be registered under any law with respect to sales tax may, if he likes, also make to the Administrator an application in accordance with the foregoing provisions for the issue of a licence under this section and any licence issued in pursuance of such application may contain such conditions and restrictions as the Administrator may think fit to impose and different conditions and restrictions may be imposed for different classes of applicants.

(5) Nothing in the foregoing provisions of this section shall be deemed to prohibit any dealer who is required to apply for a licence under this section from carrying on his business as such dealer for the period within which he is required to apply for such licence and if he has applied for such licence, until he is granted a licence or is, by a notice in writing, informed by the Administrator that a licence cannot be granted to him.

(6) On the receipt of an application for the issue of a licence under this section, the Administrator may, after making such inquiry, if any, as he may consider necessary, by order in writing either grant the licence or reject the application for the same:

Provided that no application for the issue of a licence made by a dealer registered under any law with respect to sales tax whether before or after the commencement of this Act shall be rejected unless the Administrator is satisfied that any statements made in the application for the issue of the licence are incorrect or false in material particulars or that the applicant for the licence has contravened any

of the provisions of this Act or the provisions of any other law for the time being in force in so far as it prohibits or restricts the bringing into or taking out of India of any goods (including coins, currency, whether Indian or foreign, and foreign exchange), or the dealings in such goods by way of acquisition or otherwise and unless the applicant for the licence has been given a reasonable opportunity of showing cause against such rejection.

(7) A licence granted under this section shall be valid for the period specified therein and may be renewed from time to time for such period and on payment of such fee as may be prescribed and the provisions of this section relating to the first issue of a licence shall apply as far as may be in relation to such renewal.

(8) In the case of any dealer who immediately before the date of coming into force of this Act was licensed as a dealer under Part XIIA of the Defence of India Rules, 1962, the provisions for the application of a licence shall not apply and the licence of such dealer may be renewed on the expiration thereof in accordance with the provisions contained hereinbefore.

8. (1) Save as otherwise provided in this Act, no person shall carry on business as a refiner unless he holds a valid licence issued in this behalf by the Administrator. Licensing
of refiners.

(2) A licence issued under sub-section (1) may contain such conditions and restrictions as the Administrator may think fit to impose and different conditions and restrictions may be imposed for different classes of refiners.

(3) Every person who intends to carry on business as a refiner may, if he had a refinery in existence immediately before the 10th day of January, 1963, make to the Administrator an application in such form and on payment of such fee as may be prescribed, for the issue of a licence under sub-section (1).

(4) A person to whom a licence to carry on business as a refiner is issued under sub-section (1) shall not carry on business as such refiner in the same premises in which he or any other person carries on business as a dealer or business as a money-lender or banker involving the hypothecation, pledge, mortgage or charge of any gold.

(5) Notwithstanding anything contained in sub-section (1), a refiner who has made an application under sub-section (3) for the issue of a licence to carry on business, may carry on business as a refiner, pending the grant of a licence unless he is, by a notice in writing, informed by the Administrator that the application has been rejected.

(6) No person shall establish any refinery unless he has obtained a valid licence from the Administrator on an application in accord-

ance with the foregoing provisions for the issue of a licence under this section.

(7) On the receipt of an application for the issue of a licence under this section, the Administrator may, after making such inquiry, if any, as he may consider necessary, by order in writing either grant the licence or reject the application for the same:

Provided that no application for the issue of a licence made by a refiner shall be granted unless the Administrator is satisfied having regard to—

(a) the number of refineries existing in the area in which the applicant intends to carry on business as a refiner,

(b) the demand for primary gold in that area,

(c) the facilities existing in that area for the assay of gold by any method other than the touch-stone method,

(d) the turnover of the applicant during the year immediately before the 10th January, 1963, or immediately before the date of the application for the issue of the licence, whichever is later,

(e) the suitability or otherwise of the applicant, and

(f) the public interest,

that the licence applied for should be granted:

Provided further that no application for the issue of a licence made by a refiner shall be rejected unless the applicant has been given a reasonable opportunity of showing cause against such rejection.

(8) A licence granted under this section shall be valid for the period specified therein and may be renewed from time to time for such period and on payment of such fee as may be prescribed and the provisions of this section relating to the first issue of a licence shall apply as far as may be in relation to such renewal.

(9) In the case of any refiner who immediately before the date of coming into force of this Act was licensed as a refiner under Part XIIA of the Defence of India Rules, 1962, the provisions for the application of a licence shall not apply and the licence of such refiner may be renewed on the expiration thereof in accordance with the provisions contained hereinbefore.

Cancellation of licences by Administrator.

9. A licence granted under section 7 or section 8 may be cancelled by the Administrator if he is satisfied that any statements made in the application for the issue of the licence or in relation to the licence are incorrect or false in material particulars or that the holder of the licence has contravened any of the provisions of this Act

or the provisions of any other law for the time being in force in so far as it prohibits or restricts the bringing into or taking out of India of any goods (including coins, currency, whether Indian or foreign, and foreign exchange), or the dealings in such goods by way of acquisition or otherwise:

Provided that no licence shall be cancelled unless reasonable opportunity has been given to the holder thereof to show cause why the licence shall not be cancelled.

10. A dealer who ceases to be registered under any law with respect to sales tax or who discontinues his business in gold or a refiner who discontinues his business as such may make an application to the Administrator for cancellation of his licence as dealer or refiner, as the case may be, and thereupon the Administrator may cancel his licence.

Cancellation of licence on application by dealer or refiner.

11. A dealer who, being required by section 7 to make an application for a licence, has failed to do so within the period specified therefor or whose application for the issue of a licence has been rejected or whose licence has been cancelled or a refiner whose application for the issue of a licence under section 8 has been rejected or whose licence has been cancelled shall not, after the expiry of that period or after such rejection or cancellation, as the case may be, carry on his business and shall, within thirty days from the date of such expiry, rejection or cancellation, sell or otherwise transfer to any dealer or refiner licensed under this Act the entire quantity of gold including ornaments, in his possession on the date of such expiry, rejection or cancellation and send intimation thereof to the Administrator.

Disposal of gold in the possession of dealers or refiners in certain cases.

12. Every dealer and every refiner who is licensed under this Act shall display his licence at a conspicuous place of the premises in which the business of such dealer is carried on or the premises in which the refinery is located.

Display of licences.

13. (1) A dealer who is not required by sub-section (3) of section 7 to make an application for the issue of a licence under that section and has not obtained any licence in pursuance of an application made by him under sub-section (4) of that section and who does not employ more than one hired labourer in actually making, manufacturing or preparing any ornament and is not himself in the employment of another dealer may, if he was carrying on business as a dealer for more than a year immediately before the 10th day of January, 1963,—

Certified gold-smiths.

(a) accept from any person, not being a refiner or a certified goldsmith or other dealer, any ornament or ornaments having

of gold of a purity exceeding fourteen carats for the purpose of making, manufacturing or preparing, and

(b) make, manufacture or prepare,

new ornament or ornaments from that ornament or those ornaments subject to such restrictions relating to the purity and weight of gold contained in the new ornament or ornaments as may be prescribed.

(2) No such dealer shall after the commencement of this Act accept any such ornament or ornaments for the purpose of making, manufacturing or preparing new ornament or ornaments as aforesaid, unless he has before such commencement obtained under Part XIIIA of the Defence of India Rules, 1962, a certificate recognising him as a goldsmith:

Provided that if the Administrator considers it necessary in the public interest so to do, he may, on application made to him in this behalf by a dealer, grant to him a certificate recognising him as a goldsmith in such form and on payment of such fee as may be prescribed.

(3) A certificate granted under Part XIIIA of the Defence of India Rules, 1962, shall, unless the context otherwise requires, be deemed for the purposes of this Act to be a certificate granted under this section.

(4) A certificate granted under this section shall be valid for the period specified therein and may be renewed from time to time for such period and on payment of such fee as may be prescribed.

(5) A certificate granted under this section may be cancelled by the Administrator—

(i) if the certified goldsmith is, at any time after the grant of the certificate to him, registered under any law with respect to sales tax, or

(ii) on an application made to the Administrator for such cancellation by the certified goldsmith who ceases to work as a goldsmith, or

(iii) if the Administrator is satisfied that any statements made in the application for the issue of the certificate or in relation to the certificate are incorrect or false in material particulars or that the holder of the certificate has contravened any of the provisions of this Act:

Provided that no certificate shall be cancelled under clause (i) or clause (iii), unless reasonable opportunity has been given to the holder thereof to show cause why the certificate shall not be cancelled.

(6) Every certified goldsmith shall have in his possession the certificate granted to him while he carries on business as such goldsmith and shall produce it for inspection on demand by any officer authorised by the Administrator in this behalf.

(7) Notwithstanding anything contained in section 4, a certified goldsmith may have in his possession, custody or control primary gold of a purity exceeding fourteen carats by melting or processing or converting any ornament which has been accepted by him under this section for making, manufacturing or preparing new ornament or ornaments:

Provided that a certified goldsmith shall not have at any time in his possession, custody or control any quantity of such primary gold in excess of one hundred and fifty grammes obtained in the process of making, manufacturing, or preparing new ornament or ornaments.

(8) A dealer who may, in accordance with the provisions of this section, accept any ornament or ornaments having gold of a purity exceeding fourteen carats for the purpose of making, manufacturing or preparing new ornament or ornaments having gold of a purity exceeding fourteen carats, may send to any other such dealer who possesses equipments for drawing wires or casting dies, or who is a specialist in stone setting, enamelling or polishing,—

(a) the ornament or ornaments so accepted, whether before or after melting, for the purpose of drawing wires or casting dies; or

(b) where new ornament or ornaments have been made, manufactured or prepared out of the ornament or ornaments so accepted, such new ornament or ornaments for setting stones, enamelling or polishing;

and such other dealer shall, after drawing wires or casting dies or, as the case may be, after setting stones, enamelling or polishing, return them to the dealer from whom they were received.

14. (1) No dealer who has not obtained a licence under section 7 or a certificate under section 13 shall carry on business as a dealer unless he has been registered and possesses a certificate.

(2) Every such dealer shall make an application for the grant of a certificate within such time, in such form and on payment of such fee as may be prescribed.

Registration and certification of dealers not falling under section 7 or 13.

(3) If the Administrator is satisfied that an application for registration is in order, he shall, in accordance with such rules as may be prescribed, register the applicant and grant him a certificate of registration in the prescribed form:

Provided that no application for the grant of a certificate of registration shall be rejected unless the applicant has been given a reasonable opportunity of showing cause against such rejection.

(4) A certificate granted under this section shall be valid for the period specified therein and may be renewed from time to time for such period and on payment of such fee as may be prescribed, and the provisions of this section relating to the first issue of a certificate shall apply as far as may be in relation to such renewal.

(5) The provisions of sections 9, 10, 11 and 12 shall, as far as may be, apply to a dealer registered under this section as they apply to a dealer licensed under section 7.

(6) Nothing in this section shall be deemed to prohibit any dealer who has been registered under this section from applying at any time for a licence under section 7 if he likes to do so and on his being licensed under section 7, the registration certificate issued to him under this section shall be cancelled.

Special provision regarding public religious institutions.

15. (1) Notwithstanding anything contained in Chapter II and the foregoing provisions of this Chapter, any public religious institution such as a temple, mutt, church, mosque, gurdwara or any other place of public religious worship, not being a dealer or refiner licensed under this Act, may receive gold of any purity in any form as offering.

(2) Any such institution—

(a) may retain the gold in the form in which it is received as offering so long as it is used exclusively for the purposes of the institution;

(b) shall not convert any gold in its possession into gold of a purity exceeding fourteen carats or make, manufacture or prepare ornament or any other article of gold of a purity exceeding fourteen carats unless such institution has been authorised by the Administrator by general or special order subject to such conditions as may be laid down, to do so;

(c) shall not sell or otherwise transfer gold in any form in its possession unless such gold has been converted into gold of a purity not exceeding fourteen carats and unless, in the case of gold other than ornament, the sale or transfer is to a dealer or refiner licensed under this Act;

(d) shall maintain such accounts and submit such returns as to the quantity, description and other particulars of gold possessed, received, sold or otherwise transferred by it, as may be prescribed.

(3) The person in charge of the management of any such institution shall be responsible for anything done or omitted to be done under this section.

CHAPTER IV

DECLARATION OF GOLD

16. (1) If any person who has made a declaration as to gold other than ornaments owned by him under Part XIIA of the Defence of India Rules, 1962, acquires by succession, intestate or testamentary, or in accordance with a permit granted by the Administrator, or parts with, after such declaration any quantity of gold, not being ornament, he shall, as often as he acquires or parts with any quantity of gold, make within thirty days from the date of such acquisition or parting with, a further declaration to the Administrator in the prescribed form stating the quantity, description and other prescribed particulars of such gold acquired or parted with by him and giving the prescribed particulars of the person from whom such gold was acquired or in whose favour such gold was parted with, as the case may be.

Declaration as to possession of gold other than ornament.

(2) If any person who did not own any gold, not being ornament, at any time during the period commencing on the 10th January, 1963, and ending with the 9th February, 1963, acquires, after the expiry of that period by succession, intestate or testamentary, or in accordance with a permit granted by the Administrator any quantity of gold, not being ornament, he shall, within thirty days from the date of such acquisition, make a declaration to the Administrator in the prescribed form stating the quantity, description and other prescribed particulars of such gold owned by him on the date of such declaration.

(3) If any person who has made a declaration under sub-section (2) acquires by succession, intestate or testamentary, or in accordance with a permit granted by the administrator, or parts with, any quantity of gold, not being ornament, he shall, as often as he acquires or parts with any quantity of gold, make within thirty days from the date of such acquisition or parting with a further declaration to the Administrator in the prescribed form stating the quantity, description and other prescribed particulars of such gold acquired or parted with by him and giving the prescribed particulars of the

person from whom such gold was acquired or in whose favour such gold was parted with, as the case may be.

(4) For the removal of doubt, it is hereby declared that a declaration referred to in this section and section 17 shall be made—

(a) in the case of gold belonging to a minor or a lunatic, by the guardian or manager of such minor or lunatic, as the case may be;

(b) in the case of gold belonging to an idol or a deity, by the manager of such idol or deity, whether known as *shebait* or manager or by any other name;

(c) in the case of gold belonging to a person whose properties are under the management of a Court of Wards, by the manager of such Court;

(d) in the case of gold belonging to a person whose properties are under the management of any administrator or receiver, by such administrator or receiver;

(e) in the case of gold vested in an executor or an administrator of a will or other testamentary disposition, by such executor or administrator;

(f) in the case of gold belonging to the members of a firm, by any partner of such firm;

(g) in the case of gold belonging to an undivided Hindu family, by the head or *karta* of such family;

(h) in the case of gold which is the subject matter of any public or private trust, by a trustee of such trust;

(i) in the case of gold belonging to a company incorporated outside India, by any person in charge of the management of such company in India;

(j) in the case of gold belonging to a temple, mutt, church, mosque or any other religious institution by the person in charge of the management of such temple, mutt, church, mosque or other religious institution;

(k) in the case of gold which is wakf property, by the mutawalli of such wakf;

(l) in the case of gold belonging to any society, club or other association, by the secretary or manager of such society, club or other association.

(5) No person who is required to make a declaration as to gold other than ornament owned by him under the Defence of India Rules, 1962, or this section or exempted from making such declaration under

the said Rules or sub-section (6) of this section shall, after the commencement of this Act, acquire any gold other than ornament except—

(a) by succession, intestate or testamentary, or

(b) in accordance with a permit granted by the Administrator in this behalf.

(6) No declaration or further declaration shall be required to be made under the foregoing provisions of this section in respect of—

(a) any gold, whether contained in one or more pieces, owned by a minor unless the weight of such gold exceeds twenty grammes;

(b) any gold, whether contained in one or more pieces, owned by an individual other than a minor unless the weight of such gold exceeds fifty grammes;

(c) any gold, whether contained in one or more pieces, referred to in clauses (b) to (l) of sub-section (4) unless the weight of such gold exceeds fifty grammes:

Provided that no declaration or further declaration as aforesaid shall be required in respect of any gold owned by a family if the total weight of such gold whether contained in one or more pieces and whether owned by a member of the family severally or by all the members jointly or partly in the one way and partly in the other, does not exceed one hundred and fifty grammes:

Provided further that where the Central Government is of the opinion that it is necessary so to do for carrying out the purposes of this Act, the Government may at any time, by general or special order, require that in respect of any gold not required to be declared under clause (a) or clause (b) or clause (c) or under the foregoing proviso, a declaration or further declaration as to the quantity, description and other prescribed particulars of or relating to such gold shall be made to the Administrator by such person and in such form and manner and within such time as may be prescribed.

Explanation.—For the purposes of this sub-section and section 17, the expression “family” shall be deemed to consist of—

(i) the husband, wife and one or more minor children, or

(ii) any two or more of them,

but shall not be deemed to include any other person.

(7) Any person in possession or control of any gold, not being ornament, shall be presumed, until the contrary is proved, to be the owner thereof.

Declara-
tion as to
possession
of orna-
ments.

17. (1) Where the Central Government is of the opinion that it is necessary so to do for carrying out the purposes of this Act, that Government may at any time, by general or special order, require that any person or class of persons owning ornaments shall, within such period as may be specified in the said order, make a declaration to the Administrator in the prescribed form as to the quantity, description and other prescribed particulars of the ornaments owned by such person or each person in that class:

Provided that it shall not be necessary to make any such declaration where the value, calculated in the prescribed manner, of the ornaments does not exceed—

(a) where such ornaments are owned by a person, twenty-five thousand rupees;

(b) where such ornaments are owned by a family, fifty thousand rupees.

Explanation.—For the purposes of this section, any person in possession or control of any ornament shall be presumed, until the contrary is proved, to be the owner thereof.

(2) If any person who has made a declaration under sub-section (1) acquires or parts with any ornament after such declaration, he shall, as often as he acquires or parts with any ornament, make within thirty days from the date of such acquisition or parting with a further declaration to the Administrator in the prescribed form stating the quantity, description and other prescribed particulars of such ornament acquired or parted with by him and giving the prescribed particulars of the person from whom such ornament was acquired or in whose favour such ornament was parted with, as the case may be.

(3) If any person who, at any time during the period within which the declaration referred to in sub-section (1) is to be made, does not own any ornament, or owns ornaments not exceeding in quantity or value such limit as may be specified by the Central Government under sub-section (1), acquires thereafter any ornament or ornaments so as to exceed such limit, he shall, within thirty days from the date the limit is exceeded, make a declaration to the Administrator in the prescribed form stating the quantity, description and other prescribed particulars of such ornament or ornaments owned by him on the date of such declaration.

(4) If any person who has made a declaration under sub-section (3) acquires or parts with any quantity of ornaments, he shall,

as often as he acquires or parts with any quantity of ornaments, make, within thirty days from the date of such acquisition or parting with, a further declaration to the Administrator as provided in sub-section (2).

CHAPTER V

ADMINISTRATOR

18. (1) The Central Government shall, by notification in the Official Gazette, appoint an Administrator for carrying out the purposes of this Act.

Appoint-
ment and
functions
of Admin-
istrator.

(2) The Administrator shall discharge his functions subject to the general control and directions of the Central Government

(3) The Administrator may by general or special order authorise such person (including any officer or authority subordinate to a State Government) as he thinks fit to exercise all or any of the powers exercisable by him under this Act and different persons may be authorised to exercise different powers:

Provided that no officer below the rank of Collector of Customs or Central Excise or Collector of a district shall be authorised to hear appeals under sub-section (2) of section 30.

(4) Subject to any general or special direction given or condition attached by the Administrator, any person authorised by the Administrator to exercise any powers may exercise those powers in the same manner and with the same effect as if they had been conferred on that person directly by this Act and not by way of authorisation.

CHAPTER VI

RETURNS AND ACCOUNTS

19. Dealers (including certified goldsmiths) and refiners, shall furnish to the Administrator such returns as to the quantity description and other prescribed particulars of gold in their possession or under their control in such form and within such time as may be prescribed, and different returns may be prescribed for different classes of dealers or refiners.

Returns
as to
gold.

20. (1) Dealers (including certified goldsmiths) and refiners, shall keep such accounts and in such form and manner as may be prescribed of the gold held, bought or sold or otherwise received or disposed of by them, in respect of each transaction and different accounts may be prescribed for different classes of dealers or refiners.

Accounts.

(2) Every such dealer, certified goldsmith and refiner shall, if so required by the Administrator,—

(a) produce before the Administrator any account, register or other document, and

(b) furnish to the Administrator any information relating to the quantity of gold in his possession or under his control or to the purchase, sale or delivery of gold by him.

(3) All accounts, registers and other documents, relating to any quantity of gold or to the purchase, sale or delivery thereof and any gold in the possession or under the control of the dealer, refiner or certified goldsmith, wherever kept, shall be open to inspection by any person authorised by the Administrator in this behalf.

CHAPTER VII

MISCELLANEOUS PROVISIONS

Power of Administrator to issue directions and orders

21. (1) The Administrator may, if he thinks fit, issue directions or orders, not inconsistent with this Act, for carrying out the purposes of this Act.

(2) The Administrator, so far as it appears to him to be necessary or expedient for securing the equitable distribution and availability at fair prices of gold and ornaments, may by order published in the Official Gazette,—

(a) regulate the prices at which any gold or ornament may be bought or sold by any dealer or refiner, and

(b) regulate by licences, permits or otherwise, the distribution, transport, disposal, acquisition, possession, use or consumption of gold by dealers or refiners or other persons.

Persons permitted to buy gold to observe conditions.

22. Any person authorised by the Administrator by general or special order, or holding a permit issued by the Administrator, for buying or otherwise acquiring gold shall observe such conditions, be subject to such restrictions and furnish such accounts or returns, or both, to the Administrator, as may be prescribed.

Prohibition of use of buildings for carrying on unlicensed refinery.

23. No person,—

(a) being the owner, lessor or landlord of any premises or the agent of such owner, lessor or landlord, shall let the same or any part thereof with the knowledge that the same or part thereof is intended to be used as a refinery or wilfully allow any person to use such premises or any part thereof as a refinery unless the refiner has been licensed under this Act; or

(b) being the tenant, lessee or occupier or any person in charge of any premises, shall use or allow any person to use

such premises or any part thereof as a refinery unless the refiner has been licensed under this Act.

24. Where the business of a dealer licensed or registered under this Act or a refinery is transferred by sale, gift, bequest or otherwise or is transmitted by inheritance or is transferred by way of lease, the transferee, heir or lessee shall not carry on such business or run the refinery either in his own name or in some other name unless the transferee, heir or lessee has, before the expiry of sixty days after the date of such transfer or transmission, made to the Administrator an application for the issue of a licence or certificate of registration in accordance with the provisions of section 7 or section 8 or section 14:

Transfer or transmission of business

Provided that nothing in this section shall be deemed to prohibit the transferee, heir or lessee from carrying on business as a dealer or refiner for the period within which he is required to apply for such licence or registration and if he has applied for such licence or registration, until he is granted the licence or certificate of registration or is, by a notice in writing, informed by the Administrator that such licence or certificate cannot be granted to him.

25. (1) All particulars contained in any return or declaration made or accounts, registers or other documents produced in accordance with this Act shall, save as otherwise provided in sub-section (4), be treated as confidential, and notwithstanding anything contained in the Indian Evidence Act, 1872, no court shall be entitled to require the Administrator or any person authorised by the Administrator under this Act or any officer or other employee of the Government to produce before it any such return, declaration, accounts, registers or other documents or any part thereof or to give evidence before it in respect thereof.

Secrecy and fidelity.

1 of 1972.

(2) Any person authorised by the Administrator under this Act and any other person discharging any functions in the implementation of the provisions of this Act shall not divulge any information relating to any particulars contained in any return or declaration made to, or any accounts, registers or other documents produced before, or inspected by, the Administrator or any such person.

(3) The Administrator or any gazetted officer authorised by him in this behalf may request any officer of Government to furnish any information relating to any particulars contained in any return or declaration made to, or any accounts, registers or other documents produced before or inspected by such officer of Government under the provisions of any law if, in the opinion of the Administrator or the gazetted officer aforesaid, such information is necessary for the

118 M of Law— 28.

implementation of the provisions of this Act; and when such request is made, the officer of Government shall comply with such request notwithstanding the provisions of any such law forbidding the furnishing of such information.

(4) Nothing in this section shall apply to and in relation to the disclosure of any of the particulars referred to in sub-section (1) or sub-section (2)—

(a) for the purposes of any prosecution for any offence, or

(b) to any officer or other employee of Government where it is necessary to make such disclosure to such officer or other employee for the purposes of this Act or of any other law.

Power to enter, search, and seize to obtain information and to take samples.

26. (1) Any officer authorised by the Administrator in this behalf may—

(a) enter and search the establishment of a dealer or any refinery;

(b) seize any gold in respect of which he suspects that any provision of this Act has been, or is being, or is about to be, contravened, along with the package, covering or receptacle, if any, in which such gold is found;

(c) seize any books of account, return or any other document relating to any gold in respect of which he suspects that any provision of this Act has been, or is being, or is about to be, contravened.

(2) Any officer authorised by the Central Government in this behalf may—

(a) enter and search any premises, not being a refinery or establishment referred to in sub-section (1), vaults, lockers or any other place whether above or below ground;

(b) seize any gold in respect of which he suspects that any provision of this Act has been, or is being, or is about to be, contravened, along with the package, covering or receptacle, if any, in which such gold is found;

(c) seize any books of account, return or any other document relating to any gold in respect of which he suspects that any provision of this Act has been, or is being, or is about to be, contravened.

(3) Any officer authorised by the Administrator in this behalf may search any person if that officer has reason to believe that such person has secreted about his person—

(a) any gold in respect of which such officer suspects that any provision of this Act has been, or is being, or is about to be contravened,

(b) any document relating to such gold,

and seize any such gold or document in his possession.

(4) When any such officer as aforesaid is about to search the person referred to in sub-section (3), he shall, if such person so requires, take such person to the nearest gazetted officer authorised by the Administrator or to the nearest magistrate.

(5) Any officer authorised by the Administrator in this behalf may, if he suspects that any person has contravened, or is contravening or is about to contravene any provision of this Act, detain such person and take him to a gazetted officer authorised by the Administrator or to a magistrate for a search of his person and seizure of any such gold or document as is referred to in sub-section (3).

(6) A gazetted officer or magistrate before whom any person is brought shall, if he sees no reasonable ground for search, forthwith discharge the person but otherwise shall direct that search be made.

(7) No female shall be searched by any one excepting a female.

(8) Any officer authorised by the Administrator in ^{this} ~~his~~ behalf may, if he has reason to believe that any person has contravened, or is contravening or is about to contravene, any provision of this Act, arrest such person and shall as soon as possible inform him of the grounds for such arrest and shall take such arrested person to the nearest magistrate within a period of twenty-four hours of such arrest excluding the time necessary for the journey from the place of arrest to the court of the magistrate and no such person shall be detained in custody beyond the said period without the authority of a magistrate.

(9) Any officer who has arrested any person under this section shall, for the purpose of releasing such person on bail or otherwise, have the same powers and be subject to the same provisions as the officer-in-charge of a police station has and is subject to under

(10) Any officer authorised by the Administrator in this behalf may, if he has reason to believe that any aircraft, vehicle or animal or any vessel is being, or is about to be, used for carrying any gold in respect of which he suspects that any provision of this Act has been, or is being, or is about to be, contravened, at any time stop any such vehicle, animal or vessel or, in the case of an aircraft, compel it to land, and

(a) rummage and search any part of the aircraft, vehicle or vessel;

(b) examine and search any goods in the aircraft, vehicle, vessel or on the animal;

(c) seize any such gold as is referred to above and any books of account or other document relating to such gold;

(d) break open the lock of any door or package for exercising the powers conferred by clauses (a), (b) and (c), if keys are withheld;

(e) if it becomes necessary to stop any such aircraft, vehicle or animal or vessel, he may use all lawful means for stopping it, and where such means fail, the aircraft, vehicle, vessel or animal may be fired upon.

(11) The provisions of the Code of Criminal Procedure, 1898, 5 of 1898, relating to search and seizure shall, so far as they are applicable, apply in relation to search and seizure made under this section.

(12) The Administrator shall have power—

(a) to take samples of gold from any dealer, refiner or other person in such manner as may be prescribed;

(b) to send such sample for assay or analysis to such authority as may be prescribed and to require such authority to send a report to the Administrator as a result of the assay or analysis.

(13) Where at the time of arrest of any person or seizure of any gold, document or other goods in the possession of any person, such person makes a statement to the officer making such arrest or seizure, that officer shall on demand by such person furnish him with a copy of the statement.

Explanation.—Any reference to gold in this section and in sections 29 and 30 shall, unless the context otherwise requires, include any article containing gold of any purity, referred to in sub-section (1) of section 3.

27. (1) Any gazetted officer authorised by the Administrator in this behalf may hold an inquiry for the purpose of ascertaining whether any contravention of any of the provisions of this Act has been, is being, or is about to be, committed and shall for the purposes of such inquiry have power to summon any person whose attendance he considers necessary either to give evidence or to produce any document or other thing.

Power to hold inquiry and to call for information.

(2) The Administrator may call for information from any person for the purpose of ascertaining whether or not there has been any contravention of any of the provisions of this Act.

28. (1) The following conveyances shall be liable to seizure and confiscation:—

Confiscation of conveyances.

(a) any vessel which is or has been within the Indian waters, any aircraft which is or has been in India or any vehicle which is or has been in any area in India, while constructed, adapted, altered or fitted in any manner for the purpose of concealing gold;

(b) any conveyance from which the whole or any part of gold is thrown over-board, staved or destroyed so as to prevent seizure by any officer authorised by the Administrator;

(c) any conveyance which having been required to stop or land under sub-section (10) of section 26 fails to do so, except for good and sufficient cause;

(d) any conveyance from which any gold cleared for exportation is unloaded without the permission of the officer authorised by the Administrator in this behalf;

(e) any conveyance carrying imported gold which has entered India and is afterwards found with the whole or substantial portion of such gold missing, unless the master of the vessel or aircraft is able to account for the loss of, or deficiency in, the gold.

(2) Any conveyance or animal used as a means of transport or in the carriage of any gold in respect of which any provision of this Act has been, or is being or is about to be, contravened, shall be liable to seizure and confiscation, unless the owner of the conveyance or animal proves that it was so used without the knowledge or connivance of the owner himself, his agent, if any, and the person in charge of the conveyance or animal and that each of them had taken

all such precautions against such use as are for the time being specified in the rules made in this behalf by the Central Government:

Provided that where any such conveyance or animal is used for the carriage of goods or passengers for hire, the owner of the conveyance or animal shall be given an option to pay in lieu of confiscation of the conveyance or animal, a fine not exceeding the value of such conveyance or animal.

Confiscation of gold seized and imposition of penalty.

29. (1) Any gold seized under section 26 together with the package, covering or receptacle, if any, in which such gold is found shall be liable to confiscation.

(2) Any person who in relation to any gold does or omits to do any act which act or omission would render such gold liable to confiscation under sub-section (1), or abets the doing or omission of such an act shall be liable, in addition to any liability for punishment under this Act, to a penalty not exceeding five times the value of the gold or one thousand rupees, whichever is more irrespective of whether such gold has been confiscated.

Adjudication, appeal and revision.

30. (1) The confiscation, fine or penalty under section 28, section 29, proviso to sub-section (3) of section 31 or sub-section (8) of this section or under any rule made under this Act may be adjudged—

(a) without limit, by an officer not below the rank of Deputy Collector of Customs or Central Excise;

(b) where the value of conveyance or animal or gold or all of them together with the package, covering or receptacle, if any, in which such gold is found, liable to confiscation does not exceed ten thousand rupees, or where the fine or penalty proposed to be imposed does not exceed two thousand rupees, by an officer not below the rank of Assistant Collector of Customs or Central Excise or by any other officer of the Central Government or a State Government authorised by the Central Government in this behalf:

Provided that no order of adjudication of confiscation, fine or penalty shall be made unless the owner of the conveyance, animal or gold or other person concerned—

(i) is given a notice in writing informing him of the grounds on which it is proposed to confiscate such conveyance, animal or gold or to impose a penalty;

(ii) is given an opportunity of making a representation in writing within such reasonable time as may be specified in

the notice against the grounds of confiscation or imposition of penalty mentioned therein; and

(iii) is given a reasonable opportunity of being heard in the matter:

Provided further that the notice referred to in clause (i), and the representation referred to in clause (ii), of the foregoing proviso may, at the request of the owner or other person concerned, be oral:

Provided also that where no such notice is given within a period of six months of the seizure of the conveyance, animal or gold or such further period as the Collector of Customs or Central Excise may specify, such conveyance, animal or gold shall be returned after the expiry of that period to the person from whose possession it was seized.

(2) An appeal shall lie to the Administrator—

(a) from every order of adjudication of confiscation, fine or penalty under sub-section (1),

(b) from any other decision or order passed by an officer not above the rank of Collector of Customs or Central Excise,

within a period of three months from the date of the communication of the order or decision.

(3) Every person adjudicating under this section and the Administrator hearing any appeal under sub-section (2) shall have all the powers of a civil court under the Code of Civil Procedure, 1908, while trying a suit in respect of the following matters, namely:—

(a) summoning and enforcing the attendance of witnesses;

(b) requiring the discovery and production of any document;

(c) requisitioning any public record or copy thereof from any court or office;

(d) receiving evidence on affidavits; and

(e) issuing commissions for the examination of witnesses or documents.

(4) Every person adjudicating under this section and the Administrator hearing any appeal shall be deemed to be a civil court

for the purposes of sections 480 and 482 of the Code of Criminal Procedure, 1898.

(5) The Administrator may, of his own motion, call for and examine the record of any proceeding in which any order of adjudication of confiscation, fine or penalty, or any other decision or order, referred to in clause (b) of sub-section (2), has been made, but no appeal against such order or decision has been preferred under that sub-section, for the purpose of satisfying himself as to the legality or propriety of any such order or decision and may pass such order thereon as he thinks fit:

Provided that no order enhancing any penalty or fine in lieu of confiscation shall be passed under this provision unless the person affected by the proposed order has been given a reasonable opportunity of showing cause against it:

Provided further that no order shall be passed by the Administrator under this sub-section after the expiry of two years from the date of the order or decision referred to in sub-section (2).

(6) The Central Government may, of its own motion or on application made by any person aggrieved by an order passed on appeal under sub-section (2) or on revision under sub-section (5) within six months from the date of communication of such order, call for and examine the record of any proceeding in which such order has been passed on appeal or revision for the purpose of satisfying itself as to the legality or propriety of any such order and may pass such order thereon as the Central Government thinks fit.

(7) Notwithstanding anything contained in any other law—

(a) any order passed by the Central Government in revision,

(b) subject to such order of the Government, any order passed on appeal or revision under sub-section (2) or sub-section (5), and

(c) subject to the final order of the Central Government in revision and the order on appeal or revision under sub-section (2) or sub-section (5) any order of adjudication of confiscation, fine or penalty, or any other decision or order referred to in clause (b) of sub-section (2),

shall be final and shall not be called in question in any court except on a question of law.

(8) Whenever confiscation of any gold or conveyance or animal is authorised by this Act, the officer adjudging it may give to the

owner thereof an option to pay in lieu of confiscation such fine as the said officer thinks fit:

Provided that, without prejudice to the provisions of the proviso to sub-section (2) of section 28, such fine shall not exceed the value of such gold, conveyance or animal.

(9) For the removal of doubt it is hereby declared that the payment of fine in lieu of confiscation under sub-section (8) shall not prevent the infliction of any punishment to which the person affected is liable under the provisions of this Act.

31. (1) Whoever fails or omits to make any return as required by section 15 or 19 or any declaration including a further declaration as required by section 16 or 17 without any reasonable cause, or makes any statement in such return or declaration which is false and which he either knows or believes to be false or does not believe to be true, shall be punishable with imprisonment for a term which may extend to one year, or with fine, or with both. Penalty

(2) Whoever,—

(i) refines, processes, melts, converts, deals or makes, manufactures or prepares any article of gold in contravention of any provision of this Act,

(ii) has in his possession or under his control any quantity of gold in contravention of any provision of this Act,

(iii) sells or otherwise transfers or agrees to sell or transfer, or exposes or offers for sale or transfer, or delivers or otherwise parts with, any gold in contravention of any provision of this Act,

(iv) buys, or otherwise acquires, or accepts gold in contravention of any provision of this Act,

(v) allows any person to use any premises or any part thereof as a refinery in contravention of any provision of this Act,

(vi) makes, manufactures or prepares, or places any order for the making, or the manufacture or preparation of, sells or otherwise transfers or agrees to sell or transfer, or exposes or offers for sale or transfer any ornament or any primary gold in contravention of section 3 or section 4 or any other provision of this Act,

(vii) possesses, delivers, sells or otherwise transfers any gold in contravention of the provisions of section 5 or section 6

(viii) carries on business as a dealer, refiner, banker or money-lender in contravention of the provisions of section 6, 7, 8 or 14,

(ix) carries on business as a certified goldsmith in contravention of the provisions of section 13,

(x) falsely stamps any primary gold with the intention of causing it to be believed that such primary gold contains gold of such purity as is mentioned in such stamp or sells or otherwise transfers, or agrees to sell or otherwise transfer or exposes or offers for sale or transfer any such falsely stamped primary gold,

(xi) makes or counterfeits any stamp intending that the same shall be used for the purpose of stamping any primary gold, knowing the same to be counterfeit, or uses any such counterfeit stamp,

shall be punishable with imprisonment for a term which may extend to two years and also with fine.

(3) Whoever contravenes any other provision of this Act for which no punishment is provided in the foregoing provisions of this section shall be punishable with imprisonment for a term which may extend to one month, or with fine, or with both:

Provided that—

(i) whoever fails or omits to keep or to produce any account or other document or to furnish any information when required to do so under any provision of this Act;

(ii) whoever fails or omits to display any licence as required by section 12,

shall be liable to a penalty not exceeding five hundred rupees to be adjudged under sub-section (1) of section 30.

Offences
by com-
panies.

32. (1) Where an offence under this Act has been committed by a company, every person who at the time the offence was committed was in charge of, and was responsible to, the company for the conduct of the business of the company as well as the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly:

Provided that nothing contained in this sub-section shall render any such person liable to any punishment, if he proves that the offence was committed without his knowledge or that he exercised all due diligence to prevent the commission of such offence.

(2) Notwithstanding anything contained in sub-section (1), where any offence under this Act has been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or is attributable to, any neglect on the part of, any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

Explanation.—For the purposes of this section—

(a) “company” means any body corporate and includes a firm or other association of individuals; and

(b) “director” in relation to a firm, means a partner in the firm.

33. No prosecution for any offence punishable under this Act shall be instituted against any person except by, or with the consent of, the Administrator or any person authorised by the Administrator in this behalf. Limitation of prosecutions

34. (1) No suit, prosecution or other legal proceedings shall lie against the Central Government or the Administrator or any person, authorised by the Central Government or the Administrator, or performing any functions in the implementation of the provisions of this Act, for anything which is in good faith done or intended to be done in pursuance of any of the provisions of this Act or any rule or order made thereunder. Protection of action taken in good faith.

(2) No suit or other legal proceedings shall lie against the Central Government or the Administrator or any person, authorised by the Central Government or the Administrator, or performing any functions in the implementation of the provisions of this Act, 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 any of the provisions of this Act or any rule or order made thereunder.

45 of 1860. 35. (1) The Administrator and any person authorised by him or the Central Government, and performing any functions in the implementation of this Act shall be deemed to be public servants within the meaning of section 21 of the Indian Penal Code. Adminis-
trator, etc.
to be
public
servants
and appli-
cation of
certain
provisions
of Central
Excises
and
Salt Act.

1 of 1944. (2) The provisions of sections 11, 15 and 23 of the Central Excises and Salt Act, 1944, relating to—

(i) recovery of any sum payable to the Government, or

(ii) rendering of assistance by any officer of Police or Customs or Revenue, and

(iii) failure of any Central Excise Officer, on duty,

respectively, shall apply subject to such modifications and adaptations as may be specified by the Central Government by notification in the Official Gazette in regard to like matters under the provisions of this Act.

Power to exempt.

36. Where on the recommendation of the Administrator or otherwise the Central Government is of the opinion that it is necessary or expedient in the public interest so to do, it may, by order and subject to such conditions, if any, as it may specify in the order—

(a) exempt any dealer or any refiner or any other person from the operation of all or any of the provisions of this Act; and

(b) as often as may be, revoke any such order and again subject, by order any dealer or any refiner or any other person to the operation of such provisions.

Effect of Act and rules, etc., inconsistent with other enactments.

37. The provisions of this Act or any rules or orders made thereunder shall have effect notwithstanding anything inconsistent therewith contained in any enactment other than this Act or in any instrument having effect by virtue of any enactment other than this Act.

Act not to apply to Government.

38. Nothing in this Act shall apply to or in relation to—

(a) any gold belonging to, or in the possession or under the control of, the Government,

(b) any refinery owned or occupied, or any business of a dealer carried on, by the Government.

Government may perform functions and exercise powers of the Administrator.

39. The Central Government may perform all or any of the functions of the Administrator and may, by notification in the Official Gazette, exercise all or any of the powers conferred by this Act on the Administrator, if that Government is of the opinion that it is necessary or expedient in the public interest so to do.

Licensing of dealers in areas without sales tax law.

40. If in any territory there is no law with respect to sales tax in force, then, every dealer carrying on his business as such dealer in that territory, whose annual turnover is not less than ten thousand rupees, shall be required to be licensed in accordance with the provisions of this Act as if he were a dealer registered under law with respect to sales tax and accordingly all the provisions of this Act shall apply to such registered dealer.

1 of 1872. 41. Where an order purports to have been signed by any person authorised by the Administrator in this behalf in exercise of any power conferred by or under any provision of this Act, a court shall presume, within the meaning of the Indian Evidence Act, 1872, that such order was so made by that person. <sup>Presump-
tion as to
orders.</sup>

42. (1) The Central Government may, by notification in the Official Gazette, make rules to carry out the purposes of this Act. <sup>Power to
make
rules.</sup>

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for—

(a) the additional particulars to be stamped on each piece of primary gold;

(b) the conditions subject to which a pawnee may sell gold pledged with him;

(c) the forms of applications for the grant or renewal of licences, permits and certificates under this Act and the fees payable in respect of such applications;

(d) the forms of such licences, permits and certificates;

(e) the procedure for registration of a dealer under section 14;

(f) the accounts to be maintained and the returns to be submitted by public religious institutions under section 15;

(g) the forms of declarations under sections 16 and 17 and the particulars regarding gold or persons from whom or in whose favour it was acquired or parted with, as the case may be;

(h) the forms in which, and the period within which, returns as to gold shall be submitted by dealers and refiners under section 19;

(i) the forms in which accounts shall be kept by dealers and refiners under section 20 and the manner of keeping such accounts;

(j) the conditions and restrictions subject to which persons may be permitted to buy gold and the accounts and returns to be furnished by such persons;

(k) the precautions to be taken against the use of any conveyance or animal as a means of transport or in the carriage of gold in contravention of the provisions of this Act;

(l) the fees payable in respect of appeals and applications for revision under this Act;

(m) the manner of publication of notices and orders under this Act;

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

(3) In making rules under this section, the Central Government may provide that any person committing any breach of any rule shall, where no other penalty is provided by this Act, be liable to a penalty not exceeding two thousand rupees.

