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LEGISLATION OF 1959**

PART I.—CENTRAL ACTS AMENDED, REPEALED OR OTHERWISE AFFECTED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 1959 Act by which affected
1	2	3	4	5
1860	45	Indian Penal Code	S. 363A inserted	52, s. 2.
1866	21	Converts' Marriage Dissolution Act.	S. 35 amended	48, s. 3 and Sch. I.
1873	5	Government Savings Banks Act.	Ss. 3, 5 to 7 and 13 amended. Ss. 4 and 14 substituted Ss. 9 and 11 omitted	45, ss. 2, 4 to 6 and 8. <i>Ibid.</i> , ss. 3 and 9. <i>Ibid.</i> , s. 7.
1874	3	Married Women's Property Act.	Ss. 2 and 6 amended.	61, ss. 2 and 3.
1878	8	Sea Customs Act	Supplementary pro- vision (when noti- fied).	54, s. 34.
1878	11	Indian Arms Act	Repealed (when notified)	54, s. 46.
1890	9	Indian Railways Act	Ss. 40, 68, 108, 109, 112, 114, 116, 121 and 131 amended. Ss. 113B and 120A inserted.	13, ss. 2 to 6 8, 9, 11 and 12. <i>Ibid.</i> , ss. 7 and 10.
1898	5	Code of Criminal Procedure.	Sch. II—entry inserted.	363A 52, s. 3.
1908	9	Indian Limitation Act	Supplementary pro- vision.	29, s. 3.
1909	7	Anand Marriage Act	S. 1 amended	48, s. 3 and Sch. I.

ii Table showing effect of Parliamentary Legislation of 1959

1	2	3	4	5
1910	9	Indian Electricity Act	Throughout the Act, the words "overhead line" substituted for "aerial line", and the words "Electrical Inspector" substituted for "Electric Inspector".	32, s. 2.
			Ss. 2 to 4, 8 to 10, 12, 13, 20, 21, 23 to 26, 28 to 31, 33, 34, 36A, 37, 38, 44, 47, 51, 52, 54 and 56 amended.	<i>Ibid.</i> , ss. 3 to 5, 8 to 14, 16 to 25, 27, 29, 30, 32, 33, 35 and 37 to 39.
			Ss. 4A, 22A, 22B, 49A and 51A inserted.	<i>Ibid.</i> , ss. 6, 15, 34 and 36.
			Ss. 5 to 7, 36 and 42 substituted.	<i>Ibid.</i> , ss. 7, 26 and 31.
			S. 36B omitted.	<i>Ibid.</i> , s. 28.
			Schedule amended.	<i>Ibid.</i> , s. 40.
1916	15	Hindu Disposition of Property Act.	S. 1 amended.	48, s. 3 and Sch. I.
1921	8	Hindu Transfers and Bequests (City of Madras) Act.	Repealed.	48, s. 4 and Sch. II.
1922	11	Indian Income-tax Act	S. 34 amended	1, s. 2.
			S. 49 ^{EE} inserted	<i>Ibid.</i> , s. 3.
			Ss. 4, 10, 12, 15C (retrospectively), 16 to 18, 23A, 23B, 35, 51, 52 and 58 amended.	12, ss. 3 to 9, 11 to 13 and 16 to 18.
			Ss. 20 and 49C omitted	<i>Ibid.</i> , ss. 10 and 15.
			S. 49B substituted	<i>Ibid.</i> , s. 14.
1923	8	Workmen's Compensation Act.	Ss. 2 to 5, 8, 10, 10B, 15, 18A, 30 and 32 amended.	8, ss. 2 to 4, 6 to 9, 11, 13, 15 and 16.
			Ss. 4A and 14A inserted.	<i>Ibid.</i> , ss. 5 and 10.