(4) Every rule made by the Central Government under this section shall be laid, as soon as may be after it is made, before each House of Parliament while it is in session for a total period of thirty days which may be comprised in one session or in two successive sessions, and if, before the expiry of the session in which it is so laid or the session immediately following, both Houses agree in making any modification in the 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.

Repeal
and savings.

43. (1) As from the commencement of this Act, the provisions of Part XIIA of the Defence of India Rules, 1962, shall stand repealed and upon such repeal, section 6 of the General Clauses Act, 1897, ^{10 of 1897.} shall apply as if the said Part were a Central Act.

(2) Notwithstanding such repeal, but without prejudice to the application of section 6 of the General Clauses Act, 1897, anything ^{10 of 1897.} done or any action taken (including any application made to, or any order made or licence issued by, the Gold Board, Administrator or other competent authority) under or in pursuance of the provisions of Part XIIA of the Defence of India Rules, 1962, shall, so far as it is not inconsistent with the provisions of this Act, be deemed to have been done or taken under or in pursuance of the corresponding provision of this Act.

Rep. by Act.....56...of 1974, S. 2 & Sch. I.

THE ALIGARH MUSLIM UNIVERSITY
(AMENDMENT) ACT, 1965

No. 19 of 1965

[22nd September, 1965]

An Act further to amend the Aligarh Muslim University Act,
1920.

BE it enacted by Parliament in the Sixteenth Year of the Republic
of India as follows:—

1. This Act may be called the Aligarh Muslim University (Amend- Short title,
ment) Act, 1965.

40 of 1920. 2. In section 23 of the Aligarh Muslim University Act, 1920 (here- Amend-
inafter referred to as the principal Act),— ment of
section
23.

(a) in sub-section (1), the words and brackets “and the Pro-
Vice-Chancellor (if any) for the time being,” shall be omitted;

(b) for sub-sections (2) and (3), the following sub-section
shall be substituted, namely:—

“(2) The functions of the Court shall be—

(a) to advise the Visitor in respect of any matter
which may be referred to the Court for advice;

(b) to advise any other authority of the University
in respect of any matter, which may be referred to the
Court for advice; and

(c) to perform such other duties and exercise such
other powers as may be assigned to it by the Visitor or
under this Act.”.

Amend-
ment of
section
28.

3. For sub-sections (2), (3), (4), (5) and (6) of section 28 of the principal Act, the following sub-section shall be substituted, namely:—

“(2) The Executive Council may make new or additional Statutes or may amend or repeal the Statutes; but every new Statute or addition to the Statutes or any amendment or repeal of a Statute shall require the previous approval of the Visitor who may sanction or disallow it or return it to the Executive Council for further consideration.”.

Amendment
of section 29.

4. For sub-sections (4), (5), (6) and (7) of section 29 of the principal Act, the following sub-sections shall be substituted, namely:—

“(4) Where the Executive Council has rejected the draft of an Ordinance proposed by the Academic Council, the Academic Council may appeal to the Visitor who may pass such order thereon as he thinks fit.

(5) Every Ordinance made by the Executive Council shall be submitted, as soon as may be, to the Visitor who may within two months from the date of receipt thereof disallow any such Ordinance or return it to the Executive Council for further consideration.

(6) The Visitor may, by order, direct that the operation of any Ordinance shall be suspended until he has had an opportunity of exercising his power of disallowance, and any order of suspension under this sub-section shall cease to have effect on the expiration of two months from the date of such order.”.

Amend-
ment of
section
31.

5. In section 31 of the principal Act, the proviso to sub-section (3) shall be omitted.

Substitu-
tion of
new sec-
tion for
section 34.

6. For section 34 of the principal Act, the following section shall be substituted, namely:—

Annual
report.

“34. The annual report of the University shall be prepared under the direction of the Executive Council and shall be sub-

mitted to the Visitor on or before such date as may be prescribed by the Statutes.”.

7. In section 35 of the principal Act, sub-section (3) shall be omitted. Amendment of section 35.

8. In section 38 of the principal Act, in sub-section (2), the words beginning with “: provided that” and ending with “meeting of the Court” shall be omitted. Amendment of section 38.

9. Notwithstanding anything contained in the principal Act, the Statutes of the University shall be amended as follows:— Amendment of Statutes.

(i) in clause (2) of Statute 4, the word “ordinarily” shall be omitted;

(ii) in Statute 5,—

(a) for clauses (1), (2) and (3), the following clauses shall be substituted, namely:—

“(1) The Treasurer shall be appointed by the Executive Council and shall be a whole-time officer of the University.

(2) The terms and conditions of service of the Treasurer shall be such as may be prescribed by the Ordinances.”;

(b) in clause (5),—

(A) in sub-clause (a), the words “and the Court” shall be omitted;

(B) in sub-clause (d), for the word “convene”, the word “attend” shall be substituted;

(iii) in Statute 6, after clause (3), the following clause shall be inserted, namely:—

“(4) (a) The Registrar shall have power to take disciplinary action against the employees belonging to the ministerial staff and to suspend them pending inquiry, to administer warnings to them or to impose on them the penalty of censure or the withholding of increment:

AMENDED

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Aligarh Muslim University (Amendment)

[Act 19

Provided that no such penalty shall be imposed unless the person concerned has been given a reasonable opportunity of showing cause against the action proposed to be taken in regard to him.

(b) An appeal shall lie to the Vice-Chancellor against any order of the Registrar imposing the penalty of the withholding of increment.

(c) In a case where the inquiry discloses that a punishment beyond the powers of the Registrar is called for, the Registrar shall, upon conclusion of the inquiry, make a report to the Vice-Chancellor along with his recommendations, for such action as the Vice-Chancellor deems fit.”;

(iv) for Statute 8, the following Statute shall be substituted, namely:—

The Court.

“8. (1) The Court shall consist of the following members, namely:—

(a) the Chancellor, *ex officio*,

(b) the Pro-Chancellor, *ex officio*,

(c) the members of the Executive Council, *ex officio*,

(d) three persons, being Heads of Departments of Studies or Principals of Colleges of the University, nominated by the Visitor,

(e) two persons, being Professors from Departments of Studies or Colleges of the University, nominated by the Visitor,

(f) two persons from among teachers of the University other than Professors, nominated by the Visitor,

(g) three representatives of Parliament, two to be nominated by the Speaker of the House of the People from among the members thereof and one to be nominated by the Chairman of the Council of States from among the members thereof, and

(h) thirty persons nominated by the Visitor from among persons who are men of standing in public life or have special knowledge or practical experience in education or have rendered eminent services in the cause of education.

(2) All members of the Court, other than *ex officio* members, shall hold office for a term of three years.

(3) Seventeen members of the Court shall form a quorum.”;

(v) Statute 13 shall be omitted;

(vi) in Statute 14, in clause (1),—

(a) for the word “Court”, the words “Executive Council” shall be substituted;

(b) in sub-clause (a), the words “through the Executive Council” shall be omitted;

(c) in sub-clause (b), the words “on the recommendation of the Executive Council,” shall be omitted;

(vii) for Statute 15, the following Statute shall be substituted, namely:—

“15. (1) The Executive Council shall consist of the following members, namely:—

The Executive Council.

(a) the Vice-Chancellor, *ex officio*,

(b) seven persons nominated by the Visitor, and

(c) one person nominated by the Chief Rector in his discretion.

(2) All members of the Executive Council, other than *ex officio* members, shall hold office for a term of three years.

(3) Five members of the Executive Council shall form a quorum.”;

(viii) in Statute 16,—

(a) in clause (1), for the word “Court”, the word “Visitor” shall be substituted, and the words “not otherwise provided for” shall be omitted;

(b) in clause (2),—

(A) for sub-clause (ii), the following sub-clause shall be substituted, namely:—

“(ii) to appoint members of the administrative staff;”;

(B) after sub-clause (ii-A), the following sub-clause shall be inserted, namely:—

“(ii-B) to regulate and enforce discipline among members of the teaching, administrative and ministerial staff of the University in accordance with these Statutes and the Ordinances;”;

REVOKED

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Aligarh Muslim University (Amendment)

[ACT 19

(C) in sub-clause (viii), the words “, otherwise than by an act of the Court” shall be omitted;

(D) in sub-clause (xii), the word “and” occurring at the end shall be omitted;

(E) after sub-clause (xii), the following sub-clause shall be inserted, namely:—

“(xii-A) to delegate any of its powers to the Vice-Chancellor, the Registrar or such other officer or authority of the University or to a Committee appointed by it as it may deem fit; and”;

(ix) in Statute 18,—

(a) in item (i), the words “the Court or” shall be omitted;

(b) in item (x), for the word “Court”, the words “Executive Council” shall be substituted;

(x) in Statute 19A,—

(a) in clause (1),—

(A) for item (iv), the following item shall be substituted, namely:—

“(iv) one person who is not an employee of the University, appointed by the Executive Council;”;

(B) item (v) shall be omitted;

(b) in clause (2), for the word “Three”, the word “Two” shall be substituted;

(c) in clause (4), the words “In the absence of the Vice-Chancellor, the Treasurer shall preside at a meeting thereof.” shall be omitted;

(xi) in Statute 25A,—

(a) in clause (2), for the words “contained in the terms of his appointment,” the words “to the contrary contained in the terms of his contract of service or of his appointment” shall be substituted and the proviso shall be omitted;

(b) after clause (2), the following clause shall be inserted, namely:—

“(3) (a) Notwithstanding anything contained in the terms of his contract of service or of his appointment, the Executive Council shall be entitled to dismiss a teacher on grounds of misconduct, but save as aforesaid, the Executive Council shall not be entitled to determine the employment of a teacher save for good cause and after giving three months’ notice in writing or payment of three months’ salary in lieu of such notice.

(b) The determination of a teacher’s employment shall require a two-thirds majority of the members of the Executive Council present and voting.

(c) The Vice-Chancellor may suspend a teacher against whom any misconduct is alleged and shall report the case to the next meeting of the Executive Council, but before any orders for dismissal are passed, the teacher shall be informed of the allegations made against him and shall be given a reasonable opportunity of making such representations to the Executive Council or to any Committee thereof appointed for the purpose, as he may desire to make.

(d) Any dismissal on the ground of misconduct shall take effect on the date on which the teacher was first suspended.

(e) Before a notice is given or payment is made to the teacher under sub-clause (a), he shall be informed by the Executive Council of the cause of the action proposed to be taken against him and shall be given a reasonable opportunity of making such representations to the Executive Council or to any Committee thereof appointed for the purpose, as he may desire to make.

(f) Notwithstanding anything contained in the Statutes, the teacher may at any time terminate his employment by giving the Executive Council three months’ notice in writing.”;

(xii) Statute 28 shall be omitted.

10. (1) Every person holding office as a member of the Court or the Executive Council, as the case may be, immediately before the 20th day of May, 1965, shall on and from the said date cease to hold office as such: Transitional Provisions.

REPEALED

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Provided that where any such person held, immediately before such date, any other office in the University, nothing contained in this sub-section shall be construed to affect his continuance in such other office.

(2) Until the Court is constituted in accordance with the provisions of section 2; read with clause (iv) of section 9, or the Executive Council is constituted in accordance with the provisions of clause (vii) of section 9, the Visitor may, by general or special order, direct any officer of the University to exercise the powers and perform the duties conferred or imposed by or under the principal Act as amended by this Act on the Court or the Executive Council, as the case may be.

Repeal
and
saving.

11. (1) The Aligarh Muslim University (Amendment) Ordinance, 2 of 1965, 1965 is hereby repealed.

(2) Notwithstanding such repeal, anything done or any action taken under the said Ordinance shall be deemed to have been done or taken under this Act, as if this Act had commenced on the 20th day of May, 1965.

Not Corrected: See India Code, Vol. I-A, Pt. III, p. 115.

THE WAREHOUSING CORPORATIONS (SUPPLEMENTARY) ACT, 1965

No. 20 OF 1965

[22nd September, 1965]

An Act to supplement the provisions of the Warehousing Corporations Act, 1962.

58 of 1962. WHEREAS, in pursuance of clause (1) of article 252 of the Constitution, resolutions have been passed by the Legislatures of certain States to the effect that storage of commodities other than those covered by the Warehousing Corporations Act, 1962, in warehouses run by the corporations established under that Act, shall be regulated in those States by Parliament by law ;

AND WHEREAS, in consequence thereof it is necessary to supplement the provisions of the said Warehousing Corporations Act for the purposes hereinafter appearing ;

BE it enacted by Parliament in the Sixteenth Year of the Republic of India as follows:—

1. (1) This Act may be called the Warehousing Corporations (Supplementary) Act, 1965.

(2) It shall apply to the States specified in the Schedule:

58 of 1962. Provided that the Central Government may, by notification in the Official Gazette, add the names of any other States to the Schedule in respect whereof resolutions have been passed by the Legislatures of those States adopting this Act under clause (1) of article 252 of the Constitution in respect of the storage of commodities other than those covered by the Warehousing Corporations Act, 1962, and on the issue of any such notification the States so added shall be deemed to be States specified in the Schedule within the meaning of this sub-section.

Short title, application and commencement.

Not Corrected: See India Code

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

Application of the Act with respect to notified commodities.

2. The Warehousing Corporations Act, 1962, shall, in its application to the States for the time being specified in the Schedule, have effect as if in clause (e) of section 2 of that Act the words and figures "being a commodity with respect to which Parliament has power to make laws by virtue of entry 33 in List III in the Seventh Schedule to the Constitution" had been omitted. 58 of 1962.

THE SCHEDULE

[See section 1(2)]

1. Andhra Pradesh.
- ~~2. Assam.]~~
- ³ [3]-2. Gujarat.
- ³ [4]-3. Kerala.
- ³ [5]-4. Madras.
- ³ [6]-5. Mysore.
- ³ [7]-6. Punjab.
- ³ [8]-7. Rajasthan.
- ³ [9]-8. Uttar Pradesh.
- ³ [10]-2 [A West Bengal]

27th November, 1965, vide Notification No. G.S.R. 1713, dated 17-11-1965
Gazette of India, Pt. II, Sec. 3 (i), p. 1876.

³ Ins. by Notifn. No. GSR 989 dt. 14-6-66, Govt.
of India, Pt. II, Sec. 3(i), p. 1124.

Not Corrected; See India Code Volume V B, Pt. VII, p. 423.

THE PAYMENT OF BONUS ACT, 1965

ARRANGEMENT OF SECTIONS

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1. Short title, extent and application.
2. Definitions.
3. Establishments to include departments, undertakings and branches.
4. Computation of gross profits.
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6. Sums deductible from gross profits.
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8. Eligibility for bonus.
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10. Payment of minimum bonus.
11. Payment of maximum bonus.
12. Calculation of bonus with respect to certain employees.
13. Proportionate reduction in bonus in certain cases.
14. Computation of number of working days.
15. Set on and set off of allocable surplus.
16. Special provisions with respect to certain establishments.
17. Adjustment of customary or interim bonus against bonus payable under the Act.
18. Deduction of certain amounts from bonus payable under the Act.
19. Time-limit for payment of bonus.
20. Application of Act to establishments in public sector in certain cases.
21. Recovery of bonus due from an employer.
22. Reference of disputes under the Act.

SECTIONS

23. Presumption about accuracy of balance-sheet and profit and loss account of corporations and companies.
24. Audited accounts of banking companies not to be questioned.
25. Audit of accounts of employers, not being corporations or companies.
26. Maintenance of registers, records, etc.
27. Inspectors.
28. Penalty.
29. Offences by companies.
30. Cognizance of offences.
31. Protection of action taken under the Act.
32. Act not to apply to certain classes of employees.
33. Act to apply to certain pending disputes regarding payment of bonus.
34. Effect of laws and agreements inconsistent with the Act.
35. Saving.
36. Power of exemption.
37. Power to remove difficulties.
38. Power to make rules.
39. Application of certain laws not barred.
40. Repeal and saving.

THE FIRST SCHEDULE.

THE SECOND SCHEDULE.

THE THIRD SCHEDULE.

THE FOURTH SCHEDULE.

Not Corrected: See India Code Vol. V B, Pt. VIII p. 423.

THE PAYMENT OF BONUS ACT, 1965

No. 21 OF 1965

[25th September, 1965]

An Act to provide for the payment of bonus to persons employed in certain establishments and for matters connected therewith.

Be it enacted by Parliament in the Sixteenth Year of the Republic of India as follows:—

1. (1) This Act may be called the Payment of Bonus Act, 1965. Short title
extent and
application.

(2) It extends to the whole of India except the State of Jammu and Kashmir.

(3) Save as otherwise provided in this Act, it shall apply to—

(a) every factory; and

(b) every other establishment in which twenty or more persons are employed on any day during an accounting year.

(4) Save as otherwise provided in this Act, the provisions of this Act shall, in relation to a factory or other establishment to which this Act applies, have effect in respect of the accounting year commencing on any day in the year 1964 and in respect of every subsequent accounting year.

(5) An establishment to which this Act applies under clause (b) of sub-section (3) shall continue to be governed by this Act notwithstanding that the number of persons employed therein falls below twenty.

Definitions.

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

(1) "accounting year" means—

(i) in relation to a corporation, the year ending on the day on which the books and accounts of the corporation are to be closed and balanced;

(ii) in relation to a company, the period in respect of which any profit and loss account of the company laid before it in annual general meeting is made up, whether that period is a year or not;

(iii) in any other case—

(a) the year commencing on the 1st day of April; or

(b) if the accounts of an establishment maintained by the employer thereof are closed and balanced on any day other than the 31st day of March, then, at the option of the employer, the year ending on the day on which its accounts are so closed and balanced:

Provided that an option once exercised by the employer under paragraph (b) of this sub-clause shall not again be exercised except with the previous permission in writing of the prescribed authority and upon such conditions as that authority may think fit;

(2) "agricultural income" shall have the same meaning as in the Income-tax Act;

(3) "agricultural income-tax law" means any law for the time being in force relating to the levy of tax on agricultural income;

(4) "allocable surplus" means—

(a) in relation to an employer, being a company (other than a banking company) which has not made the arrangements prescribed under the Income-tax Act for the declaration and payment within India of the dividends payable out of its profits in accordance with the provisions of section 194 of that Act, sixty-seven per cent. of the available surplus in an accounting year;

(b) in any other case, sixty per cent. of such available surplus,

and includes any amount treated as such under sub-section (2) of section 34;

(5) "appropriate Government" means—

14 of 1947.

(i) in relation to an establishment in respect of which the appropriate Government under the Industrial Disputes Act, 1947, is the Central Government, the Central Government;

(ii) in relation to any other establishment, the Government of the State in which that other establishment is situate;

(6) "available surplus" means the available surplus computed under section 5;

14 of 1947

(7) "award" means an interim or a final determination of any industrial dispute or of any question relating thereto by any Labour Court, Industrial Tribunal, or National Tribunal constituted under the Industrial Disputes Act, 1947, or by any other authority constituted under any corresponding law relating to investigation and settlement of industrial disputes in force in a State and includes an arbitration award made under section 10A of that Act or under that law;

10 of 1949.

(8) "banking company" means a banking company as defined in section 5 of the Banking Companies Act, 1949, and includes the State Bank of India, any subsidiary bank as defined in the State Bank of India (Subsidiary Banks) Act, 1959, and any other banking institution which may be notified in this behalf by the Central Government;

38 of 1959.

(9) "company" means any company as defined in section 3 of the Companies Act, 1956, and includes a foreign company within the meaning of section 591 of that Act;

1 of 1956.

(10) "co-operative society" means a society registered or deemed to be registered under the Co-operative Societies Act, 1912, or any other law for the time being in force in any State relating to co-operative societies;

2 of 1912.

(11) "corporation" means any body corporate established by or under any Central, Provincial or State Act but does not include a company or a co-operative society;

(12) "direct tax" means—

(a) any tax chargeable under—

14 of 1963.

(i) the Income-tax Act;

(ii) the Super Profits Tax Act, 1963;

7 of 1964.

(iii) the Companies (Profits) Surtax Act, 1964;

(iv) the agricultural income-tax law; and

(b) any other tax which, having regard to its nature or incidence, may be declared by the Central Government, by notification in the Official Gazette, to be a direct tax for the purposes of this Act;

(13) "employee" means any person (other than an apprentice) employed on a salary or wage not exceeding one thousand and six hundred rupees per mensem in any industry to do any skilled or unskilled manual, supervisory, managerial, administrative, technical or clerical work for hire or reward, whether the terms of employment be express or implied;

(14) "employer" includes—

(i) in relation to an establishment which is a factory, the owner or occupier of the factory, including the agent of such owner or occupier, the legal representative of a deceased owner or occupier and where a person has been named as a manager of the factory under clause (f) of sub-section (1) of section 7 of the Factories Act, 1948, the person so named; and 63 of 1948.

(ii) in relation to any other establishment, the person who, or the authority which, has the ultimate control over the affairs of the establishment and where the said affairs are entrusted to a manager, managing director or managing agent, such manager, managing director or managing agent;

(15) "establishment in private sector" means any establishment other than an establishment in public sector;

(16) "establishment in public sector" means an establishment owned, controlled or managed by—

(a) a Government company as defined in section 617 of 1 of 1956, the Companies Act, 1956;

(b) a corporation in which not less than forty per cent. of its capital is held (whether singly or taken together) by—

(i) the Government; or

(ii) the Reserve Bank of India; or

(iii) a corporation owned by the Government or the Reserve Bank of India;

(17) "factory" shall have the same meaning as in clause (m) of section 2 of the Factories Act, 1948;

63 of 1948.

(18) "gross profits" means the gross profits calculated under section 4;

(19) "Income-tax Act" means the Income-tax Act, 1961;

43 of 1961.

(20) "prescribed" means prescribed by rules made under this Act;

(21) "salary or wage" means all remuneration (other than remuneration in respect of over-time work) capable of being expressed in terms of money, which would, if the terms of employment, express or implied, were fulfilled, be payable to an employee in respect of his employment or of work done in such employment and includes dearness allowance (that is to say, all cash payments, by whatever name called, paid to an employee on account of a rise in the cost of living), but does not include—

(i) any other allowance which the employee is for the time being entitled to;

(ii) the value of any house accommodation or of supply of light, water, medical attendance or other amenity or of any service or of any concessional supply of foodgrains or other articles;

(iii) any travelling concession;

(iv) any bonus (including incentive, production and attendance bonus);

(v) any contribution paid or payable by the employer to any pension fund or provident fund or for the benefit of the employee under any law for the time being in force;

(vi) any retrenchment compensation or any gratuity or other retirement benefit payable to the employee or any *ex gratia* payment made to him;

(vii) any commission payable to the employee.

Explanation.—Where an employee is given in lieu of the whole or part of the salary or wage payable to him, free food allowance or free food by his employer, such food allowance or the value of such food shall, for the purpose of this clause, be deemed to form part of the salary or wage of such employee;

(22) words and expressions used but not defined in this Act and defined in the Industrial Disputes Act, 1947, shall have the meanings respectively assigned to them in that Act.

14 of 1947.

3. Where an establishment consists of different departments or undertakings or has branches, whether situated in the same place or in different places, all such departments or undertakings or branches shall be treated as parts of the same establishment for the purpose of computation of bonus under this Act:

Provided that where for any accounting year a separate balance-sheet and profit and loss account are prepared and maintained in

Establishments to include departments, undertakings and branches.

respect of any such department or undertaking or branch, then, such department or undertaking or branch shall be treated as a separate establishment for the purpose of computation of bonus under this Act for that year, unless such department or undertaking or branch was, immediately before the commencement of that accounting year treated as part of the establishment for the purpose of computation of bonus.

Computation
of gross
profits.

4. The gross profits derived by an employer from an establishment in respect of any accounting year shall—

(a) in the case of a banking company, be calculated in the manner specified in the First Schedule;

(b) in any other case, be calculated in the manner specified in the Second Schedule.

Computation
of available
surplus.

5. The available surplus in respect of any accounting year shall be the gross profits for that year after deducting therefrom the sums referred to in section 6.

Sums de-
ductible
from gross
profits.

6. The following sums shall be deducted from the gross profits as prior charges, namely:—

(a) any amount by way of depreciation admissible in accordance with the provisions of sub-section (1) of section 32 of the Income-tax Act, or in accordance with the provisions of the agricultural income-tax law, as the case may be:

Provided that where an employer has been paying bonus to his employees under a settlement or an award or agreement made before the 29th May, 1965, and subsisting on that date after deducting from the gross profits notional normal depreciation, then, the amount of depreciation to be deducted under this clause shall, at the option of such employer (such option to be exercised once and within one year from that date) continue to be such notional normal depreciation;

(b) any amount by way of development rebate or development allowance which the employer is entitled to deduct from his income under the Income-tax Act;

(c) subject to the provisions of section 7, any direct tax which the employer is liable to pay for the accounting year in respect of his income, profits and gains during that year;

(d) such further sums as are specified in respect of the employer in the Third Schedule.

7. For the purpose of clause (c) of section 6, any direct tax payable by the employer for any accounting year shall, subject to the following provisions, be calculated at the rates applicable to the income of the employer for that year, namely:—

Calculation of direct tax payable by the employer.

(a) in calculating such tax no account shall be taken of—

(i) any loss incurred by the employer in respect of any previous accounting year and carried forward under any law for the time being in force relating to direct taxes;

(ii) any arrears of depreciation which the employer is entitled to add to the amount of the allowance for depreciation for any following accounting year or years under sub-section (2) of section 32 of the Income-tax Act;

(iii) any exemption conferred on the employer under section 84 of the Income-tax Act or of any deduction to which he is entitled under sub-section (1) of section 101 of that Act, as in force immediately before the commencement of the Finance Act, 1965;

10 of 1965.

(b) where the employer is a religious or a charitable institution to which the provisions of section 32 do not apply and the whole or any part of its income is exempt from tax under the Income-tax Act, then, with respect to the income so exempted, such institution shall be treated as if it were a company in which the public are substantially interested within the meaning of that Act;

(c) where the employer is an individual or a Hindu undivided family the tax payable by such employer under the Income-tax Act shall be calculated on the basis that the income derived by him from the establishment is his only income;

(d) where the income of any employer includes any profits and gains derived from the export of any goods or merchandise out of India and any rebate on such income is allowed under any law for the time being in force relating to direct taxes, then, no account shall be taken of such rebate;

(e) no account shall be taken of any rebate (other than development rebate or development allowance) or credit or relief or deduction (not hereinbefore mentioned in this section) in the payment of any direct tax allowed under any law for the time

being in force relating to direct taxes or under the relevant annual Finance Act, for the development of any industry.

Eligibility
for bonus.

8. Every employee shall be entitled to be paid by his employer in an accounting year, bonus, in accordance with the provisions of this Act, provided he has worked in the establishment for not less than thirty working days in that year.

Disqualifi-
cation for
bonus.

9. Notwithstanding anything contained in this Act, an employee shall be disqualified from receiving bonus under this Act, if he is dismissed from service for—

(a) fraud; or

(b) riotous or violent behaviour while on the premises of the establishment; or

(c) theft, misappropriation or sabotage of any property of the establishment.

Payment of
minimum
bonus.

10. Subject to the provisions of sections 8 and 13, every employer shall be bound to pay to every employee in an accounting year a minimum bonus which shall be four per cent. of the salary or wage earned by the employee during the accounting year or forty rupees, whichever is higher, whether there are profits in the accounting year or not:

Provided that where such employee has not completed fifteen years of age at the beginning of the accounting year, the provisions of this section shall have effect in relation to such employee as if for the words "forty rupees", the words "twenty-five rupees" were substituted.

Payment of
maximum
bonus.

11. (1) Where in respect of any accounting year the allocable surplus exceeds the amount of minimum bonus payable to the employees under section 10, the employer shall, in lieu of such minimum bonus, be bound to pay to every employee in the accounting year bonus which shall be an amount in proportion to the salary or wage earned by the employee during the accounting year subject to a maximum of twenty per cent. of such salary or wage.

(2) In computing the allocable surplus under this section, the amount set on or the amount set off under the provisions of section 15 shall be taken into account in accordance with the provisions of that section.

12. Where the salary or wage of an employee exceeds seven hundred and fifty rupees per mensem, the bonus payable to such employee under section 10 or, as the case may be, under section 11, shall be calculated as if his salary or wage were seven hundred and fifty rupees per mensem.

Calculation of bonus with respect to certain employees

13. Where an employee has not worked for all the working days in any accounting year, the minimum bonus of forty rupees or, as the case may be, of twenty five rupees, if such bonus is higher than four per cent. of his salary or wage for the days he has worked in that accounting year, shall be proportionately reduced.

Proportionate reduction in bonus in certain cases.

14. For the purposes of section 13, an employee shall be deemed to have worked in an establishment in any accounting year also on the days on which—

Computation of number of working days.

(a) he has been laid off under an agreement or as permitted by standing orders under the Industrial Employment (Standing Orders) Act, 1946, or under the Industrial Disputes Act, 1947 or under any other law applicable to the establishment;

(b) he has been on leave with salary or wage;

(c) he has been absent due to temporary disablement caused by accident arising out of and in the course of his employment; and

(d) the employee has been on maternity leave with salary or wage,

during the accounting year.

15. (1) Where for any accounting year the allocable surplus exceeds the amount of maximum bonus payable to the employees in the establishment under section 11, then, the excess shall, subject to a limit of twenty per cent. of the total salary or wage of the employees employed in the establishment in that accounting year, be carried forward for being set on in the succeeding accounting year and so on up to and inclusive of the fourth accounting year to be utilised for the purpose of payment of bonus in the manner illustrated in the Fourth Schedule.

Set on and set off of allocable surplus.

(2) Where for any accounting year, there is no available surplus or the allocable surplus in respect of that year falls short of the amount of minimum bonus payable to the employees in the establishment under section 10 and there is no amount or sufficient amount carried forward and set on under sub-section (1) which could be utilised for the purpose of payment of the minimum bonus, then, such minimum amount or the deficiency, as the case may be, shall be carried forward for being set off in the succeeding accounting year and

so on up to and inclusive of the fourth accounting year in the manner illustrated in the Fourth Schedule.

(3) The principle of set on and set off as illustrated in the Fourth Schedule shall apply to all other cases not covered by sub-section (1) or sub-section (2) for the purpose of payment of bonus under this Act.

(4) Where in any accounting year any amount has been carried forward and set on or set off under this section, then, in calculating bonus for the succeeding accounting year, the amount of set on or set off carried forward from the earliest accounting year shall first be taken into account.

Special provisions with respect to certain establishments.

16. (1) Where an establishment is newly set up, whether before or after the commencement of this Act, the employees of such establishment shall be entitled to be paid bonus under this Act only—

(a) from the accounting year in which the employer derives profit from such establishment; or

(b) from the sixth accounting year following the accounting year in which the employer sells the goods produced or manufactured by him or renders services, as the case may be, from such establishment,

whichever is earlier:

Provided that in the case of any such establishment the employees thereof shall not, save as otherwise provided in section 33, be entitled to be paid bonus under this Act in respect of any accounting year prior to the accounting year commencing on any day in the year 1964.

Explanation I.—For the purpose of this section, an establishment shall not be deemed to be newly set up merely by reason of a change in its location, management, name or ownership.

Explanation II.—For the purpose of clause (a), an employer shall not be deemed to have derived profit in any accounting year unless—

(a) he has made provision for that year's depreciation to which he is entitled under the Income-tax Act or, as the case may be, under the agricultural income-tax law; and

(b) the arrears of such depreciation and losses incurred by him in respect of the establishment for the previous accounting years have been fully set off against his profits.

Explanation III.—For the purpose of clause (b), sale of the goods produced or manufactured during the course of the trial run of any

factory or of the prospecting stage of any mine or an oil-field shall not be taken into consideration and where any question arises with regard to such production or manufacture, the decision of the appropriate Government, made after giving the parties a reasonable opportunity of representing the case, shall be final and shall not be called in question by any court or other authority.

(2) The provisions of sub-section (1) shall, so far as may be, apply to new departments or undertakings or branches set up by existing establishments:

Provided that if an employer in relation to an existing establishment consisting of different departments or undertakings or branches (whether or not in the same industry) set up at different periods has, before the 29th May, 1965, been paying bonus to the employees of all such departments or undertakings or branches irrespective of the date on which such departments or undertakings or branches were set up, on the basis of the consolidated profits computed in respect of all such departments or undertakings or branches, then, such employer shall be liable to pay bonus in accordance with the provisions of this Act to the employees of all such departments or undertakings or branches (whether set up before or after that date) on the basis of the consolidated profits computed as aforesaid.

17. Where in any accounting year—

(a) an employer has paid any puja bonus or other customary bonus to an employee; or

(b) an employer has paid a part of the bonus payable under this Act to an employee before the date on which such bonus becomes payable,

Adjustment
of custo-
mary
or interim
bonus
against
bonus
payable
under
the Act.

then, the employer shall be entitled to deduct the amount of bonus so paid from the amount of bonus payable by him to the employee under this Act in respect of that accounting year and the employee shall be entitled to receive only the balance.

18. Where in any accounting year, an employee is found guilty of misconduct causing financial loss to the employer, then, it shall be lawful for the employer to deduct the amount of loss from the amount of bonus payable by him to the employee under this Act in respect of that accounting year only and the employee shall be entitled to receive the balance, if any,

Deduction
of certain
amounts
from bonus
payable
under the
Act,

Time-limit
for payment
of bonus.

19. All amounts payable to an employee by way of bonus under this Act shall be paid in cash by his employer—

(a) where there is a dispute regarding payment of bonus pending before any authority under section 22, within a month from the date on which the award becomes enforceable or the settlement comes into operation, in respect of such dispute;

(b) in any other case, within a period of eight months from the close of the accounting year:

Provided that the appropriate Government or such authority as the appropriate Government may specify in this behalf may, upon an application made to it by the employer and for sufficient reasons, by order, extend the said period of eight months to such further period or periods as it thinks fit; so, however, that the total period so extended shall not in any case exceed two years.

Application
of Act
to establish-
ments in
public sec-
tor in
certain
cases.

20. (1) If in any accounting year an establishment in public sector sells any goods produced or manufactured by it or renders any services, in competition with an establishment in private sector, and the income from such sale or services or both is not less than twenty per cent. of the gross income of the establishment in public sector for that year, then, the provisions of this Act shall apply in relation to such establishment in public sector as they apply in relation to a like establishment in private sector.

(2) An establishment in public sector to which this Act applies shall continue to be governed by this Act notwithstanding that in any subsequent accounting year its income from the sale of goods produced or manufactured by it or from services rendered or from both, in competition with an establishment in private sector, falls below twenty per cent. of its gross income for that accounting year.

Recovery of
bonus due
from an
employer.

21. Where any money is due to an employee by way of bonus from his employer under a settlement or an award or agreement, the employee himself or any other person authorised by him in writing in this behalf, or in the case of the death of the employee, his assignee or heirs may, without prejudice to any other mode of recovery, make an application to the appropriate Government for the recovery of the money due to him, and if the appropriate Government or such authority as the appropriate Government may specify in this behalf is satisfied that any money is so due, it shall issue a certificate for that amount to the Collector who shall proceed to recover the same in the same manner as an arrear of land revenue:

Provided that every such application shall be made within one year from the date on which the money became due to the employee from the employer :

Provided further that any such application may be entertained after the expiry of the said period of one year, if the appropriate Government is satisfied that the applicant had sufficient cause for not making the application within the said period.

Explanation.—In this section and in sections 22, 23, 24 and 25, "employee" includes a person who is entitled to the payment of bonus under this Act but who is no longer in employment.

14 of 1947.

22. Where any dispute arises between an employer and his employees with respect to the bonus payable under this Act or with respect to the application of this Act to an establishment in public sector, then, such dispute shall be deemed to be an industrial dispute within the meaning of the Industrial Disputes Act, 1947, or of any corresponding law relating to investigation and settlement of industrial disputes in force in a State and the provisions of that Act or, as the case may be, such law, shall, save as otherwise expressly provided, apply accordingly.

Reference of disputes under the Act.

14 of 1947.

23. (1) Where, during the course of proceedings before any arbitrator or Tribunal under the Industrial Disputes Act, 1947, or under any corresponding law relating to investigation and settlement of industrial disputes in force in a State (hereinafter in this section and in sections 24 and 25 referred to as the "said authority") to which any dispute of the nature specified in section 22 has been referred, the balance-sheet and the profit and loss account of an employer, being a corporation or a company (other than a banking company), duly audited by the Comptroller and Auditor-General of India or by auditors duly qualified to act as auditors of companies under sub-section (1) of section 226 of the Companies Act, 1956, are produced before it, then, the said authority may presume the statements and particulars contained in such balance-sheet and profit and loss account to be accurate and it shall not be necessary for the corporation or the company to prove the accuracy of such statements and particulars by the filing of an affidavit or by any other mode :

Presumption about accuracy of balance-sheet and profit and loss account of corporations and companies.

1 of 1956.

Provided that where the said authority is satisfied that the statements and particulars contained in the balance-sheet or the profit and loss account of the corporation or the company are not accurate, it may take such steps as it thinks necessary to find out the accuracy of such statements and particulars.

(2) When an application is made to the said authority by any trade union being a party to the dispute or where there is no trade union, by the employees being a party to the dispute, requiring any clarification relating to any item in the balance-sheet or the profit and loss account, it may, after satisfying itself, that such clarification is necessary, by order, direct the corporation or, as the case may be, the company, to furnish to the trade union or the employees such clarification within such time as may be specified in the direction and the corporation or, as the case may be, the company, shall comply with such direction.

Audited
accounts of
banking
companies
not to be
questioned.

24. (1) Where any dispute of the nature specified in section 22 between an employer, being a banking company, and its employees has been referred to the said authority under that section and during the course of proceedings the accounts of the banking company duly audited are produced before it, the said authority shall not permit any trade union or employees to question the correctness of such accounts, but the trade union or the employees may be permitted to obtain from the banking company such information as is necessary for verifying the amount of bonus due under this Act.

(2) Nothing contained in sub-section (1) shall enable the trade union or the employees to obtain any information which the banking company is not compelled to furnish under the provisions of section 34A of the Banking Companies Act, 1949.

10 of 1949.

Audit of
accounts of
employers,
not being
corporations
or compan-
ies.

25. (1) where any dispute of the nature specified in section 22 between an employer, not being a corporation or a company, and his employees has been referred to the said authority under that section and the accounts of such employer audited by any auditor duly qualified to act as auditor of companies under sub-section (1) of section 226 of the Companies Act, 1956, are produced before the said authority, the provisions of section 23, shall, so far as may be, apply to the accounts so audited.

1 of 1956.

(2) When the said authority finds that the accounts of such employer have not been audited by any such auditor and it is of opinion that an audit of the accounts of such employer is necessary for deciding the question referred to it, then, it may, by order, direct the employer to get his accounts audited within such time as may be specified in the direction or within such further time as it may allow by such auditor or auditors as it thinks fit and thereupon the employer shall comply with such direction.

(3) Where an employer fails to get the accounts audited under sub-section (2) the said authority may, without prejudice to the provisions of section 28, get the accounts audited by such auditor or auditors as it thinks fit.

(4) When the accounts are audited under sub-section (2) or sub-section (3) the provisions of section 23 shall, so far as may be, apply to the accounts so audited.

(5) The expenses of, and incidental to, any audit under sub-section (3) (including the remuneration of the auditor or auditors) shall be determined by the said authority (which determination shall be final) and paid by the employer and in default of such payment shall be recoverable from the employer in the manner provided in section 21.

26. Every employer shall prepare and maintain such registers, records and other documents in such form and in such manner as may be prescribed.

Maintenance
of regis-
ters,
records, etc.

27. (1) The appropriate Government may, by notification in the Official Gazette, appoint such persons as it thinks fit to be Inspectors for the purposes, of this Act and may define the limits within which they shall exercise jurisdiction.

Inspectors.

(2) An Inspector appointed under sub-section (1) may, for the purpose of ascertaining whether any of the provisions of this Act has been complied with—

(a) require an employer to furnish such information as he may consider necessary;

(b) at any reasonable time and with such assistance, if any, as he thinks fit, enter any establishment or any premises connected therewith and require any one found in charge thereof to produce before him for examination any accounts, books, registers and other documents relating to the employment of persons or the payment of salary or wage or bonus in the establishment;

(c) examine with respect to any matter relevant to any of the purposes aforesaid, the employer, his agent or servant or any other person found in charge of the establishment or any premises connected therewith or any person whom the Inspector has reasonable cause to believe to be or to have been an employee in the establishment;

(d) make copies of, or take extracts from, any book, register or other document maintained in relation to the establishment;

(e) exercise such other powers as may be prescribed.

(3) Every Inspector shall be deemed to be a public servant within the meaning of the Indian Penal Code.

45 of 1860.

(4) Any person required to produce any accounts, book, register or other document or to give information by an Inspector under sub-section (1) shall be legally bound to do so.

(5) Nothing contained in this section shall enable an Inspector to require a banking company to furnish or disclose any statement or information or to produce, or give inspection of, any of its books of account or other documents, which a banking company cannot be compelled to furnish, disclose, produce or give inspection of, under the provisions of section 34A of the Banking Companies Act, 1949.

10 of 1949.

Penalty. 28. If any person—

(a) contravenes any of the provisions of this Act or any rule made thereunder; or

(b) to whom a direction is given or a requisition is made under this Act fails to comply with the direction or requisition, he shall be punishable with imprisonment for a term which may extend to six months, or with fine which may extend to one thousand rupees, or with both.

Offences by companies.

29. (1) If the person committing an offence under this Act is a company, every person who, at the time the offence was committed, was in charge of, and was responsible to, the company for the conduct of business of the company, as well as the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly:

Provided that nothing contained in this sub-section shall render any such person liable to any punishment if he proves that the offence was committed without his knowledge or that he exercised all due diligence to prevent the commission of such offence.

(2) Notwithstanding anything contained in sub-section (1), where an offence under this Act has been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or is attributable to any neglect on the part of, any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall also be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

Explanation.—For the purposes of this section,—

(a) “company” means any body corporate and includes a firm or other association of individuals; and

(b) “director”, in relation to a firm, means a partner in the firm.

30. (1) No court shall take cognizance of any offence punishable under this Act, save on complaint made by or under the authority of the appropriate Government. Cognizance of offences.

(2) No court inferior to that of a presidency magistrate or a magistrate of the first class shall try any offence punishable under this Act.

31. No suit, prosecution or other legal proceeding shall lie against the Government or any officer of the Government for anything which is in good faith done or intended to be done in pursuance of this Act or any rule made thereunder. Protection of action taken under the Act.

32. Nothing in this Act shall apply to—

(i) employees employed by any insurer carrying on general insurance business and the employees employed by the Life Insurance Corporation of India; Act not to apply to certain classes of employees.

(ii) seamen as defined in clause (42) of section 3 of the Merchant Shipping Act, 1958;

44 of 1958.

(iii) employees registered or listed under any scheme made under the Dock Workers (Regulation of Employment) Act, 1948, and employed by registered or listed employers:

9 of 1948.

(iv) employees employed by an establishment engaged in any industry carried on by or under the authority of any department of the Central Government or a State Government or a local authority;

(v) employees employed by—

(a) the Indian Red Cross Society or any other institution of a like nature (including its branches);

(b) universities and other educational institutions;

(c) institutions (including hospitals, chambers of commerce and social welfare institutions) established not for purposes of profit;

(vi) employees employed through contractors on building operations;

(vii) employees—

(a) who have entered before the 29th May, 1965, into any agreement or settlement with their employers for payment of an annual bonus linked with production or productivity in lieu of bonus based on profits; or

(b) who have entered or may enter after that date into any agreement or settlement with their employers for payment of such annual bonus in lieu of the bonus payable under this Act,

for the period for which such agreement or settlement is in operation;

(viii) employees employed by the Reserve Bank of India;

(ix) employees employed by—

(a) the Industrial Finance Corporation of India;

(b) any Financial Corporation established under section 3, or any Joint Financial Corporation established under section 3A, of the State Financial Corporations Act, 1951;

63 of 1951.

(c) the Deposit Insurance Corporation;

(d) the Agricultural Refinance Corporation;

(e) the Unit Trust of India;

(f) the Industrial Development Bank of India;

(g) any other financial institution (other than a banking company), being an establishment in public sector, which the Central Government may, by notification in the Official Gazette, specify, having regard to—

(i) its capital structure;

(ii) its objectives and the nature of its activities;

(iii) the nature and extent of financial assistance or any concession given to it by the Government; and

(iv) any other relevant factor;

(x) employees employed by any establishment in public sector, save as otherwise provided under this Act;

(xi) employees employed by inland water transport establishments operating on routes passing through any other country.

14 of 1947.

33. Where, immediately before the 29th May, 1965, any industrial dispute regarding payment of bonus relating to any accounting year, not being an accounting year earlier than the accounting year ending on any day in the year 1962, was pending before the appropriate Government or before any Tribunal or other authority under the Industrial Disputes Act, 1947, or under any corresponding law relating to investigation and settlement of industrial disputes in a State, then, the bonus shall be payable in accordance with the provisions of this Act in relation to the accounting year to which the dispute relates and any subsequent accounting year, notwithstanding that in respect of that subsequent accounting year no such dispute was pending.

Act to apply to certain pending disputes regarding payment of bonus.

Explanation.—A dispute shall be deemed to be pending before the appropriate Government where no decision of that Government on any application made to it under the said Act or such corresponding law for reference of that dispute to adjudication has been made or where having received the report of the Conciliation Officer (by whatever designation known) under the said Act or law, the appropriate Government has not passed any order refusing to make such reference.

34. (1) Save as otherwise provided in this section, the provisions of this Act shall have effect notwithstanding anything inconsistent therewith contained in any other law for the time being in force or in the terms of any award, agreement, settlement or contract of service made before the 29th May, 1965.

Effect of laws and agreements inconsistent with the Act.

(2) If in respect of any accounting year the total bonus payable to all the employees in any establishment under this Act is less than the total bonus paid or payable to all the employees in that establishment in respect of the base year under any award, agreement, settlement or contract of service, then, the employees in the establishment shall be paid bonus in respect of that accounting year as if the allocable surplus for that accounting year were an amount which bears the same ratio to the gross profits of the said accounting year as the total bonus paid or payable in respect of the base year bears to the gross profits of the base year:

Provided that nothing contained in this sub-section shall entitle any employee to be paid bonus exceeding twenty per cent. of the salary or wage earned by him during the accounting year:

Provided further that if in any accounting year the allocable surplus computed as aforesaid exceeds the amount of maximum bonus payable to the employees in the establishment under the first proviso, then, the provisions of section 15 shall, so far as may be, apply to such excess.

Explanation I.—For the purpose of this sub-section, the total bonus in respect of any accounting year shall be deemed to be less than the total bonus paid or payable in respect of the base year if the ratio of bonus payable in respect of the accounting year to the gross profits of that year is less than the ratio of bonus paid or payable in respect of the base year to the gross profits of that year.

Explanation II.—In this sub-section,—

(a) “base year” means—

(i) in a case where immediately before the 29th May, 1965, any dispute of the nature specified in section 33 was pending before the appropriate Government or before any Tribunal or other authority under the Industrial Disputes Act, 1947, or under any corresponding law relating to investigation and settlement of industrial disputes in a State, the accounting year immediately preceding the accounting year to which the dispute relates; 14 of 1947.

(ii) in any other case, the period of twelve months immediately preceding the accounting year in respect of which this Act becomes applicable to the establishment:

(b) “gross profits” in relation to the base year or, as the case may be, to the accounting year, means gross profits as reduced by the direct taxes payable by the employer in respect of that year.

(3) Nothing contained in this Act shall be construed to preclude employees employed in any establishment or class of establishments from entering into agreement with their employer for granting them an amount of bonus under a formula which is different from that under this Act:

Provided that any such agreement whereby the employees relinquish their right to receive the minimum bonus under section 10 shall be null and void in so far as it purports to deprive them of such right.

Saving.

35. Nothing contained in this Act shall be deemed to affect the provisions of the Coal Mines Provident Fund and Bonus Schemes Act, 1948, or of any scheme made thereunder. 46 of 1948.

Power of exemption.

36. If the appropriate Government, having regard to the financial position and other relevant circumstances of any establishment or class of establishments, is of opinion that it will not be in public interest to apply all or any of the provisions of this Act thereto, it may, by notification in the Official Gazette, exempt for such period

as may be specified therein and subject to such conditions as it may think fit to impose, such establishment or class of establishments from all or any of the provisions of this Act.

37. If any difficulty or doubt arises in giving effect to the provisions of this Act, the Central Government may, by order published in the Official Gazette, make such provision, not inconsistent with the purposes of this Act as appears to it to be necessary or expedient for the removal of the difficulty or doubt; and the order of the Central Government in such cases, shall be final.

Power to remove difficulties.

38. (1) The Central Government may make rules for the purpose of carrying into effect the provisions of this Act.

Power to make rules.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for—

(a) the authority for granting permission under the proviso to sub-clause (iii) of clause (1) of section 2;

(b) the preparation of registers, records and other documents and the form and manner in which such registers, records and documents may be maintained under section 26;

(c) the powers which may be exercised by an Inspector under clause (e) of sub-section (2) of section 27;

(d) any other matter which is to be, or may be, prescribed.

(3) Every rule made under this section shall be laid as soon as may be after it is made, before each House of Parliament while it is in session for a total period of thirty days, which may be comprised in one session or in two successive sessions, and if before the expiry of the session in which it is so laid or the session immediately following, both Houses agree in making any modification in the 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.

39. Save as otherwise expressly provided, the provisions of this Act shall be in addition to and not in derogation of the Industrial Disputes Act, 1947, or any corresponding law relating to investigation and settlement of industrial disputes in force in a State.

Application of certain laws not barred.

14 of 1947.

3 of 1965.

40. (1) The Payment of Bonus Ordinance, 1965, is hereby repealed.

Repeal and saving.

(2) Notwithstanding such repeal, anything done or any action taken under the said Ordinance shall be deemed to have been done or taken under this Act as if this Act had commenced on the 29th May, 1965.

THE FIRST SCHEDULE

[See section 4(a)]

COMPUTATION OF GROSS PROFITS

Accounting Year ending.....

Item No.	Particulars	Amount of		Remarks
		sub-items	of main Items	
		Rs.	Rs.	
*1.	Net Profit as shown in the Profit and Loss Account after making usual and necessary provisions.			
2.	Add back provision for			
	(a) Bonus to employees.			
	(b) Depreciation.			
	(c) Development Rebate Reserve.			See foot-note (1)
	(d) Any other reserves.			See foot-note (1)
	Total of Item No. 2	Rs.		
3.	Add back also :			
	(a) Bonus paid to employees, in respect of previous accounting years.			See foot-note (1)
	(b) Donations in excess of the amount admissible for income-tax.			

*Where the profit subject to taxation is shown in the Profit and Loss Account and the provision made for taxes on income is shown, the actual provision for taxes on income shall be deducted from the profit.

Not Corrected: See India Code

of 1965]

Payment of Bonus

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Item No.	Particulars	Amount of sub-items	Amount of main Items	Remarks
		Rs.	Rs.	
	(c) Capital expenditure (other than capital expenditure on scientific research which is allowed as a deduction under any law for the time being in force relating to direct taxes) and capital losses (other than losses on sale of capital assets on which depreciation has been allowed for income-tax).			See foot-note (1)
	(d) Any amount certified by the Reserve Bank of India in terms of sub-section (2) of section 34A of the Banking Companies Act, 1949.			
	(e) Losses of, or expenditure relating to, any business situated outside India.			
	Total of Item No. 3		Rs.	
4.	<i>Add also</i> Income, profits or gains (if any) credited directly to published or disclosed reserves, <i>other than—</i>			
	(i) capital receipts and capital profits (including profits on the sale of capital			

to of 1949.

Item No.	Particulars	Amount of sub-items	Amount of main Items	Remarks
		Rs.	Rs.	
	assets on which depreciation has not been allowed for income-tax)			
	(ii) profits of, and receipts relating to, any business situated outside India ;			
	(iii) income of foreign banking companies from investments outside India.			
	Net total of Item No. 4	Rs.		
5.	Total of Item Nos. 1, 2, 3 and 4.		Rs.	
6.	<i>Deduct :</i>			
	(a) Capital receipts and capital profits (other than profits on the sale of assets on which depreciation has been allowed for income-tax).			See foot-note(2)
	(b) Profits of, and receipts relating to, any business situated outside India.			See foot-note (2)
	(c) Income of foreign banking companies from investments outside India.			See foot-note (2)
	(d) Expenditure or losses (if any) debited directly to published or disclosed reserves <i>other than—</i>			
	(i) capital expenditure and capital losses (other			

Item No.	Particulars	Amount of sub-items	Amount of main Items	Remarks
		Rs.	Rs.	
	than losses on sale of capital assets on which depreciation has not been allowed for income-tax);			
	(ii) losses of any business situated outside India.			
	(e) In the case of foreign banking companies proportionate administrative (overhead) expenses of Head Office allocable to Indian business.			See foot-note (3)
	(f) Refund of any excess direct tax paid for previous accounting years and excess provision, if any, of previous accounting years, relating to bonus, depreciation, or development rebate, if written back.			See foot-note (2)
	(g) Subsidy, if any, received from Government or from any body corporate established by any law for the time being in force.			See foot-note (2)
	Total of Item No. 6	Rs.	_____	
7.	Gross Profits for purposes of bonus (Item No. 5 minus Item No. 6).		Rs.	_____

Foot-notes—

- (1) If, and to the extent, charged to Profit and Loss Account.
- (2) If, and to the extent, credited to Profit and Loss Account.
- (3) In the proportion of Indian Gross Profit (Item No. 7) to Total World Gross Profit (as per consolidated Profit and Loss Account, adjusted as in item No. 2 above only.)

THE SECOND SCHEDULE

[See section 4 (b)]

COMPUTATION OF GROSS PROFITS

Accounting Year ending.....

Item No.	Particulars	Amount of		Remarks
		sub-items	main Items	
		Rs.	Rs.	
1.	Net Profit as per Profit and Loss Account.			
2.	Add back provision for :			
	(a) Bonus to employees.			
	(b) Depreciation.			
	(c) Direct taxes, including the provision (if any) for previous accounting years.			
	(d) Development rebate/ Development allowance reserve.			See foot-note (1)
	(e) Any other reserves.			See foot-note (1)
	Total of Item No. 2	Rs.		
3.	Add back also:			
	(a) Bonus paid to employees in respect of previous accounting years.			See foot-note (1)
	(b) Donations in excess of the amount admissible for income-tax.			
	(c) Any annuity due, or commuted value of any annuity paid, under the provisions of section 280D of the Income-tax Act during the accounting year.			

Item No.	Particulars	Amount of sub-items	Amount of main Items	Remarks
		Rs.	Rs.	
	(d) Capital expenditure (other than capital expenditure on scientific research which is allowed as a deduction under any law for the time being in force relating to direct taxes) and capital losses (other than losses on sale of capital assets on which depreciation has been allowed for income-tax or agricultural income-tax).			See foot-note (1)
	(e) Losses of, or expenditure relating to, any business situated outside India.			
	Total of Item No. 3	Rs.		
4.	<i>Add also</i> Income, profits or gains (if any) credited directly to reserves, <i>other than—</i>			
	(i) capital receipts and capital profits (including profits on the sale of capital assets on which depreciation has not been allowed for income-tax or agricultural income-tax).			
	(ii) profits of, and receipts relating to, any business situated outside India;			

Item No.	Particulars	Amount of sub-items	Amount of main Items	Remarks
		Rs.	Rs.	
	(iii) income of foreign concerns from investments outside India.			
	Net total of Item No. 4	Rs.		
5.	Total of Item Nos. 1, 2, 3 and 4.		Rs.	
6.	<i>Deduct :</i>			
	(a) Capital receipts and capital profits (other than profits on the sale of assets on which depreciation has been allowed for income-tax or agricultural income-tax).			<i>See foot-note (2)</i>
	(b) Profits of, and receipts relating to, any business situated outside India.			<i>See foot-note (2)</i>
	(c) Income of foreign concerns from investments outside India.			<i>See foot-note (2)</i>
	(d) Expenditure or losses (if any) debited directly to reserves, <i>other than—</i>			
	(i) capital expenditure and capital losses (other than losses on sale of capital assets on which depreciation has not been allowed for			

Item No.	Particulars	Amount of	Amount of	Remarks
		sub-items	main Items	
		Rs	Rs.	
	income-tax or agricultural income-tax);			
	(ii) losses of any business situated outside India.			
	(e) In the case of foreign concerns proportionate administrative (overhead) expenses of Head Office allocable to Indian business.			See foot-note (3)
	(f) Refund of any direct tax paid for previous accounting years and excess provision, if any, of previous accounting years relating to bonus, depreciation, taxation or development rebate or development allowance, if written back.			See foot-note (2)
	(g) Subsidy, if any, received from Government or from any body corporate established by any law for the time being in force.			
	Total of Item No. 6	Rs.		
7.	Gross Profits for purposes of bonus (Item No. 5 minus Item No. 6)		Rs.	

Foot-notes—

- (1) If, and to the extent, charged to Profit and Loss Account.
- (2) If, and to the extent, credited to Profit and Loss Account.
- (3) In the proportion of Indian Gross Profit (Item No. 7) to Total World Gross Profit (as per Consolidated Profit and Loss Account, adjusted as in Item No. 2 above only).

THE THIRD SCHEDULE

[See section 6 (d)]

Item No.	Category of employer	Further sums to be deducted
(1)	(2)	(3)
1.	Company, other than a banking company.	<p>(i) The dividends payable on its preference share capital for the accounting year calculated at the actual rate at which such dividends are payable ;</p> <p>(ii) 8.5 per cent. of its paid up equity share capital as at the commencement of the accounting year ;</p> <p>(iii) 6 per cent. of its reserves shown in its balance-sheet as at the commencement of the accounting year, including any profits carried forward from the previous accounting year :</p> <p>Provided that where the employer is a foreign company within the meaning of section 591 of the Companies Act, 1956, the total amount to be deducted under this Item shall be 8.5 per cent. on the aggregate of the value of the net fixed assets and the current assets of the company in India after deducting the amount of its current liabilities (other than any amount shown as payable by the company to its Head Office whether towards any advance made by the Head Office or otherwise or any interest paid by the company to its Head Office) in India.</p>
2.	Banking company.	<p>(i) The dividends payable on its preference share capital for the accounting year calculated at the rate at which such dividends are payable ;</p> <p>(ii) 7.5 per cent. of its paid up equity share capital as at the commencement of the accounting year ;</p>

1 of 1956.

Item No.	Category of employer	Further sums to be deducted
(1)	(2)	(3)
10 of 1949.		<p>(iii) 5 per cent. of its reserves shown in its balance-sheet as at the commencement of the accounting year, including any profits carried forward from the previous accounting year ;</p> <p>(iv) any sum which, in respect of the accounting year, is transferred by it—</p> <p>(a) to a reserve fund under subsection (1) of section 17 of the Banking Companies Act, 1949 ; or</p> <p>(b) to any reserves in India in pursuance of any direction or advice given by the Reserve Bank of India, whichever is higher :</p>
1 of 1956		<p>Provided that where the banking company is a foreign company within the meaning of section 591 of the Companies Act, 1956, the amount to be deducted under this Item shall be the aggregate of—</p> <p>(i) the dividends payable to its preference shareholders for the accounting year at the rate at which such dividends are payable on such amount as bears the same proportion to its total preference share capital as its total working funds in India bear to its total world working funds ;</p> <p>(ii) 7.5 per cent. of such amount as bears the same proportion to its total paid up equity share capital as its total working funds in India bear to its total world working funds ;</p> <p>(iii) 5 per cent. of such amount as bears the same proportion to its total disclosed reserves as its total working funds in India bear to its total world working funds ;</p>

Item No.	Category of employer	Further sums to be deducted
(1)	(2)	(3)
		(iv) any sum which, in respect of the accounting year, is deposited by it with the Reserve Bank of India under sub-clause (ii) of clause (b) of sub-section (2) of section 11 of the Banking Companies Act, 1949, ^{10 of 1949.} not exceeding the amount required under the aforesaid provision to be so deposited.
3.	Corporation	(i) 8.5 per cent. of its paid up capital as at the commencement of the accounting year ; (ii) 6 per cent. of its reserves, if any, shown in its balance-sheet as at the commencement of the accounting year, including any profits carried forward from the previous accounting year.
4.	Co-operative Society	(i) 8.5 per cent. of the capital invested by such society in its establishment as evidenced from its books of accounts at the commencement of the accounting year ; (ii) such sum as has been carried forward in respect of the accounting year to a reserve fund under any law relating to co-operative societies for the time being in force.
5.	Any other employer not falling under any of the aforesaid categories.	8.5 per cent. of the capital invested by him in his establishment as evidenced from his books of accounts at the commencement of the accounting year :

Provided that where such employer is a person to whom Chapter XXIIA of the Income-tax Act applies, the annuity deposit payable by him under the provisions of that Chapter during the accounting year shall also be deducted :

Item No.	Category of employer	Further sums to be deducted
(1)	(2)	(3)

Provided further that where such employer is a firm, an amount equal to 25 per cent. of the gross profits derived by it from the establishment in respect of the accounting year after deducting depreciation in accordance with the provisions of clause (a) of section 6 by way of remuneration to all the partners taking part in the conduct of business of the establishment shall also be deducted, but where the partnership agreement, whether oral or written, provides for the payment of remuneration to any such partner and—

- (i) the total remuneration payable to all such partners is less than the said 25 per cent. the amount payable, subject to a maximum of forty-eight thousand rupees to each such partner ; or
- (ii) the total remuneration payable to all such partners is higher than the said 25 per cent., such percentage, or a sum calculated at the rate of forty-eight thousand rupees to each such partner, whichever is less,

shall be deducted under this proviso ;

Provided also that where such employer is an individual or a Hindu undivided family,—

- (i) an amount equal to 25 per cent. of the gross profits derived by such employer from the establishment in respect of the accounting year after deducting depreciation in accordance with the provisions of clause (a) of section 6 ; or
- (ii) forty-eight thousand rupees, whichever is less, by way of remuneration to such employer, shall also be deducted.

Item No.	Category of employer	Further sums to be deducted
(1)	(2)	(3)
6.	Any employer falling under Item No. 1 or Item No. 3 or Item No. 4 or Item No. 5 and being a licensee within the meaning of the Electricity Supply Act, 1948.	In addition to the sums deductible under any of the aforesaid Items, such sums as are required to be appropriated by the licensee in respect of the accounting year to a reserve under the Sixth Schedule to that Act shall also be deducted.

54 of 1948.

Explanation.—The expression “reserves” occurring in column (3) against Item Nos. 1(ii), 2(iii) and 3(ii) shall not include any amount set apart for the purpose of—

(i) payment of any direct tax which, according to the balance-sheet, would be payable ;

(ii) meeting any depreciation admissible in accordance with the provisions of clause (a) of section 6 ;

(iii) payment of dividends which have been declared,

but shall include—

(a) any amount, over and above the amount referred to in clause (i) of this *Explanation*, set apart as specific reserve for the purpose of payment of any direct tax ; and

(b) any amount set apart for meeting any depreciation in excess of the amount admissible in accordance with the provisions of clause (a) of section 6.

THE FOURTH SCHEDULE

(See section 15)

In this Schedule, the total amount of bonus equal to four per cent. of the annual salary or wage payable to all the employees is assumed to be Rs. 50,000. Accordingly, the maximum bonus to which all the employees

Not Corrected: See India Code

OF 1965]

Payment of Bonus

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are entitled to be paid (twenty per cent. of the annual salary or wage of all the employees) would be Rs. 2,50,000.

Year	Amount equal to sixty per cent. or sixty-seven per cent., as the case may be, of available surplus allocable as bonus	Amount payable as bonus	Set on or set off of the year carried forward	Total set on or set off carried forward	of (year)
(1)	(2)	(3)	(4)	(5)	
	Rs.	Rs.	Rs.	Rs.	
1	70,000	70,000	Nil	Nil	
2	6,35,000	2,50,000*	Set on 2,50,000*	Set on 2,50,000	(2)
3	2,20,000	2,50,000* (inclusive of 30,000 from year-2)	Nil	Set on 2,20,000	(2)
4	3,75,000	2,50,000*	Set on 1,25,000	Set on 2,20,000 1,25,000	(2) (4)
5	1,40,000	2,50,000* (inclusive of 1,10,000 from year-2)	Nil	Set on 1,10,000 1,25,000	(2) (4)
6	3,10,000	2,50,000*	Set on 60,000	Set on Nil† 1,25,000 60,000	(2) (4) (6)
7	1,00,000	2,50,000* (inclusive of 1,25,000 from year- 4 and 25,000 from year-6)	Nil	Set on 35,000	(6)
8	Nil (due to loss)	50,000** (inclusive of 35,000 from year-6).	Set off 15,000	Set off 15,000	(8)

NOTES—

*Maximum.

†The balance of Rs. 1,10,000 set on from year-2 lapses.

**Minimum.

Not Corrected: See India Costs

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Payment of Bonus

[ACT 21 of 1965]

Year	Amount equal to sixty per cent. or sixty-seven per cent., as the case may be, of available surplus allocable as bonus	Amount payable as bonus	Set on or set off of the year carried forward	Total set on or set off carried forward	
(1)	(2)	(3)	(4)	(5)	
	Rs.	Rs.	Rs.	Rs.	of (year)
9.	10,000	50,000**	Set off 40,000	Set off 15,000 40,000	(8) (9)
10.	2,15,000	1,60,000 (after setting off 15,000 from year-8 and 40,000 from year-9).	Nil	Nil	

**Minimum.

THE EMPLOYEES' PROVIDENT FUNDS
(AMENDMENT) ACT, 1965

No. 22 OF 1965

[25th September, 1965]

An Act further to amend the Employees' Provident Funds
Act, 1952

BE it enacted by Parliament in the Sixteenth Year of the
Republic of India as follows:—

1. (1) This Act may be called the Employees' Provident Funds Short
(Amendment) Act, 1965. Short
title and
commence-
ment.

(2) It shall be deemed to have come into force on the 24th day
of November, 1964.

19 of 1952. 2. In section 2 of the Employees' Provident Funds Act, 1952, in Amend-
sub-clause (i) of clause (a), after the words "a controlled industry," ment of
the words "or in relation to an establishment having departments or section 2.
branches in more than one State," shall be inserted.

THE BANKING LAWS (APPLICATION TO
CO-OPERATIVE SOCIETIES) ACT, 1965

No. 23 OF 1965

[25th September, 1965]

An Act further to amend the Reserve Bank of India Act, 1934 and the Banking Companies Act, 1949 for the purpose of regulating the banking business of certain co-operative societies and for matters connected therewith.

BE it enacted by Parliament in the Sixteenth Year of the Republic of India as follows:—

CHAPTER I

Short title and commencement.

1. (1) This Act may be called the Banking Laws (Application to Co-operative Societies) Act, 1965.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint, and different dates may be appointed for different provisions of this Act.

CHAPTER II

AMENDMENT OF THE RESERVE BANK OF INDIA ACT, 1934

Amendment of section 2.

2. ~~In section 2 of the Reserve Bank of India Act, 1934 (hereinafter 2 of 1934 in this Chapter referred to as the principal Act),—~~

(i) clauses (a) and (aa) shall be re-lettered as clauses (ai) and (aⁱⁱ) respectively, and before clause (ai) as so re-lettered, the following clause shall be inserted, namely:—

‘(a) “agricultural operations” includes animal husbandry and allied activities jointly undertaken with agricultural operations;’;

(ii) for clause (bb), the following clauses shall be substituted, namely:—

‘(bi) “central co-operative bank” means the principal co-operative society in a district in a State, the primary object of which is the financing of other co-operative societies in that district:

3 xxx
1-3-1966: vide Notifn. No. S.O. 87 dt. 31-12-1965,
Gov. of India, Pt. II, Sec. 3(ii), p. 96.
Sections 2 to 10, rep. by Act 56 of 1974, s. 2 & Sch. I

Provided that in addition to such principal society in a district or where there is no such principal society in a district, the State Government may declare any one or more co-operative societies carrying on the business of financing other co-operative societies in that district to be a central co-operative bank or banks within the meaning of this definition;

(bii) "co-operative bank" means a State co-operative bank, a central co-operative bank and a primary co-operative bank;

(biii) "co-operative credit society" means a co-operative society, the primary object of which is to provide financial accommodation to its members and includes a co-operative land mortgage bank;

(biv) "co-operative society" means a society registered, or deemed to be registered, under the Co-operative Societies Act, 1912 or any other law relating to co-operative societies for the time being in force in any State:

(bv) "crops" includes products of agricultural operations;

(iii) clauses (bbb) and (bbbb) shall be re-lettered as clauses (bvi) and (bvii) respectively, and after clause (bvii) as so re-lettered, the following clause shall be inserted, namely:—

(bviii) "director", in relation to a co-operative society, includes a member of any committee or body for the time being vested with the management of the affairs of that society;

(iv) after clause (c), the following clauses shall be inserted, namely:—

(ci) "marketing of crops" includes the processing of crops prior to marketing by agricultural producers or any organization of such producers;

(cii) "primary agricultural credit society" means a co-operative society,

(1) the primary object or principal business of which is to provide financial accommodation to its members for agricultural purposes or for purposes connected with agricultural activities (including the marketing of crops); and

(2) the bye-laws of which do not permit admission of any other co-operative society as a member;

(ciii) "primary co-operative bank" means a co-operative society, other than a primary agricultural credit society,—

(1) the primary object or principal business of which is the transaction of banking business;

(2) the paid-up share capital and reserves of which are not less than one lakh of rupees; and

(3) the bye-laws of which do not permit admission of any other co-operative society as a member;

(civ) "primary credit society" means a co-operative society, other than a primary agricultural credit society,—

(1) the primary object or principal business of which is the transaction of banking business;

(2) the paid-up share capital and reserves of which are less than one lakh of rupees; and

(3) the bye-laws of which do not permit admission of any other co-operative society as a member.

Explanation.—If any dispute arises as to the primary object or principal business of any co-operative society referred to in this clause or clause (cii) or clause (ciii), a determination thereof by the Bank shall be final;

(v) clause (ee) shall be re-lettered as clause (ei);

(vi) in clause (f), for the words beginning with "the principal society" and ending with "are deemed to be so registered", the words "the principal co-operative society in a State, the primary object of which is the financing of other co-operative societies in the State" shall be substituted.

Amend-
ment of
section 10

3. In section 10 of the principal Act, for clause (e) of sub-section (1), the following clause shall be substituted, namely:—

"(e) is a director of a banking company within the meaning of clause (c) of section 5 of the Banking Companies Act, 1949, 10 of 1949, or of a co-operative bank."

Amend-
ment of
of section

4. In section 17 of the principal Act, in clause (2), *Explanation* to sub-clause (b) shall be omitted.

Amend-
ment of
section 18.

5. In section 18 of the principal Act, in clause (3) of sub-section (1), after the words and figures "the Banking Companies Act, 1949", the words "or to a State co-operative bank or, on the recommendation of the State co-operative bank, to any other co-operative bank" shall be inserted.

6. In section 42 of the principal Act,—

Amend-
ment of
section 42.

(i) in sub-section (1), for clause (c) of the Explanation, the following clause shall be substituted, namely:—

'(c) "liabilities" shall not include—

(i) the paid-up capital or the reserves or any credit balance in the profit and loss account of the bank,

(ii) the amount of any loan taken from the Bank or from the Development Bank or from the Agricultural Refinance Corporation or from the State Bank or from any other bank notified by the Central Government in this behalf, and

(iii) in the case of a State co-operative bank, also any loan taken by such bank from a State Government and any deposit of money with such bank representing the reserve fund or any part thereof required to be maintained with it by any co-operative society within its area of operation;";

(ii) in sub-section (6), in sub-clause (iii) of clause (a), for the words "is a company", the words "is a State co-operative bank or a company" shall be substituted.

7. Section 44 of the principal Act shall be omitted.

Omission
of section
44.

8. In section 45H of the principal Act, after the words and figures "section 51 of that Act", the words "or a co-operative bank or a primary agricultural credit society or a primary credit society" shall be inserted.

Amend-
ment of
section
45H.

9. In section 45I of the principal Act, in clause (e), after the word "corporation,", the words "co-operative society" shall be inserted.

Amend-
ment of
section
151.

CHAPTER III

AMENDMENT OF THE BANKING COMPANIES ACT, 1949

10 of 1949.

10. In the Banking Companies Act 1949 (hereinafter in this Chapter referred to as the principal Act), in the long title and in the preamble, the word "companies" shall be omitted.

Amend-
ment of
long title
and pre-
amble.

Amend-
ment of
section 1.

~~11. (1) In section 1 of the principal Act, in sub-section (1), for the word "Companies", the word "Regulation" shall be substituted.~~ ✓/xxx

(2) Any reference to the Banking Companies Act, 1949 in any law for the time being in force, or in any instrument or other document, shall be construed as a reference to the Banking Regulation Act, 1949.

Substitu-
tion of
new sec-
tion for
section 3.

~~12. For section 3 of the principal Act, the following section shall be substituted, namely:—~~

Act to
apply to
co-opera-
tive
societies
in certain
cases.

"3. Nothing in this Act shall apply to—

- (a) a primary agricultural credit society;
- (b) a co-operative land mortgage bank; and
- (c) any other co-operative society, except in the manner and to the extent specified in Part V."

Amend-
ment of
section 18.

13. In section 18 of the principal Act, in clause (b) of the *Explanation*, for the words "the Refinance Corporation for Industry Limited," the words "the Industrial Development Bank of India or from the Agricultural Refinance Corporation" shall be substituted.

Insertion
of new
Part V.

14. In the principal Act, after Part IV, the following Part shall be inserted, namely:—

PART V

APPLICATION OF THE ACT TO CO-OPERATIVE BANKS

Act to
apply to
co-opera-
tive
societies
subject to
modifica-
tions.

56. The provisions of this Act, as in force for the time being, shall apply to, or in relation to, co-operative societies as they apply to, or in relation to, banking companies subject to the following modifications, namely:—

(a) Throughout this Act, unless the context otherwise requires,—

(i) references to a "banking company" or "the company" or "such company" shall be construed as references to a co-operative bank,

✓.S. II (1) and 12 to 14, rep. by Act 56 of 1974, S. 2 & Sch. I.

(i) references to "commencement of this Act" shall be construed as references to commencement of the Banking Laws (Application to Co-operative Societies) Act, 1965;

(b) in section 2, the words and figures "the Companies Act, 1956, and" shall be omitted;

(c) in section 5,—

(i) after clause (cc), the following clause shall be inserted, namely:—

'(ccc) "central co-operative bank", "co-operative bank", "co-operative society", "director", "primary agricultural credit society", "primary co-operative bank", "primary credit society" and "State co-operative bank" shall have the meanings respectively assigned to them in the Reserve Bank of India Act, 1934';

(ii) clauses (ff) and (h) shall be omitted;

(d) for section 5A, the following section shall be substituted, namely:—

"5A. (1) The provisions of this Part shall have effect, notwithstanding anything to the contrary contained in the bye-laws of a co-operative society, or in any agreement executed by it, or in any resolution passed by it in general meeting, or by its Board of directors or other body entrusted with the management of its affairs, whether the same be registered, executed or passed, as the case may be, before or after the commencement of the Banking Laws (Application to Co-operative Societies) Act, 1965. Act to override bye-laws etc.

(2) Any provision contained in the bye-laws, agreement or resolution aforesaid shall, to the extent to which it is repugnant to the provisions of this Part, become or be void, as the case may be.;"

(e) in section 6, in sub-section (1),—

(i) in clause (b), the words "but excluding the business of a managing agent or secretary and treasurer of a company" shall be omitted;

(ii) in clause (d), after the word "company," the words "co-operative society," shall be inserted;

(iii) in clause (m), after the word "company", the words "or co-operative society" shall be inserted;

(f) for section 7, the following section shall be substituted, namely:—

Use of word "bank", "banker" or "banking".

7. (1) No co-operative society other than a co-operative bank shall use as part of its name any of the words "bank", "banker" or "banking" and no co-operative society shall carry on the business of banking in India unless it uses as part of its name at least one of such words.

(2) Nothing in this section shall apply to—

(a) a primary credit society, or

(b) a co-operative society formed for the protection of the mutual interests of co-operative banks or co-operative land mortgage banks.;

(g) section 10 shall be omitted;

(h) for section 11, the following section shall be substituted, namely:—

Requirement as to minimum paid-up capital and reserves.

11. (1) Notwithstanding any law relating to co-operative societies for the time being in force, no co-operative bank shall commence or carry on the business of banking in India unless the aggregate value of its paid-up capital and reserves is not less than one lakh of rupees:

Provided that nothing in this sub-section shall apply to—

(a) any such bank which is carrying on such business at the commencement of the Banking Laws (Application to Co-operative Societies) Act, 1965, for a period of three years from such commencement; or

(b) to a primary credit society which becomes a primary co-operative bank after such commencement, for a period of two years from the date it so becomes a primary co-operative bank or for such further period not exceeding one year as the Reserve Bank, having regard to the interests of the depositors of the primary co-operative bank, may think fit in any particular case to allow.

(2) For the purposes of this section, "value" means the real or exchangeable value and not the nominal value which may be shown in the books of the co-operative bank concerned.

(3) If any dispute arises in computing the aggregate value of the paid-up capital and reserves of any such co-operative bank, a determination thereof by the Reserve Bank shall be final for the purposes of this section.;

(i) sections 12, 12A, 13 and 15 to 17 shall be omitted;

(j) for section 18, the following section shall be substituted, namely:—

18. Every co-operative bank, not being a State co-operative bank for the time being included in the Second Schedule to the Reserve Bank of India Act, 1934, shall maintain in India, by way of cash reserve with itself or in current account opened with the Reserve Bank or the State Bank of India or the State co-operative bank of the State concerned or with any other bank notified by the Central Government in this behalf or, in the case of a primary co-operative bank, with the central co-operative bank of the district concerned or partly in cash with itself and partly in such account or accounts, a sum equivalent to at least three per cent. of the total of its time and demand liabilities in India, and shall submit to the Reserve Bank before the 15th day of every month a return showing the amount so held on Friday of each week of the preceding month with particulars of its time and demand liabilities in India on each such Friday, or, if any such Friday is a public holiday under the Negotiable Instruments Act, 1881, at the close of business on the preceding working day.

Explanation.—In this section and section 24, "liabilities in India" shall not include,—

(a) the paid-up capital or the reserves or any credit balance in the profit and loss account of the co-operative bank;

(b) any advance taken from a State Government, the Reserve Bank, the State Bank of India, the Industrial Development Bank of

India, the Agricultural Refinance Corporation or any bank notified by the Central Government under clause (c) of the *Explanation* to sub-section (1) of section 42 of the Reserve Bank of India Act, 1934; **§ of 1934.**

(c) in the case of a central co-operative bank, also any advance taken by it from the State co-operative bank of the State concerned and any deposit of money with it representing the reserve fund or any part thereof required to be maintained with it by any other co-operative society within the area of its operation;

(d) in the case of a primary co-operative bank, also any advance taken by it from the State co-operative bank of the State concerned or the central co-operative bank of the district concerned.;

(k) for section 19, the following section shall be substituted, namely:—

“19. No co-operative bank shall hold shares in any other co-operative society except to such extent and subject to such conditions as the Reserve Bank may specify in that behalf:

Provided that nothing contained in this section shall apply to—

(i) shares acquired through funds provided by the State Government for that purpose;

(ii) in the case of a central co-operative bank, the holding of shares in the State co-operative bank to which it is affiliated;

(iii) in the case of a primary co-operative bank, the holding of shares in the central co-operative bank to which it is affiliated or in the State co-operative bank of the State in which it is registered:

Provided further that where any shares are held by a co-operative bank in contravention of this section at the commencement of the Banking Laws (Application to Co-operative Societies) Act, 1965, the co-operative bank shall without delay report the matter to the Reserve Bank and shall, notwithstanding anything contained in this section, be entitled to hold the shares for

Restriction on holding shares in other co-operative societies.

such period and on such conditions as the Reserve Bank may specify.”;

(l) in section 20, in sub-section (1),—

(i) the words and figures “Notwithstanding anything to the contrary contained in section 77 of the Companies Act, 1956,” shall be omitted;

(ii) for the proviso, the following proviso shall be substituted, namely:—

“Provided that nothing in clause (b) shall apply to the grant of unsecured loans or advances—

(a) made by a co-operative bank—

(i) against bills for supplies or services made or rendered to Government or bills of exchange arising out of *bona fide* commercial or trade transactions, or

(ii) in respect whereof trust-receipts are furnished to the co-operative bank;

(b) made by a primary co-operative bank to any of its directors within such limits and on such terms and conditions as may be approved by the Reserve Bank in this behalf.”;

(m) in section 20A, in sub-section (1), the words and figures “Notwithstanding anything to the contrary contained in section 293 of the Companies Act, 1956,” shall be omitted;

(n) in section 21, in sub-section (2), in clauses (c) and (d), for the words “any one company, firm, association of persons of individual”, the words “any one party” shall be substituted;

(o) in section 22,—

(i) for sub-sections (1) and (2), the following sub-sections shall be substituted, namely:—

“(1) Save as hereinafter provided, no co-operative society shall carry on banking business in India unless—

(a) it is a primary credit society, or

1 of 1956.

1 of 1956.

(b) it is a co-operative bank and holds a licence issued in that behalf by the Reserve Bank, subject to such conditions, if any, as the Reserve Bank may deem fit to impose:

Provided that nothing in this sub-section shall apply to a co-operative society, not being a primary credit society or a co-operative bank carrying on banking business at the commencement of the Banking Laws (Application to Co-operative Societies) Act, 1965, for a period of one year from such commencement.

(2) Every co-operative society carrying on business as a co-operative bank at the commencement of the Banking Laws (Application to Co-operative Societies) Act, 1965, shall before the expiry of three months from such commencement, every primary credit society which becomes a primary co-operative bank after such commencement shall before the expiry of three months from the date on which it so becomes a primary co-operative bank and every co-operative society other than a primary credit society shall before commencing banking business in India, apply in writing to the Reserve Bank for a licence under this section:

Provided that nothing in clause (b) of sub-section (1) shall be deemed to prohibit a co-operative society carrying on business as a co-operative bank at the commencement of the Banking Laws (Application to Co-operative Societies) Act, 1965, and a primary credit society which becomes a primary co-operative bank after such commencement, from carrying on banking business until it is granted a licence in pursuance of this section or is by notice in writing informed by the Reserve Bank that a licence cannot be granted to it";

(ii) in sub-section (3), clause (c) shall be omitted;

(p) in section 23, for sub-section (1), the following sub-section shall be substituted, namely:—

“(1) Without obtaining the prior permission of the Reserve Bank, no co-operative bank shall open a new

place of business or change otherwise than within the same city, town or village, the location of an existing place of business :

Provided that nothing in this sub-section shall apply to—

(a) the opening for a period not exceeding one month of a temporary place of business within a city, town or village or the environs thereof within which the co-operative bank already has a place of business, for the purpose of affording banking facilities to the public on the occasion of an exhibition, a conference or a mela or any other like occasion;

(b) the opening of branches by a central co-operative bank within the area of its operation.”;

(q) in section 24,—

(i) in sub-section (1), the words “After the expiry of two years from the commencement of this Act,” shall be omitted;

(ii) for sub-sections (2) and (2A), the following sub-sections shall be substituted, namely:—

“(2) In computing the amount for the purposes of sub-section (1),—

(a) any balances maintained in India by a co-operative bank in current account with the Reserve Bank or the State Bank of India or with any other bank which may be notified in this behalf by the Central Government, including in the case of a State co-operative bank, the balance required under section 42 of the Reserve Bank of India Act, 1934, to be so maintained,

(b) any balances maintained by a central co-operative bank with the State co-operative bank of the State concerned, and

(c) any balances maintained by a primary co-operative bank with the central co-operative bank of the district concerned or with the State co-operative bank of the State concerned,

shall be deemed to be cash maintained in India.

(2A) (a) Notwithstanding anything contained in sub-section (1) or in sub-section (2), after the

expiry of two years from the commencement of the Banking Laws (Application to Co-operative Societies) Act, 1965, or of such further period not exceeding one year as the Reserve Bank, having regard to the interests of the co-operative bank concerned, may think fit in any particular case to allow,—

(i) a State co-operative bank, in addition to the average daily balance which it is, or may be, required to maintain under section 42 of the Reserve Bank of India Act, 1934, and

2 of 1934.

(ii) every other co-operative bank, in addition to the cash reserve which it is required to maintain under section 18,

shall maintain in India in cash, gold or unencumbered approved securities, valued at a price not exceeding the current market price, an amount which shall not at the close of business on any day be less than twenty-five per cent. of the total of its demand and time liabilities in India;

(b) in computing the amount for the purposes of clause (a),—

(i) any cash or balances maintained in India by a co-operative bank, other than a State co-operative bank, with itself or in current account with the Reserve Bank or the State Bank of India or the State co-operative bank of the State concerned or with any other bank which may be notified in this behalf by the Central Government and, in the case of a primary co-operative bank, also any balances maintained with the central co-operative bank of the district concerned, in excess of the aggregate of the cash or balance or both required to be maintained under section 18, and

(ii) any balance maintained by a State co-operative bank with the Reserve Bank in excess of the balance required to be maintained by it under section 42 of the Reserve Bank of India Act, 1934, and any balances maintained by a State co-operative bank with the State Bank of India or with any other bank which may

be notified in this behalf by the Central Government,

shall be deemed to be cash maintained in India.”;

(r) section 25 shall be omitted;

(s) for sections 29 and 30, the following section shall be substituted, namely:—

“29. (1) At the expiration of each year ending with the 30th day of June, every co-operative bank, in respect of all business transacted by it, shall prepare with reference to that year a balance-sheet and profit and loss account as on the last working day of the year in the Forms set out in the Third Schedule or as near thereto as circumstances admit.

Accounts
and
balance-
sheet.