Table showing effect of Parliamentary Legislation of 1959 iii

1	2	3	4	5
1923	8	Workmen's Compensation Act— <i>contd.</i>	S. 18 omitted	8, s. 12.
			S. 24 substituted	<i>Ibid.</i> , s. 14.
			Sch. I substituted	<i>Ibid.</i> , s. 17.
			Sch. II amended	<i>Ibid.</i> , s. 18.
			Sch. III amended	<i>Ibid.</i> , s. 19.
			Sch. IV amended	<i>Ibid.</i> , s. 20.
1925	31	Coal Grading Board Act.	Repealed	17, s. 3.
1927	17	Indian Lighthouse Act	S. 10 amended	16, s. 2.
1928	12	Hindu Inheritance (Removal of Disabilities) Act.	Ss. 1 and 2 amended	48, s. 3 and Sch. I.
1930	30	Hindu Gains of Learning Act.	S. 1 amended	48, s. 3 and Sch. I.
1932	20	Port Haj Committees Act.	Repealed	51, s. 19.
1934	2	Reserve Bank of India Act.	S. 28A inserted	14, s. 2.
			S. 42 amended	33, s. 36.
			S. 17 amended	38, s. 64 and Sch. III.
			S. 45 substituted	<i>Ibid.</i>
			Second Schedule amended.	<i>Ibid.</i>
1934	32	Indian Tariff Act	First Schedule amended.	12, s. 28 and Sch. II.
			First Schedule amended.	60, s. 2.
1937	26	Muslim Personal Law (<i>Shariat</i>) Application Act.	S. 1 amended	48, s. 3 and Sch. I.
1939	8	Dissolution of Muslim Marriages Act.	S. 1 amended	48, s. 3 and Sch. I.
1942	6	Multi-unit Co-operative Societies Act.	S. 5A amended	56, s. 39.

iv Table showing effect of Parliamentary Legislation of 1959

1	2	3	4	5
1944	1	Central Excises and Salt Act.	First Schedule amended. First Schedule amended (w.e.f. 1st July, 1959).	12, s. 30. 37, s. 2.
1944	18	Public Debt Act	Ss. 9A, 9B and 9C inserted (when notified). S. 28 amended (when notified).	44, s. 2. <i>Ibid.</i> , s. 3.
1947	14	Industrial Disputes Act	S. 2 amended	38, s. 64 and Sch. III.
1948	8	Pharmacy Act	Ss. 1 to 3, 5 and 8 amended. Ss. 19, 21, 31, 32, 34, 36, 41, 42 and 46 amended. S. 32A inserted. S. 40 substituted.	24, ss. 2 to 6. <i>Ibid.</i> , ss. 7 to 10, 12, 13 and 15 to 17. <i>Ibid.</i> , s. 11. <i>Ibid.</i> , s. 14.
1948	37	Census Act	S. 1 amended S. 2 inserted	22, s. 2. <i>Ibid.</i> , s. 3.
1948	54	Electricity (Supply) Act.	S. 26 amended S. 71 omitted Sixth Schedule amended.	32, s. 41. <i>Ibid.</i> <i>Ibid.</i>
1949	1	Indian Tariff (Amendment) Act.	Ss. 4 and 5 amended	12, s. 29.
1949	10	Banking Companies Act.	Ss. 5 to 7, 10 to 12, 15, 19, 22, 24, 25, 27, 28, 32, 35, 35B, 36, 36A, 37, 39, 43A, 45O, 46 and 49 amended. Ss. 5A, 14A, 36A, 39A, 49A, 49B and 49C inserted.	33, ss. 2, 4 to 8, 10, 12, 13, 15 to 22, 24, 25, 27, 29 and 32 to 34. <i>Ibid.</i> , ss. 3, 9, 23, 28 and 35.

Table showing effect of Parliamentary Legislation of 1959 v

1	2	3	4	5
1949	10	Banking Companies Act— <i>contd.</i>	Ss. 17, 18, 23, 38 and 44 substituted. S. 45K omitted Supplementary provision. S. 51 amended	33, ss. 11, 14, 26 and 30. <i>Ibid.</i> , s. 31. 38, s. 55. <i>Ibid.</i> , s. 64 and Sch. III.
1949	38	Chartered Accountants Act.	Long title and preamble amended. Ss. 2, 5 to 9, 12 to 19, 23, 26, 27 and 30 amended. Ss. 10, 20 and 31 substituted. Chapter V substituted Ss. 24A and 30A inserted. Schedule substituted.	15, s. 2. <i>Ibid.</i> , ss. 3 to 8, 10 to 17, 20, 22 and 23. <i>Ibid.</i> , ss. 9, 18 and 25. <i>Ibid.</i> , s. 19. <i>Ibid.</i> , ss. 21 and 24. <i>Ibid.</i> , s. 26.
1949	46	Banking Companies (Legal Practitioners' Clients' Accounts) Act.	S. 2 amended	38, s. 64 and Sch. III.
1950	19	Parliament (Prevention of Disqualification) Act.	Repealed	10, s. 5.
1950	30	Union Territories (Laws) Act.	Schedule amended.	61, s. 4.
1950	43	Representation of the People Act.	Second Schedule amended.	56, s. 12.
1950	64	Road Transport Corporations Act.	Ss. 6, 12, 19, 26, 30, 32, 35, 37, 44 and 45 amended. S. 33 substituted S. 41 omitted	28, ss. 2 to 7, 9, 10, 12 and 13. <i>Ibid.</i> , s. 8. <i>Ibid.</i> , s. 11.
1951	68	Parliament (Prevention of Disqualification) Act.	Repealed	10, s. 5.