(2) The balance-sheet and profit and loss account shall be signed by the manager or the principal officer of the bank and where there are more than three directors of the bank, by at least three of those directors, or where there are not more than three directors, by all the directors.

(3) The Central Government, after giving not less than three months' notice of its intention so to do by a notification in the Official Gazette, may from time to time by a like notification amend the Forms set out in the Third Schedule.”;

(t) in section 31, for the words “within three months” and “of three months”, the words “within six months” and “of six months” shall respectively be substituted;

(u) sections 32 to 34 shall be omitted;

(v) in section 34A, sub-section (3) shall be omitted;

(w) in section 35,—

(i) in sub-section (1),—

(a) for the words and figures “section 235 of the Companies Act, 1956”, the words “any law relating to co-operative societies for the time being in force” shall be substituted;

(b) the following proviso shall be inserted at the end, namely:—

“Provided that the Reserve Bank may, if it considers necessary or expedient so to do, cause an inspection to be made of a primary co-operative bank under this sub-section by one or

more officers of a State co-operative bank in the State in which such primary co-operative bank carries on business.”;

(ii) in sub-section (4), clause (b) shall be omitted;

(iii) the *Explanation* shall be omitted;

(x) in section 35A, in sub-section (1), in clause (c), for the words “any banking company”, the words “the banking business of any co-operative bank” shall be substituted;

(y) section 35B shall be omitted;

(z) in section 36, in sub-section (1), clauses (b) and (d) shall be omitted;

(za) in section 36A,—

(i) for sub-section (1), the following sub-section shall be substituted, namely:—

“(1) The provisions of section 11, section 18 and section 24 shall not apply to a co-operative bank which has been refused a licence under section 22 or whose licence has been cancelled under that section or which is or has been prohibited or precluded from accepting deposits by virtue of any order made under this Act or of any alteration made in its bye-laws.”;

(ii) after sub-section (2), the following sub-section shall be inserted, namely:—

“(3) Subject to the provisions of sub-sections (1) and (2), a co-operative society carrying on business as a primary co-operative bank at the commencement of the Banking Laws (Application to Co-operative Societies) Act, 1965, or a co-operative society which becomes a primary co-operative bank after such commencement shall, notwithstanding that it does not at any time thereafter satisfy the requirements of the definition of primary co-operative bank in clause (ccc) of section 5, continue to be a primary co-operative bank within the meaning of this Act, and may, with the approval of the Reserve Bank and subject to such terms and conditions as the Reserve Bank may specify in that behalf, continue to carry on the business of banking.”;

(zb) Part IIA, Part III, except sub-sections (1), (2) and (3) of section 45, and Part IIIA except section 45W shall be omitted;

(zc) in section 46, in clause (a) of the *Explanation*, after the words "includes a", the words "co-operative society," shall be inserted;

(zd) in section 47, the words, brackets, figures and letters "sub-section (5) of section 36AA or" shall be omitted;

(ze) section 49 shall be omitted;

(zf) in section 49A, for the proviso, the following proviso shall be substituted, namely:—

"Provided that nothing contained in this section shall apply to—

(a) a primary credit society,

(b) any other co-operative society accepting such deposits at the commencement of the Banking Laws (Application to Co-operative Societies) Act, 1965, for a period of one year from the date of such commencement; and

(c) any savings bank scheme run by the Government.";

(zg) sections 49B and 49C shall be omitted;

(zh) in section 50, the figures and letters "10, 12A, 16," "35B," and "43A" shall be omitted;

(zi) section 51 shall be omitted;

(zj) in section 52,—

(i) in sub-section (2), the words, figures and letter "and the form in which the official liquidator may file lists of debtors to the Court having jurisdiction under Part III or Part IIIA and the particulars which such lists may contain" shall be omitted;

(ii) sub-section (4) shall be omitted;

(zk) for section 55 and the First Schedule, the following section shall be substituted, namely:—

"55. (1) The Bankers' Books Evidence Act, 1891 shall apply in relation to a co-operative bank as it applies in relation to a bank as defined in section 2 of that Act.

(2) The Banking Companies (Legal Practitioners' Clients' Accounts) Act, 1949 shall apply in relation to a co-operative bank as it applies in relation to a banking company as defined in section 2 of that Act.";

Act 18 of 1891 and Act 46 of 1949 to apply in relation to co-operative banks.

2. RESERVE FUND AND OTHER RESERVES :

- (i) Statutory Reserve
- (ii) Agricultural (Credit Stabilization Fund)
- (iii) Building Fund
- (iv) Dividend Equalization Fund
- (v) Special Bad Debts Reserve
- (vi) Bad and Doubtful Debts Reserve
- (vii) Investment Depreciation Reserve
- (viii) Other Funds and Reserves (to be specified)

3. PRINCIPAL/SUBSIDIARY STATE PARTNERSHIP FUND ACCOUNT :

For share capital of :

- (i) Central co-operative banks
- (ii) Primary agricultural credit societies
- (iii) Other societies

4. DEPOSITS AND OTHER ACCOUNTS :

- (i) Fixed deposits*
 - (a) Individuals**
 - (b) Central co-operative banks
 - (c) Other societies
- (ii) Savings Bank Deposits
 - (a) Individuals**
 - (b) Central co-operative banks
 - (c) Other societies
- (iii) Current deposits
 - (a) Individuals**
 - (b) Central co-operative banks
 - (c) Other societies
- (iv) Money at call and short notice

(iv) Other investments (to be specified)

5. INVESTMENTS OUT OF THE PRINCIPAL/SUBSIDIARY STATE PARTNERSHIP FUND :

In shares of :

- (i) Central co-operative banks
- (ii) Primary agricultural credit societies
- (iii) Other societies

6. ADVANCES† :

(i) Short-term loans, cash credits, overdrafts and bills discounted

Of which secured against :

- (a) Government and other approved securities
- (b) Other tangible securities @

Of the advances, amount due from individuals

Of the advances, amount overdue

Considered bad and doubtful of recovery

(ii) Medium-term loans

Of which secured against :

- (a) Government and other approved securities
- (b) Other tangible securities@

CAPITAL AND LIABILITIES		PROPERTY AND ASSETS	
	Rs. P.	Rs. P.	
<p>5. BORROWINGS†</p> <p>(i) From the Reserve Bank of India/State/ Central co-operative bank :</p> <p>(a) Short-term loans, cash credits and overdrafts</p> <p>Of which secured against :</p> <p>(A) Government and other approved securities</p> <p>(B) Other tangible securi- ties@</p> <p>(b) Medium-term loans of which secured against :</p> <p>(A) Government and other approved securities .</p> <p>(B) Other tangible securi- ties@</p> <p>(c) Long-term loans</p> <p>Of which secured against :</p> <p>(A) Government and other approved securities</p> <p>(B) Other tangible securi- ties@</p>		<p>Of the advances, amount due from individuals</p> <p>Of the advances, amount overdue :</p> <p>Considered bad and doubtful of recovery</p> <p>(iii) Long-term loans</p> <p>Of which secured against :</p> <p>(a) Government and other ap- proved securities</p> <p>(b) Other tangible securities@ .</p> <p>Of the advances, amount due from individuals</p> <p>Of the advances, amount overdue .</p> <p>Considered bad and doubtful of recovery</p>	
			<p>7. INTEREST RECEIVABLE</p> <p>Of which overdue</p>

(ii) From the State Bank of India

(a) Short-term loans, cash credits and overdrafts

Of which secured against :

(A) Government and other approved securities

(B) Other tangible securities@

(b) Medium-term loans

Of which secured against :

(A) Government and other approved securities

(B) Other tangible securities@

(c) Long-term loans

Of which secured against :

(A) Government and other approved securities

(B) Other tangible securities@

(iii) From the State Government

(a) Short-term loans

Of which secured against:

(A) Government and other approved securities

(B) Other tangible securities@

Considered bad and doubtful of recovery

8. BILLS RECEIVABLE BEING BILLS FOR COLLECTION AS per contra

9. BRANCH ADJUSTMENTS

10. PREMISES LESS DEPRECIATION

11. FURNITURE AND FIXTURES LESS DEPRECIATION

12. OTHER ASSETS (to be specified)

13. NON-BANKING ASSETS ACQUIRED IN SATISFACTION OF CLAIMS (stating mode of valuation)

14. PROFIT AND LOSS

CAPITAL AND LIABILITIES	Rs. P.	Rs. P.	Rs. P.	Rs. P.
(b) Medium-term loans				
Of which secured against :				
(A) Government and other approved securities .				
(B) Other tangible securities@				
(c) Long-term loans				
Of which secured against :				
(A) Government and other approved securities .				
(B) Other tangible securities@				
(iv) Loans from other sources (source and security to be specified)				
5. BILLS FOR COLLECTION BEING BILLS RECEIVABLE AS <i>per contra</i>				
7. BRANCH ADJUSTMENTS				
8. OVERDUE INTEREST RESERVE				
9. INTEREST PAYABLE				
10. OTHER LIABILITIES				
(i) Bills payable				
(ii) Unclaimed dividends				

(iii) Suspense
(iv) Sundries

I I. PROFIT AND LOSS

Profit as per last balance-sheet
Less appropriations

Add profit for the year brought from
the Profit and Loss Account

TOTAL

TOTAL

CONTINGENT LIABILITIES

(i) Outstanding liabilities for
guarantees issued

(ii) Others

TOTAL

NOTES

*"Fixed deposits" will include reserve fund deposits of societies, employees provident fund deposits, staff security deposits, recurring deposits, cash certificates, etc.

**Under the item "individuals" deposits from institutions other than co-operative banks and societies may be included.

†"Borrowings" and "Advances".—Short-term loans will be for periods up to 15 months, medium-term loans from 15 months to 5 years and long-term loans over 5 years.

@ "Other tangible security" will include borrowings against gold and gold ornaments, repledge of goods, mortgage of land, etc.
General Instructions.—The corresponding figures (to the nearest rupee, if so desired) for the year immediately preceding the year to which the balance-sheet relates should be shown in separate columns.

FORM B
FORM OF PROFIT AND LOSS ACCOUNT

Profit and loss account for the year ended _____

	Rs.	P.	Rs.	P.
EXPENDITURE				
1. Interest on deposits, borrowings, etc.				
2. Salaries and allowances and provident fund				
3. Directors' and local committee members' fees and allowances				
4. Rent, taxes, insurance, lightings, etc.				
5. Law charges				
6. Postage, telegrams and telephone charges				
7. Auditor's fees				
8. Depreciation on and repairs to property				
9. Stationery, printing and advertisement, etc.				
10. Loss from sale of or dealing with non-banking assets				
INCOME				
1. Interest and discount				
2. Commission, exchange and brokerage				
3. Subsidies and donations				
4. Income from non-banking assets and profit from sale of or dealing with such assets				
5. Other receipts				
6. Loss (if any)				

THE KERALA APPROPRIATION (No. 3) ACT, 1965

No. 24 OF 1965

[25th September, 1965]

An Act to provide for the authorisation of appropriation of moneys out of the Consolidated Fund of the State of Kerala to meet the amounts spent on certain services during the financial year ended on the 31st day of March, 1962, in excess of the amounts granted for those services and for that year.

BE it enacted by Parliament in the Sixteenth Year of the Republic of India as follows:—

Short title. 1. This Act may be called the Kerala Appropriation (No. 3) Act, 1965.

Issue of Rs. 1,40,22,211 out of the Consolidated Fund of the State of Kerala to meet certain excess expenditure for the year ended on the 31st March, 1962.

2. From and out of the Consolidated Fund of the State of Kerala, the sums specified in column 3 of the Schedule amounting in the aggregate to the sum of one crore, forty lakhs, twenty-two thousand, two hundred and eleven rupees shall be deemed to have been authorised to be paid and applied to meet the amount spent for defraying the charges in respect of the services specified in column 2 of the Schedule during the financial year ended on the 31st day of March, 1962, in excess of the amounts granted for those services and for that year.

Appropriation. 3. The sums deemed to have been authorised to be paid and applied from and out of the Consolidated Fund of the State of Kerala under this Act shall be deemed to have been appropriated for the services and purposes expressed in the Schedule in relation to the financial year ended on the 31st day of March, 1962.

THE SCHEDULE

(See sections 2 and 3)

I No. of Vote	2 Services and purposes	3		
		Excess		
		Voted portion	Charged portion	Total
		Rs.	Rs.	Rs.
III	Excise . . . . .	..	87	87
IX	Heads of States, Ministers and Headquarters Staff	1,27,752	..	1,27,752
XIII	Administration of Justice	58,539	..	58,539
XV	Police	2,53,053	..	2,53,053
XXIII	Public Health Engineering	31,84,725	..	31,84,725
XXXIII	Community Development Projects, National Extension Service, Local Development Works and Extension Centres	9,03,946	..	9,03,946
XXXIV	Civil Works	22,87,277	..	22,87,277
XXXVI	Pensions . . . . .	..	4,299	4,299
XLI	Capital Outlay on Forests	4,759	..	4,759
XLII	Capital Outlay on Irrigation	65,41,640	..	65,41,640
XLIII	Capital Outlay on Public Health	1,37,319	..	1,37,319
XLVII	Capital Outlay on Civil Works	4,98,373	..	4,98,373
L	Commuted Value of Pensions	20,442	..	20,442
	TOTAL	1,40,17,825	4,386	1,40,22,211

THE KERALA APPROPRIATION (No. 4) ACT, 1965

No. 25 OF 1965

[25th September, 1965]

An Act to authorise payment and appropriation of certain further sums from and out of the Consolidated Fund of the State of Kerala for the services of the financial year 1965-66.

BE it enacted by Parliament in the Sixteenth Year of the Republic of India as follows:—

Short title. 1. This Act may be called the Kerala Appropriation (No. 4) Act, 1965.

Issue of Rs. 68,58,300 from and out of the Consolidated Fund of the State of Kerala for the financial year 1965-66

2. From and out of the Consolidated Fund of the State of Kerala there may be paid and applied sums not exceeding those specified in column 3 of the Schedule amounting in the aggregate to the sum of sixty-eight lakhs, fifty-eight thousand and three hundred rupees towards defraying the several charges which will come in course of payment during the financial year 1965-66, in respect of the services specified in column 2 of the Schedule.

Appropriation. 3. The sums authorised to be paid and applied from and out of the Consolidated Fund of the State of Kerala by this Act shall be appropriated for the services and purposes expressed in the Schedule in relation to the said year.

THE SCHEDULE
(See sections 2 and 3)

1 No. of Vote	2 Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Conso- lidated Fund	Total
		Rs.	Rs.	Rs.
IX	Heads of States, Ministers and Headquarters Staff	53,400	..	53,400
X	District Administration and Miscellaneous	20,000	..	20,000
XII	Jails	28,900	..	28,900
XIII	Police . . . . .	..	6,300	6,300
XIX	Medical . . . . .	..	1,96,400	1,96,400
XXII	Agriculture . . . . .	..	19,400	19,400
XXIII	Fisheries	6,01,100	..	6,01,100
XXV	Animal Husbandry . . . . .	..	2,000	2,000
XXXV	Transport Schemes . . . . .	..	6,000	6,000
XLIII	Capital Outlay on Public Health	1,50,000	..	1,50,000
XLIV	Capital Outlay on Agricultural Improvement . . . . .	..	1,55,900	1,55,900
XLV	Capital Outlay on Industrial and Economic Development . . . . .	..	99,800	99,800
XLVII	Capital Outlay on Public Works	5,50,000	3,01,100	8,51,100
XLVIII	Capital Outlay on Other Works . . . . .	..	89,900	89,900
LIII	Capital Outlay on Schemes of Government Trading	200	77,600	77,800
LV	Loans and Advances by the Government	45,00,300	..	45,00,300
	TOTAL	59,03,900	9,54,400	68,58,300

THE APPROPRIATION (No. 3) ACT, 1965

No. 26 OF 1965

[25th September, 1965]

An Act to authorise payment and appropriation of certain further sums from and out of the Consolidated Fund of India for the services of the financial year 1965-66.

BE it enacted by Parliament in the Sixteenth Year of the Republic of India as follows:—

Short title. 1. This Act may be called the Appropriation (No. 3) Act, 1965.

Issue of
Rs.
1,75,15,000
out of the
Consolidated
Fund of India
for the year
1965-66.

2. From and out of the Consolidated Fund of India there may be paid and applied sums not exceeding those specified in column 3 of the Schedule amounting in the aggregate to the sum of one crore, seventy-five lakhs and fifteen thousand rupees towards defraying the several charges which will come in course of payment during the financial year 1965-66, in respect of the services specified in column 2 of the Schedule.

Appropriation. 3. The sums authorised to be paid and applied from and out of the Consolidated Fund of India by this Act shall be appropriated for the services and purposes expressed in the Schedule in relation to the said year.

THE SCHEDULE

(See sections 2 and 3)

1 No. of Vote	2 Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Consoli- dated Fund	Total
		Rs.	Rs.	Rs.
12	Defence Services, Effective—Navy	1,50,00,000	..	1,50,00,000
36	Opium	1,000	..	1,000
37	Other Revenue Expenditure of the Ministry of Finance . . . . .	..	5,000	5,000
71	Other Revenue Expenditure of the Ministry of Information and Broad- casting	8,85,000	..	8,85,000
102	Overseas Communications Service	16,15,000	..	16,15,000
133	Capital Outlay of the Ministry of Industry and Supply	1,000	..	1,000
141	Capital Outlay on Roads . . . . .	..	7,000	7,000
148	Capital Outlay on Posts and Tele- graphs (Not met from Revenue)	1,000	..	1,000
	TOTAL	1,75,03,000	12,000	1,75,15,000

THE APPROPRIATION (No. 4) ACT, 1965

No. 27 OF 1965

[25th September, 1965]

An Act to provide for the authorisation of appropriation of moneys out of the Consolidated Fund of India to meet the amounts spent on certain services during the financial year ended on the 31st day of March, 1963 in excess of the amounts granted for those services and for that year.

BE it enacted by Parliament in the Sixteenth Year of the Republic of India as follows:—

Short title.

1. This Act may be called the Appropriation (No. 4) Act, 1965.

Issue of Rs.
19,60,55,058
out of the
Consolidated
Fund of
India to
meet certain
excess ex-
penditure
for the year
ended on the
31st March,
1963.

2. From and out of the Consolidated Fund of India, the sums specified in column 3 of the Schedule amounting in the aggregate to the sum of nineteen crores, sixty lakhs, fifty-five thousand and fifty-eight rupees shall be deemed to have been authorised to be paid and applied to meet the amount spent for defraying the charges in respect of the services specified in column 2 of the Schedule during the financial year ended on the 31st day of March, 1963, in excess of the amounts granted for those services and for that year.

Appropriation.

3. The sums deemed to have been authorised to be paid and applied from and out of the Consolidated Fund of India under this Act shall be deemed to have been appropriated for the services and purposes expressed in the Schedule in relation to the financial year ended on the 31st day of March 1963.

THE SCHEDULE

(See sections 2 and 3)

1 No. of Vote	2 Services and purposes	3 Excess		
		Voted portion	Charged portion	Total
		Rs.	Rs.	Rs.
1	Ministry of Commerce and Industry	1,45,149	..	1,45,149
24	Customs	18,42,220	..	18,42,220
25	Union Excise Duties	6,16,046	..	6,16,046
7	Stamps	20,68,950	..	20,68,950
28	Audit	2,57,497	..	2,57,497
31	Pensions and Other Retirement Benefits	2,46,281	..	2,46,281
50	Zonal Councils	10,056	..	10,056
58	Andaman and Nicobar Islands	1,87,650	..	1,87,650
87	Other Revenue Expenditure of the Ministry of Steel and Heavy Industries	4,20,90,911	..	4,20,90,911
91	Communications (including National Highways)	35,88,097	..	35,88,097
93	Lighthouses and Lightships	3,07,736	..	3,07,736
98	Posts and Telegraphs—Dividend to General Revenues and Appropriations to Reserve Funds	1,70,51,137	..	1,70,51,137
116	Capital Outlay of the Ministry of External Affairs	14,98,047	..	14,98,047
123	Loans and Advances by the Central Government . . . .	..	1,93,10,000	1,93,10,000
127	Capital Outlay of the Ministry of Health	15,75,127	..	15,75,127
136	Capital Outlay on Roads . . . .	..	12,018	12,018

1 No. of Vote	2 Services and purposes	3 Excess		
		Voted portion	Charged portion	Total
		Rs.	Rs.	Rs.
140	Capital Outlay on Posts and Telegraphs (Not met from Revenue)	4,43,75,963	..	4,43,75,963
142	Delhi Capital Outlay	6,07,98,907	73,266	6,08,72,173
	TOTAL	17,66,59,774	1,93,95,284	19,60,55,058

THE APPROPRIATION (RAILWAYS) No. 3 ACT, 1965

No. 28 OF 1965.

[25th September, 1965]

An Act to provide for the authorisation of appropriation of moneys out of the Consolidated Fund of India to meet the amounts spent on certain services for the purposes of Railways during the financial year ended on the 31st day of March, 1963, in excess of the amounts granted for those services and for that year.

BE it enacted by Parliament in the Sixteenth Year of the Republic of India as follows:—

1. This Act may be called the Appropriation (Railways) No. 3 Short title Act, 1965.

2. From and out of the Consolidated Fund of India, the sums specified in column 3 of the Schedule amounting in the aggregate to the sum of twenty-five crores, forty-eight lakhs, thirty-one thousand, seven hundred and thirty-nine rupees shall be deemed to have been authorised to be paid and applied to meet the amount spent for defraying the charges in respect of the services relating to Railways specified in column 2 of the Schedule during the financial year ended on the 31st day of March, 1963, in excess of the amounts granted for those services and for that year.

Issue of Rs.
25,48,31,739
out of the
Consolidated
Fund of
India to
meet cer-
tain ex-
penditure
for the
year
ended on
the 31st
March,
1963.

3. The sums deemed to have been authorised to be paid and applied from and out of the Consolidated Fund of India under this Act shall be deemed to have been appropriated for the services and purposes expressed in the Schedule in relation to the financial year ended on the 31st day of March, 1963.

Appro-
priation.

THE SCHEDULE

(See sections 2 and 3)

1 No. of Vote	2 Services and purposes	3 Sums aggregating to		
		Voted by Parliament	Charged on the Consoli- dated Fund	Total
		Rs.	Rs.	Rs.
3	Revenue—Payments to Work- ed Lines and Others	24,117	..	24,117
5	Revenue—Working Expens- es—Repairs and Main- tenance . . . . .	..	268	268
7	Revenue—Working Expenses —Operation (Fuel)	87,75,029	..	87,75,029
17	Open Line Works—Replac- ements	5,53,72,781	2,79,665	5,56,52,446
18	Open Line Works—Develop- ment Fund	19,26,454	..	19,26,454
20	Revenue—Appropriation to Development Fund	18,84,53,425	..	18,84,53,425
	TOTAL	25,45,51,806	2,79,933	25,48,31,739

THE APPROPRIATION (RAILWAYS) No. 4 ACT, 1965

No. 29 OF 1965

[25th September, 1965]

An Act to authorise payment and appropriation of certain further sums from and out of the Consolidated Fund of India for the service of the financial year 1965-66 for the purposes of Railways.

BE it enacted by Parliament in the Sixteenth Year of the Republic of India as follows:—

1. This Act may be called the Appropriation (Railways) No. 4 Short title Act, 1965.

2. From and out of the Consolidated Fund of India there may be paid and applied sums not exceeding those specified in column 3 of the Schedule amounting in the aggregate to the sum of three thousand rupees towards defraying the several charges which will come in course of payment during the financial year 1965-66, in respect of the services relating to Railways specified in column 2 of the Schedule.

Issue of Rs. 3,000 out of the Consolidated Fund of India for the financial year 1965-66.

3. The sums authorised to be paid and applied from and out of the Consolidated Fund of India by this Act shall be appropriated for the services and purposes expressed in the Schedule in relation to the said year.

Appropriation.

THE SCHEDULE (See sections 2 and 3)

1 No. of Vote	2 Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
2	Miscellaneous Railway Expenditure	1,000	..	1,000
14	Construction of New Lines . . .	1,000	..	1,000
15	Open Line Works—Capital, Depreciation Reserve Fund and Development Fund	1,000	..	1,000
	TOTAL . . .	3,000	..	3,000

NOT CORRECTED: SEE INDIA CODE

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THE GOA, DAMAN AND DIU (EXTENSION OF
THE CODE OF CIVIL PROCEDURE AND THE
ARBITRATION ACT) ACT, 1965

No. 30 OF 1965

[25th September, 1965]

An Act to provide for the extension of the Code of Civil Procedure, 1908, and the Arbitration Act, 1940, to the Union territory of Goa, Daman and Diu and for certain other matters.

BE it enacted by Parliament in the Sixteenth Year of the Republic of India as follows:—

Short title
and commence-
ment.

1. (1) This Act may be called the Goa, Daman and Diu (Extension of the Code of Civil Procedure and the Arbitration Act) Act, 1965.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

Defini-
tions.

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

(a) "Goa, Daman and Diu" means the Union territory of Goa, Daman and Diu;

(b) "Lieutenant-Governor" means the administrator of Goa, Daman and Diu appointed by the President under article 239 of the Constitution.

Extension
of Code
of Civil
Proce-
dure and
Arbitra-
tion Act,
1940, to
Goa,
Daman
and Diu.

3. The Code of Civil Procedure, 1908, and the Arbitration Act, 5 of 1908, 1940, as in force in the territories to which they generally extend, are 10 of 1940 hereby extended to, and shall be in force in, Goa, Daman and Diu.

Not Corrected: See India Code

[Act 30 of 1965] Goa, Daman and Diu (Extension of the Code of Civil Procedure and the Arbitration Act)

317

5 of 1908. 10 of 1940 4. (1) So much of any law in force in Goa, Daman and Diu as corresponds to the Code of Civil Procedure, 1908, or the Arbitration Act, 1940, or any part of the said Code or Act, as the case may be, shall stand repealed as from the coming into force of this Act in Goa, Daman and Diu: Repeal and saving.

Provided that the repeal shall not affect—

(a) the previous operation of any law so repealed or anything duly done or suffered thereunder, or

(b) any right, privilege, obligation or liability acquired, accrued or incurred under any law so repealed, or

(c) any investigation, legal proceeding or remedy in respect of any such right, privilege, obligation or liability as aforesaid,

and any such investigation, legal proceeding or remedy may be instituted, continued or enforced as if this Act had not been passed:

Provided further that, subject to the preceding proviso, notifications published, declarations and rules made, places appointed, agreements filed, awards made or filed, scales prescribed, forms framed, appointments made and powers conferred under any law so repealed shall, so far as they are consistent with the said Code or, as the case may be, the said Act have the same force and effect as if they had been respectively published, made, appointed, filed, prescribed, framed and conferred under the said Code or the said Act and by the authority empowered thereby in such behalf.

(2) In every law or notification passed or issued before the commencement of this Act in which reference is made to or to any Chapter or section or provision of any law hereby repealed, such reference shall, so far as may be practicable, be taken to be made to the said Code or, as the case may be, to the said Act or its corresponding Part, Order, section or rule.

5 of 1908. 10 of 1940. 5. (1) In the Code of Civil Procedure, 1908, and in the Arbitration Act, 1940,— Rules of construction.

(a) any reference to any provision of law not in force, or to any functionary not in existence, in Goa, Daman and Diu shall be construed as a reference to the corresponding law in force, or to the corresponding functionary in existence, in that Union territory:

Not Corrected: See India Code

318 Goa, Daman and Diu (Extension of the [ACT 30 OF 1965]
Code of Civil Procedure and the Arbitration Act)

Provided that—

(i) if any question arises as to who that corresponding
functionary is, or

(ii) if there is no such corresponding functionary,
the Lieutenant-Governor shall decide as to who such functionary
will be and his decision shall be final;

(b) any reference to the State Government shall be construed as a reference to the Central Government and also as including a reference to the Lieutenant-Governor.

(2) For the purpose of facilitating the application in relation to Goa, Daman and Diu of the said Code or the said Act, any court or other authority may construe it in such manner not affecting the substance as may be necessary or proper to adapt it to the matter before the court or other authority.

Power to
remove
Difficulties.

6. If any difficulty arises in giving effect in Goa, Daman and Diu to the provisions of the Code of Civil Procedure, 1908, or the Arbitration Act, 1940, extended by this Act to that Union territory, the Central Government may, by order in the Official Gazette, make such provisions or give such directions as appear to it to be necessary for the removal of the difficulty. 5 of 1908. 10 of 1940.

Consequen-
tial provi-
sion.

7. As from the commencement of this Act, in the Goa, Daman and Diu (Judicial Commissioner's Court) Regulation, 1908,— Reg. 10 of 1963.

(i) in section 8, in sub-section (1), the words "Subject to the provisions of any law for the time being in force" shall be inserted at the commencement;

(ii) in section 16, after the words "subject to the provisions of this Regulation", the words "and until other provision is made by law" shall be inserted;

(iii) in section 17, in sub-section (1), after the word "shall", the words ", until other provision is made by law," shall be inserted.

THE COMPANIES (AMENDMENT) ACT, 1965

No. 31 OF 1965

[25th September, 1965]

An Act further to amend the Companies Act, 1956

BE it enacted by Parliament in the Sixteenth Year of the Republic of India as follows:—

1. (1) This Act may be called the Companies (Amendment) Act, 1965. Short title
and com-
mencement.

(2) It shall come into force on such date¹ as the Central Government may, by notification in the Official Gazette, appoint and different dates² may be appointed for different provisions of this Act.

1 of 1956

2. In section 1 of the Companies Act, 1956 (hereinafter referred to as the principal Act), in sub-section (3), the following further proviso shall be inserted at the end, namely:— Amendment
of section 1

“Provided further that it shall apply to the State of Nagaland subject to such modifications, if any, as the Central Government may, by notification in the Official Gazette, specify.”

3. In section 2 of the principal Act,—

Amendment
of section 2.

(i) in clause (8), after the word “deeds,” the word “vouchers,” shall be inserted;

(ii) in clause (30), after the words “manager or secretary”, the words “or any person in accordance with whose directions or instructions the Board of directors or any one or more of the directors is or are accustomed to act,” shall be inserted.

¹ The provisions of this Act except ss. 13 and 46 shall come into force on 15-10-1965: *vide* Notfn. No. S. O. 3164, dated 4-10-1965, Gazette of India, Extraordinary, Pt. II, Sec. 3(ii), page. 1025.

Amendment
of section
10E.

4. In section 10E of the principal Act, after sub-section (4), the following sub-section shall be inserted, namely:—

“(4A) The Board, with the previous approval of the Central Government, may, by order in writing, authorize the chairman or any of its other members or its principal officer (whether known as secretary or by any other name) to exercise and discharge, subject to such conditions and limitations, if any, as may be specified in the order, such of its powers and functions as it may think fit; and every order made or act done in the exercise of such powers or discharge of such functions shall be deemed to be the order or act, as the case may be, of the Board.”.

Amendment
of section 13.

5. In section 13 of the principal Act, in sub-section (1),—

(i) in clause (b), the word “and” shall be omitted;

(ii) for clause (c), the following clauses shall be substituted, namely:—

“(c) in the case of a company in existence immediately before the commencement of the Companies (Amendment) Act, 1965, the objects of the company;

(d) in the case of a company formed after such commencement,—

(i) the main objects of the company to be pursued by the company on its incorporation and objects incidental or ancillary to the attainment of the main objects;

(ii) other objects of the company not included in sub-clause (i); and

(e) in the case of companies (other than trading corporations), with objects not confined to one State, the States to whose territories the objects extend.”.

Amendment
of section 21.

6. To section 21 of the principal Act, the following proviso shall be added, namely:—

‘Provided that no such approval shall be required where the only change in the name of a company is the addition

thereto or, as the case may be, the deletion therefrom, of the word "Private", consequent on the conversion in accordance with the provisions of this Act of a public company into a private company or of a private company into a public company.'

7. In section 43A of the principal Act, in sub-section (6), after clause (a), the following clause shall be inserted, namely:—

Amendment
of section
43A.

"(aa) to a private company in which shares are held by one or more bodies corporate incorporated outside India, which or each of which, if incorporated in India, would be a private company within the meaning of this Act, if the Central Government, on an application made to it in this behalf by that private company, by order so directs; or"

8. After section 68 of the principal Act, under the sub-heading "Prospectus", the following section shall be inserted, namely:—

Insertion of
new section
68A.

"68A. (1) Any person who—

(a) makes in a fictitious name an application to a company for acquiring, or subscribing for, any shares therein,

Personation
for acquisition,
etc. of
shares.

or

(b) otherwise induces a company to allot, or register any transfer of, shares therein to him, or any other person in a fictitious name,

shall be punishable with imprisonment for a term which may extend to five years.

(2) The provisions of sub-section (1) shall be prominently reproduced in every prospectus issued by the company and in every form of application for shares which is issued by the company to any person."

9. In section 69 of the principal Act, for sub-section (4), the following sub-section shall be substituted, namely:—

Amendment
of section 69.

"(4) All moneys received from applicants for shares shall be deposited and kept deposited in a Scheduled Bank—

(a) until the certificate to commence business is obtained under section 149, or

(b) where such certificate has already been obtained, until the entire amount payable on applications for shares in respect of the minimum subscription has been received by the company,

and where such amount has not been received by the company within the time on the expiry of which the moneys received from the applicants for shares are required to be repaid without interest under sub-section (5), all moneys received from applicants for shares shall be returned in accordance with the provisions of that sub-section.

In the event of any contravention of the provisions of this sub-section, every promoter, director or other person who is knowingly responsible for such contravention shall be punishable with fine which may extend to five thousand rupees."

Amendment
of section 73.

10. In section 73 of the principal Act, in sub-section (5), for the words "permission shall not be deemed to be refused", the words "it shall not be deemed that permission has not been granted" shall be substituted.

Amendment
of section 75.

11. In section 75 of the principal Act,—

(a) to clause (a) of sub-section (1), the following proviso shall be added, namely:—

"Provided that the company shall not show in such return any shares as having been allotted for cash if cash has not actually been received in respect of such allotment.";

(b) in sub-section (3), for the words "is inadequate, he may extend that period as he thinks fit", the following words shall be substituted, namely:—

"is or was inadequate, he may, on application made in that behalf by the company, whether before or after the expiry of the said period, extend that period as he thinks fit";

(c) in sub-section (4), for the proviso, the following proviso shall be substituted, namely:—

"Provided that in case of contravention of the proviso to clause (a) of sub-section (1), every such officer, and every promoter of the company who is guilty of the contravention shall be punishable with fine which may extend to five thousand rupees."

Amendment
of section 76.

12. In section 76 of the principal Act,—

(a) in sub-section (1)—

(i) in clause (iii), the word "and" occurring at the end shall be omitted;

(ii) in clause (iv), the word "and" shall be inserted at the end; and

(iii) after clause (iv), the following clause shall be inserted, namely:—

“(v) a copy of the contract for the payment of the commission is delivered to the Registrar at the time of delivery of the prospectus or the statement in lieu of prospectus for registration.”;

(b) after sub-section (4), the following sub-section shall be inserted, namely:—

“(4A) For the removal of doubts it is hereby declared that no commission shall be paid under clause (a) of sub-section (1) to any person on shares or debentures which are not offered to the public for subscription:

Provided that where a person has subscribed or agreed to subscribe under clause (a) of sub-section (1) for any shares in, or debentures of, the company and before the issue of the prospectus or statement in lieu thereof any other person or persons has or have subscribed for any or all of those shares or debentures and that fact together with the aggregate amount of commission payable under this section in respect of such subscription is disclosed in such prospectus or statement, then, the company may pay commission to the first-mentioned person in respect of such subscription.”.

13. In section 108 of the principal Act, after sub-section (1), the following sub-sections shall be inserted, namely:—

Amendment
of section
108.

“(1A) Every instrument of transfer of shares—

(a) shall be in the prescribed form and presented to the prescribed authority before it is signed by or on behalf of the transferor and the prescribed authority shall stamp or otherwise endorse thereon the date on which it is so presented, and

(b) shall be delivered to the company,—

(i) in the case of shares dealt in or quoted on a recognised stock exchange at any time before the date on which the register of members is closed in accordance with law for the first time after the date of such presentation,

(ii) in any other case, within two months from the date of such presentation.

(1B) Any instrument of transfer which is not in conformity with the provisions of sub-section (1A) shall not be accepted by a company—

(a) in the case of shares dealt in or quoted on a recognised stock exchange, after the expiry of six months of the

commencement of the Companies (Amendment) Act, 1965 or after the date on which the register of members is closed in accordance with law for the first time after such commencement, whichever is later;

(b) in any other case after the expiry of six months of such commencement.

(1C) The provisions of sub-section (1A) shall not apply to any shares deposited by any person with—

(a) the State Bank of India;

(b) any scheduled bank; or

(c) such banking company (other than a scheduled bank) or financial institution as may be approved by the Central Government by notification in the Official Gazette, by way of security for the repayment of any loan advanced to, or for the performance of any obligation undertaken by, such person.

(1D) Notwithstanding anything in sub-section (1A) or sub-section (1B), where in the opinion of the Central Government it is necessary so to do to avoid hardship in any case, that Government may on an application made to it in that behalf, extend the periods mentioned in those sub-sections by such further time as it may deem fit; and the number of extensions granted hereunder and the period of each such extension shall be shown in the annual report laid before the Houses of Parliament under section 638.”.

Amendment
of section
111.

14. In section 111 of the principal Act, except in sub-section (4A), for the words “the Central Government” or the words “that Government”, wherever they occur, the words “the Tribunal” shall, in respect of any appeal made after the commencement of this Act, be substituted.

Amendment
of section
149.

15. In section 149 of the principal Act, after sub-section (2), the following sub-sections shall be inserted, namely:—

“(2A) Without prejudice to the provisions of sub-section (1) and sub-section (2) a company having a share capital, whether or not it has issued a prospectus inviting the public to subscribe for its shares, shall not at any time commence any business—

(a) if such company is a company in existence immediately before the commencement of the Companies (Amendment) Act, 1965, in relation to any of the objects stated in its memorandum in pursuance of clause (c) of sub-section (1) of section 13;

(b) if such company is a company formed after such commencement, in relation to any of the objects stated in its memorandum in pursuance of sub-clause (ii) of clause (d) of sub-section (1) of the said section,

unless—

(i) the company has approved of the commencement of any such business by a special resolution passed in that behalf by it in general meeting; and

(ii) there has been filed with the Registrar a duly verified declaration by one of the directors or the secretary, in the prescribed form, that clause (i) or as the case may be, sub-section (2B) has been complied with:

and if the company commences any such business in contravention of this sub-section, every person who is responsible for the contravention shall, without prejudice to any other liability, be punishable with fine which may extend to five hundred rupees for every day during which the contravention continues.

Explanation.—A company shall be deemed to commence any business within the meaning of clause (a) if and only if it commences any new business which is not germane to the business which it is carrying on at the commencement of the Companies (Amendment) Act, 1965 in relation to any of the objects referred to in the said clause.

(2B) Notwithstanding anything contained in sub-section (2A) where no such special resolution as is referred to in that sub-section is passed but the votes cast (whether on a show of hands or, as the case may be, on a poll) in favour of the proposal to commence any business contained in the resolution moved in that general meeting (including the casting vote, if any, of the chairman) by members who, being entitled so to do, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members so entitled and voting, the Central Government may on an application made to it by the Board of directors in this behalf allow the company to commence such business as if the proposal had been passed by a special resolution by the company in general meeting.”

16. In section 153B of the principal Act, in sub-section (4),—

(i) in clause (b), for the words “where the trust money invested in shares in, or debentures of, a company”, the words “where the value of the shares in, or debentures of, a company, held in trust” shall be substituted;

Amendment
of section
153 B.

(ii) the following *Explanation* shall be inserted at the end, namely:—

Explanation.—The expression “the value of the shares in, or debentures of, a company” in clause (b) means,—

(i) in the case of shares or debentures acquired by way of allotment or transfer for consideration, the cost of acquisition thereof, and

(ii) in any other case, the paid-up value of the shares or debentures.’

Amendment
of section
163.

17. In section 163 of the principal Act, in sub-section (1), in the proviso, in clause (i), the word “and” shall be inserted at the end and clause (ii) shall be omitted.

Amendment
of section
174.

18. In section 174 of the principal Act, in sub-section (1), for the words “public company, and two members personally present in the case of a private company,” the words, brackets, figures and letter “public company (other than a public company which has become such by virtue of section 43A), and two members personally present in the case of any other company,” shall be substituted.

Amendment
of section
203.

19. In section 203 of the principal Act, in sub-section (6), the words, brackets and figures, ‘and for the purposes of the said sub-clause (ii), the expression “officer” shall include any person in accordance with whose directions or instructions the Board of directors of the company has been accustomed to act’ shall be omitted.

Amendment
of section
209.

20. In section 209 of the principal Act,—

(a) in sub-section (1)—

(i) in clause (b), the word “and” occurring at the end shall be omitted;

(ii) in clause (c), the word “and” shall be inserted at the end;

(iii) after clause (c), the following clause shall be inserted, namely:—

“(d) in the case of a company pertaining to any class of companies engaged in production, processing, manufacturing or mining activities, such particulars relating to utilisation of material or labour or to other items of cost as may be prescribed, if such class of companies is required by the Central Government to include such particulars in the books of account;”;

(b) for sub-section (4), the following sub-section shall be substituted, namely:—

"(4) (a) The books of account and other books and papers shall be open to inspection by any director during business hours.

(b) The books of account and other books and papers shall be open to inspection during business hours—

(i) by the Registrar,

(ii) by any officer of Government authorised by the Central Government in this behalf:

Provided that such inspection may be made without giving any previous notice to the company or any officer thereof.

(c) The Registrar or such officer may during the course of inspection—

(i) make or cause to be made copies of the books of account and other books and papers,

(ii) place or cause to be placed any marks of identification thereon in token of the inspection having been made.

(d) In order to enable the Registrar or such officer to make an inspection of the books of account and other books and papers of the company, it shall be the duty of the company—

(i) to produce to the Registrar or such officer such books of account and other books and papers of the company as the Registrar or such officer may require,

(ii) otherwise to give to the Registrar or such officer all assistance in connection with the inspection which the company is reasonably able to give.”;

(c) in sub-section (4A), after the words “preceding the current year”, wherever they occur, the words “together with the vouchers relevant to any entry in such books of account” shall be inserted;

(d) in sub-section (6),—

(i) in clause (a), the following shall be inserted at the end, namely:—

“and all officers and other employees and agents [as defined in sub-section (6) of section 240 but excluding bankers, auditors and legal advisers] of such managing agent or secretaries and treasurers”;

(ii) in clause (c), the word “and” occurring at the end shall be omitted;

(iii) in clause (d), the word “and” shall be inserted at the end;

(w) after clause (d), the following clause shall be inserted, namely:—

“(e) whether or not a company has a managing agent or secretaries and treasurers, every officer and other employee and agent (defined as aforesaid) of the company.”.