vi Table showing effect of Parliamentary Legislation of 1959

1	2	3	4	5
1952	35	Mines Act	Ss. 2, 7, 12, 14, 17 to 19, 23, 24, 30, 33, 38, 40, 42, 45, 48, 57 to 60, 64 to 67, 69, 77, 79, 82, 83 and 85 amended.	62, ss. 2, 5 to 10, 12 to 14, 17, 20, 22, 23, 26, 29, 31 to 39, 42, 43, 45, 46 and 47.
			Ss. 3, 6, 21, 22, 31, 32, 34, 35, 39, 43, 44, 46, 49 to 56, 73, 74, and 76 substituted.	<i>Ibid.</i> , ss. 3, 4, 11, 15, 16, 18, 19, 21, 24, 25, 27, 30, 40 and 41.
			S. 47 omitted	<i>Ibid.</i> , s. 28.
			Ss. 80A and 85A inserted.	<i>Ibid.</i> , ss. 44 and 48.
1952	37	Cinematograph Act	Ss. 1, 2 and 8 amended	3, ss. 2, 3 and 6.
			Ss. 3 to 6 substituted	<i>Ibid.</i> , s. 4.
			Ss. 7A, 7B, 7C, 7D, 7E and 7F inserted.	<i>Ibid.</i> , s. 5.
1954	1	Prevention of Disqualification Act, 1953.	Repealed	10, s. 5.
1954	29	Wakf Act	Ss. 1 and 10 amended	30, ss. 2 and 3.
			Ss. 66A and 66B inserted.	<i>Ibid.</i> , s. 4.
1954	44	Displaced Persons (Compensation and Rehabilitation) Act.	S. 30 amended	21, s. 2.
1955	23	State Bank of India Act	Ss. 22, 23, 33 to 36, 41, 42 and 50 amended.	26, ss. 2 to 10.
			Ss. 2, 18, 32, 33 and 36 amended.	38, s. 64 and Sch. III.
1956	1	Companies Act	Supplementary provision	38, s. 55.
1956	42	Securities Contracts (Regulation) Act.	S. 7A inserted	49, s. 2.
			S. 28 substituted	<i>Ibid.</i> , s. 3.
1956	79	State Bank of Hyderabad Act.	Ss. 2 to 4 amended	38, s. 64 and Sch. III.
			Ss. 9, 10 and 27 substituted.	<i>Ibid.</i>

Table showing effect of Parliamentary Legislation of 1959 vii

I	2	3	4	5
1956	79	State Bank of Hyderabad Act—Contd.	Ss. 11 to 26, 28 to 40, 42, 43, 45 and 46 omitted. First Schedule omitted. Second Schedule omitted.	38, s. 64 and Sch. III <i>Ibid.</i> <i>Ibid.</i>
1957	27	Wealth-tax Act	S. 2 amended (retrospectively). Schedule amended	12, s. 20. <i>Ibid.</i> , s. 21.
1957	29	Expenditure-tax Act	Ss. 2 to 6 amended	12, ss. 22 to 26.
1958	18	Gift-tax Act	S. 2 amended	12, s. 27.
1958	27	Mineral Oils (Additional Duties of Excise and Customs) Act.	Ss. 3 and 5 amended	59, ss. 2 and 3.