21. In section 227 of the principal Act,—

(a) after sub-section (1), the following sub-section shall be inserted, namely:—

“(1A) Without prejudice to the provisions of sub-section (1), the auditor shall inquire—

(a) whether loans and advances made by the company on the basis of security have been properly secured and whether the terms on which they have been made are not prejudicial to the interests of the company or its members;

(b) whether transactions of the company which are represented merely by book entries are not prejudicial to the interests of the company;

(c) where the company is not an investment company within the meaning of section 372 or a banking company, whether so much of the assets of the company as consist of shares, debentures and other securities have been sold at a price less than that at which they were purchased by the company;

(d) whether loans and advances made by the company have been shown as deposits;

(e) whether personal expenses have been charged to revenue account;

(f) where it is stated in the books and papers of the company that any shares have been allotted for cash, whether cash has actually been received in respect of such allotment, and if no cash has actually been so received, whether the position as stated in the account books and the balance-sheet is correct, regular and not misleading.”;

(b) after sub-section (4), the following sub-section shall be inserted, namely:—

“(4A) The Central Government may, by general or special order, direct that, in the case of such class or description of companies as may be specified in the order, the auditor's report shall also include a statement on such matters as may be specified therein:

38 of 1949.

Provided that before making any such order the Central Government may consult the Institute of Chartered Accountants of India constituted under the Chartered Accountants Act, 1949, in regard to the class or description of companies and other ancillary matters proposed to be specified therein unless the Government decides that such consultation is not necessary or expedient in the circumstances of the case.”.

22. In section 228 of the principal Act, in sub-section (4), for the words “may, by rules made in this behalf, exempt”, the words “may make rules providing for the exemption of” shall be substituted.

Amendment of section 228.

23. After section 233A of the principal Act, under the sub-heading “Audit”, the following section shall be inserted, namely:—

Insertion of new section 233B.

“233B. (1) Where in the opinion of the Central Government it is necessary so to do in relation to any company required under clause (d) of sub-section (1) of section 209 to include in its books of account the particulars referred to therein, the Central Government may, by order, direct that an audit of cost accounts of the company shall be conducted in such manner as may be specified in the order by an auditor who shall be either a cost accountant within the meaning of the Cost and Works Accountants Act, 1959, or any such chartered accountant within the meaning of the Chartered Accountants Act, 1949, or other person, as possesses the prescribed qualifications.

Audit of cost accounts in certain cases.

23 of 1959.
38 of 1949.

(2) An auditor under this section shall be appointed by the company in general meeting and the provisions of section 224 shall apply, as far as may be, in relation to such auditor as they apply in relation to an auditor appointed under that section.

(3) An audit conducted by an auditor under this section shall be in addition to an audit conducted by an auditor appointed under section 224.

(4) An auditor shall have the same powers and duties in relation to an audit conducted by him under this section as an auditor of a company has under sub-section (1) of section 227 and such auditor shall make his report to the Company Law Board in such form and within such time as may be prescribed and shall also at the same time forward a copy of the report to the company.”.

24. In section 234A of the principal Act,—

(a) in sub-section (1), after the words “make an application”, the words “to the Tribunal or” shall be inserted;

(b) in sub-section (2), for the word “Magistrate”, the words “Tribunal or Magistrate, as the case may be,” shall be substituted;

Amendment of section 234A.

(c) in sub-section (3),—

(i) for the word "Magistrate", the words "Tribunal or Magistrate, as the case may be," shall be substituted;

(ii) in the proviso, after the words "extracts from them", the words "or place identification marks on them or any part thereof" shall be inserted;

(d) in sub-section (4), after the word "search" and the word "searches", the words "or seizure" and the words "or seizures" shall respectively be inserted.

Amend-
ment of
section
240.

25. In section 240 of the principal Act,—

(a) in clause (a) of sub-section (1), for the words "to produce to an inspector", the words "to preserve and to produce to an inspector or any person authorised by him in this behalf with the previous approval of the Central Government," shall be substituted;

(b) after sub-section (1), the following sub-sections shall be inserted, namely:—

"(1A) The inspector may, with the previous approval of the Central Government, require any body corporate [other than a body corporate referred to in sub-section (1)] to furnish such information to, or produce such books and papers before, him or any person authorised by him in this behalf as he may consider necessary if the furnishing of such information or the production of such books and papers is relevant or necessary for the purposes of his investigation.

(1B) The inspector may keep in his custody any books and papers produced under sub-section (1) or sub-section (1A) for six months and thereafter shall return the same to the company, body corporate, firm or individual by whom or on whose behalf the books and papers are produced:

Provided that the inspector may call for the books and papers if they are needed again:

Provided further that if certified copies of the books and papers produced under sub-section (1A) are furnished to the inspector, he shall return those books and papers to the body corporate concerned.":

(c) for sub-sections (2), (3), (3A) and (4), the following sub-sections shall be substituted, namely:—

"(2) An inspector may examine on oath—

(a) any of the persons referred to in sub-section (1); and

(b) with the previous approval of the Central Government, any other person,

in relation to the affairs of the company, other body corporate, managing agent, secretaries and treasurers or associate, as the case may be; and may administer an oath accordingly and for that purpose may require any of those persons to appear before him personally.

(3) If any person fails without reasonable cause or refuses—

(a) to produce to an inspector or any person authorised by him in this behalf with the previous approval of the Central Government any book or paper which it is his duty under sub-section (1) or sub-section (1A) to produce; or

(b) to furnish any information which it is his duty under sub-section (1A) to furnish; or

(c) to appear before the inspector personally when required to do so under sub-section (2) or to answer any question which is put to him by the inspector in pursuance of that sub-section; or

(d) to sign the notes of any examination referred to in sub-section (5),

he shall be punishable with imprisonment for a term which may extend to six months, or with fine which may extend to two thousand rupees, or with both, and also with a further fine which may extend to two hundred rupees for every day after the first during which the failure or refusal continues.”;

(d) in sub-section (5), the word, brackets and figure “or (4)” shall be omitted.

26. In section 240A of the principal Act,—

Amend-
ment of
section
240A.

(a) in sub-section (1), after the words “make an application”, the words “to the Tribunal or” shall be inserted;

(b) in sub-section (2), for the word “Magistrate”, the words “Tribunal or Magistrate, as the case may be,” shall be substituted;

(c) in sub-section (3)—

(i) for the word “Magistrate”, the words “Tribunal or Magistrate, as the case may be,” shall be substituted:

(ii) the following proviso shall be inserted at the end, namely:—

“Provided that the inspector may, before returning such books and papers as aforesaid, place identification marks on them or any part thereof.”;

(d) in sub-section (4), after the word “search” and the word “searches”, the words “or seizure” and the words “or seizures” shall respectively be inserted.

Amendment of section 241.

27. In section 241 of the principal Act, in clause (a) of sub-section (2), after the words “any report”, the brackets and words “(other than an interim report)” shall be inserted.

Insertion of new section 250A.

28. After section 250 of the principal Act, the following section shall be inserted, namely:—

Voluntary winding up of company, etc., not to stop investigation proceedings.

“250A. An investigation may be initiated under section 235, 237, 239, 247, 248 or 249 notwithstanding that—

(a) an application has been made for an order under section 397 or section 398; or

(b) the company has passed a special resolution for voluntary winding up,

and no investigation so initiated shall be stopped or suspended by reason only of the fact that an application referred to in clause (a) has been made or a special resolution referred to in clause (b) has been passed.”.

Amendment of section 252.

29. In section 252 of the principal Act,—

(i) in sub-section (1), for the words “public company”, the words, brackets, figures and letter “public company (other than a public company which has become such by virtue of section 43A)” shall be substituted;

(ii) in sub-section (2), for the word “private”, the word “other” shall be substituted.

Amendment of section 256.

30. In section 256 of the principal Act,—

(i) in sub-section (4), in sub-clause (v) of clause (b), the words, brackets and figures “or sub-section (3) of section 280” shall be omitted;

(ii) sub-section (5) shall be omitted.

31. To section 259 of the principal Act, the following proviso shall be added, namely :—

Amendment of section 259.

“Provided that where such permissible maximum is twelve or less than twelve, no approval of the Central Government shall be required if the increase in the number of its directors does not make the total number of its directors more than twelve.”.

32. In section 264 of the principal Act,—

Amendment of section 264.

(i) in sub-section (1), for the words “other than a person”, the words “other than a director retiring by rotation or otherwise or a person” shall be substituted;

(ii) for sub-section (2), the following sub-section shall be substituted, namely :—

“(2) A person other than—

(a) a director re-appointed after retirement by rotation or immediately on the expiry of his term of office, or

(b) an additional or alternate director, or a person filling a casual vacancy in the office of a director under section 262, appointed as a director or re-appointed as an additional or alternate director, immediately on the expiry of his term of office, or

(c) a person named as a director of the company under its articles as first registered,

shall not act as a director of the company unless he has within thirty days of his appointment signed and filed with the Registrar his consent in writing to act as such director.”.

33. In section 266 of the principal Act, sub-section (4) shall be omitted.

Amendment of section 266.

34. Section 271 of the principal Act shall be omitted.

Omission of section 271.

35. In section 273 of the principal Act, for the word and figures “to 272”, the word and figures “and 272” shall be substituted.

Amendment of section 273.

36. Section 280 of the principal Act shall be omitted.

Omission of section 280.

Omission
of section
281.

37. Section 281 of the principal Act shall be omitted.

Omission
of section
282.

38. Section 282 of the principal Act shall be omitted.

Amend-
ment of
section 285.

39. In section 285 of the principal Act, for the words beginning with "three calendar months" and ending with "and the date of the next meeting", the words "three months and at least four such meetings shall be held in every year" shall be substituted.

Insertion
of new
section
294A.

40. After section 294 of the principal Act, the following section shall be inserted, namely:—

Prohibi-
tion of
payment
of com-
pensation
to sole
Selling
agents
for loss of
office in
certain
cases.

"294A. (1) A company shall not pay or be liable to pay to its sole selling agent any compensation for the loss of his office in the following cases:—

(a) where the appointment of the sole selling agent ceases to be valid by virtue of sub-section (2A) of section 294;

(b) where the sole selling agent resigns his office in view of the reconstruction of the company or of its amalgamation with any other body corporate or bodies corporate and is appointed as the sole selling agent of the reconstructed company or of the body corporate resulting from the amalgamation;

(c) where the sole selling agent resigns his office, otherwise than on the reconstruction of the company of its amalgamation as aforesaid;

(d) where the sole selling agent has been guilty of fraud or breach of trust in relation to, or of gross negligence in, the conduct of his duty as the sole selling agent;

(e) where the sole selling agent has instigated, or has taken part directly or indirectly in bringing about, the termination of the sole selling agency.

(2) The compensation which may be paid by a company to its sole selling agent for loss of office shall not exceed the remuneration which he would have earned if he had been in office for the unexpired residue of his term, or for three years, whichever is shorter, calculated on the basis of the average remuneration actually earned by him during a period of three years immediately preceding the date on which his office ceased or was terminated, or where he held his office for a lesser period than three years, during such period."

41. In section 303 of the principal Act, in sub-section (2), the words "or in any of the particulars contained in the register" and the proviso shall be omitted. Amendment of section 303.

42. In section 309 of the principal Act,—

(i) in sub-section (1), the following shall be added at the end, namely:— Amendment of section 309.

"and the remuneration payable to any such director determined as aforesaid shall be inclusive of the remuneration payable to such director for services rendered by him in any other capacity:

Provided that any remuneration for services rendered by any such director in any other capacity shall not be so included if—

(a) the services rendered are of a professional nature, and

(b) in the opinion of the Central Government, the director possesses the requisite qualifications for the practice of the profession";

(ii) for sub-section (4), the following sub-section shall be substituted, namely:—

“(4) A director who is neither in the whole-time employment of the company nor a managing director may be paid remuneration—

either

(a) by way of a monthly, quarterly or annual payment with the approval of the Central Government;

or

(b) by way of commission if the company by special resolution authorises such payment:

Provided that the remuneration paid to such director, or where there is more than one such director, to all of them together, shall not exceed—

(i) one per cent. of the net profits of the company, if the company has a managing or whole-time director, a managing agent or secretaries and treasurers or a manager;

(ii) three per cent. of the net profits of the company, in any other case:

Provided further that the company in general meeting may, with the approval of the Central Government, authorise the payment of such remuneration at a rate exceeding one per cent. or, as the case may be, three per cent. of its net profits.”

Amendment of section 310.

43. To section 310 of the principal Act, the following proviso shall be added, namely:—

“Provided that the approval of the Central Government shall not be required where any such provision or any amendment thereof purports to increase, or has the effect of increasing, the amount of such remuneration only by way of a fee for each meeting of the Board or a committee thereof attended by any such director and the amount of such fee after such increase does not exceed two hundred and fifty rupees.”

Amendment of section 314.

44. In section 314 of the principal Act,—

(a) in sub-section (1)—

(i) for the words “previous consent”, the word “consent” shall be substituted;

(ii) for the proviso, the following provisos shall be substituted, namely:—

“Provided that it shall be sufficient if the special resolution according the consent of the company is passed at the general meeting of the company held for the first time after the holding of such office or place of profit:

Provided further that where a relative of a director or a firm in which such relative is a partner, is appointed to an office or place of profit under the company or a subsidiary thereof without the knowledge of the director, the consent of the company may be obtained either in the general meeting aforesaid or within three months from the date of the appointment, whichever is later.”;

(b) for sub-section (2), the following sub-section shall be substituted, namely:—

“(2) If any office or place of profit is held in contravention of the provisions of sub-section (1), the director, partner, relative, firm, private company, managing agent, secretaries and treasurers or the manager, concerned, shall be deemed to have vacated his or its office as such on and from the date next following the date of the general meeting of the company referred to in the first proviso or, as the case may be, the date of the expiry of the period of three months referred to in the second proviso to that sub-section, and shall also be liable to refund to the company any remuneration received or the monetary equivalent of any perquisite or advantage enjoyed by him or it for the period immediately preceding the date aforesaid in respect of such office or place of profit.”.

45. In section 318 of the principal Act, in sub-section (3), in clause (c), the word and figures “section 280,” shall be omitted. Amendment of section 318.

46. In section 370 of the principal Act,—

(a) in sub-section (1)—

(i) the words “which is under the same management as the lending company” shall be omitted; Amendment of section 370.

(ii) the following provisos shall be added at the end, namely:—

“Provided that no special resolution shall be necessary in the case of loans made to other bodies corporate not under the same management as the lending company where the aggregate of such loans does not exceed ten

per cent. of the aggregate of the subscribed capital of the lending company and its free reserves:

Provided further that the aggregate of the loans made to all bodies corporate shall not exceed without the prior approval of the Central Government—

(a) thirty per cent. of the aggregate of the subscribed capital of the lending company and its free reserves where all such other bodies corporate are not under the same management as the lending company;

(b) twenty per cent. of the aggregate of the subscribed capital of the lending company and its free reserves where all such other bodies corporate are under the same management as the lending company.

Explanation.—If a special resolution has been passed by the lending company authorising the making of loans up to the limit of thirty per cent. of the aggregate specified in clause (a), or, as the case may be, of twenty per cent. of the aggregate specified in clause (b), of the second proviso, then, no further special resolution or resolutions shall be deemed to be necessary for the making of any loan or loans within such limit.”;

(b) in sub-section (1C), in clause (b), after the words “provided by the lending company”, the words “in relation to any such body corporate” shall be inserted;

(c) in sub-section (1D), for the words “every such loan, guarantee or security”, the words, brackets, figure and letter “every loan, guarantee or security referred to in sub-section (1C)” shall be substituted;

(d) in sub-section (2), in clause (a), for sub-clause (iii), the following sub-clauses shall be substituted, namely:—

“(iii) by a banking company, or an insurance company, in the ordinary course of its business;

(iv) by a private company, unless it is a subsidiary of a public company;

(v) by a company established with the object of financing industrial enterprises;”;

(e) after sub-section (4), the following sub-section shall be inserted, namely:—

“(5) Where before the commencement of the Companies (Amendment) Act, 1965, any loan, guarantee or security has been made, given or provided by a company which could not have been made, given or provided under this section as amended by that Act, and such loan, guarantee or security is outstanding at such commencement, the company shall, within six months from such commencement, enforce the repayment of the loan made or, as the case may be, revoke the guarantee given or the security provided, notwithstanding any agreement to the contrary:

Provided that the aforesaid period of six months may be extended by the Central Government on an application made to it in that behalf by the company.”

47. In section 372 of the principal Act, in sub-section (13), after the word, brackets and figure “sub-section (2)”, the words, brackets and figure “and sub-section (5)” shall be inserted.

Amendment of section 372.

48. In section 391 of the principal Act, to sub-section (2), the following proviso shall be added, namely:—

Amendment of section 391.

“Provided that no order sanctioning any compromise or arrangement shall be made by the Court unless the Court is satisfied that the company or any other person by whom an application has been made under sub-section (1) has disclosed to the Court, by affidavit or otherwise, all material facts relating to the company, such as the latest financial position of the company, the latest auditor's report on the accounts of the company, the pendency of any investigation proceedings in relation to the company under sections 235 to 251, and the like.”

49. In section 394 of the principal Act, to sub-section (1), the following provisos shall be added, namely:—

Amendment of section 394.

“Provided that no compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the amalgamation of a company, which is being wound up, with any other company or companies, shall be sanctioned by the Court unless the Court has received a report from the Company Law Board

or the Registrar that the affairs of the company have not been conducted in a manner prejudicial to the interests of its members or to public interest:

Provided further that no order for the dissolution of any transferor company under clause (iv) shall be made by the Court unless the Official Liquidator has, on scrutiny of the books and papers of the company, made a report to the Court that the affairs of the company have not been conducted in a manner prejudicial to the interests of its members or to public interest.”.

Insertion
of new
section
394A.

Notice to
be given
to Central
Govern-
ment for
applica-
tions under
sections
391 and
394.

Amend-
ment of
section
395.

50. After section 394 of the principal Act, the following section shall be inserted, namely:—

“394A. The Court shall give notice of every application made to it under section 391 or 394 to the Central Government, and shall take into consideration the representations, if any, made to it by that Government before passing any order under any of these sections.”.

51. In section 395 of the principal Act,—

(a) in sub-section (3), for the words “the transferor company shall thereupon register the transferee company as the holder of those shares:”, the following shall be substituted, namely:—

“the transferor company shall—

(a) thereupon register the transferee company as the holder of those shares, and

(b) within one month of the date of such registration, inform the dissenting shareholders of the fact of such registration and of the receipt of the amount or other consideration representing the price payable to them by the transferee company:”;

(b) after sub-section (4), the following sub-section shall be inserted, namely:—

“(4A) (a) The following provisions shall apply in relation to every offer of a scheme or contract involving the transfer of shares or any class of shares in the transferor company to the transferee company, namely:—

(i) every such offer or every circular containing such offer or every recommendation to the members of the transferor company by its directors to accept such

offer shall be accompanied by such information as may be prescribed;

(ii) every such offer shall contain a statement by or on behalf of the transferee company, disclosing the steps it has taken to ensure that necessary cash will be available;

(iii) every circular containing, or recommending acceptance of, such offer shall be presented to the Registrar for registration and no such circular shall be issued until it is so registered;

(iv) the Registrar may refuse to register any such circular which does not contain the information required to be given under sub-clause (i) or which sets out such information in a manner likely to give a false impression; and

(v) an appeal shall lie to the Court against an order of the Registrar refusing to register any such circular.

(b) Whoever issues a circular referred to in sub-clause (iii) of clause (a), which has not been registered, shall be punishable with fine which may extend to five hundred rupees."

52. In the principal Act, in Chapter V of Part VI, after section 396, the following section shall be inserted, namely:—

Insertion
of new
section
396A.

"396A. The books and papers of a company which has been amalgamated with, or whose shares have been acquired by, another company under this Chapter shall not be disposed of without the prior permission of the Central Government and before granting such permission, that Government may appoint a person to examine the books and papers or any of them for the purpose of ascertaining whether they contain any evidence of the commission of an offence in connection with the promotion or formation, or the management of the affairs, of the first-mentioned company or its amalgamation or the acquisition of its shares."

Preserva-
tion of
books and
papers of
amalgamated
company.

53. (1) In the principal Act, in Chapter VII of Part VI,—

(a) in the heading, for the words "ADVISORY COMMISSION", the words "ADVISORY COMMITTEE" shall be substituted;

Amend-
ment of
Chapter
VII of
Part VI.

(b) for sections 410, 411, 412, 413, 414 and 415, the following section shall be substituted, namely:—

Appoint-
ment of
Advisory
Committee.

“410. For the purpose of advising the Central Government and the Company Law Board on such matters arising out of the administration of this Act as may be referred to it by that Government or Board, the Central Government may constitute an Advisory Committee consisting of not more than five persons with suitable qualifications.”.

(2) All cases pending before the Advisory Commission immediately before the commencement of this Act shall stand transferred to the Central Government on such commencement and the Central Government may dispose of such cases in such manner as it deems fit.

Amend-
ment of
section 497.

54. In section 497 of the principal Act,—

(a) in sub-section (3), for the words “Registrar a copy of the account, and shall make a return to him”, the words “Registrar and the Official Liquidator a copy each of the account and shall make a return to each of them” shall be substituted;

(b) for sub-sections (5) and (6), the following sub-sections shall be substituted, namely:—

“(5) The Registrar, on receiving the account and either the return mentioned in sub-section (3) or the return mentioned in sub-section (4), shall forthwith register them.

(6) The Official Liquidator, on receiving the account and either the return mentioned in sub-section (3) or the return mentioned in sub-section (4), shall, as soon as may be, make, and the liquidator and all officers, past or present, of the company shall give the Official Liquidator all reasonable facilities to make, a scrutiny of the books and papers of the company and if on such scrutiny the Official Liquidator makes a report to the Court that the affairs of the company have not been conducted in a manner prejudicial to the interests of its members or to public interest, then, from the date of the submission of the report to the Court the company shall be deemed to be dissolved.

(6A) If on such scrutiny the Official Liquidator makes a report to the Court that the affairs of the company have been conducted in a manner prejudicial as aforesaid, the Court shall by order direct the Official Liquidator to make a further investigation of the affairs of the company and for that purpose shall invest him with all such powers as the Court may deem fit.

(6B) On the receipt of the report of the Official Liquidator on such further investigation the Court may either make an order that the company shall stand dissolved with effect from the date to be specified by the Court therein or make such other order as the circumstances of the case brought out in the report permit.”.

55. In section 509 of the principal Act,—

Amend-
ment of
section 509.

(a) in sub-section (3), for the words “Registrar a copy of the account, and shall make a return to him”, the words “Registrar and the Official Liquidator a copy each of the account and shall make a return to each of them”, shall be substituted;

(b) for sub-sections (5) and (6), the following sub-sections shall be substituted, namely:—

“(5) The Registrar, on receiving the account and also, in respect of each such meeting, either the return mentioned in sub-section (3) or the return mentioned in sub-section (4), shall forthwith register them.

(6) The Official Liquidator, on receiving the account and either the return mentioned in sub-section (3) or the return mentioned in sub-section (4), shall, as soon as may be, make, and the liquidator and all officers, past or present, of the company shall give the Official Liquidator all reasonable facilities to make, a scrutiny of the books and papers of the company and if on such scrutiny the Official Liquidator makes a report to the Court that the affairs of the company have not been conducted in a manner prejudicial to the interests of its members or to public interest, then, from the date of the submission of the report to the Court the company shall be deemed to be dissolved.

(6A) If on such scrutiny the Official Liquidator makes a report to the Court that the affairs of the company have been conducted in a manner prejudicial as aforesaid, the Court shall by order direct the Official Liquidator to make a further investigation of the affairs of the company and for that purpose shall invest him with all such powers as the Court may deem fit.

(6B) On the receipt of the report of the Official Liquidator on such further investigation the Court may either make an order that the company shall stand dissolved with effect from the date to be specified by the Court therein or make such other order as the circumstances of the case brought out in the report permit.”.

Insertion
of new
section
511A.

56. After section 511 of the principal Act, the following section shall be inserted, namely:—

Applica-
tion of
section 454
to volun-
tary wind-
ing up.

'511A. The provisions of section 454 shall, so far as may be, apply to every voluntary winding up as they apply to the winding up by the Court except that references to—

(a) the Court shall be omitted;

(b) the Official Liquidator or the provisional liquidator shall be construed as references to the liquidator; and

(c) the "relevant date" shall be construed as references to the date of commencement of the winding up.'

Amend-
ment of
section
593.

57. In section 593 of the principal Act, in clause (c), the words "or the particulars contained in the list of the directors and secretary" shall be omitted.

Substitu-
tion of
new sec-
tions for
section
635A.

58. For section 635A of the principal Act, the following sections shall be substituted, namely:—

Protection
of acts
done in
good faith.

"635A. No suit, prosecution or other legal proceeding shall lie against the Government or any officer of Government or any other person in respect of anything which is in good faith done or intended to be done in pursuance of this Act or any rules or orders made thereunder, or in respect of the publication by or under the authority of the Government or such officer of any report, paper or proceedings.

Non-dis-
closure of
informa-
tion in
certain
cases.

635AA. Notwithstanding anything contained in any other law for the time being in force, the Registrar, any officer of Government or any other person shall not be compelled to disclose to any court, tribunal or other authority whence he got any information which—

(a) has led the Central Government to direct a special audit under section 233A or to order an investigation under section 235, 237, 247, 248 or 249; or

(b) is or has been material or relevant in connection with such special audit or investigation."

59. After section 637A of the principal Act, under the sub-heading "Grant of approval, etc., subject to conditions and levy of fees on applications", the following section shall be inserted, namely:—

Insertion of new section 637B.

"637B. Notwithstanding anything contained in this Act,—

Condonation of delays in certain cases.

(a) where any application required to be made to the Central Government under any provision of this Act in respect of any matter is not made within the time specified therein, that Government may, for reasons to be recorded in writing, condone the delay;

(b) where any document required to be filed with the Registrar under any provision of this Act is not filed within the time specified therein, the Central Government may, for reasons to be recorded in writing, condone the delay."

60. After section 640A of the principal Act, under the sub-heading "Schedules, Forms and Rules", the following section shall be inserted, namely:—

Insertion of new section 640B.

"640B. (1) Every application made to the Central Government under section 259, 268, 269, 310, 311, 326, 328, 329, 332, 343, 345, 346, 352, 408, or 409 shall be in such form as may be prescribed.

Forms of and procedure in relation to, certain applications.

(2) (a) Before any application is made by a company to the Central Government under any of the sections aforesaid, there shall be issued by or on behalf of the company a general notice to the members thereof, indicating the nature of the application proposed to be made.

(b) Such notice shall be published at least once in a newspaper in the principal language of the district in which the registered office of the company is situate and circulating in that district, and at least once in English in an English newspaper circulating in that district.

(c) Copies of the notices, together with a certificate by the company as to the due publication thereof, shall be attached to the application.

(d) Nothing in clause (a), (b) or (c) shall apply to a private company which is not the managing agent of public company."

Amend-
ment of
Schedule
IA.

61. In Schedule IA of the principal Act, serials 23 to 49 (both inclusive) shall be omitted.

Minor
amend-
ments.

62. The amendments directed in the Schedule, being amendments relating to matters of minor detail or of a clarificatory or consequential nature, shall be made in the sections of the principal Act specified therein.

THE SCHEDULE

(See section 62)

MINOR AMENDMENTS IN THE COMPANIES ACT, 1956

Section 2.—In clause (49A), for “Tribunal constituted”, substitute “Companies Tribunal constituted”.

Section 10A.—In sub-section (1), for “constitute a Tribunal”, substitute “constitute a Tribunal to be known as the Companies Tribunal”.

Section 44.—In clause (b) of sub-section (1), for “fourteen”, substitute “thirty”.

Section 75.—For “one month”, in all places, substitute “thirty days”.

Section 95.—In sub-section (1), for “one month”, substitute “thirty days”.

Section 97.—In sub-section (1), for “fifteen”, substitute “thirty”.

Section 107.—In sub-section (5), for “fifteen”, substitute “thirty”.

Section 125.—For “twenty-one”, in all places, substitute “thirty”.

Section 127.—In sub-section (1), for “twenty-one”, in all places, substitute “thirty”.

Section 128.—For “twenty-one”, substitute “thirty”.

Section 137.—In sub-section (1), for “fifteen”, substitute “thirty”.

Section 138.—In sub-section (1), for “twenty-one”, substitute “thirty”.

Section 146.—For “twenty-eighth” and “twenty-eight”, substitute respectively “thirtieth” and “thirty”.

Section 156.—For “Court” and “fourteen”, in all places, substitute respectively “Tribunal” and “thirty”.

Section 157.—In sub-section (2), for “one month”, in both places, substitute “thirty days”.

Section 159.—In sub-section (1), for “forty-two”, substitute “sixty”.

Section 160.—In sub-section (1), for “forty-two”, substitute “sixty”.

Section 192.—In sub-section (1), for “fifteen”, substitute “thirty”.

Section 193.—For “fourteen”, in all places, substitute “thirty”.

Section 220.—In sub-section (1), for “at the same time as the copy of the annual return referred to in section 161”, substitute “within thirty days from the date on which the balance-sheet and the profit and loss account were so laid”.

Section 303.—In sub-section (2), for “twenty-eight”, in all places, substitute “thirty”.

Section 394.—In sub-section (3), for “fourteen”, substitute “thirty”.

Section 404.—In sub-section (3), for “fifteen”, substitute “thirty”.

Section 445.—In sub-section (1) and in sub-section (1A), for “one month”, substitute “thirty days”.

Section 481.—In sub-section (2), for “fourteen”, substitute “thirty”.

Section 509.—In sub-section (6), for “twenty-one”, substitute “thirty”.

Section 516.—In sub-section (1), for “twenty-one”, substitute “thirty”.

Section 559.—In sub-section (2), for “twenty-one”, substitute “thirty”.

Section 592.—In sub-section (1), for “one month”, substitute “thirty days”.

Rep. by Act.....56.....of 1974, S. 2 & S.L. I

THE INSURANCE (AMENDMENT) ACT, 1965

No. 32 OF 1965

[29th September, 1965]

An Act further to amend the Insurance Act, 1938.

BE it enacted by Parliament in the Sixteenth Year of the Republic of India as follows:—

Short
Title

1. This Act may be called the Insurance (Amendment) Act, 1965.

Amend-
ment of
section 2.

2. In section 3 of the Insurance Act, 1938 (hereinafter referred to as the principal Act),—

(i) after sub-section (2), the following sub-sections shall be inserted, namely:—

“(2A) If, on receipt of an application for registration and after making such inquiry as he deems fit, the Controller is satisfied that—

(a) the financial condition and the general character of management of the applicant are sound;

(b) the volume of business likely to be available to, and the capital structure and earning prospects of, the applicant will be adequate;

(c) the interests of the general public will be served if the certificate of registration is granted to the applicant in respect of the class or classes of insurance business specified in the application; and

(d) the applicant has complied with the provisions of sections 2C, 5, 31A and 32 and has fulfilled all the requirements of this section applicable to him,

the Controller may register the applicant as an insurer and grant him a certificate of registration.

(2B) Where the Controller refuses registration, he shall record the reasons for such decision and shall furnish a copy thereof to the applicant.

(2C) Any person aggrieved by the decision of the Controller refusing registration may, within thirty days from the date on which a copy of the decision is received by him, appeal to the Central Government.

(2D) The decision of the Central Government on such appeal shall be final and shall not be questioned before any court.”;

(ii) in sub-section (3), for the words “In the case of any insurer having his principal place of business or domicile outside India”, the following shall be substituted, namely:—

“Notwithstanding anything contained in sub-section (2A), in the case of any insurer having his principal place of business or domicile outside India”;

(iii) sub-section (6) shall be omitted.

3. In section 110 of the principal Act, in clause (a) of sub-section (1), the words “refusing to register, or” shall be omitted.

Amend-
ment of
section 110.

**THE LIFE INSURANCE CORPORATION (AMENDMENT)
ACT, 1965**

No. 33 OF 1965

[29th September, 1965.]

**An Act further to amend the Life Insurance Corporation
Act, 1956**

Be it enacted by Parliament in the Sixteenth Year of the
Republic of India as follows:—

Short title.

1. This Act may be called the Life Insurance Corporation
(Amendment) Act, 1965.

Amend-
ment of
section 26.

2. In the Life Insurance Corporation Act, 1956 (hereinafter refer- 31 of 1956.
red to as the principal Act), in section 26, for the words "business
of the Corporation, including a valuation of the liabilities of the
Corporation", the words "life insurance business of the
Corporation, including a valuation of the liabilities of the Corpora-
tion in respect thereto" shall be substituted.

Substi-
tution of
new
section for
section 28.

3. For section 28 of the principal Act, the following section shall
be substituted and shall be deemed always to have been so substitu-
ted, namely:—

Surplus
from life
insurance
business
how to be
utilized.

"28. If as a result of any investigation undertaken by the
Corporation under section 26 any surplus emerges, ninety-five
per cent. of such surplus or such higher percentage thereof as
the Central Government may approve shall be allocated to or
reserved for the life insurance policy-holders of the Corpora-
tion and after meeting the liabilities of the Corporation, if any,
which may arise under section 9, the remainder shall be paid to
the Central Government or, if that Government so directs, be
utilized for such purposes and in such manner as that Govern-
ment may determine."

Insertion
of new
section
28A.

4. After section 28 of the principal Act, the following section
shall be inserted, namely:—

Profits
from any
business
(other
than life
insurance
business)
how to be
utilized.

"28A. If for any financial year profits accrue from any busi-
ness (other than life insurance business) carried on by the
Corporation, then, after making provision for reserves and other
matters for which provision is necessary or expedient, the
balance of such profits shall be paid to the Central Government."

NOT CORRECTED: SEE INDIA CODE
Vol. VI. Pt. XII. p. 27.
THE PRESS COUNCIL ACT, 1965

No. 34 OF 1965

[12th November, 1965.]

An Act to establish a Press Council for the purpose of preserving the freedom of the Press and of maintaining and improving the standards of Newspapers in India.

BE it enacted by Parliament in the Sixteenth Year of the Republic of India as follows:—

CHAPTER I

PRELIMINARY

1. (1) This Act may be called the Press Council Act, 1965.

Short title
and extent.

(2) It extends to the whole of India except the State of Jammu and Kashmir.

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

Definitions

(a) "Chairman" means the Chairman of the Council;

(b) "Council" means the Press Council of India established under section 3;

(c) "member" means a member of the Council and includes its Chairman;

(d) "prescribed" means prescribed by rules made under this Act;

(e) the expressions "editor" and "newspaper" have the meanings respectively assigned to them in the Press and Registration of Books Act, 1867, and the expression "working journalist" has the meaning assigned to it in the Working Journalists (Conditions of Service) and Miscellaneous Provisions Act, 1955.

25 of 1867.

45 of 1955.

CHAPTER II
ESTABLISHMENT OF THE PRESS COUNCIL

Incorporation of the Council.

3. (1) With effect from such date¹ as the Central Government may, by notification in the Official Gazette, appoint, there shall be established a Council by the name of the Press Council of India.

(2) The said Council shall be a body corporate having perpetual succession and a common seal and shall by the said name sue and be sued.

Composition of the Council.

4. (1) The Council shall consist of a Chairman and twenty-five other members.

(2) The Chairman shall be a person nominated by the Chief Justice of India.

(3) The other members shall be chosen as follows:—

(a) thirteen members from among the working journalists, of whom not less than six shall be editors of newspapers who do not own or carry on the business of management of newspapers, so however that the number of editors of newspapers published in Indian languages shall not be less than three;

(b) six members from among persons who own or carry on the business of management of newspapers;

(c) three members from among persons having special knowledge or experience in the field of education, science, literature, law or culture;

(d) three members, of whom two shall be from among the members of the House of the People and one from among the members of the Council of States.

(4) The two members to be chosen from among the members of the House of the People shall be nominated by the Speaker thereof and the one to be chosen from among the members of the Council of States shall be nominated by the Chairman thereof; and save as aforesaid, all the other members referred to in sub-section (3) shall be nominated by a Committee consisting of the Chief Justice of India, the Chairman of the Council and a person to be appointed by the President of India, and in making any such nomination, the Committee shall have due regard to the consideration that not more than one person interested in any newspaper or any group of newspapers under the same control or management should be nominated to represent any of the categories referred to in clause (a) or clause (b) of that sub-section.

(5) Before making any nomination under clause (a) or clause (b) of sub-section (3), the Committee referred to in sub-section (4) shall, in the prescribed manner, invite panels of names from all such

¹4th July, 1966; vide Notification No. G.S.R. 1065, dated 2-7-1966, Gazette of India, Extraordinary, Pt. II, Sec. 3 (i), p. 504.

associations of persons of the categories referred to in the said clause (a) or clause (b) as may be notified in this behalf by the Council and in making any such nomination the Committee shall have due regard to the panels of names forwarded to it:

Provided that, until the Council is established, such associations shall be notified by the Central Government.

(6) Before making any nomination under clause (c) of sub-section (3), the Committee shall consult such associations or persons as it thinks fit.

(7) The names of persons nominated under this section shall be forwarded to the Central Government and shall be notified by that Government in the Official Gazette, and every appointment so made under this section shall take effect from the date on which it is so notified.

5. (1) Save as otherwise provided in this section, the Chairman and other members shall hold office for a period of three years.

Term of office and retirement of members.

(2) Where a person chosen as a member under clause (a) or clause (b) of sub-section (3) of section 4 is censured under the provisions of sub-section (1) of section 13, he shall cease to be a member of the Council.

(3) The term of office of a member chosen under clause (d) of sub-section (3) of section 4 shall come to an end as soon as he ceases to be a member of the House from which he was chosen.

(4) The Chairman may resign his office by giving notice in writing to the Central Government and any other member may resign his office by giving notice in writing to the Chairman; and upon such resignation being accepted by the Central Government or, as the case may be, the Chairman, he shall be deemed to have vacated his office.

(5) A casual vacancy arising under sub-section (2) or sub-section (3) or sub-section (4) or otherwise shall be filled by fresh appointment and a member so appointed shall hold office for the remaining period for which the member in whose place he is appointed would have held office.

(6) Every fresh appointment to fill a casual vacancy or a vacancy caused by the retirement of a member shall be made from the same category of persons to which the member in whose place the appointment is to be made belonged, and every such appointment shall be made by the same authority by which and in the same manner in which, that member was appointed.

(7) A retiring member shall be eligible for re-appointment:

Provided that no member shall hold office for a period exceeding six years in the aggregate and on the expiry of such period he shall cease to be a member.

Conditions
of service
of mem-
bers.

6. (1) The Chairman shall be a whole-time officer and shall be paid such salary as the Central Government may think fit; and the other members shall receive such allowances or fees for attending the meetings of the Council, as may be prescribed.

(2) Subject to the provisions of sub-section (1), the conditions of service of members shall be such as may be prescribed.

(3) It is hereby declared that the office of a member of the Council shall not disqualify its holder for being chosen as, or for being, a member of either House of Parliament.

Meetings
of the
Council.

7. The Council shall meet at such times and places and shall observe such rules of procedure in regard to the transaction of business at its meetings as may be provided by regulations made under this Act.

Committees
of the
Council.

8. For the purpose of performing its functions under this Act, the Council may constitute from amongst its members such committees for general or special purposes as it may deem necessary and every committee so constituted shall perform such functions as are assigned to it by the Council.

Vacancies
amongst
members
or defect
in the
constitu-
tion not
to invali-
date acts
and Pro-
ceedings of
the Coun-
cil.

9. No act or proceeding of the Council shall be deemed to be invalid by reason merely of the existence of any vacancy in, or any defect in the constitution of, the Council.

Staff of
the Coun-
cil.

10. (1) Subject to such rules as may be made by the Central Government in this behalf, the Council may appoint a Secretary and such other employees as it may think necessary for the efficient performance of its functions under this Act.

(2) The terms and conditions of service of the employees shall be such as may be determined by regulations made with the prior approval of the Central Government.

11. All orders and decisions of the Council shall be authenticated by the signature of the Chairman or any other member authorised by the Council in this behalf and other instruments issued by the Council shall be authenticated by the signature of the Secretary or any other officer of the Council authorised in like manner in this behalf.

Authenti-
cation of
orders and
other ins-
truments
of the
Council.

CHAPTER III

POWERS AND FUNCTIONS OF THE COUNCIL

12. (1) The object of the Council shall be to preserve the freedom of the Press and to maintain and improve the standards of newspapers in India.

Objects
and func-
tions of
the Coun-
cil.

(2) The Council may, in furtherance of its object, perform the following functions, namely:—

- (a) to help newspapers to maintain their independence;
- (b) to build up a code of conduct for newspapers and journalists in accordance with high professional standards;
- (c) to ensure on the part of newspapers and journalists the maintenance of high standards of public taste and foster a due sense of both the rights and responsibilities of citizenship;
- (d) to encourage the growth of a sense of responsibility and public service among all those engaged in the profession of journalism;
- (e) to keep under review any development likely to restrict the supply and dissemination of news of public interest and importance;
- (f) to keep under review such cases of assistance received by any newspaper or news agency in India from foreign sources, as are referred to it by the Central Government:

Provided that nothing in this clause shall preclude the Central Government from dealing with any case of assistance received by a newspaper or news agency in India from foreign sources, in any other manner it thinks fit;

(g) to promote the establishment of such common service for the supply and dissemination of news to newspapers as may, from time to time, appear to it to be desirable;

(h) to provide facilities for the proper education and training of persons in the profession of journalism;

(i) to promote a proper functional relationship among all classes of persons engaged in the production or publication of newspapers;

(j) to study developments which may tend towards monopoly or concentration of ownership of newspapers, including a study of the ownership or financial structure of newspapers, and if necessary, to suggest remedies therefor;

(k) to promote technical or other research;

(l) to do such other acts as may be incidental or conducive to the discharge of the above functions.

Power to
censure.

13. (1) Where, on receipt of a complaint made to it or otherwise, the Council has reason to believe that a newspaper has offended against the standards of journalistic ethics or public taste or that an editor or a working journalist has committed any professional misconduct or a breach of the code of journalistic ethics, the Council may, after giving the newspaper, the editor or journalist concerned an opportunity of being heard, hold an inquiry in such manner as may be provided by regulations made under this Act and, if it is satisfied that it is necessary so to do, it may, for reasons to be recorded in writing, censure the newspaper, the editor or journalist, as the case may be.

(2) Nothing in sub-section (1) shall be deemed to empower the Council to hold an inquiry into any matter in respect of which any proceeding is pending in a court of law.

(3) The decision of the Council under sub-section (1), shall be final and shall not be questioned in any court of law.

General
powers
of the
Council.

14. (1) For the purpose of performing its functions under this Act, the Council may require the publisher of any newspaper to furnish to it information on such points or matters as it may deem necessary.

(2) While holding any inquiry under this Act, the Council shall have the same powers as are vested in a civil court while trying a suit under the Code of Civil Procedure, 1908, in respect of the following matters, namely:—

5 of 1908

(a) summoning and enforcing the attendance of persons and examining them on oath;

(b) requiring the discovery and production of documents;

(c) receiving evidence on affidavits;

(d) issuing commissions for the examination of witnesses or documents.

(3) Every inquiry held by the Council shall be deemed to be a judicial proceeding within the meaning of sections 193 and 228 of the Indian Penal Code.

15. The Central Government may, after due appropriation made by Parliament by law in this behalf, pay to the Council in each financial year such sums as may be considered necessary for the performance of the functions of the Council under this Act. Payments to the Council.

16. (1) The Council shall have its own Fund; and all such sums as may, from time to time, be paid to it by the Central Government and all grants and advances made to it by any other authority or person shall be credited to the Fund and all payments by the Council shall be made therefrom. Fund of the Council.

(2) All moneys belonging to the Fund shall be deposited in such banks or invested in such manner as may, subject to the approval of the Central Government, be decided by the Council.

(3) The Council may spend such sums as it thinks fit for performing its functions under this Act, and such sums shall be treated as expenditure payable out of the Fund of the Council.

17. The Council shall prepare, in such form and at such time each year as may be prescribed, a budget in respect of the financial year next ensuing showing the estimated receipts and expenditure, and copies thereof shall be forwarded to the Central Government. Budget.

18. The Council shall prepare once every year, in such form and at such time as may be prescribed, an annual report giving a summary of its activities during the previous year and giving an account of the standards of newspapers and factors affecting them, and copies thereof shall be forwarded to the Central Government and the Government shall cause the same to be laid before both Houses of Parliament. Annual report.

19. The accounts of the Council shall be maintained and audited in such manner as may, in consultation with the Comptroller and Auditor-General of India, be prescribed. Accounts and audit.

CHAPTER IV

MISCELLANEOUS

Protection of action taken in good faith.

20. (1) No suit or other legal proceeding shall lie against the Council or any member thereof or any person acting under the direction of the Council in respect of anything which is in good faith done or intended to be done under this Act.

(2) No suit or other legal proceeding shall lie against any newspaper in respect of the publication of any matter therein under the authority of the Council.

Members, etc., to be public servants.

21. Every member of the Council and every officer or other employee appointed by the Council shall be deemed to be a public servant within the meaning of section 21 of the Indian Penal Code. 45 of 1860.

Power to make rules.

22. (1) The Central Government may, by notification in the Official Gazette, make rules to carry out the purposes of this Act:

Provided that when the Council has been established, no such rules shall be made without consulting the Council.

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

(a) the manner in which panels of names may be invited under sub-section (5) of section 4;

(b) the allowances or fees to be paid to the members of the Council for attending meetings of the Council, and other conditions of service of such members;

(c) the appointment of the Secretary and other employees of the Council;

(d) the form in which, and the time within which, the budget and annual report are to be prepared by the Council;

(e) the manner in which the accounts of the Council are to be maintained and audited.

(3) Every rule made under this Act shall be laid, as soon as may be after it is made, before each House of Parliament while it is in session for a total period of thirty days which may be comprised in one session or in two successive sessions, and if before the expiry of the session in which it is laid or the session immediately following, both Houses agree in making any modification in the 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.

23. The Council may make regulations not inconsistent with this Act and the rules made thereunder, for—

Power to
make
regulations

(a) regulating the meetings of the Council and the procedure for conducting business thereat;

(b) specifying the terms and conditions of service of the employees appointed by the Council;

(c) regulating the manner of holding any inquiry under this Act;

Provided that the regulations made under clause (b) shall be made with the prior approval of the Central Government.

Rep. by Act... 56... of 1974, S. 2 & Sch. I

THE INDUSTRIAL DISPUTES (AMENDMENT) ACT, 1965

No. 35 OF 1965

[19th November, 1965.]

An Act further to amend the Industrial Disputes Act, 1947.

BE it enacted by Parliament in the Sixteenth Year of the Republic of India as follows:—

Short title and commencement.

1. (1) This Act may be called the Industrial Disputes (Amendment) Act, 1965.

(2) It shall come into force on such date¹ as the Central Government may, by notification in the Official Gazette, appoint.

Amendment of section 2.

2. In section 2 of the Industrial Disputes Act, 1947 (hereinafter referred to as the principal Act),—

(i) in sub-clause (i) of clause (a), after the words and figures "Employees' State Insurance Act, 1948, or", the words and figures "the "Indian Airlines" and "Air-India" Corporations established under section 3 of the Air Corporations Act, 1953, or" shall be inserted;

(ii) in clause (p), before the words "the appropriate Government", the words "an officer authorised in this behalf by" shall be inserted.

Insertion of new section 2A.

3. After section 2 of the principal Act, the following section shall be inserted, namely:—

Dismissal, etc. of an individual workman to be deemed to be an industrial dispute.

"2A. Where any employer discharges, dismisses, retrenches or otherwise terminates the services of an individual workman, any dispute or difference between that workman and his employer connected with, or arising out of, such discharge, dismissal, retrenchment or termination shall be deemed to be an industrial dispute notwithstanding that no other workman nor any union of workmen is a party to the dispute."

Amendment of section 12.

4. In section 12 of the principal Act, in sub-section (3), after the words "the appropriate Government", the words "or an officer authorised in this behalf by the appropriate Government" shall be inserted.

¹ 1st December, 1965; vide Notification No. S.O. 3751, dated 27-11-1965, Gazette of India, Pt. II, Sec. 3 (ii), P. 3908.

5. For section 25C of the principal Act, the following section shall be substituted, namely:—

Substitution of new section for section 25C.

“25C. Whenever a workman (other than a *badli* workman or a casual workman) whose name is borne on the muster rolls of an industrial establishment and who has completed not less than one year of continuous service under an employer is laid off, whether continuously or intermittently, he shall be paid by the employer for all days during which he is so laid off, except for such weekly holidays as may intervene, compensation which shall be equal to fifty per cent. of the total of the basic wages and dearness allowance that would have been payable to him had he not been so laid off:

Right of workmen laid off for compensation.

Provided that if during any period of twelve months, a workman is so laid off for more than forty-five days, no such compensation shall be payable in respect of any period of the lay off after the expiry of the first forty-five days, if there is an agreement to that effect between the workman and the employer:

Provided further that it shall be lawful for the employer in any case falling within the foregoing proviso to retrench the workman in accordance with the provisions contained in section 25F at any time after the expiry of the first forty-five days of the lay off and when he does so, any compensation paid to the workman for having been laid off during the preceding twelve months may be set off against the compensation payable for retrenchment.

Explanation.—“*Badli* workman” means a workman who is employed in an industrial establishment in the place of another workman whose name is borne on the muster rolls of the establishment, but shall cease to be regarded as such for the purposes of this section, if he has completed one year of continuous service in the establishment.”

Amend-
ment of
section 29.

6. In section 29 of the principal Act, after the words "which may extend to six months, or with fine, or with both", the words "and where the breach is a continuing one, with a further fine which may extend to two hundred rupees for every day during which the breach continues after the conviction for the first" shall be inserted.

THE DELHI MOTOR VEHICLES TAXATION (AMENDMENT) ACT, 1965

No. 36 OF 1965

[27th November, 1965.]

An Act to amend the Delhi Motor Vehicles Taxation Act, 1962.

BE it enacted by Parliament in the Sixteenth Year of the Republic of India as follows:—

1. This Act may be called the Delhi Motor Vehicles Taxation Short title (Amendment) Act, 1965.

57 of 1962.

2. For section 20 of the Delhi Motor Vehicles Taxation Act, 1962 (hereinafter referred to as the principal Act), the following section shall be substituted, namely:—

Substitution of new section for section 20.

“20. The proceeds of the tax collected under this Act (which shall form part of the Consolidated Fund of India) reduced by the cost of collection as determined by the Central Government shall, if Parliament by appropriation made by law in this behalf so provides, be paid to,—

Utilization of the proceeds of tax.

66 of 1957.

(i) the Municipal Corporation of Delhi established under section 3 of the Delhi Municipal Corporation Act, 1957;

Punjab Act 3 of 1911.

(ii) the New Delhi Municipal Committee established under section 11 of the Punjab Municipal Act, 1911, as extended to Delhi; and

2 of 1924.

(iii) the Cantonment Board, Delhi, constituted under the Cantonments Act, 1924,

for the performance of their respective functions under the said Acts and the payment shall be made in such proportion as may be prescribed.”

REPEALED

364 *Delhi Motor Vehicles Taxation (Amendment)* [ACT 36 OF 1965]

Amend-
ment of
Sche-
dule I.

3. In Part A of Schedule I to the principal Act, in item III, for sub-item (h), the following sub-item shall be substituted, and shall be deemed always to have been substituted, namely:—

“(h) Vehicles the registered laden weight of which exceeds 10 tonnes. The rate specified in (g) above plus Rs. 100 for every additional one tonne or part thereof in addition to 10 tonnes.”.

THE APPROPRIATION (No. 5) ACT, 1965

No. 37 OF 1965

[27th November, 1965.]

An Act to authorise payment and appropriation of certain further sums from and out of the Consolidated Fund of India for the services of the financial year 1965-66.

BE it enacted by Parliament in the Sixteenth Year of the Republic of India as follows:—

1. This Act may be called the Appropriation (No. 5) Act, 1965. Short title.

2. From and out of the Consolidated Fund of India there may be paid and applied sums not exceeding those specified in column 3 of the Schedule amounting in the aggregate to the sum of eighty-five crores, eighty-two lakhs and ninety thousand rupees towards defraying the several charges which will come in course of payment during the financial year 1965-66, in respect of the services specified in column 2 of the Schedule. Issue of Rs. 85,82,90,000 out of the Consolidated Fund of India for the year 1965-66.

3. The sums authorised to be paid and applied from and out of the Consolidated Fund of India by this Act shall be appropriated for the services and purposes expressed in the Schedule in relation to the said year. Appropriation.

THE SCHEDULE

(See sections 2 and 3)

I No. of Vote	2 Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Consoli- dated Fund	Total
16	Education	Rs. 1,000	Rs. ..	Rs. 1,000
37	Other Revenue Expenditure of the Ministry of Finance	5,25,000	2,81,000	8,06,000
39	Grants-in-aid to State and Union territory Governments	1,00,00,000	..	1,00,00,000
47	Other Revenue Expenditure of the Ministry of Food and Agri- culture	7,50,00,000	..	7,50,00,000
83	Other Revenue Expenditure of the Ministry of Petroleum and Chemicals	1,65,00,000	..	1,65,00,000
110	Other Revenue Expenditure of Lok Sabha	1,00,000	..	1,00,000
121	Capital Outlay on Currency and Coinage	71,43,00,000	..	71,43,00,000
127	Loans and Advances by the Cen- tral Government . . . . .	..	1,00,00,000	1,00,00,000
130	Other Capital Outlay of the Ministry of Food and Agri- culture	15,00,000	..	15,00,000
133	Capital Outlay of the Ministry of Industry and Supply	2,80,83,000	..	2,80,83,000
140	Capital Outlay of the Ministry of Steel and Mines	20,00,000	..	20,00,000
	TOTAL	84,80,09,000	1,02,81,000	85,82,90,000

THE DELHI LAND REFORMS (AMENDMENT)
ACT, 1965

No. 38 OF 1965

[30th November, 1965.]

An Act further to amend the Delhi Land Reforms Act, 1954.

BE it enacted by Parliament in the Sixteenth Year of the Republic of India as follows:—

1. (1) This Act may be called the Delhi Land Reforms (Amendment) Act, 1965.

Short
title
and com-
mence-
ment.

(2) Sections 23 and 24 shall be deemed to have come into force on the seventh day of April, 1958; and the rest of this Act shall come into force at once.

Delhi Act
8 of 1954.

~~2. In clause (b) of section 6 of the Delhi Land Reforms Act, 1954 (hereinafter referred to as the principal Act), for the word and figures "section 36", the words, figures and letter "section 36 or section 65A" shall be substituted.~~

Amend-
ment of
section 6.

3. Section 33 of the principal Act shall be re-numbered as sub-section (1) thereof and after sub-section (1) as so re-numbered, the following sub-section and *Explanation* shall be inserted, namely:—

Amend-
ment of
section 33

"(2) Nothing contained in sub-section (1) shall preclude the transfer of land by a Bhumidhar who holds less than eight standard acres of land, if such transfer is of the entire land held by him:

Provided that such Bhumidhar may transfer a part of such land to any religious or charitable institution or other person referred to in sub-section (1).

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↳ S. 2 & 26, rep. by Act 56 of 1974, S. 2 & Sch. I

Explanation.—For the purposes of this section, a religious or charitable institution shall mean an institution established for a religious purpose or a charitable purpose, as the case may be.”.

Amend-
ment of
section 36.

4. In section 36 of the principal Act, in sub-section (1),—

(a) in clause (f), the word “or” at the end shall be omitted;

(b) clause (g) shall be re-lettered as clause (h), and before the clause as so re-lettered, the following clause shall be inserted, namely:—

“(g) dependent for assistance in agricultural operations on a person serving in the armed forces of the Union and certified by the Deputy Commissioner to be so dependent; or”;

(c) in the proviso, for the words, brackets and letters “clauses (a) to (g)”, the words, brackets and letters “clauses (a) to (h)”, shall be substituted.

Amend-
ment of
section 38.

5. In section 38 of the principal Act, for the word and figures “section 46”, the word and figures “section 42” shall be substituted.

Substitu-
tion of new
section for
section 40.
Exchange.

6. For section 40 of the principal Act, the following section shall be substituted, namely:—

“40. (1) Subject to the provisions of section 33, a Bhumidhar may exchange lands held by him as such—

(a) for lands held by any other Bhumidhar as such, or

(b) for lands for the time being vested in a Gaon Sabha or local authority or in Government:

Provided that no such exchange shall be made except with the permission of the Deputy Commissioner, who will refuse permission if the difference between the area of the land given in exchange and of the land received in exchange in terms of standard acres is more than ten per cent. of the area in standard acres of the land which is smaller in area.

(2) Where the Deputy Commissioner permits exchange, he shall also order the relevant annual register to be corrected accordingly.

(3) On exchange made in accordance with sub-section (1), the parties to such exchange shall have the same rights in the land received in exchange as they had in the land given in exchange.”.

7. In section 42 of the principal Act,—

Amend-
ment of
section 42

(a) in sub-section (1), for the word and figures "section 33", the words "this Chapter by a Bhumidhar or Asami", for the words "the transferee" in the first place where they occur, the words "the transferee and every person who may have obtained possession of such holding or part" and for the words "Gaon Sabha," the words "Gaon Sabha or the landholder, as the case may be," shall respectively be substituted;

(b) for sub-section (3), the following sub-section shall be substituted, namely:—

"(3) Notwithstanding anything contained in sub-section (1), the Revenue Assistant also may, on receiving information or on his own motion, take action to eject the transferee and every person who may have obtained possession as aforesaid, after following such procedure as may be prescribed."

8. In sub-section (2) of section 45 of the principal Act, for the words, brackets, letter and figures "from the operation of clause (b) of section 33", the words, brackets and figures "under the proviso to sub-section (1) of section 33" shall be substituted.

Amend-
ment of
section 45

9. Section 46 of the principal Act shall be omitted.

Omission
of section
46.

10. In section 47 of the principal Act, for the words and figures "in a suit under section 46", the words and figures "under section 42" shall be substituted.

Amend-
ment of
section 47.

11. After section 65 of the principal Act, the following section shall be inserted, namely:—

Insertion
of new
section 65A.

"65A. (1) Where on the basis of any information received by him or otherwise the Deputy Commissioner has reason to believe that any land included in the holding of a Bhumidhar or Asami has not been used for two consecutive agricultural years immediately preceding for a purpose connected with agriculture, horticulture or animal husbandry which includes pisciculture or poultry farming, he may, unless the land lies within the belt referred to in section 23 or unless sanction under that section has been obtained in respect thereof, by notice require—

Conse-
quences
where
Bhumidhar
or Asami
leaves
land un-
cultivated

(i) the Bhumidhar to appear and show cause why the land may not be let out for any such purpose as aforesaid to any person;

(ii) the Asami to appear and show cause why his interest may not be extinguished and the land restored to the Bhumidhar or the Gaon Sabha, as the case may be.

(2) The notice under sub-section (1) shall state the grounds for believing that the land has not been used for any purpose referred to in that sub-section and such other particulars as may be prescribed.

(3) If the Bhumidhar or the Asami appears and satisfies the Deputy Commissioner—

(a) that the land was used for a purpose connected with agriculture, horticulture or animal husbandry which includes pisciculture and poultry farming during the period mentioned in sub-section (1);

(b) that he had sufficient cause for not using it as aforesaid; or

(c) that he shall, within one year next following the date of service of the notice under sub-section (1), use the land for any such purpose as aforesaid unless in the meantime the land is included within any belt referred to in section 23 or the use of the land for industrial purposes is sanctioned under that section,

the Deputy Commissioner shall, in a case falling under clause (a) or clause (b), discharge the notice forthwith and in a case falling under clause (c), postpone further proceedings to a date one year after the date of service of the said notice.

(4) On the date fixed under sub-section (3) or any other date to which the proceedings may be adjourned, the Deputy Commissioner, if he is satisfied that the land has been used for any such purpose as aforesaid during the said period of one year or that the land has been included within the belt referred to in section 23 or that sanction as aforesaid has been obtained in respect thereof, discharge the notice or if he is not so satisfied, unless for reasons to be recorded in writing he allows further time, he shall—

(i) if the land is that of the Bhumidhar, lease it on behalf of the Bhumidhar to any person for a period of five years in such manner and on such terms and conditions as may be prescribed;

(ii) if the land is that of the Asami of the Bhumidhar, terminate the lease and restore the land to the Bhumidhar subject to the condition that the Bhumidhar shall undertake to cultivate the land within six months from the date it is restored to him; and if the Bhumidhar does not give such undertaking or fails, after giving such undertaking, to cultivate the land within the said period, the Deputy Commissioner may lease the land on behalf of the Bhumidhar, to any person for a period of five years in such manner and on such terms and conditions as may be prescribed; and

(iii) if the land is that of the Asami of a Gaon Sabha, terminate the lease and restore the land to the Gaon Sabha:

Provided that the restoration of the land of the Asami under this sub-section shall be without prejudice to any right of the Bhumidhar or Gaon Sabha, as the case may be, to recover any rent due from the Asami.

(5) If the Bhumidhar or Asami appears in response to the notice under sub-section (1) but does not undertake to use the land as provided in clause (c) of sub-section (3), or if the Bhumidhar or Asami does not appear in response to such notice and the Deputy Commissioner, after such inquiry as he may consider necessary, is satisfied that the Bhumidhar or Asami has failed to use the land as aforesaid during the period referred to in sub-section (1), he shall, unless for reasons to be recorded in writing he decides to discharge the notice, take action under clause (i) or clause (ii) or, as the case may be, clause (iii) of sub-section (4).

(6) On the expiry of the period of any lease of land under sub-section (4) or sub-section (5), if the Deputy Commissioner, after making such inquiry as he thinks fit, is satisfied—

(a) that the land has been properly cultivated, he may declare the lessee to be Bhumidhar in respect of such land subject to the payment by him to the original Bhumidhar of compensation equal to twenty times the land revenue then payable for such land either in one lump sum or in such instalments together with interest as may be prescribed and upon such declaration the interest of the original Bhumidhar shall be extinguished;

(b) that the land has not been properly cultivated by the lessee, the Deputy Commissioner shall terminate the lease and may lease the land on behalf of the Bhumidhar, to another person for a period of five years in such manner and on such terms and conditions as may be prescribed and on the expiry of the period of such lease, the provisions of this sub-section shall apply:

Provided that no lease shall be terminated unless the lessee has been given a reasonable opportunity of being heard.

(7) Nothing contained in this section shall apply to a Bhumidhar to whom the provisions of section 65 apply."

Amendment of section 67.

12. In section 67 of the principal Act, after clause (b), the following clause shall be inserted, namely:—

"(bb) when a declaration in respect of such holding or part is made under clause (a) of sub-section (6) of section 65A,".

Amendment of section 68.

13. In section 68 of the principal Act, after clause (d), the following clause shall be inserted, namely:—

"(dd) where his lease is terminated under clause (ii) or clause (iii) of sub-section (4), or clause (b) of sub-section (6), of section 65A,".

Amendment of section 75.

14. In section 75 of the principal Act,—

(a) in sub-section (1)—

(i) clause (a) shall be re-lettered as clause (aa) and before the clause as so re-lettered, the following clause shall be inserted, namely:—

"(a) persons in the armed forces of the Union and the dependents of such of those persons as are killed in action, special preference being given in the case of persons decorated for gallantry,";

(ii) in the first proviso, for the word, brackets and letter "clause (a)", the word, brackets and letters "clause (aa)" and for the word and figures "section 84", the words, brackets and figures "sub-section (1) of section 84" shall respectively be substituted;

(b) for sub-section (2), the following sub-sections shall be substituted, namely:—

“(2) The Deputy Commissioner may, on his own motion, and shall, on the application of any person aggrieved by an order of the Gaon Sabha passed under sub-section (1), enquire in the prescribed manner and if he is satisfied that the Gaon Sabha has acted with substantial irregularity or otherwise than in accordance with the provisions of this Act, he may cancel such order.

(3) Where the Deputy Commissioner cancels an order relating to admission of a person as Bhumidhar or Asami, the right, title and interest of such person or any person claiming through him shall cease in the land to which the order relates and shall revert to the Gaon Sabha and any person holding or retaining possession of such land after such cancellation shall be deemed to be a trespasser in respect of such land and shall be liable to ejection in the manner prescribed.”.

15. In section 76 of the principal Act, for the figures and word “46, 81, 86 and 87”, the figures, letter and word “81, 85, 86, 86A and 87” shall be substituted. Amendment of section 76.

16. Section 77 of the principal Act shall be re-numbered as sub-section (1) thereof and,— Amendment of section 77.

(a) in clause (a) of sub-section (1) as so re-numbered, for the word and figures “section 46”, the word and figures “section 42” shall be substituted;

(b) after sub-section (1) as so re-numbered, the following sub-section shall be inserted, namely:—

“(2) Notwithstanding anything contained in sub-section (1), a Bhumidhar referred to in clause (f) of sub-section (1) of section 36 may, on retirement or discharge from the armed forces of the Union or on being sent on Reserve, within six months of such retirement or discharge or of his being sent on Reserve, apply to the Deputy Commissioner for ejection of the Asami of his land, and the Deputy Commissioner may, after notice to the Asami and subject to such conditions as he may think fit to impose, cause possession

of the land to be delivered to such Bhumidhar as soon as possible or, where there are standing crops on such land, within one month of the harvesting of such crops."

Amend-
ment of
section 80.

17. In section 80 of the principal Act, for the word and figures "section 77", the words, brackets and figures "sub-section (1) of section 77" shall be substituted.

Amend-
ment of
section 81.

18. Section 81 of the principal Act shall be re-numbered as sub-section (1) thereof and—

(a) in sub-section (1) as so re-numbered, for the word "damage", the word "damages" shall be substituted;

(b) after sub-section (1) as so re-numbered, the following sub-section shall be inserted, namely:—

"(2) Notwithstanding anything contained in sub-section (1), the Revenue Assistant also may, on receiving information or on his own motion, eject the Bhumidhar or Asami, as the case may be, and also recover the damages referred to in sub-section (1), after following such procedure as may be prescribed."

Amend-
ment of
section 84.

19. Section 84 of the principal Act shall be re-numbered as sub-section (1) thereof, and after sub-section (1) as so re-numbered, the following sub-section shall be inserted, namely:—

"(2) Where any person against whom a decree for ejectment from any land has been executed in pursuance of a suit under sub-section (1) re-enters or attempts to re-enter upon such land otherwise than under authority of law, he shall be presumed to have done so with intent to intimidate or annoy the person in possession or the Gaon Sabha, as the case may be, within the meaning of section 441 of the Indian Penal Code."

45 of 1860.

Amend-
ment of
section 85

20. In section 85 of the principal Act,—

(a) in clause (iii), for the word and figures "section 84", the words, brackets and figures "sub-section (1) of section 84" shall be substituted;

(b) the following provisos shall be inserted at the end, namely:—

"Provided that if in the revenue records of the fasli year ending on the 30th June, 1954, the land referred to in clause

(iii) was not included in the holding of the person taking or retaining possession or his predecessor-in-interest, or was not recorded as being in the cultivation of such person or his predecessor-in-interest, then, notwithstanding the expiry of the aforesaid period of limitation for such suit or decree, the suit may be filed or the decree obtained in such suit may be executed within a period of three years from the date of passing of the Delhi Land Reforms (Amendment) Act, 1965:

Provided further that the benefit of the extension of the period of limitation under the preceding proviso shall not be availed of in any case where a person who has become a Bhumidhar in respect of any land under clause (iii) has transferred such land to another person for valuable consideration before the 10th May, 1965."

21. After section 86 of the principal Act, the following section shall be inserted, namely:—

Insertion
of new
section
86A.

"86A. Notwithstanding anything contained in sections 84, 85 and 86, the Revenue Assistant also may, on receiving information or on his own motion, eject any person who is liable to be ejected from any land on a suit of the Gaon Sabha under any of those sections, after following such procedure as may be prescribed."

Ejection
by Reve-
nue Assis-
tant of
persons
occupying
land
without
title.

22. In section 138 of the principal Act, the second proviso shall be omitted.

Amend-
ment of
section
138

23. In section 150 of the principal Act, after sub-section (2), the following sub-sections shall be inserted, namely:—

Amend-
ment of
section
150.

"(3) If the whole of a Gaon Sabha area ceases to be included in rural areas as defined in the Delhi Municipal Corporation Act, 1957, by virtue of a notification under section 507 of that Act, the Gaon Sabha constituted for that area shall thereupon stand dissolved and on such dissolution,—

(a) all properties, movable and immovable, and all interests of whatsoever nature and kind therein, including moneys held in Gaon Sabha Area Fund, vested in the Gaon Sabha immediately before such dissolution, shall, with all rights of whatsoever description, used, enjoyed or possessed by such Gaon Sabha, vest in the Central Government;

(b) all duties, obligations and liabilities incurred, all contracts entered into and all matters and things engaged to be done by, with or for the Gaon Sabha before such dissolution shall be deemed to have been incurred, entered into or engaged to be done with or for the Central Government;

(c) all rates, taxes, cesses, fees, rents and other charges due to the Gaon Sabha immediately before such dissolution shall be deemed to be due to the Central Government;

(d) all suits, prosecutions and other legal proceedings instituted or which might have been instituted by or against the Gaon Sabha may be continued or instituted by or against the Union of India;

(e) the provisions of this Act shall apply in relation to lands in such Gaon Sabha area, not being lands vested in the Central Government under clause (a), subject to the modification that references therein to Gaon Sabha and Gaon Panchayat shall be construed as references to the Central Government;

(f) notwithstanding anything contained in clause (b) of sub-section (2) of section 1, the provisions of sections 84, 85, 86, 86A and 87 and any other provision of this Act relating to ejection of persons shall apply in relation to lands vested in the Central Government under clause (a) subject to the modification that references therein to Gaon Sabha and Gaon Panchayat shall be construed as references to the Central Government.

(4) If only a portion of a Gaon Sabha area ceases to be included in rural areas as aforesaid, the jurisdiction of the Gaon Sabha constituted for that area shall cease in respect of that portion and upon such cesser, the provisions of clause (a) to (f) of sub-section (3) shall apply to that portion as if the Gaon Sabha had been constituted for that portion alone and dissolved, subject to such incidental and consequential orders as the Chief Commissioner may deem necessary to make.

(5) If the size of a Gaon Sabha area is reduced as a result of a portion thereof ceasing to be included in rural areas as aforesaid and the Chief Commissioner is of the opinion that the size of the Gaon Sabha area is not sufficiently large to be under the jurisdiction of a separate Gaon Sabha, he may, by notification in the Official Gazette, declare that such Gaon Sabha area shall,

Delhi Act
3 of 1955.

from a date to be specified in the notification, cease to be a separate Gaon Sabha area and the Gaon Sabha constituted there for shall stand dissolved and may direct that the said area shall be included in one or more adjoining Gaon Sabha areas, and thereupon, the provisions of section 3 of the Delhi Panchayat Raj Act, 1954, shall, so far as may be, apply.”.

24. Section 154 of the principal Act shall be re-numbered as sub-section (1) thereof and after sub-section (1) as so re-numbered, the following sub-section shall be inserted, namely:—

Amend-
ment of
section
154.

“(2) Where any land which is vested in the Central Government under sub-section (3) or sub-section (4) of section 150, is held immediately before such vesting by an Asami of a Gaon Sabha, then, notwithstanding anything contained in clause (b) of sub-section (2) of section 1, and so long as it is held by such Asami, the provisions of this Act shall continue to apply to such land subject to the modification that all references therein to Gaon Sabha and Gaon Panchayat shall in relation to such land be construed as references to the Central Government.”.

25. After section 161 of the principal Act, the following sections shall be inserted, namely:—

Insertion
of new
sections
161A and
161B.

5 of 1908.

“161A. Notwithstanding anything contained in the Code of Civil Procedure, 1908, or any other law for the time being in force,—

Govern-
ment of
India to be
impleaded
in certain
suits by or
against
Gaon
Sabhas.

Delhi Act
3 of 1955.

(a) no suit or other proceeding under sub-section (2) of section 36 of the Delhi Panchayat Raj Act, 1954, shall, after the date of passing of the Delhi Land Reforms (Amendment) Act, 1965, be instituted or, as the case may be, continued in any civil or revenue court unless the Union of India has been added as a plaintiff or defendant according as the case is by or against the Gaon Sabha;

(b) no such suit or other proceeding shall be decided on the admission by the Pradhan or any representative of the Gaon Sabha with respect to the right or title of any person to the property in dispute, whether made on his own motion or on the authority of a resolution of the Gaon Panchayat unless such admission has been authorised in writing by the Director of Panchayats, Delhi, or by such other officer as the Chief Commissioner may specify in this behalf.

Certain
decrees
and orders
to be set
aside.

161B. (1) Where in any suit or proceeding before any civil or revenue court filed under sub-section (2) of section 36 of the Delhi Panchayat Raj Act, 1954, the ownership of any land has been decided in favour of any person other than the Gaon Sabha before the date of passing of the Delhi Land Reforms (Amendment) Act, 1965, then, notwithstanding anything contained in clause (b) of sub-section (2) of section 1 or in any other law for the time being in force, such decree or order shall, on an application made by the Government of India within twelve months from that date or within such further period as the court may, for sufficient cause, allow, be set aside if in the revenue records of the fasli year ending on the 30th June, 1954, such land was not included in the holding of the person in whose favour the decree or order was passed or his predecessor-in-interest, or was not recorded as being in the cultivation of such person or his predecessor-in-interest.

Delhi Act
3 of 1955.

(2) On the setting aside of any decree or order in any suit or proceeding by or against the Gaon Sabha under sub-section (1), such suit or proceeding shall be tried or heard afresh with the Union of India added as a party."

Amendment
of Schedule I.

26. In Schedule I to the principal Act,—

(a) in column 6, for the words "Fifteen annas", wherever they occur, the letters and figures "Rs. 1.25P." shall be substituted;

(b) for the entries against Serial No. 9, the following shall be substituted, namely:—

1	2	3	4	5	6	7	8	9
"9	42	(i) Suit for ejectment of transferee under sub-section (1).	None	None	As in the Court-fees Act, 1870.	Revenue Assis- tant.	Deputy Com- missioner.	Chief Com- missioner in the case of Bhumidhar only.
		(ii) Proceedings for ejectment of transferee under sub-section (3).	Do.	Do.	Nil	Do.	Do.	Do.";

(c) Serial No. 10 and the entries relating thereto shall be omitted ;

(d) after Serial No. 13 and the entries relating thereto, the following shall be inserted, namely:—

1	2	3	4	5	6	7	8	9
"13A	65A	(i) Proceedings for leasing land on behalf of Bhumidhar under clause (i) or clause (ii) of sub-section (4) or under sub-section (5).	Do.	Do.	Nil	Deputy Com- missioner.	Chief Com- missioner.	..

1	2	3	4	5	6	7	8	9
		(ii) Proceedings for terminating the lease under clause (ii) or clause (iii) of sub-section (4) or under sub-section (5).	None	None	Nil	Deputy Commissioner.	Chief Commissioner.	..
		(iii) Proceedings for declaring the lessee to be Bhumidhar and extinguishing the interest of the original Bhumidhar under clause (a) of sub-section (6).	Do.	Do.	Do.	Do.	Do.	..
		(iv) Proceedings for termination of lease and for fresh lease of land under clause (b) of sub-section (6).	Do.	Do.	Do.	Do.	Do.	..";

(e) for Serial No. 15 and the entries relating thereto, the following shall be substituted, namely:—

1	2	3	4	5	6	7	8	9
"15	75	(i) Application for cancellation of order of Gaon Sabha relating to admission of a person to land.	Six months	From the date of order of Gaon Sabha.	Rs. 1.25P.	Deputy Commissioner.	Chief Commissioner.	..
		(ii) Proceedings by Deputy Commissioner for such cancellation.	Do.	When the Deputy Commissioner first knew of the irregular allotment.	Nil	Do.	Do.	..";

(f) against Serial No. 16, for the entries in columns 6, 7 and 8, the entries "Rs. 1.25P.", "Revenue Assistant" and "Deputy Commissioner", and for the figures, brackets and letters "77(a)", "77(b)", "77(c)" and "77(d)", wherever they occur, the figures, brackets and letters "77(I)(a)", "77(I)(b)", "77(I)(c)" and "77(I)(d)" shall respectively be substituted;

(g) after Serial No. 16 and the entries relating thereto, the following shall be inserted, namely:—

1	2	3	4	5	6	7	8	9
"16A	77(2)	Application by member of armed forces of the Union for ejection of Asami.	Six months	From the date of retirement or discharge or of being sent on Reserve.	Rs. 1.25P.	Deputy Commissioner.	..	..";

(h) for Serial No. 17 and the entries relating thereto, the following shall be substituted, namely:—

1	2	3	4	5	6	7	8	9
"17	81	(i) Suit for ejection of Bhumidhar or Asami and for damages under subsection (1).	Three years	From the date of unlawful use of the land.	As in the Court-fees Act, 1870.	Revenue Assistant.	Deputy Commissioner.	..
		(ii) Proceedings under subsection (2).	Three years or one year from the date of passing of the Delhi Land Reforms (Amendment) Act, 1965, whichever period expires later.	Do.	Nil.	Do.	Do.	..";

(i) against Serial No. 18, for the entry in column 6, the entry "As in the Court-fees Act, 1870" shall be substituted

(j) after Serial No. 19 and the entries relating thereto, the following shall be inserted, namely:—

1	2	3	4	5	6	7	8	9
"19A	85	Suit for ejection of a person referred to in the first proviso.	Three years	From the date of passing of the Delhi Land Reforms (Amendment) Act, 1965.	Do.	Do.	Do.	..";

(k) after Serial No. 20 and the entries relating thereto, the following shall be inserted, namely:—

1	2	3	4	5	6	7	8	9
"20A	86A	Proceedings for ejection of persons occupying land without title.	Same as that provided for a suit under section 84, 85 or 86, as the case may be.	Same as that provided for a suit under section 84, 85 or 86, as the case may be.	Nil.	Revenue Assistant.	Deputy Commissioner.	..";

(l) against Serial No. 21, for the entry in column 6, the entry "As in the Court-fees Act, 1870" shall be substituted.

27. Notwithstanding any judgment, decree or order of any Court, anything done or any action taken by the Deputy Commissioner, Delhi, before the date of passing of this Act in pursuance of any notification under section 161 of the principal Act in the discharge of any duties or the exercise of any powers or the performance of any functions of the Gaon Sabha or Gaon Panchayat under the principal Act in relation to any land vested in the Central Government under sub-section (3) or sub-section (4) of section 150 of the principal Act as amended by this Act shall be deemed to have been validly and lawfully done or taken on behalf of the Central Government and accordingly if before the said date—

Validation
of action
taken by
Deputy
Commis-
sioner on
behalf of
Gaon
Sabhas.

(a) any suit or proceeding is pending in any court to which the Deputy Commissioner and the Gaon Sabha are a party, the Union of India shall be deemed to be substituted therefor in that suit or proceeding; and

(b) where any suit or proceeding has been dismissed on the ground that the Deputy Commissioner and the Gaon Sabha had no *locus standi* to file such suit or proceeding, it shall be restored and continued with the Union of India as having been substituted as a party.

Rep. by Gov. 56... of 1974, S. 29 Sch. I

THE INDIAN WORKS OF DEFENCE (AMENDMENT)
ACT, 1965

No. 39 OF 1965

[3rd December, 1965]

An Act further to amend the Indian Works of Defence Act,
1903.

BE it enacted by Parliament in the Sixteenth Year of the Republic
of India as follows:—

Short
title.

1. This Act may be called the Indian Works of Defence
(Amendment) Act, 1965.

Amend-
ment of
Act 7 of
1903.

2. In the Indian Works of Defence Act, 1903,—

(i) for sub-section (2) of section 1, the following sub-sec-
tion shall be substituted, namely:—

“(2) It extends to the whole of India.”;

(ii) in Part I, after section 2, the following section shall
be inserted, namely:—

“2A. Any reference in this Act to any law which is
not in force in any area or any reference therein to any
functionary not in existence in any area shall, in relation to
that area, be construed as a reference to the corresponding
law, if any, in force, or to the corresponding functionary,
if any, in existence, in that area.”

Construc-
tion of
references
to laws
not in
force, or
any func-
tionary
not in
existence,
in any
area.

THE RAILWAYS (EMPLOYMENT OF MEMBERS OF
THE ARMED FORCES) ACT, 1965

No. 40 OF 1965

[3rd December, 1965]

An Act to make certain provisions relating to the employment of members of the Armed Forces of the Union in the working and management of railways.

BE it enacted by Parliament in the Sixteenth Year of the Republic of India as follows:—

1. (1) This Act may be called the Railways (Employment of Members of the Armed Forces) Act, 1965. Short title and extent.

(2) It extends to the whole of India.

9 of 1890

2. Words and expressions used in this Act and defined in the Indian Railways Act, 1890, shall have the meanings respectively assigned to them in that Act. Interpretation.

3. (1) When any member of the Armed Forces of the Union is employed to assist a railway administration in connection with the service of a railway, then, whether such employment was before or is after the commencement of this Act.—

9 of 1890.

(a) any provision of the Indian Railways Act, 1890, or of the rules made thereunder, which confers a power, status or immunity, or imposes a duty or liability, upon a railway servant, in connection with the working, use, management and maintenance of railways, shall be construed as conferring the same power, status or immunity or imposing the same duty or liability, as the case may be, upon such member of the Armed Forces of the Union when so employed;

Employment of members of Armed Forces of the Union to assist a railway administration in connection with the service of a railway.

(b) the employment of a member of the Armed Forces of the Union, in addition to or in the place of any railway servant,

shall not affect any liability that would have attached to the railway administration had such member been a railway servant.

(2) Nothing in sub-section (1) shall be construed as making applicable to the members of the Armed Forces of the Union employed to assist a railway administration the provisions of Chapter VIA of the Indian Railways Act, 1890, or as derogating from any provision of a law regulating the governance, control and discipline of the members of the Armed Forces of the Union. 9 of 1890.

Employment of members of Armed Forces of the Union to replace railway administration in working a railway.

4. If at any time the whole of the working, management and maintenance of a railway, or of a specific portion or section of a railway, is assumed by the Armed Forces of the Union, the Central Government may notify the fact of such assumption in the Official Gazette, and thereupon, so long as such assumption continues, the Indian Railways Act, 1890, shall cease to be applicable to the Railway or the portion or section of the Railway concerned. 9 of 1890.

Repeal and saving.

5. (1) The Railways (Employment of Members of the Armed Forces) Ordinance, 1965 is hereby repealed. 4 of 1965.

(2) Notwithstanding such repeal, anything done or any action taken under the said Ordinance shall be deemed to have been done or taken under this Act as if this Act had commenced on the 29th day of September, 1965.

THE TAXATION LAWS (AMENDMENT AND MISCELLANEOUS PROVISIONS) ACT, 1965

No. 41 OF 1965

[4th December, 1965]

An Act further to amend the Income-tax Act, 1961, the Estate Duty Act, 1953, the Wealth-tax Act, 1957, the Gift-tax Act, 1958 and to provide for exemption from tax in certain cases of undisclosed income invested in National Defence Gold Bonds, 1980.

BE it enacted by Parliament in the Sixteenth Year of the Republic of India as follows:—

1. This Act may be called the Taxation Laws (Amendment and Miscellaneous Provisions) Act, 1965. Short title.

43 of 1961.

2. In section 2 of the Income-tax Act, 1961 (hereinafter referred to as the Income-tax Act), in sub-clause (iv) of clause (14), after the figures "1980", the following shall be inserted, namely:— Amendment of section 2.

"or National Defence Gold Bonds, 1980".

3. In section 10 of the Income-tax Act, after sub-clause (i) of clause (15), the following sub-clause shall be inserted, namely:— Amendment of section 10.

"(ia) annual payment on National Defence Gold Bonds, 1980 ;"

4. In section 193 of the Income-tax Act, in the proviso, after clause (i), the following clause shall be inserted, namely:— Amendment of section 193.

"(ia) any interest payable to an individual on 4½ per cent. National Defence Loan, 1968, or 4¾ per cent. National Defence Loan, 1972 ; or".

5. In the Estate Duty Act, 1953,—

(i) in sub-section (1) of section 33, after clause (o), the following clause shall be inserted, namely:— Amendment of Act 34 of 1953.

"(p) National Defence Gold Bonds, 1980, to the extent of the principal value of such Bonds for an aggregate weight of fifty kilogrammes of gold:

Provided that if such Bonds had passed on the death of any person, the exemption conferred by this clause shall not be available in respect of the same Bonds passing on any subsequent death.”;

(ii) in sub-section (1) of section 34, in clause (a), for the brackets, letters and word “(n) and (o)”, the brackets, letters and word “(n), (o) and (p)” shall be substituted.

Amendment
of Act 27
of 1957.

6. In section 5 of the Wealth-tax Act, 1957, in sub-section (1), for clause (xvii), the following clause shall be substituted, namely:—

“(xvii) 6½ per cent. Gold Bonds, 1977, 7 per cent. Gold Bonds, 1980 and National Defence Gold Bonds, 1980;”.

Amendment
of Act 18
of 1958.

7. In section 5 of the Gift-tax Act, 1958, in sub-section (1), after clause (iii), the following clause shall be inserted, namely:—

“(iii) of property in the form of National Defence Gold Bonds, 1980, not exceeding the value of such Bonds for an aggregate weight of five kilogrammes of gold in any previous year:

Provided that the exemption conferred by this clause shall be available only to a person who has initially subscribed to the said Bonds;”.

Exemption
from tax in
certain
cases of
undisclos-
ed income
invested in
National
Defence
Gold
Bonds,
1980.

8. (1) Where a person who has acquired any gold out of his income which has not been disclosed by him for the purposes of the Indian Income-tax Act, 1922, or the Income-tax Act, 1961, or the Excess Profits Tax Act, 1940, or the Business Profits Tax Act, 1947, or the Super Profits Tax Act, 1963, or the Companies (Profits) Surtax Act, 1964, tenders such gold as subscription for the National Defence Gold Bonds, 1980, prior to the detection of such income by the Income-tax Officer or the seizure of such gold under any law for the time being in force, such income shall, notwithstanding anything contained in the said Acts, not be included in his income, profits or gains chargeable to tax under the said Acts in an assessment or re-assessment for any assessment year made under the said Acts on or after the 20th day of October, 1965.