PART II.—CENTRAL ORDINANCES AMENDED, REPEALED OR OTHERWISE AFFECTED

Year of Ordinance	No. of Ordinance	Short title of Ordinance	How affected	No. and section of 1959 Act by which affected
I	2	3	4	5
1944	38	Criminal Law Amendment Ordinance.	S. 2 amended (w.e.f. 26th January, 1950).	41, s. 2.
1944	42	Post Office National Savings Certificates Ordinance.	Repealed (w.e.f. 1st August, 1960).	46, s. 13.
1945	47	International Monetary Fund and Bank Ordinance.	Throughout the Ordinance, the word "Act" substituted for "Ordinance". Preamble and enacting formula amended. Ss. 2 and 7 amended.	25, s. 2. <i>Ibid.</i> , s. 3. <i>Ibid.</i> , ss. 4 and 5.

viii Table showing effect of Parliamentary Legislation of 1959

I	2	3	4	5
1959	1	Indian Income-tax (Amendment) Ordinance.	Repealed	1, s. 5.
1959	2	Public Wakfs (Extension of Limitation) Ordinance.	Repealed	29, s. 4.
1959	3	Sugar (Special Excise Duty) Ordinance.	Repealed (w. e. f. 25th October, 1959).	58, s. 5.

PART III.—CONSTITUTION OF INDIA AND ORDERS AMENDED OR OTHERWISE AFFECTED

A.—Constitution of India

How affected	No. and section of 1959 Act by which affected
I	2
First Schedule amended	47, s. 4.
First Schedule amended	56, s. 6.
Fourth Schedule amended	<i>Ibid.</i> , s. 8.

B.—Orders

Year of Order	No. of Order	Short title of Order	How affected	No. and section of 1959 Act by which affected.
1	2	3	4	5
1954	19	Delimitation Commission's Final Order No. 19, dated the 4th October, 1954.	Table modified. Schedule modified	56, s. 14 and Sch. VI. <i>Ibid.</i>

Table showing effect of Parliamentary Legislation of 1959 ix

I	2	3	4	5
1956	..	Delimitation of Parliamentary and Assembly Constituencies Order.	First Schedule modified. Second Schedule modified. First Schedule modified. Second Schedule modified.	47, s. 5 and Sch. II. <i>Ibid.</i> 56, s. 10 and Sch. IV. <i>Ibid.</i> , s. 13 and Sch. V.
1957	..	Delimitation of Council Constituencies (Madhya Pradesh) Order.	Table modified	47, s. 5 and Sch. II.

PART IV.—STATE ACTS AND ORDINANCES AMENDED, REPEALED OR OTHERWISE AFFECTED

Year of Act or Ordinance	No. of Act or Ordinance	Short title of Act or Ordinance	How affected	No. and section of 1959 Act by which affected
I	2	3	4	5
<i>Andhra Pradesh</i>				
1944-F	5	Hyderabad Hindu Gains of Learning Act.	Repealed.	48, s. 4 and Sch. II.
1952	48	Hyderabad (Application of Central Acts) Act.	Repealed (partly).	48, s. 4 and Sch. II.
1958	23	Andhra Pradesh (Extension of Laws) Act.	Repealed (partly).	48, s. 4 and Sch. II.

x Table showing effect of Parliamentary Legislation of 1959

1	2	3	4	5
<i>Bombay</i>				
1948	25	State of Saurashtra (Application of Central and Bombay Acts) Ordinance.	Repealed (partly)	48, s. 4 and Sch. II.
1950		Saurashtra State Banks (Amalgamation) Ordinance.	Long title, preamble and enacting formula substituted.	38, s. 64 and Sch. III.
			Ss. 1, 1A and 4 to 8 substituted.	<i>Ibid.</i>
			Ss. 2 and 3 amended.	<i>Ibid.</i>
1952	26	Saurashtra Dissolution of Muslim Marriages Act.	Repealed.	48, s. 4 and Sch. II.
<i>Kerala</i>				
1108	11	Travancore Muslim Succession Act.	Repealed.	48, s. 4 and Sch. II.
1108	15	Cochin Muslim Succession Act.	Repealed.	48, s. 4 and Sch. II.
1114	18	Travancore Hindu Inheritance (Removal of Disabilities) Act.	Repealed.	48, s. 4 and Sch. II.
1117	3	Travancore Hindu Gains of Learning Act.	Repealed.	48, s. 4 and Sch. II.
1120	22	Cochin Muslim Marriages Dissolution Act.	Repealed.	48, s. 4 and Sch. II.
1950	2	Travancore-Cochin Panchayats Act.	S. 57A inserted.	27, s. 6.
1950	14	Travancore-Cochin Vehicles Taxation Act.	Schedule I amended (w.e.f. 24th September, 1957).	42, s. 2.