11 of 1922.
43 of 1961.
15 of 1940.
21 of 1947.
14 of 1963.
7 of 1964.

(2) In computing the net wealth of a person under the Wealth-tax Act, 1957, the value of the assets represented by the income, which under sub-section (1) is not includible in his income, profits or gains, shall, notwithstanding anything contained in the said Act,

27 of 1957.

not be taken into account in an assessment or re-assessment for any assessment year made under the said Act on or after the 20th day of October, 1965.

(3) (a) The name of the person subscribing to the National Defence Gold Bonds, 1980, and any particulars relating to the Bonds subscribed to by him, shall be treated as confidential, and, notwithstanding anything contained in any law for the time being in force, no court shall be entitled to require any public servant to disclose the name of such person or any such particulars or to give any evidence in respect thereof.

(b) No public servant shall disclose the name of the person subscribing to the National Defence Gold Bonds, 1980 or any particulars relating to the Bonds subscribed to by him, except to an officer employed in the execution of any of the Acts mentioned in sub-section (1) or the Wealth-tax Act, 1957 or to any officer appointed by the Comptroller and Auditor-General of India or the Central Board of Direct Taxes (constituted under the Central Boards of Revenue Act, 1963) to audit income-tax receipts or refunds.

27 of 1957.

54 of 1963.

(4) In this section,—

(a) "gold" means gold, including its alloy, whether virgin, melted, re-melted, wrought or unwrought, in any shape or form, and includes any gold coin (whether legal tender or not), any ornament and any other article of gold;

(b) "public servant" includes an officer or other employee of the Reserve Bank of India, the State Bank of India or any subsidiary bank of the State Bank of India.

9. (1) The Taxation Laws (Amendment and Miscellaneous Provisions) Ordinance, 1965 is hereby repealed.

Repeal and saving.

5 of 1965.

(2) Notwithstanding such repeal, anything done or any action taken under the said Ordinance shall be deemed to have been done or taken under this Act as if this Act had commenced on the 19th day of October, 1965.

Not Corrected: See India Code Vol. V A, Pt. I, p. 257.

THE CARDAMOM ACT, 1965

ARRANGEMENT OF SECTIONS

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Not Corrected: See India Code Vol. I.A.P. I, p. 257

THE CARDAMOM ACT, 1965

No. 42 OF 1965

[9th December, 1965.]

An Act to provide for the development under the control of the Union of the cardamom industry.

BE it enacted by Parliament in the Sixteenth Year of the Republic of India as follows:—

CHAPTER I

PRELIMINARY

Short title, extent and commencement.

1. (1) This Act may be called the Cardamom Act, 1965.

(2) It extends to the whole of India:

Provided that it shall not apply to the State of Jammu and Kashmir except to the extent to which the provisions of this Act relate to the control of export of cardamom from India and import thereof into India.

(3) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint:

Provided that different dates may be appointed for different provisions of this Act.

Declaration as to expediency of control by the Union. Definitions.

2. It is hereby declared that it is expedient in the public interest that the Union should take under its control the cardamom industry.

3. In this Act, unless the context otherwise requires,—

(a) "Board" means the Cardamom Board established under section 4;

(b) "cardamom" means the fruit of cardamom plant and includes green cardamom, bleached cardamom, bleachable white cardamom, sun-dried cardamom, cardamom seeds, powdered cardamom and oil extracted from cardamom;

(c) "cardamom plant" means the cardamom plant *ELET-TARIA CARDAMOMUM MATON* and any other plant which the Board may, by notification in the Gazette of India, declare to be a cardamom plant for the purposes of this Act;

- (d) "Chairman" means the Chairman of the Board;
- (e) "dealer" means a dealer in cardamom;
- (f) "Director" means the Director of Cardamom Development appointed under section 7;
- (g) "estate" means an area administered as one unit which contains land planted with cardamom plants;
- (h) "export" and "import" mean respectively taking out of or bringing into India by land, sea or air;
- (i) "owner", in relation to any land planted with cardamom plants, includes—
 - (i) any agent of the owner; and
 - (ii) a mortgagee, lessee or other person in actual possession of the land;
- (j) "prescribed" means prescribed by rules made under this Act;
- (k) "registered estate" means an estate in respect of which an owner is registered under sub-section (1) of section 11 and includes any estate in respect of which an owner is required to be registered under the provisions of that sub-section;
- (l) "registered owner" means an owner of a registered estate, who has been, or is required to be, registered under sub-section (1) of section 11;
- (m) "year" means the period of twelve months beginning with the 1st day of September and ending with the 31st day of August next following.

CHAPTER II

THE CARDAMOM BOARD

4. (1) With effect from such date as the Central Government may, by notification in the Official Gazette, specify in this behalf, there shall be established for the purposes of this Act a Board to be called the Cardamom Board. Establishment and constitution of the Board.

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

(3) The Board shall consist of the following members, namely:—

- (a) a Chairman to be appointed by the Central Government;

(b) the Director of Cardamom Development, *ex officio*;

(c) three Members of Parliament of whom two shall be elected by the House of the People and one by the Council of States;

(d) three members to represent respectively the Ministries of the Central Government dealing with—

- (i) commerce,
- (ii) agriculture, and
- (iii) finance;

(e) such number of other members not exceeding fifteen as the Central Government may think expedient, to be appointed by that Government by notification in the Official Gazette from among persons who are in its opinion capable of representing—

(i) the Governments of the principal cardamom-growing States;

(ii) the cardamom-growing interests;

(iii) the cardamom trade interests;

(iv) the interests of labour;

(v) the consumers; and

(vi) such other persons or class of persons who, in the opinion of the Central Government ought to be represented on the Board.

(4) The number of persons to be appointed as members from each of the categories specified in clause (e) of sub-section (3), the term of office of the members of the Board other than the member referred to in clause (b) of that sub-section, and the manner of filling vacancies among, and the procedure to be followed in the discharge of their functions by, the members of the Board shall be such as may be prescribed.

(5) Any officer of the Central Government, not being a member of the Board, when deputed by that Government in this behalf shall have the right to attend meetings of the Board and take part in the proceedings thereof but shall not be entitled to vote.

(6) The Board shall elect from among its members a Vice-Chairman who shall exercise such of the powers, and perform such of the functions of the Chairman as may be prescribed or as may be delegated to him by the Chairman.

5. No act or proceeding of the Board or any Committee appointed by it under section 8, shall be invalidated merely by reason of—

Act or proceedings of Board or its Committees not to be invalidated.

(a) any vacancy in, or any defect in the constitution of, the Board or such Committee, or

(b) any defect in the appointment of a person acting as a member of the Board or such Committee, or

(c) any irregularity in the procedure of the Board or such Committee not affecting the merits of the case.

6. The Chairman shall be entitled to such salary and allowances and such conditions of service in respect of leave, pension, provident fund and other matters as may, from time to time, be fixed by the Central Government.

Salary and allowances of Chairman.

7. (1) The Central Government shall appoint a Director of Cardamom Development to exercise such powers and perform such duties under the Chairman as may be prescribed or as may be delegated to him by the Chairman.

Executive officers of the Board and other staff.

(2) The Central Government shall appoint a Secretary to the Board to exercise such powers and perform such duties under the Chairman as may be prescribed or as may be delegated to him by the Chairman.

(3) The Director and the Secretary shall be entitled to such salaries and allowances and be governed by such conditions of service regarding leave, pension, provident fund and other matters as may be fixed by the Central Government.

(4) Subject to such control and restrictions as may be prescribed, the Board may appoint such other officers and employees as may be necessary for the efficient performance of its functions and pay them such salaries and allowances as it may determine from time to time:

Provided that all officers and other employees of the Directorate of Cardamom Development and Marketing (other than the Director) who hold office as such immediately before the date referred to in

sub-section (1) of section 4 shall be deemed to have been appointed as officers or employees of the Board with effect from that date and every such officer and employee shall hold his office by the same tenure, at the same remuneration and upon the same terms and conditions and with the same rights and privileges as to pension, leave, provident fund and other matters as he would have held the same if this Act had not been passed, and shall continue to do so unless and until his employment is terminated or until such tenure, remuneration and terms and conditions are altered by the Board with the approval of the Central Government:

Provided further that if the alteration so made is not acceptable to any such officer or employee, his employment may be terminated by the Board in accordance with the terms of the contract, if any, with such officer or employee or, if there be no such contract, on payment to him by the Board of compensation equivalent to three months' remuneration in the case of permanent employees and one month's remuneration in the case of other employees.

(5) The Chairman, the Director, the Secretary and other employees of the Board shall not undertake any work unconnected with their duties under this Act except with the permission of the Central Government.

Committees of the Board.

8. (1) The Board may appoint such Committees as may be necessary for the efficient discharge of its duties and performance of its functions under this Act.

(2) The Board shall have the power to co-opt as members of any Committee appointed under sub-section (1) such other number of persons who are not members of the Board, as it may think fit.

Functions of the Board.

9. (1) It shall be the duty of the Board to promote, by such measures as it thinks fit, the development under the control of the Central Government of the cardamom industry.

(2) Without prejudice to the generality of the provisions of sub-section (1), the measures referred to therein may provide for—

- (a) promoting co-operative efforts among growers of cardamom;
- (b) ensuring remunerative returns to growers of cardamom;

(c) financial or other assistance for improved methods of cultivation and processing of cardamom, for replanting cardamom and for extension of cardamom growing areas;

(d) regulating the sale and export of cardamom and stabilisation of prices of cardamom;

(e) training in cardamom testing and fixing grade standards of cardamom;

(f) increasing the consumption in India and elsewhere of cardamom and carrying on propaganda for that purpose;

(g) registering and licensing of brokers (including auctioneers) of cardamom and persons engaged in the business of cardamom;

(h) improving the marketing of cardamom in India and elsewhere;

(i) collecting statistics from growers, dealers and such other persons as may be prescribed on any matter relating to the cardamom industry; the publishing of statistics so collected or portions thereof or extracts therefrom;

(j) securing better working conditions and the provision and improvement of amenities and incentives for workers;

(k) undertaking, assisting or encouraging scientific, technological and economic research; and

(l) such other matters as may be prescribed.

(3) The Board shall perform its functions under this section in accordance with and subject to such rules as may be made by the Central Government.

10. (1) The Central Government may, by notification in the Official Gazette, direct that the Board shall be dissolved from such date and for such period as may be specified in the notification. Dissolution of the Board.

(2) When the Board is dissolved under the provisions of subsection (1),—

(a) all members, notwithstanding that their term of office has not expired, shall, from the date of dissolution, vacate their offices as such members;

(b) all powers and duties of the Board shall during the period of dissolution, be exercised and performed by such person or persons as the Central Government may appoint in this behalf;

(c) all funds and other property vested in the Board shall, during the period of dissolution, vest in the Central Government; and

(d) as soon as the period of dissolution expires, the Board shall be reconstituted in accordance with the provisions of this Act.

CHAPTER III

REGISTRATION OF OWNERS OF CARDAMOM ESTATES

Registration of owners of cardamom estates.

11. (1) Every owner of land planted with cardamom plants, whether such land is comprised in one estate or more than one estate, shall, before the expiration of one month from the date on which he first became owner of such estate or estates or before the expiration of three months from the date of coming into force of this section, whichever is later, apply to the registering officer appointed in this behalf by the State Government to be registered as an owner in respect of each estate owned by him:

Provided that the State Government may, for sufficient reason, extend the time-limit for registration by such period as it thinks fit.

(2) Registration once made shall continue to be in force until it is cancelled by the registering officer.

Power of State Government to make rules.

12. (1) The State Government may by notification in the Official Gazette, make rules to carry into effect the provisions of section 11.

(2) Without prejudice to the generality of the foregoing power, such rules may prescribe the form of the application for registration and for cancellation of registration, the fee payable on such applications, the particulars to be included in such applications, the procedure to be followed in granting and cancelling registration, the registers to be kept by registering officers, and the supply by registering officers of information to the Board.

Returns to be made by registered owners.

13. (1) A registered owner shall furnish to the Board at the prescribed times and in the prescribed manner such returns as may be prescribed.

(2) The Board may authorise an officer to visit any estate at any time to verify the accuracy of any return made under this section or to ascertain the productive capacity of the estate.

CHAPTER IV

FINANCE, ACCOUNTS AND AUDIT

14. (1) There shall be levied on all cardamom which is exported, a cess for the purposes of this Act at such rate not exceeding two per cent. *ad valorem* as the Central Government may, by notification in the Official Gazette, fix.

Imposition of a cess on cardamom exported.

(2) The cess levied under sub-section (1) shall be in addition to any cess or duty leviable on cardamom under any other law for the time being in force.

52 of 1962.

(3) The provisions of the Customs Act, 1962, and the rules and regulations made thereunder, including those relating to refunds and exemptions from duty, shall, as far as may be, apply in relation to the levy and collection of the cess leviable under sub-section (1) as they apply in relation to the levy and collection of a duty of customs under that Act or those rules and regulations.

15. The proceeds of the cess levied under section 14 shall first be credited to the Consolidated Fund of India and the Central Government may, if Parliament by appropriation made by law in this behalf so provides, pay to the Board, from time to time, from out of such proceeds, after deducting the expenses of collection, such sums of money as it may think fit for being utilised for the purposes of this Act.

Payment of proceeds of cess to the Board.

16. The Central Government may, after due appropriation made by Parliament by law in this behalf, pay to the Board by way of grants or loans such sums of money as the Central Government may consider necessary.

Grants and loans by the Central Government.

17. (1) There shall be formed a Fund to be called the Cardamom Fund and there shall be credited thereto—

Constitution of the Fund.

(a) the proceeds of the cess made over to the Board by the Central Government;

(b) all fees levied and collected in respect of licences issued under this Act;

(c) any other fee that may be levied and collected by the Board under this Act or the rules made thereunder;

(d) any grants or loans that may be made by the Central Government for the purposes of the Fund;

(e) any grants or loans that may be made by any institution for the purposes of this Act;

(f) all sums realised by the Board in carrying out the measures referred to in section 9.

(2) The Fund shall be applied—

(a) for meeting the salaries, allowances and other remuneration of the officers and other employees of the Board;

(b) for meeting the other administrative expenses of the Board;

(c) for meeting the cost of the measures referred to in section 9;

(d) for repayment of any loans from the Central Government or from any institution.

Borrowing powers of the Board.

18. Subject to such rules as may be made in this behalf, the Board shall have power to borrow on the security of the Cardamom Fund or any other asset for carrying out the purposes of this Act.

Accounts and audit.

19. (1) The Board shall maintain proper accounts and other relevant records and prepare an annual statement of accounts, including the profit and loss account and the balance-sheet in such form as may be prescribed by the Central Government in consultation with the Comptroller and Auditor-General of India.

(2) The accounts of the Board shall be audited by the Comptroller and Auditor-General of India at such intervals as may be specified by him and any expenditure incurred in connection with such audit shall be payable by the Board to the Comptroller and Auditor-General.

(3) The Comptroller and Auditor-General of India and any person appointed by him in connection with the audit of the accounts of the Board shall have the same rights and privileges and authority in connection with such audit as the Comptroller and Auditor-General has in connection with the audit of Government accounts and, in particular, shall have the right to demand the production of books, accounts, connected vouchers and other documents and papers and to inspect any of the offices of the Board.

(4) The accounts of the Board as certified by the Comptroller and Auditor-General of India or any other person appointed by him in this behalf together with the audit report thereon shall be forwarded annually to the Central Government and that Government shall cause the same to be laid before each House of Parliament.

CHAPTER V

CONTROL BY CENTRAL GOVERNMENT

20. (1) The Central Government may, by order notified in the Official Gazette, fix in respect of cardamom of any description specified therein—

Power to control price and distribution of cardamom.

(a) the maximum price or the minimum price, or the maximum and minimum prices, which may be charged by a grower of cardamom or cardamom dealer, wholesale or retail, whether for the Indian market or for export;

(b) the maximum quantity which may in one transaction be sold to any person.

(2) Without prejudice to the generality of the powers conferred by sub-section (1), any order made thereunder may provide—

(a) for requiring persons engaged in the production, supply or distribution of, or trade and commerce in, cardamom to maintain and produce for inspection such books, accounts and records relating to their business and to furnish such information relating thereto as may be specified in the order;

(b) for such other matters, including in particular the entering and search of premises, vehicles, vessels and aircraft, and the seizure by a person authorised to make such search, of cardamom in respect of which such person has reason to believe that a contravention of the order has been, is being or is about to be committed.

21. (1) The Central Government may, by order published in the Official Gazette, make provision for prohibiting, restricting or otherwise controlling the import or export of cardamom, either generally or in specified classes of cases.

Power to prohibit or control imports and exports of cardamom.

(2) All goods to which any order under sub-section (1) applies shall be deemed to be goods of which the import or export has been prohibited or restricted under section 11 of the Customs Act, 1962, and all the provisions of that Act shall have effect accordingly.

52 of 1962.

(3) If any person contravenes any order made under sub-section (1), he shall, without prejudice to any confiscation or penalty to which he may be liable under the provisions of the Customs Act, 1962, as applied by sub-section (2), be punishable with imprisonment for a term which may extend to one year, or with fine, or with both.

22. The Board shall carry out such directions as may be issued to it from time to time by the Central Government for the efficient administration of this Act.

Directions by Government.

CHAPTER VI

MISCELLANEOUS

Penalty for making false returns.

23. Any person who being required by or under this Act to furnish any return fails to furnish such return or furnishes a return containing any particular which is false and which he knows to be false or does not believe to be true shall be punishable with fine which may extend to five hundred rupees.

Penalties for obstructing an officer or member of the Board in the discharge of his duties and for failure to produce books and records.

24. Any person who—

(a) obstructs any member authorised by the Chairman in writing or any officer or other employee of the Board authorised by it in this behalf or any person authorised in this behalf by the Central Government or by the Board, in the exercise of any power conferred, or in the discharge of any duty imposed, on him by or under this Act; or

(b) having control over or custody of any account book or other record, fails to produce such book or record when required to do so by or under this Act,

shall be punishable with imprisonment which may extend to six months, or with fine which may extend to one thousand rupees, or with both.

Penalty for contravention of order relating to control of price, etc.

25. (1) If any person contravenes any order made under section 20, he shall be punishable with imprisonment for a term which may extend to six months, or with fine which may extend to one thousand rupees, or with both; and the property in respect of which the order has been contravened or such part thereof as the Court may deem fit, shall be forfeited to the Central Government.

(2) Any person who attempts to contravene, or abets the contravention of, any order under section 20 shall be deemed to have contravened that order.

Other penalties.

26. Whoever contravenes or attempts to contravene or abets the contravention of the provisions of this Act or of any rules made thereunder other than the provisions, punishment for the contravention whereof has been provided for in sections 21, 23, 24 and 25, shall be punishable with imprisonment which may extend to six months, or with fine which may extend to one thousand rupees, or with both, and in the case of a continuing contravention with an additional

fine which may extend to fifty rupees for every day during which such contravention continues after conviction for the first such contravention.

27. (1) Where an offence under this Act has been committed by a company, every person who at the time the offence was committed was in charge of, and was responsible to, the company for the conduct of the business of the company as well as the company shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly:

Offences by companies.

Provided that nothing contained in this sub-section shall render any such person liable to any punishment, if he proves that the offence was committed without his knowledge or that he exercised all due diligence to prevent the commission of such offence.

(2) Notwithstanding anything contained in sub-section (1), where an offence under this Act has been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or is attributable to any neglect on the part of, any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall also be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

Explanation.—For the purposes of this section—

(a) “company” means any body corporate and includes a firm or other association of individuals; and

(b) “director”, in relation to a firm, means a partner in the firm.

28. No court inferior to that of a Presidency Magistrate or a Magistrate of the first class shall try any offence punishable under this Act.

Jurisdiction of court.

29. No prosecution for any offence punishable under this Act shall be instituted except with the previous sanction of the Central Government.

Previous sanction of Central Government.

30. No suit, prosecution or other legal proceeding shall lie against the Government, or the Board or any Committee appointed by it, or any member of the Board or such Committee, or any officer or employee of the Government or the Board or any other person authorised by the Government or the Board, for anything which is in good faith done or intended to be done under this Act or the rules made thereunder.

Protection of action taken in good faith.

Power to
delegate.

31. The Central Government may, by order notified in the Official Gazette, direct that any power exercisable by it under this Act may also be exercised, in such cases and subject to such conditions, if any, as may be specified in the order, by such officer or authority as may be specified therein.

Suspension
of opera-
tion of Act.

32. (1) If the Central Government is satisfied that circumstances have arisen rendering it necessary that certain of the restrictions imposed by this Act should cease to be imposed or if it considers it necessary or expedient so to do in the public interest, the Central Government may, by notification in the Official Gazette, suspend or relax to a specified extent, either indefinitely or for such period as may be specified in the notification, the operation of all or any of the provisions of this Act.

(2) Where the operation of any provision of this Act has under sub-section (1) been suspended or relaxed indefinitely, such suspension or relaxation may at any time while this Act remains in force be removed by the Central Government by notification in the Official Gazette.

Power of
Central
Govern-
ment to
make
rules.

33. (1) The Central Government may, by notification in the Official Gazette, make rules to carry out the purposes of this Act.

(2) Without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

(a) the number of persons to be appointed as members from each of the categories specified in clause (e) of sub-section (3) of section 4, the term of office and other conditions of service of the members of the Board and the procedure to be followed in the discharge of their functions by, and the manner of filling vacancies among such members;

(b) the circumstances in which, and the authority by which, a member of the Board may be removed;

(c) the procedure to be followed at meetings of the Board and Committees thereof for the conduct of business and the number of members which shall form a quorum at a meeting;

(d) the maintenance by the Board of records of business transacted by the Board and the submission of copies thereof to the Central Government;

(e) the holding of a minimum number of meetings of the Board every year;

(f) the powers of the Board, its Chairman, the Director and Committees of the Board with respect to the incurring of expenditure;

- (g) the conditions subject to which the Board may incur expenditure outside India;
- (h) the preparation of budget estimates of receipts and expenditure of the Board and the authority by which the estimates are to be sanctioned;
- (i) the form and the manner in which the accounts should be kept by the Board;
- (j) the deposit of the funds of the Board in banks and the investment of such funds;
- (k) the conditions subject to which the Board may borrow;
- (l) the conditions subject to which and the manner in which contracts may be entered into by or on behalf of the Board;
- (m) the delegation to the Chairman or Director or members or officers of the Board of any of the powers and duties of the Board under this Act;
- (n) the staff which may be employed by the Board and the pay and allowances and leave and other conditions of service of officers (other than those appointed by the Central Government) and other employees of the Board;
- (o) the additional matters in respect of which the Board may undertake measures in the discharge of its functions;
- (p) the travelling and other allowances of members of the Board and of Committees thereof;
- (q) the remuneration and other allowances payable to the person or persons referred to in clause (b) of sub-section (2) of section 10;
- (r) the maintenance of the registers and other records of the Board and its various Committees;
- (s) the appointment by the Board of agents to discharge on its behalf any of its functions;
- (t) the form of, and the particulars to be contained in, any returns or reports to be made to the Board under this Act;
- (u) the form of and the manner of making application for licences issued by the Board, the fees payable for such application and the procedure to be followed in granting, and the conditions governing, such licences;
- (v) the collection of any information or statistics in respect of cardamom;
- (w) any other matter (other than a matter specified in section 12) which is to be or may be prescribed or provided for by rules under this Act.

(3) Every rule made by the Central Government under this section shall be laid, as soon as may be after it is made, before each House of Parliament while it is in session for a total period of thirty days which may be comprised in one session or in two successive sessions, and if, before the expiry of the session in which it is so laid or the session immediately following, both Houses agree in making any modification in the 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.

THE KERALA APPROPRIATION (No. 5) ACT, 1965

No. 43 OF 1965

[10th December, 1965]

An Act to authorise payment and appropriation of certain further sums from and out of the Consolidated Fund of the State of Kerala for the services of the financial year 1965-66.

BE it enacted by Parliament in the Sixteenth Year of the Republic of India as follows:—

1. This Act may be called the Kerala Appropriation (No. 5) Act, 1965. Short title.

2. From and out of the Consolidated Fund of the State of Kerala there may be paid and applied sums not exceeding those specified in column 3 of the Schedule amounting in the aggregate to the sum of six lakhs, sixty-six thousand and four hundred rupees towards defraying the several charges which will come in course of payment during the financial year 1965-66, in respect of the services specified in column 2 of the Schedule.

Issue of
Rs.
6,66,400
from and
out of the
Consoli-
dated
Fund of
the State
of Kerala
for the
financial
year
1965-66.

3. The sums authorised to be paid and applied from and out of the Consolidated Fund of the State of Kerala by this Act shall be appropriated for the services and purposes expressed in the Schedule in relation to the said year. Appropriations.

THE SCHEDULE

(See sections 2 and 3)

I No. of Vote	2 Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
XIII	Police	100	..	100
XX	Public Health . . . . .	..	25,200	25,200
XXII	Agriculture . . . . .	..	3,200	3,200
XXV	Animal Husbandry	54,000	..	54,000
XXVII	Industries	1,00,000	3,48,900	4,48,900
XL	Miscellaneous . . . . .	..	2,700	2,700
XLV	Capital Outlay on Industrial and Economic Development . . . . .	..	2,100	2,100
XLVII	Capital Outlay on Public Works	1,30,200	..	1,30,200
	TOTAL	2,84,300	3,82,100	6,66,400

For later Act, please see Act 36 of 1966.

THE METAL CORPORATION OF INDIA (ACQUISITION
OF UNDERTAKING) ACT, 1965

No. 44 OF 1965

[12th December, 1965]

An Act to provide for the acquisition of the undertaking of the Metal Corporation of India Limited for the purpose of enabling the Central Government in the public interest to exploit, to the fullest extent possible, zinc and lead deposits in and around the Zawar area in the State of Rajasthan and to utilise those minerals in such manner as to subserve the common good.

BE it enacted by Parliament in the Sixteenth Year of the Republic of India as follows:—

CHAPTER I

PRELIMINARY

1. (1) This Act may be called the Metal Corporation of India (Acquisition of Undertaking) Act, 1965. Short title
and com-
mencement

(2) It shall be deemed to have come into force on the 22nd day of October, 1965.

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

Definitions.

(a) "administrator" means an administrator appointed under section 13;

(b) "company" or "the Metal Corporation of India" means the Metal Corporation of India Limited, being a company as defined in the Companies Act, 1956, having its registered office at Calcutta;

(c) "Tribunal" means the Tribunal constituted under section 11;

1 of 1956

(d) words and expressions used but not defined in this Act and defined in the Companies Act, 1956, shall have the meanings respectively assigned to them in that Act.

CHAPTER II

ACQUISITION OF THE UNDERTAKING OF THE METAL CORPORATION OF INDIA

Undertaking of company to vest in Central Government.

3. On the commencement of this Act, the undertaking of the company shall, by virtue of this Act, be transferred to, and vest in, the Central Government.

General effect of vesting under section 3.

4. (1) The undertaking of the company shall be deemed to include all assets, rights, leaseholds (including mining leases, if any), powers, authorities and privileges and all property, movable and immovable, including lands, buildings, works, mines, workshops, projects, smelters, refineries, stores, instruments, machinery, locomotives, automobiles and other vehicles, mined or extracted zinc or lead ores, concentrates and metals, in process or in stock or in transit, cash balances, cash on hand, reserve fund, investments and book debts and all other rights and interests arising out of such property as were immediately before the commencement of this Act in the ownership, possession, power or control of the company in relation to the undertaking, whether within or without India, and all books of account, registers, maps, plans, sections, drawings, records of survey and all other documents of whatever nature relating thereto, and shall also be deemed to include all borrowings, liabilities and obligations of whatever kind then subsisting of the company in relation to the undertaking.

(2) All property vesting in the Central Government under subsection (1) shall, by force of such vesting, be freed and discharged from any trusts, obligations, mortgages, charges, liens and other encumbrances affecting it, and any attachment, injunction or any decree or order of a court restricting the use of such property in any manner shall be deemed to have been withdrawn.

(3) Subject to the other provisions contained in this Act, all contracts and working arrangements which are subsisting immediately before the commencement of this Act and affecting the company shall, in so far as they relate to the undertaking of the company, cease to have effect or be enforceable against the company

or any person who was surety or had guaranteed the performance thereof and shall be of as full force and effect against or in favour of the Central Government and enforceable as fully and effectually as if instead of the company the Central Government had been named therein or had been a party thereto.

(4) Subject to the other provisions contained in this Act, any proceeding or cause of action pending or existing immediately before the commencement of this Act by or against the company in relation to its undertaking may, as from such commencement, be continued and enforced by or against the Central Government as it might have been enforced by or against the company if this Act had not been passed, and shall cease to be enforceable by or against the company, its surety or guarantor.

1 of 1956. 5. (1) Every officer or other employee of the company (except a director or any managerial personnel specified in section 197A of the Companies Act, 1956, or any other person entitled to manage the whole or a substantial part of the business of the company under a special agreement) in the employment of the company immediately before the commencement of this Act shall, in so far as such employee is employed in connection with the affairs of the undertaking of the company, become as from such commencement, an officer or other employee, as the case may be, of the Central Government and shall hold his office by the same tenure, at the same remuneration and upon the same terms and conditions and with the same rights and privileges as to pension and gratuity and other matters as he would have held under the company if this Act had not been passed and shall continue to do so unless and until his employment in the Central Government is terminated or until his remuneration, terms and conditions are duly altered by the Central Government:

Provisions
respecting
officers and
employees
of the
company.

Provided that if the alteration so made is not acceptable to any such officer or employee, his employment may be terminated by the Central Government on payment to him by the Central Government of compensation equivalent to three months' remuneration in the case of permanent employees and one month's remuneration in the case of other employees:

Provided further that nothing contained in this section shall apply to any officer or other employee who has, by notice in writing given to the Central Government within thirty days next following the commencement of this Act, intimated his intention of not becoming an officer or other employee of the Central Government.

(2) Notwithstanding anything contained in the Industrial Disputes Act, 1947, or in any other law for the time being in force, the transfer of the services of any officer or other employee of the company shall not entitle any such officer or employee to any compensation under that Act or other law, and no such claim shall be entertained by any court, tribunal or other authority. 14 of 1947.

Directors and managing agents not entitled to compensation.

6. Notwithstanding anything contained in any law for the time being in force, no director or managerial personnel specified in section 197A of the Companies Act, 1956, or other person entitled to manage the whole or a substantial part of the business and affairs of the company under a special agreement shall be entitled to any compensation against the company or the Central Government for the loss of office or for the premature termination of any contract of management entered into by him with the company. 1 of 1956.

Duty to deliver possession of property acquired and documents relating thereto.

7. (1) Where any property has vested in the Central Government under section 3, every person in whose possession or custody or under whose control the property may be, shall deliver the property to the Central Government forthwith.

(2) Any person who, on the commencement of this Act, has in his possession or under his control any books, documents or other papers relating to the company which has vested in the Central Government under this Act and which belong to the company or would have so belonged if the undertaking of the company had not been acquired shall be liable to account for the said books, documents and papers to the Central Government and shall deliver them up to the Central Government or to such person as the Central Government may specify in this behalf.

(3) The Central Government may take all necessary steps for securing possession of all properties which have vested in that Government under section 3.

Duty to furnish particulars.

8. The company shall, within thirty days from the commencement of this Act or within such further period as the Central Government may allow in this behalf, furnish to that Government a complete inventory of all the properties and assets (including particulars of book debts and investments and belongings) of the company at the commencement of this Act, all liabilities and obligations of the company subsisting at such commencement and also of all agreements entered into by the company and in force on such commencement including agreements, whether express or implied, relating to leave, pension, gratuity and other terms of service

of any officer or other employee of the company under which, by virtue of this Act, the Central Government has, or will have, or may have, liabilities except such agreements as that Government may exclude from the operation of this section, and for this purpose, the Central Government shall afford the company all reasonable facilities.

9. (1) Where it appears to the Central Government that the making of any agreement under which the company has or will have or may have liabilities was not reasonably necessary for the purposes of the activities of the company or has not been entered into in good faith, the Central Government may, within one year from the commencement of this Act, apply to the Tribunal for relief from the agreement and the Tribunal, if satisfied after making such inquiry in the matter as it thinks fit that the agreement was not reasonably necessary for the purposes of the activities of the company or has not been entered into in good faith, may make an order cancelling or varying the agreement on such terms as it may think fit to impose and the agreement shall thereupon have effect accordingly.

Right of Government to disclaim certain agreements.

(2) All the parties to the agreement which is sought to be cancelled or varied under this section shall be made parties to the proceeding.

10. (1) The Central Government shall pay compensation to the company for the acquisition of the undertaking of the company and such compensation shall be determined in accordance with the principles specified in the Schedule and in the manner hereinafter set out, that is to say,—

Compensation for acquisition of undertaking.

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

(b) where no such agreement can be reached, the Central Government shall refer the matter to the Tribunal within a period of three months from the date on which the Central Government and the company fail to reach an agreement regarding the amount of compensation.

(2) Notwithstanding that separate valuations are calculated under the principles specified in the Schedule in respect of the several matters referred to therein, the amount of compensation to be given shall be deemed to be a single compensation to be given for the undertaking as a whole.

(3) The amount of compensation determined in accordance with the foregoing provisions shall be paid to the company in cash within a period of six months from the date of such determination:

Provided that if compensation is not paid within the period aforesaid, the Central Government shall pay interest on the amount of compensation at the rate of four per cent. per annum from the date of expiry of the said period.

CHAPTER III

TRIBUNAL

Constitution
of Tribunal.

11. (1) The Central Government may for the purposes of this Act constitute a Tribunal which shall consist of a single person who is, or has been, or is qualified to be, a Judge of a High Court or of the Supreme Court.

(2) The Tribunal may choose one or more persons possessing special knowledge of any matter relating to any case under inquiry to assist the Tribunal in determining any question which has to be decided by it under this Act.

(3) The Tribunal shall have the powers of a civil court while trying a suit under the Code of Civil Procedure, 1908, in respect of 5 of 1908. 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 documents or other material objects producible as evidence;
- (c) receiving evidence on affidavits;
- (d) issuing commissions for the examination of witnesses or documents.

(4) The Tribunal shall have power to regulate its own procedure and decide all matters within its competence, and may review any of its decisions in the event of there being a mistake on the face of the record or correct any arithmetical or clerical error therein but subject thereto, the decision of the Tribunal on any matter within its jurisdiction shall be final and conclusive.

CHAPTER IV

MANAGEMENT AND ADMINISTRATION OF THE UNDERTAKING

Formation
of Govern-
ment
company
for
manage-
ment of
under-
taking.

12. For the efficient management and administration of the undertaking of the company vested in the Central Government by virtue of this Act, that Government may form a Government company in accordance with the provisions of the Companies Act, 1956 and on the formation of such company, the undertaking together with all its properties, assets, liabilities and obligations specified in 1 of 1956.

sub-section (1) of section 4 and such other properties, assets, liabilities and obligations as may hereafter be acquired or incurred for the purposes of the undertaking shall, by virtue of this Act, stand transferred to, and vest in, that Government company.

13. (1) Pending the formation of the Government company referred to in section 12, the Central Government may appoint one, or more than one, administrator for the efficient management and administration of the undertaking. Appoint-
ment of
adminis-
trators.

(2) Such administrator or administrators shall, in the management and administration of the undertaking, act in accordance with such directions, if any, as may be issued by the Central Government in this behalf.

CHAPTER V

MISCELLANEOUS

14. (1) Any person who—

(a) having in his possession, custody or control any property forming part of the undertaking of the company, wrongfully withholds such property from the Central Government or wilfully applies it to purposes other than those expressed in or authorised by this Act; or

(b) wrongfully obtains possession of any property forming part of the undertaking of the company which has vested in the Central Government under this Act; or

(c) wilfully withholds or fails to furnish to the Central Government or any person specified by that Government as required by sub-section (2) of section 7 any document which may be in his possession, custody or control; or

(d) wilfully fails to furnish any particulars required under section 8; or

(e) when required to furnish any such particulars, furnishes any particulars which are false and which he either knows or believes to be false or does not believe to be true,

shall be punishable with imprisonment for a term which may extend to two years, or with fine, or with both:

Provided that the court trying any offence under clause (a) or clause (b) of this sub-section may, at the time of convicting the

Penalties.

accused person, order him to deliver up or refund within a time to be fixed by the court any property wrongfully withheld or wilfully misapplied or wrongfully obtained.

(2) No court shall take cognizance of an offence punishable under this section except with the previous sanction of the Central Government or of an officer authorised by that Government in this behalf.

Protection
of action
taken
under this
Act.

15. No suit, prosecution or other legal proceeding shall lie against the Central Government or an administrator or an officer or other employee serving in connection with the affairs of the undertaking for anything which is in good faith done or intended to be done under this Act.

Power to
make
rules.

16. (1) The Central Government may, by notification in the Official Gazette, make rules to carry out the purposes of this Act.

(2) Every rule made by the Central Government under this Act shall be laid as soon as may be after it is made before each House of Parliament while it is in session for a total period of thirty days which may be comprised in one session or in two successive sessions, and if, before the expiry of the session in which it is so laid or the session immediately following both Houses agree in making any modification in the 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.

Repeal and
saving.

17. (1) The Metal Corporation of India (Acquisition of Undertaking) Ordinance, 1965, is hereby repealed.

6 of 1965

(2) Notwithstanding such repeal, anything done or any action taken under the said Ordinance shall be deemed to have been done or taken under this Act.

THE SCHEDULE

(See section 10)

PRINCIPLES FOR DETERMINING COMPENSATION FOR ACQUISITION OF THE UNDERTAKING

Paragraph I.—The compensation to be paid by the Central Government to the company in respect of the acquisition of the undertaking thereof shall be an amount equal to the sum total of the value of the properties and assets of the company on the date of commencement of this Act calculated in accordance with the provisions of

paragraph II less the sum total of the liabilities and obligations of the company as on the said date calculated in accordance with the provisions of paragraph III.

Paragraph II.—(a) The market value of any land or buildings;

(b) the actual cost incurred by the company in acquiring any plant, machinery or other equipment which has not been worked or used and is in good working condition and the written-down value (determined in accordance with the provisions of the Income-tax Act, 1961) of any other plant, machinery or equipment;

(c) the market value of any shares, securities or other investments held by the company;

(d) the total amount of the premiums paid by the company in respect of all leasehold properties reduced in the case of each such premium by an amount which bears to such premium the same proportion as the expired term of the lease in respect of which such premium shall have been paid bears to the total term of the lease;

(e) the amount of debts due to the company, whether secured or unsecured, to the extent to which they are reasonably considered to be recoverable;

(f) the amount of cash held by the company, whether in deposit with a bank or otherwise;

(g) the value of all tangible assets and properties other than those falling within any of the preceding clauses.

Paragraph III.—The total amount of liabilities and obligations incurred by the company in connection with the formation, management and administration of the undertaking and subsisting immediately before the commencement of this Act.

THE COAL MINES PROVIDENT FUND AND BONUS
SCHEMES (AMENDMENT) ACT, 1965

No. 45 OF 1965

[13th December, 1965.]

An Act further to amend the Coal Mines Provident Fund and
Bonus Schemes Act, 1948.

BE it enacted by Parliament in the Sixteenth Year of the Republic
of India as follows:—

Short
title
and
commen-
cement.

1. (1) This Act may be called the Coal Mines Provident Fund
and Bonus Schemes (Amendment) Act, 1965.

(2) It shall come into force on such date as the Central Govern-
ment may, by notification in the Official Gazette, appoint.

Amend-
ment of
section 2.

2. In section 2 of the Coal Mines Provident Fund and Bonus
Schemes Act, 1948 (hereinafter referred to as the principal Act),— 46 of 1948.

(1) after clause (a), the following clause shall be inserted
namely:—

‘(aa) “coal” includes lignite;’

(2) for clause (b), the following clause shall be substituted,
namely:—

‘(b) “coal mine” means any excavation where any
operation for the purpose of searching for or obtaining coal
has been or is being carried on, and includes—

(i) all borings and bore holes;

(ii) all shafts in or adjacent to and belonging to a
coal mine, whether in the course of being sunk or not;

(iii) all levels and inclined planes in the course of
being driven;

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↓ 1-4-1966: vide Notifn. No. S.O. 1051 dt. 1-4-1966,
gaz. of India, Ex., Pt-II, Sec. 3(ii), p. 699.
3. Section 2 to 4, rep. by Act 56 of 1974, S. 2 & Sch. I.

(iv) any open cast working or quarry, that is to say, an excavation where any operation for the purpose of searching for or obtaining coal has been or is being carried on, not being a shaft or an excavation which extends below superjacent ground;

(v) all conveyors or aerial rope-ways provided for the bringing into or removal from a coal mine of coal or other articles or for the removal of refuse therefrom;

(vi) all adits, levels, planes, machinery, works, railways, tramways and sidings, in or adjacent to and belonging to a coal mine;

(vii) all workshops situated within the precincts of a coal mine and under the same management and used for purposes connected with that coal mine or a number of coal mines under the same management;

(viii) any office of a coal mine;

(ix) all power stations for supplying electricity for the purpose of working the coal mine or a number of coal mines under the same management;

(x) any premises for the time being used for depositing refuse from a coal mine, or in which any operation in connection with such refuse is being carried on, being premises exclusively occupied by the employer of the coal mine;

(xi) all hospitals and canteens maintained for the benefit of the employees of a coal mine or a number of coal mines under the same management;

(xii) any coke oven or plant;

(xiii) any premises in or adjacent to and belonging to a coal mine, on which any plant or other machinery connected with a coal mine is situated or on which any process ancillary to the work of a coal mine is being carried on;

(3) for clause (d), the following clause shall be substituted, namely:—

'(d) "employee" means any person who is employed for wages in any kind of work, manual or otherwise, in or in connection with a coal mine, and who gets his wages directly or indirectly from the employer, and includes—

(1) any person employed by or through a contractor in or in connection with a coal mine, and

(2) for the purposes of the Coal Mines Provident Fund Scheme, also

(i) any other person who is employed as a sanitary worker, mali, teacher or domestic servant in or in connection with a coal mine and who receives wages directly from the employer, and

(ii) any apprentice or trainee who receives stipend or other remuneration from the employer.;

(4) for clause (e), the following clause shall be substituted, namely:—

'(e) "employer", when used in relation to a coal mine, means any person who is the immediate proprietor or lessee or occupier of the coal mine or of any part thereof and in the case of a coal mine the business whereof is being carried on by a liquidator or receiver, such liquidator or receiver and in the case of a coal mine owned by a company the business whereof is being carried on by a managing agent, such managing agent; but does not include a person who merely receives a royalty, rent or fine from the coal mine, or is merely the proprietor of the coal mine, subject to any lease, grant or licence for the working thereof, or is merely the owner of the soil and not interested in the coal of the coal mine; but any contractor for the working of a coal mine or any part thereof shall be subject to this Act in like manner as if he were an employer, but not so as to exempt the employer from any liability.;

(5) in clause (f), the word "and" occurring at the end shall be omitted and after that clause, the following clause shall be inserted, namely:—

'(ff) "managing agent" has the meaning assigned to in the Companies Act, 1956; and'.

3. In section 3 of the principal Act, after sub-section (1), the following sub-section shall be inserted, namely:—

Amendment of section 3.

“(1A) The Fund shall vest in, and be administered by, the Board constituted under section 3A.”

4. After section 3 of the principal Act, the following sections shall be inserted, namely:—

Insertion of new sections 3A to 3D.

“3A. (1) The Central Government may, by notification in the Official Gazette, constitute, with effect from such date as may be specified therein, a Board of Trustees for the territories to which this Act extends (hereinafter in this Act referred to as the Board) consisting of the following persons, namely:—

Constitution of Board of Trustees.

(a) a Chairman appointed by the Central Government;

(b) the Coal Mines Provident Fund Commissioner, *ex officio*;

(c) three persons appointed by the Central Government;

(d) not more than six persons representing Governments of such States as the Central Government may specify in this behalf, from time to time, appointed by the Central Government;

(e) six persons representing employers, appointed by the Central Government after consultation with such organisations of employers as may be recognised by the Central Government in this behalf, and of whom at least one shall be a person who is not a member of any such organisation;

(f) six persons representing employees, appointed by the Central Government after consultation with such organisations of employees as may be recognised by the Central Government in this behalf and of whom at least one shall be an employee himself and at least one shall be a person who is not a member of any such organisation.

(2) The terms and conditions subject to which a member of the Board may be appointed and the time, place and procedure

of the meetings of the Board shall be such as may be provided for in the Coal Mines Provident Fund Scheme.

(3) The Board shall administer the Fund vested in it in such manner as may be specified in the Scheme aforesaid.

(4) The Board shall perform such other functions as it may be required to perform by or under any provisions of the Scheme aforesaid.

3B. The Board of Trustees constituted under section 3A shall be a body corporate under the name specified in the notification constituting it, having perpetual succession and a common seal and shall by the said name sue and be sued.

3C. (1) The Central Government shall appoint a Coal Mines Provident Fund Commissioner, who shall be the chief executive officer of the Board and shall be subject to the general control and superintendence of the Board.

(2) The Central Government may also appoint as many other officers, whose minimum monthly salary in the scale of pay (if any) applicable to them is not less than four hundred rupees, as it may consider necessary to assist the Coal Mines Provident Fund Commissioner in the discharge of his duties.

(3) Subject to the provisions of sub-sections (1) and (2), the Board may appoint such other officers and employees as it may consider necessary for the efficient administration of the Coal Mines Provident Fund Scheme.

(4) The method of recruitment, salary and allowances, discipline and other conditions of service of the Coal Mines Provident Fund Commissioner shall be such as may be specified by the Central Government and such salary and allowances shall be paid out of the Fund.

(5) The method of recruitment, salary and allowances, discipline and other conditions of service of other officers and employees of the Board shall be such as may be specified by the Board with the approval of the Central Government.

3D. (1) Where any employee who is a subscriber to any provident fund of the coal mine in which he is employed becomes a member of the Fund in accordance with the provisions of any Coal Mines Provident Fund Scheme, the accumulations in the provident fund of the coal mine standing to the credit of the employee shall, notwithstanding anything to the contrary contained in any law for the time being in force or in any deed or

Board
of Trus-
tees to
be a
body
corporate.

Appoint-
ment of
officers.

Transfer
of
accounts.

other instrument establishing the provident fund but subject to the provisions, if any, contained in the Scheme, be transferred, by such person and within such time as may be provided in the Scheme, to the Fund and shall be credited to the account of the employee in the Fund.

(2) Where a member of the Fund leaves his employment in a coal mine and obtains re-employment in any other establishment (not being a coal mine to which the Coal Mines Provident Fund Scheme applies) and becomes a subscriber to any provident fund of that establishment, the amount of accumulations to the credit of such employee in the Fund shall be transferred, within such time as may be specified by the Central Government in this behalf, to the credit of his account in the provident fund of the establishment in which he is re-employed, if the employee so desires and the rules in relation to that provident fund permit such transfer.

(3) Where any employee who is a subscriber to any provident fund of an establishment (not being a coal mine to which the Coal Mines Provident Fund Scheme applies) leaves his employment in that establishment and obtains re-employment in a coal mine and becomes a member of the Fund, the amount of accumulations to the credit of such employee in the provident fund of the establishment left by him shall, if the employee so desires and the rules in relation to such provident fund so permit, be transferred to the credit of his account in the Fund."

5. In section 5 of the principal Act, after sub-section (2), the following sub-section shall be inserted, namely:—

Amendment of section 5.

"(3) The employer shall pay the bonus in accordance with the Scheme as aforesaid."

6. After section 7 of the principal Act, the following sections shall be inserted, namely:—

Insertion of new sections 7A and 7B.

"7A. Every scheme made under this Act shall be laid as soon as may be after it is made, before each House of Parliament while it is in session for a total period of thirty days which may be comprised in one session or in two successive sessions, and if, before the expiry of the session in which it is so laid or the session immediately following, both Houses agree in making any modification in the scheme or both Houses agree that the scheme should not be made, the scheme shall thereafter have effect only in such

Schemes to be laid before Parliament.

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 scheme.

Determination of moneys due from employers.

7B. (1) The Coal Mines Provident Fund Commissioner or any other officer duly authorised in this behalf by the Central Government may, by order, determine the amount due from any employer under any provision of this Act or of any scheme framed thereunder and for this purpose may conduct such enquiry as he may deem necessary.

(2) The officer conducting the enquiry under sub-section (1) shall, for the purpose of such enquiry, have the same powers as are vested in a court under the Code of Civil Procedure, 1908 for trying a suit in respect of the following matters, 5 of 1908, namely:—

- (a) enforcing the attendance of any person or examining him on oath;
- (b) requiring the discovery and production of documents;
- (c) receiving evidence on affidavit;
- (d) issuing commissions for the examination of witnesses;

and any such enquiry shall be deemed to be a judicial proceeding within the meaning of sections 193 and 228, and for the purpose of section 196, of the Indian Penal Code.

45 of 1860.

(3) No order determining the amount due from any employer shall be made under sub-section (1) unless the employer is given a reasonable opportunity of representing his case.

(4) An order made under this section shall be final and shall not be questioned in any court of law."

7. In section 9 of the principal Act,—

Amendment of section 9.

(a) for sub-section (1) the following sub-section shall be substituted, namely:—

"(1) If any person—

(a) contravenes any provision of this Act or of any scheme framed thereunder, he shall be punishable with imprisonment for a term which may extend to six months, or with fine which may extend to one thousand rupees, or with both;

(b) who has been convicted of any offence punishable as aforesaid, is again guilty of any such offence within a period of two years from the date of the previous conviction, he shall be punishable on conviction with imprisonment for a term which may extend to one year, or with fine which may extend to two thousand rupees, or with both.”;

(b) in sub-section (2), for the words “any such scheme”, the word, brackets and figure “sub-section (1)” shall be substituted;

(c) after sub-section (2), the following sub-section shall be inserted, namely:—

“(3) No court inferior to that of a presidency magistrate or a magistrate of the first class shall try any offence punishable under sub-section (1).”.

8. In section 10 of the principal Act,—

Amend-
ment of
section 10.

(a) in sub-section (2)—

(i) for clause (a), the following clause shall be substituted, namely:—

“(a) require an employer or any contractor from whom any amount is recoverable under section 10E—

(i) to furnish such information, or

(ii) to produce in the office of the Inspector or such other place as may be nearer to the employer or, as the case may be, the contractor, such accounts, books, registers and other documents,

relating to the employment of persons in a coal mine as the Inspector may consider necessary for the purposes of any scheme framed under this Act;”;

(ii) in clause (b), for the words “enter any coal mine or its office”, the words “and with such assistance, if any, as he may think fit, enter and search any coal mine” shall be substituted;

(iii) in clause (c),—

(i) after the word “employer”, the words, figures and letter “or any contractor from whom any amount is recoverable under section 10E” shall be inserted;

(ii) the words “or its office” shall be omitted.

(iv) after clause (c), the following clauses shall be inserted, namely:—

“(d) make copies of, or take extracts from, any accounts, books, registers or other documents maintained in relation to a coal mine and where he has reason to believe that any offence under this Act has been committed by an employer or contractor, seize with such assistance as he may think fit, such accounts, books registers or other documents or portions thereof as he may consider relevant in respect of that offence;

(e) exercise such other powers as any such Scheme may provide.”;

(b) after sub-section (2), the following sub-sections shall be inserted, namely:—

“(2A) Every person required to furnish any information or produce any document under clause (a) or clause (b) of sub-section (2) shall be deemed to be legally bound to do so within the meaning of section 175 of the Indian Penal Code. 45 of 1860.

(2B) The provisions of the Code of Criminal Procedure, 1898 shall, so far as may be, apply to any search or seizure under sub-section (2) as they apply to any search or seizure made under the authority of a warrant issued under section 98 of the said Code.”. 5 of 1898.

Amend-
ment of
section
10A.

9. In section 10A of the principal Act, after the words “any scheme framed under this Act”, the words, brackets, figures and letters “or any accumulations required to be transferred under sub-section (1) or sub-section (3) of section 3D or any damages recoverable under section 10F or any charges payable by the employer under this Act in respect of the administration of any such scheme” shall be inserted.

Insertion
of new
sections
10B to
10F.

10. After section 10A of the principal Act, the following sections shall be inserted, namely:—

Determi-
nation of
employer
in cer-
tain
cases.

“10B. (1) Where the employer is a firm or other association of individuals, all, or any of the partners or members thereof, or where the employer is a company, all or any of the directors thereof, may be prosecuted and punished under this Act for any offence for which the employer is punishable:

Provided that where a firm, association or company has given notice in writing to the Coal Mines Provident Fund Commissioner or any officer specified by the Central Government in this behalf that it was nominated,—

- (a) in the case of a firm, any of its partners,
- (b) in the case of an association, any of its members,
- (c) in the case of a company, any of its directors,

who is resident in each case in any place to which this Act extends and who is in each case either in fact in charge of the management of, or holds the largest number of shares in, such firm, association or company, to assume the responsibility of the employer for the purposes of this Act or of any scheme framed thereunder, such partner, member or director, as the case may be, shall, so long as he continues to so reside and be in charge or hold the largest number of shares as aforesaid, be deemed to be the employer for the purposes of this Act or any scheme framed thereunder, unless a notice in writing cancelling his nomination or stating that he has ceased to be a partner, member or director, as the case may be, is received by the Coal Mines Provident Fund Commissioner or any officer specified by the Central Government in this behalf.

(2) Where the employer is a Government or any local authority, all or any of the officers or persons authorised by such Government or local authority, as the case may be, to manage the affairs of the coal mine, shall, notwithstanding anything to the contrary contained in any law or contract for the time being in force, be deemed to be the employers or employer in respect of the coal mine and may be prosecuted and punished under this Act for any offence for which the employer is punishable.

10C. (1) The Central Government may, by notification in the Official Gazette, direct that any power exercisable by it under this Act or any scheme framed thereunder shall, subject to such conditions, if any, as may be specified in the notification, be exercisable also by the Coal Mines Provident Fund Commissioner or any officer authorised in this behalf by the Central Government.

Delegation of powers.

(2) The Board may delegate to its Chairman or the Coal Mines Provident Fund Commissioner or any other officer of the Board, subject to such conditions and limitations, if any, as the Board may specify, such of the powers and functions of

the Board under this Act or any scheme framed thereunder as the Board may deem necessary for the efficient administration of any scheme framed under this Act.

Payment
of contri-
bution by
employers
and re-
covery
thereof
from
mem-
bers.

10D. (1) The contribution shall be payable by the employer (hereinafter referred to as the employer's contribution) and by the employee (hereinafter referred to as the employee's contribution) at such rate as may be specified in the Coal Mines Provident Fund Scheme, and the employer shall pay the employer's contribution as well as the employee's contribution, whether or not he has recovered from any employee the employee's share of the contribution.

(2) The amount of any contribution paid by the employer on behalf of a member shall, notwithstanding anything to the contrary contained in any other law for the time being in force or any contract, be recoverable by means of deduction from the wages of the member and not otherwise.

(3) Save as otherwise provided in the Coal Mines Provident Fund Scheme, no deduction under sub-section (2) shall be made from any wages other than such as are paid in respect of the period for which the contribution is payable.

(4) Notwithstanding any contract to the contrary, the employer shall not be entitled to deduct the employer's contribution or the charges referred to in section 10A from the wages of a member or otherwise to recover such contribution or charges from such member.

Recovery
of monies
by employers
and
contractors.

10E. (1) The amount of contribution (that is to say the employer's contribution as well as the employee's contribution) and any charges referred to in section 10A paid or payable by an employer in respect of an employee employed by or through a contractor and any bonus paid or payable under any Coal Mines Bonus Scheme in respect of any such employee may be recovered by such employer from the contractor either by deduction from any amount payable to the contractor under any contract or as a debt payable by the contractor.

(2) A contractor from whom the amounts mentioned in sub-section (1) may be recovered in respect of any employee employed by or through him may, save as otherwise provided in the Coal Mines Provident Fund Scheme, recover from such

employee the employee's contribution under any such Scheme by deduction from the wages payable to the employee subject to the condition that no such deduction shall be made from any wages other than such as are payable in respect of the period to which the employee's contribution relates.

(3) Notwithstanding any contract to the contrary, no contractor shall be entitled to deduct the employer's contribution or the charges or bonus referred to in sub-section (1) from the amount payable to an employee employed by or through him or otherwise to recover such contribution or charges or bonus from such employee.

10F. Where an employer makes default in the payment of any contribution or bonus or any charges payable by him under any scheme framed under this Act, or where any person who is required to transfer provident fund accumulations in accordance with the provisions of section 3D makes default in the transfer of such accumulations, the Central Government may recover from such employer or person, as the case may be, such damages, not exceeding twenty-five per cent. of the amount of arrears, as it may think fit to impose.”

Power to
recover
damages.

11. After section 11A of the principal Act, the following section shall be inserted, namely:—

Insertion
of new
section
11B.

“11B. If any difficulty arises in giving effect to the provisions of this Act or any scheme framed thereunder, the Central Government may, by order published in the Official Gazette, make such provision or give such direction not inconsistent with the purposes of this Act, as it appears to it to be necessary or expedient for removing the difficulty.”

Power to
remove
difficul-
ties.

12. In the First Schedule to the principal Act,—

Amend-
ment of
First
Schedule.

(a) in item 2, for the word “employees”, the words and brackets “employees (whether employed by an employer directly or by or through a contractor),” shall be substituted;

(b) after item 2, the following item shall be inserted, namely:—

“2A. The manner in which employees contributions may be recovered by contractors from employees employed by or through such contractors.”;

(c) for item 4, the following item shall be substituted, namely:—

“4. The constitution of any committee for assisting the Board.”;

(d) for item 5, the following item shall be substituted, namely:—

“5. The opening of regional and other offices.”;

(e) in item 7, for the words “and the maximum amount of such deduction or forfeiture”, the words “,the maximum amount of such deduction of forfeiture and the utilisation of such deducted or forfeited amounts” shall be substituted;

(f) in item 11, after the word “employer”, the words “or contractor” shall be inserted;

(g) for item 14, the following items shall be substituted, namely:—

“13A. The manner in which accumulations in any existing provident fund shall be transferred to the Fund under section 3D, and the mode of valuation of any assets which may be transferred by the person administering such provident fund.

14. Any other matter which is to be provided for in the Coal Mines Provident Fund Scheme or which may be necessary or proper for the purpose of implementing that Scheme.”.

13. In the Second Schedule to the principal Act, —

(a) in item 6, after the word “employer”, the words “or contractor” shall be inserted;

(b) for item 7, the following items shall be substituted, namely:—

“6A. The transfer, by an employer to the Fund or any other fund specified by the Central Government, of the amount of bonus remaining unpaid or unclaimed for a period of six months from the end of the quarter to which the bonus relates and the extinguishment of the employer’s liability to his employees to the extent of the amount so transferred.

7. Any other matter which is to be provided for in the Coal Mines Bonus Scheme or which may be necessary or proper for the purpose of implementing that Scheme.”.

14. The Board of Trustees constituted under the Coal Mines Provident Fund Scheme and functioning immediately before the commencement of this Act shall, until the constitution of a Board of Trustees under section 3A of the principal Act as amended by this Act, be deemed to be the Board of Trustees constituted under the said section 3A.

Continu-
ance of
existing
Board of
Trustees.

15. Every person who is employed immediately before the commencement of this Act under the Board of Trustees constituted under the Coal Mines Provident Fund Scheme and functioning immediately before such commencement (hereafter in this section referred to as the existing Board) shall, on and from such commencement, become an employee of the Board of Trustees constituted or deemed to be constituted under section 3A of the principal Act as amended by this Act (hereafter in this section referred to as the new Board) and shall hold his office or service under the new Board by the same tenure, at the same remuneration and upon the same terms and conditions and with the same rights and privileges as to pension, leave, gratuity, provident fund and other matters as he would have held the same if this Act had not been passed, and shall continue to do so unless and until his employment is terminated or until such tenure, remuneration and terms and conditions are duly altered by the new Board:

Transfer
of service
of em-
ployees
of the
existing
Board to
the new
Board.

Provided that the tenure, remuneration and terms and conditions of service of any such person shall not be altered to his disadvantage without the previous approval of the Central Government.

Rep. by Act... 56... of 1974, S. 28 Sch. I.

THE INDIAN TARIFF (AMENDMENT) ACT, 1965

No. 46 OF 1965

[17th December, 1965]

An Act further to amend the Indian Tariff Act, 1934.

BE it enacted by Parliament in the Sixteenth Year of the Republic of India as follows :—

Short title
and commencement.

1. (1) This Act may be called the Indian Tariff (Amendment) Act, 1965.

(2) It shall come into force on the 1st day of January, 1966.

Amendment
of First
Schedule.

2. In the First Schedule to the Indian Tariff Act, 1934, in Items ^{32 of 1934.} Nos. 34(4), 60(7), 64(3), 64(5), 68(2A), 70A, 70(5), 72(14), 72(39) and 75(16),—

(a) in the third column headed "Nature of duty", for the word "Protective", wherever it occurs, the word "Revenue" shall be substituted ;

(b) in the last column headed "Duration of protective rates of duty", the entry "December 31st, 1965", wherever it occurs, shall be omitted.

**THE UNION DUTIES OF EXCISE (DISTRIBUTION)
AMENDMENT ACT, 1965**

No. 47 OF 1965

[17th December, 1965]

An Act further to amend the Union Duties of Excise (Distribution) Act, 1962.

BE it enacted by Parliament in the Sixteenth Year of the Republic of India as follows:—

1. (1) This Act may be called the Union Duties of Excise (Distribution) Amendment Act, 1965. Short title and commencement.

(2) It shall come into force on the 1st day of April, 1966.

3 of 1962.

2. In the long title of the Union Duties of Excise (Distribution) Act, 1962 (hereinafter referred to as the principal Act), for the words, figures and letters "dated the 14th day of December, 1961", the words, figures and letters "dated the 12th day of August, 1965" shall be substituted. Amendment of long title.

27 of 1958.

3. In section 2 of the principal Act, for the words and figures "on each of the articles specified in the Schedule to this Act, as defined in the First Schedule to the Central Excises and Salt Act, 1944", the words, brackets and figures "and of the duties of excise levied and collected under the Mineral Products (Additional Duties of Excise and Customs) Act, 1958" shall be substituted. Amendment of section 2.

4. For section 3 of the principal Act, the following section shall be substituted, namely:— Substitution of new section for section 3.

"3. During each financial year commencing on and after the 1st day of April, 1966, there shall be paid out of the Consolidated Fund of India to each of the States specified in column 1 of the Table below such percentage of the distributable Union duties Distribution of a part of Union duties of excise among the States.

REPEALED

434 *Union Duties of Excise (Distribution) [ACT 47 OF 1965]*
Amendment

of excise as is set out against it in column 2:—

TABLE

1 State	2 Percentage
Andhra Pradesh	7·77
Assam	3·32
Bihar	10·03
Gujarat	4·80
Jammu and Kashmir	2·26
Kerala	4·16
Madhya Pradesh	7·40
Madras	7·18
Maharashtra	8·23
Mysore	5·41
Nagaland	2·21
Orissa	4·82
Punjab	4·86
Rajasthan	5·06
Uttar Pradesh	14·98
West Bengal	7·51

Omission
of Sched-
ule.

5. The Schedule to the principal Act, shall be omitted.

THE ADDITIONAL DUTIES OF EXCISE (GOODS OF SPECIAL IMPORTANCE) AMENDMENT ACT, 1965

No. 48 OF 1965

[22nd December, 1965]

An Act further to amend the Additional Duties of Excise (Goods of Special Importance) Act, 1957.

BE it enacted by Parliament in the Sixteenth Year of the Republic of India as follows:—

1. (1) This Act may be called the Additional Duties of Excise (Goods of Special Importance) Amendment Act, 1965. Short title and commencement.

(2) It shall come into force on the 1st day of April, 1966.

58 of 1957. 2. In the long title of the Additional Duties of Excise (Goods of Special Importance) Act, 1957 (hereinafter referred to as the principal Act), for the words, figures and letters "dated the 14th day of December, 1961", the words, figures and letters "dated the 12th day of August, 1965" shall be substituted. Amendment of long title.

3. In the principal Act, for the Second Schedule, the following Schedule shall be substituted, namely:— Substitution of new Schedule for Second Schedule.

"THE SECOND SCHEDULE

(See section 4)

1. In this Schedule, "net proceeds", as respects any financial year, means the net proceeds of the additional duties in respect of sugar, tobacco, cotton fabrics, silk fabrics, woollen fabrics and rayon or artificial silk fabrics levied and collected during that financial year.

2. During each of the financial years commencing on and after the 1st day of April, 1966, there shall be paid,—

(a) to the State of Jammu and Kashmir a sum equal to 1.5 per cent. of the net proceeds;

(b) to the State of Nagaland a sum equal to 0·05 per cent. of the net proceeds; and

(c) to each of the States specified in the first column of the Table—

(i) a sum equal to the amount specified against that State in the second column of the Table; and

(ii) if the total of the sums specified in the second column of the Table is less than 97·45 per cent. of the net proceeds by any amount, a further sum equal to such percentage of that amount as is specified against that State in the third column of the Table:

Provided that if during that financial year there is levied and collected in any State a tax on the sale or purchase of sugar, tobacco, cotton fabrics, silk fabrics, woollen fabrics and rayon or artificial silk fabrics by or under any law of that State, no sums shall be payable to that State under clause (a), or clause (b), or, as the case may be, under clause (c) in respect of that financial year, unless the Central Government by special order otherwise directs.

TABLE

1 State	2 Rupees in lakhs	3 Percentage
Andhra Pradesh	235·24	7·42
Assam	85·08	1·98
Bihar	130·16	6·17
Gujarat	323·45	7·43
Kerala	95·08	5·65
Madhya Pradesh	155·17	4·62
Madras	285·34	11·13
Maharashtra	637·77	19·87
Mysore	100·10	5·21
Orissa	85·10	2·58
Punjab	175·19	5·01
Rajasthan	90·10	3·17
Uttar Pradesh	575·81	7·83
West Bengal	280·41	11·93

THE UNION TERRITORIES (DIRECT ELECTION TO
THE HOUSE OF THE PEOPLE) ACT, 1965

No. 49 OF 1965

[22nd December, 1965]

An Act to provide for direct election in certain Union territories for filling the seats allotted to them in the House of the People and for matters connected therewith.

Be it enacted by Parliament in the Sixteenth Year of the Republic of India as follows:—

1. This Act may be called the Union Territories (Direct Election Short title to the House of the People) Act, 1965.

2. In this Act:—

Defini-
tions.

48 of 1950.

(a) "parliamentary constituency" has the same meaning as in the Representation of the People Act, 1950;

(b) "sitting member" means a person who immediately before the commencement of this Act is a member of the House of the People;

(c) "Union territory" means any of the Union territories of the Andaman and Nicobar Islands, the Laccadive, Minicoy and Amindivi Islands and Dadra and Nagar Haveli.

43 of 1950.

3. At the next general election to the House of the People and thereafter, the seats allotted under section 3 of the Representation of the People Act, 1950 to the Union territories in the House of the People shall be seats to be filled by persons chosen by direct election and for that purpose each Union territory shall form one parliamentary constituency.

Direct
election
to fill the
seats in
the House
of the
People
allotted
to certain
Union ter-
ritories.

438 Union territories (Direct Election to the House of the People) [ACT 49 OF 1965]

Amend-
ment of
Act 43
of 1950.

1 xxx

~~4. In the Representation of the People Act, 1950,—~~

(a) in sub-section (1) of section 4, the words “, to the Andaman and Nicobar Islands, to the Laccadive, Minicoy and Amindivi Islands, to Dadra and Nagar Haveli,” shall be omitted;

(b) in sub-section (1) of section 13B, for the words “each parliamentary constituency in the Union territory of Delhi,” the words “a parliamentary constituency in each of the Union territories of Delhi, the Andaman and Nicobar Islands, the Laccadive, Minicoy and Amindivi Islands and Dadra and Nagar Haveli,” shall be substituted;

(c) in sub-section (1) and in sub-section (2) of section 13D, for the words “the Union territory of Delhi”, the words “each of the Union territories of Delhi, the Andaman and Nicobar Islands, the Laccadive, Minicoy and Amindivi Islands and Dadra and Nagar Haveli” shall be substituted.

Amend-
ment of
Act 43
of 1950.

✓

~~5. In the Representation of the People Act, 1951, in section 4, the words “to the Andaman and Nicobar Islands, to the Laccadive, Minicoy and Amindivi Islands, to Dadra and Nagar Haveli,” shall be omitted.~~

Provision
as to
sitting
member.

6. The sitting member representing each Union territory shall continue to represent that Union territory until the dissolution of the present House of the People and if before such dissolution the seat allotted to a Union territory in the House of the People becomes vacant it shall be filled by a person nominated by the President and that person shall represent the Union territory in the present House of the People until its dissolution.

1/7. Rep. by Act 56 of 1974, S. 28 Sch. I.

THE GOA, DAMAN AND DIU (ABSORBED EMPLOYEES)
ACT, 1965

No. 50 OF 1965

[22nd December, 1965]

An Act to provide for the regulation of the conditions of service of persons absorbed for service in connection with the administration of the Union territory of Goa, Daman and Diu and for matters connected therewith.

BE it enacted by Parliament in the Sixteenth Year of the Republic of India as follows:—

1. This Act may be called the Goa, Daman and Diu (Absorbed Employees) Act, 1965. Short title.

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

Definitions.

(a) "absorbed employee" means a person who immediately before the 20th day of December, 1961, was holding an absorbed post and who on and after that date either served or has been serving in that or any other post in connection with the administration of the Union territory of Goa, Daman and Diu or in any of the Departments of the Central Government;

(b) "absorbed post" means a civil service or post which existed under the former Portuguese Administration in Goa, Daman and Diu immediately before the 20th day of December, 1961.

3. (1) The Central Government may make rules—

(a) for the regulation of recruitment to absorbed posts and the conditions of service of absorbed employees;

(b) for the regulation of the conditions of service of persons who were in the service of a Corporation (whether known as a junta or otherwise) immediately before the 20th day of December, 1961, and who on or after that date either served or have been serving in connection with the administration of the Union

Power to make rules regulating recruitment and conditions of service of absorbed employees and employees of certain corporations.

territory of Goa, Daman and Diu or in any of the Departments of the Central Government.

(2) Any such rule may be made so as to be retrospective to any date not earlier than the 20th day of December, 1961:

Provided that no person shall, by virtue of such retrospective effect, be liable to refund any amount paid to him by way of salary or allowances or pension before the making of any such rule.

(3) Every rule made under this section shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session for a total period of thirty days which may be comprised in one session or in two successive sessions and if, before the expiry of the session in which it is so laid or the session immediately following, both Houses agree in making any modification in the 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.

Repeal.

4. (1) On the making of any rule under section 3, the corresponding law, if any, in respect of any matter for which provision is made in that rule, shall stand repealed with effect from the date of the coming into force of that rule.

(2) The provisions of sections 6 and 24 of the General Clauses Act, 1897, shall apply to such repeal as if the rule and the corresponding law referred to in sub-section (1) were Central Acts. 10 of 1897.

Power to
remove diffi-
culties.

5. If any difficulty arises in giving effect to the provisions of this Act or any rule made thereunder in relation to any absorbed employee or any person referred to in clause (b) of sub-section (1) of section 3, the Central Government may, by order, make such provision as appears to it to be necessary or expedient for removing the difficulty:

Provided that the power under this section shall not be exercisable after the expiration of a period of two years from the commencement of this Act.

Rep. by Act No. 56 of 1974, S. 2 & Sch. I.

THE ESTATE DUTY (DISTRIBUTION) AMENDMENT
ACT, 1965

No. 51 OF 1965

[22nd December, 1965]

An Act further to amend the Estate Duty (Distribution) Act, 1962.

Enacted by Parliament in the Sixteenth Year of the Republic of India as follows:—

1. (1) This Act may be called the Estate Duty (Distribution) Amendment Act, 1965. Short title and commencement.

(2) It shall come into force on the 1st day of April, 1966.

9 of 1962. 2. In the long title of the Estate Duty (Distribution) Act, 1962 (hereinafter referred to as the principal Act), for the words, figures and letters "dated the 14th day of December, 1961", the words, figures and letters "dated the 12th day of August, 1965" shall be substituted. Amendment of long title.

3. In section 3 of the principal Act,—

Amendment of section 3.

(i) for sub-section (1), the following sub-section shall be substituted, namely:—

"(1) During each financial year commencing on and after the 1st day of April, 1966, the net proceeds of estate duty levied and collected during that financial year shall, after deducting therefrom a sum equal to two per cent. of the said proceeds as being attributable to Union territories, be distributed among the States in accordance with the provisions of sub-section (2).";

REPEALED

442 *Estate Duty (Distribution) Amendment* [ACT 51 OF 1965]

(ii) for clause (b) of sub-section (2), the following clause shall be substituted, namely:—

“(b) the balance shall be distributed among the States as follows:—

State		Percentage
Andhra Pradesh	.. ..	8·34
Assam	.. ..	2·75
Bihar	.. ..	10·76
Gujarat	.. ..	4·78
Jammu and Kashmir	.. ..	0·83
Kerala	.. ..	3·92
Madhya Pradesh	.. ..	7·50
Madras	.. ..	7·80
Maharashtra	.. ..	9·16
Mysore	.. ..	5·46
Nagaland	.. ..	0·09
Orissa	.. ..	4·07
Punjab	.. ..	4·70
Rajasthan	.. ..	4·67
Uttar Pradesh	.. ..	17·08
West Bengal	.. ..	8·09”.

TABLE SHOWING EFFECT OF PARLIAMENTARY LEGISLATION OF 1965

Part I.—Central Acts amended, repealed or otherwise affected.

Year of Act	No. of Act	Short title of Act	How affected	No. and section of 1965 Act by which affected
1	2	3	4	5
1867	25	Press and Registration of Books Act, 1867.	Ss. 1 and 22 amended (w.e.f. 1-11-1965). S. 5A inserted (w.e.f. 1-11-1965)	16, ss. 2 and 4. <i>Ibid.</i> , s. 3.
1903	7	Indian Works of Defence Act, 1903.	S. 1 amended S. 2A inserted	39, s. 2. <i>Ibid.</i> , s. 2.
1920	40	Aligarh Muslim University Act, 1920.	Ss. 23, 28, 29, 31, 35 and 38 amended. S. 34 substituted.	19, ss. 2 to 5, 7 and 8. <i>Ibid.</i> , s. 6.
1934	2	Reserve Bank of India Act, 1934.	Ss. 2, 10, 17, 18, 42, 45A and 45I amended (w.e.f. 1-3-1966). S. 44 omitted (w.e.f. 1-3-1966).	23, ss. 2 to 6, 8 and 9. <i>Ibid.</i> , s. 7.
1934	32	Indian Tariff Act, 1934	S. 2A and First Schedule amended. First Schedule amended. First Schedule amended (w.e.f. 1-1-1966).	15, s. 25. 10, s. 75 and Third Schedule. 46, s. 2.
1938	4	Insurance Act, 1938	Ss. 3 and 110 amended.	32, ss. 2 and 3.
1944	1	Central Excises and Salt Act, 1944.	First Schedule amended. First Schedule amended.	10, s. 79. 15, s. 26.
1947	14	Industrial Disputes Act, 1947	Ss. 2, 12 and 29 amended (w.e.f. 1-12-1965). S. 2A inserted (w.e.f. 1-12-1965). S. 25C substituted (w.e.f. 1-12-1965).	35, ss. 2, 4 and 6. <i>Ibid.</i> , s. 3. <i>Ibid.</i> , s. 5.

1	2	3	4	5
1948	46	Coal Mines Provident and Bonus Schemes Act, 1948.	Fund Act, Ss. 2, 3, 5, 9, 10, 10A, First Schedule and Second Schedule amended (w.e.f. 1-4-1966). Ss. 3A, 3B, 3C, 3D, 7A, 7B, 10B to 10F and 11B inserted (w.e.f. 1-4-1966).	45, ss. 2, 3, 5, 7, 8, 12 and 13. <i>Ibid.</i> , ss. 4, 6, 10 and 11.
1949	1	Indian Tariff (Amendment) Act, 1949.	Ss. 4 and 5 amended	10, s. 78.
1949	10	Banking Companies Act, 1949.	Long title, Preamble, ss. 1 and 18 amended (w.e.f. 1-3-1966). S. 3 substituted (w.e.f. 1-3-1966). Part V inserted (w.e.f. 1-3-1966).	23, ss. 10, 11 and 13. <i>Ibid.</i> , s. 12. <i>Ibid.</i> , s. 14.
1950	43	Representation of the People Act, 1950.	Ss. 4, 13B and 13D amended. Fourth Schedule amended.	49, s. 4. 14, s. 2.
1951	43	Representation of the People Act, 1951.	S. 4 amended Chapter IV (ss. 146, 146A, 146B and 146C) inserted.	49, s. 5. 17, s. 2.
1951	65	Industries (Development and Regulation) Act, 1951.	S. 18A amended.	6, s. 2.
1952	19	Employees' Provident Funds Act, 1952.	S. 2 amended (w.e.f. 24-11-1964).	22, s. 2.
1953	34	Estate Duty Act, 1953	Ss. 9 to 12, 22, 33, 34 and 46 amended (w.e.f. 1-4-1965). S. 3 amended (w.e.f. 1-4-1964). S. 29A inserted (w.e.f. 1-4-1965). Ss. 33 and 34 amended.	10, s. 69. 15, s. 19. 10, s. 69. 41, s. 5.
1954	8	Delhi Land Reforms Act, 1954	Ss. 6, 33, 36, 38, 42, 45, 47, 67, 68, 75 to 77, 80, 81, 84, 85, 138 and Schedule I amended. S. 40 substituted S. 46 omitted Ss. 65A, 86A, 161A and 161B inserted. Ss. 150 and 154 amended (w.e.f. 7-4-1958).	38, ss. 2 to 5, 7, 8, 10, 12 to 20, 22 and 26. <i>Ibid.</i> , s. 6. <i>Ibid.</i> , s. 9. <i>Ibid.</i> , ss. 11, 21 and 25. <i>Ibid.</i> , ss. 23 and 24.

1	2	3	4	5
1956	1	Companies Act, 1956	<p>Ss. 1, 2, 10A, 10E, 31, 13, 21, 43A, 44, 69, 73, 75, 76, 95, 97, 107, 111, 125, 127, 128, 137, 138, 146, 149, 153B, 156, 157, 159, 160, 163, 174, 192, 193, 203, 209, 220, 227, 228, 234A, 240, 240A, 241, 252, 256, 259, 264, 266, 273, 285, 303, 309, 310, 314, 318, 372, 391, 394, 395, 404, 445, 481, 497, 509, 516, 559, 592, 593 and Schedule 1A amended (w.e.f. 15-10-1965).</p> <p>Ss. 68A, 233B, 250A, 294A, 394A, 396A, 511A, 637B and 640B inserted (w.e.f. 15-10-1965).</p> <p>Ss. 108 and 370 amended (when brought into force).</p> <p>Ss. 271 and 280 to 282 omitted (w.e.f. 15-10-1965).</p> <p>Ss. 410 to 415 and 633A substituted (w.e.f. 15-10-1965).</p>	<p>ss. 2 to 7, to 12, 14 to 22, 24 to 27, 29 to 33, 35, 39, 41 to 45, 47 to 49, 51, 54, 55, 57, 61 and Schedule.</p> <p><i>Ibid.</i>, ss. 8, 23, 28, 40, 50, 52, 56, 59 and 60.</p> <p><i>Ibid.</i>, ss. 13 and 46.</p> <p><i>Ibid.</i>, ss. 34 and 36 to 38.</p> <p><i>Ibid.</i>, ss. 53 and 58.</p>
1956	31	Life Insurance Corporation Act, 1956.	<p>S. 26 amended</p> <p>S. 28 substituted</p> <p>S. 28A inserted</p>	<p>33, s. 2.</p> <p><i>Ibid.</i>, s. 3.</p> <p><i>Ibid.</i>, s. 4.</p>
1957	27	Wealth-tax Act, 1957.	<p>S. 5 amended</p> <p>S. 5 and Schedule amended (w.e.f. 1-4-1965).</p> <p>Ss. 5, 31 and 34A amended (w.e.f. 1-4-1965).</p> <p>Ss. 18 and 36 amended.</p>	<p>41, s. 6.</p> <p>10, s. 70.</p> <p>15, s. 20.</p> <p><i>Ibid.</i>, s. 20.</p>
1957	58	Additional Duties of Excise (Goods of Special Importance) Act, 1957.	<p>Long title amended (w.e.f. 1-4-1966).</p> <p>First, Schedule amended.</p> <p>Second Schedule substituted (w.e.f. 1-4-1966).</p>	<p>48, s. 2.</p> <p>10, s. 83.</p> <p>48, s. 3.</p>

1	2	3	4	5
1958	18	Gift-tax Act, 1958	S. 5 amended (w.e.f. 10, s. 71. 1-4-1965).	
			S. 5 amended.	41, s. 7.
			Ss. 5, 32 and 33A amended (w.e.f. 1-4-1965).	15, s. 21.
			S. 18A inserted (w.e.f. 1-4-1965).	10, s. 71.
1960	63	Preference Shares (Regulation of Dividends) Act, 1960.	Ss. 2 to 4 and 6 amended (w.e.f. 1-4-1965).	<i>Ibid.</i> , s. 72.
			S. 4A inserted (w.e.f. 1-4-1965).	<i>Ibid.</i> , s. 72.
1961	43	Income-tax Act, 1961.	Ss. 2, 8, 10, 18, 33, 34, 36, 37, 40, 43, 47, 49, 56, 84, 86 to 88, 90, 91, 104, 109, 111, 112, 114, 131, 155, 164, 178, 181, 191 to 195, 197, 199, 203, 206, 209, 213 to 217, 220, 226, 235, 236, 236A, 243, 244, 279, 280P, 280X, 294, 295, Schedule I and Schedule IV amended (w.e.f. 1-4-1965).	<i>Ibid.</i> , ss. 4 to 8, 10, to 16, 18, 21, 23, 25, to 28, 30, 31, 33, 34, 36, 38 to 57, 95 to 61 and 63 to 66.
			Ss. 2, 10 and 193 amended.	41, ss. 2 to 4.
			Ss. 2, 33, 88, 280ZC and Schedule V amended (w.e.f. 1-4-1965).	15, ss. 2, 5, 9, 17 and 18.
			Ss. 10, 17, 43 and 44A amended (retrospectively).	<i>Ibid.</i> , ss. 3, 4, 6 and 7.
			Ss. 33A, 54A, 69B, Chapter VIA (ss. 80A to 80D), ss. 85A, 86A, 276A, Chapter XXIIB (ss. 280Y, 280Z, 280ZA to 280ZE) and Schedule V inserted (w.e.f. 1-4-1965).	10, ss. 9, 17, 19, 20, 22, 24, 58, 62 and 67.
			Ss. 84, 112, 114, 193, 280M, 280N, 280W and 280ZC amended.	15, ss. 8, 10 and 12 to 17.
			S. 88 amended (w.e.f. 1-4-1964).	<i>Ibid.</i> , s. 9.
			Ss. 95 to 103 omitted (w.e.f. 1-4-1965).	10, s. 29.

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I	2	3	4	5
			Ss. 110 and 115 substituted (w.e.f. 1-4-1965).	10, ss. 32 and 37.
			S. 112A inserted.	15, s. 11.
			S. 113 omitted (w.e.f. 1-4-1965).	10, s. 35.
			S. 132 substituted.	1, s. 2.
			Ss. 271 and 279 amended.	<i>Ibid.</i> , ss. 3 and 5.
			S. 275A inserted.	<i>Ibid.</i> , s. 4.
1962	3	Union Duties of Excise (Distribution) Act, 1962.	Long title and s. 2 amended (w.e.f. 1-4-1966). S. 3 substituted (w.e.f. 1-4-1966). Schedule omitted (w.e.f. 1-4-1966).	47, ss. 2 and 3. <i>Ibid.</i> , s. 4. <i>Ibid.</i> , s. 5.
1962	9	Estate Duty (Distribution) Act, 1962.	Long title and s. 3 amended (w.e.f. 1-4-1966).	51, ss. 2 and 3.
1962	57	Delhi Motor Vehicles Taxation Act, 1962.	S. 20 substituted. Schedule I amended	36, s. 2. <i>Ibid.</i> , s. 3.
1963	52	Unit Trust of India Act, 1963.	S. 32 amended (w.e.f. 1-4-1965).	10, s. 73.
1964	7	Companies (Profits) Surtax Act, 1964.	S. 18, Schedule I and Schedule III amended (w.e.f. 1-4-1965). S. 24A inserted.	<i>Ibid.</i> , s. 74. 15, s. 22.

Part II.—Central Ordinances repealed

Year of Ordinance	No. of Ordinance	Short title of Ordinance	No. and section of 1965 Act by which repealed
1965	1	Income-tax (Amendment) Ordinance, 1965.	1, s. 7.
1965	2	Aligarh Muslim University (Amendment) Ordinance, 1965.	19, s. 11.
1965	3	Payment of Bonus Ordinance, 1965.	21, s. 40.
1965	4	Railways (Employment of Members of the Armed Forces) Ordinance, 1965.	40, s. 5.
1965	5	Taxation Laws (Amendment and Miscellaneous Provisions) Ordinance, 1965.	41, s. 9.
1965	6	¶ Metal Corporation of India (Acquisition of Undertaking) Ordinance, 1965.	44, s. 17 (w.e.f. 22-10-1965).

*Table showing effect of Parliamentary Legislation of 1965**Part III—Central Regulations amended*

Year of Regulation.	No. of Regulation	Short title of Regulation	How affected	No. and section of 1965 Act by which affected
1958	2	Armed Forces (Special Powers) Regulation, 1958.	S 1 amended.	9, s. 2.
1963	10	Goa, Daman and Diu (Judicial Commissioner's Court) Regulation, 1963.	Ss. 8, 16 and 17 amended.	30, s. 7.

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