Table showing effect of Parliamentary Legislation of 1959 xi

1	2	3	4	5
<i>Kerala—contd.</i>				
1958	43	Municipal Laws (Amendment) Act.	Repealed (w.e.f. 1st September, 1959).	27, s. 7.
1958	44	Madras District Municipalities (Amendment) Act.	Repealed (w.e.f. 1st September, 1959).	27, s. 7.
1959	4	Travancore-Cochin Vehicles Taxation (Amendment and Validation) Ordinance.	Repealed	42, s. 4.
<i>Madhya Pradesh</i>				
1953	1	Madhya Bharat (Adoption of Laws) Act, Samvat 2009.	Repealed (partly).	48, s. 4 and Sch. II.
1956	14	Madhya Bharat Dissolution of Muslim Marriages Act.	Repealed.	48, s. 4 and Sch. II.
<i>Madras</i>				
1914	1	Madras Hindu Transfers and Bequests Act.	Repealed.	48, s. 4 and Sch. II.
<i>Mysore</i>				
1866	21	Mysore Converts' Marriage Dissolution Act.	Repealed as extended to Mysore.	48, s. 4 and Sch. II.
1933	10	Mysore Hindu Law (Women's Rights) Act.	S. 6 repealed.	48, s. 4 and Sch. II.
1938	5	Mysore Hindu Inheritance (Removal of Disabilities) Act.	Repealed.	48, s. 4 and Sch. II.
1943	43	Mysore Dissolution of Muslim Marriages Act.	Repealed.	48, s. 4 and Sch. II.

xii Table showing effect of Parliamentary Legislation of 1959

I	2	3	4	5
<i>Rajasthan</i>				
1949	14	United State of Rajasthan Muslim Personal Law (<i>Shariat</i>) Application Ordinance.	Repealed.	48, s. 4 and Sch. II.
1950	4	Rajasthan (Adaptation of Central Laws) Ordinance.	Repealed (partly).	48, s. 4 and Sch. II.

PART V.—ACTS IN FORCE IN THE UNION TERRITORY OF DELHI AMENDED, REPEALED OR OTHERWISE AFFECTED

Year of Act	No. of Act	Short title of Act	How affected	No. and section of 1959 Act by which affected
I	2	3	4	5
1941	6	Bengal Finance (Sales Tax) Act.	Throughout the Act, the words "Union territory" substituted for "State" except in the expression "State Government", and the words "Central Government" substituted for "State Government" except in s. 25(3)(b).	20, s. 2.
			Ss. 2, 4, 5, 8, 8B, 11, 21, 21A, 22 and 26 amended.	<i>Ibid.</i> , ss. 3 to 5, 7, 8, 10 to 13 and 16.
			Ss. 5A, 5B, 10A, 22A and 23A inserted.	<i>Ibid.</i> , ss. 6, 9, 14 and 15.
			S. 27 substituted	<i>Ibid.</i> , s. 17.
			Third Schedule inserted.	<i>Ibid.</i> , s. 18.

Table showing effect of Parliamentary Legislation of 1959 xiii

1	2	3	4	5
1954	8 Delhi Land Reforms Act.	Ss. 1, 3, 5, 7, 11, 15, 18, 26, 28, 45, 88, 150, 153, 187 and 191.	S. 16A inserted	4, ss. 2 to 7, 9 to 11, 13 to 15 and 17 to 19.
			Ss. 33 and 151 substituted.	<i>Ibid.</i> , s. 8.
			Sch. I amended	<i>Ibid.</i> , ss. 12 and 16.
				<i>Ibid.</i> , s. 20.
1955	3 Delhi Panchayat Raj Act, 1954.	Ss. 2, 8, 16, 18, 30, 41, 42, 44, 45, 49 to 51, 53, 62 to 66, 68, 71, 72, 74, 75, 77, 88 and 102 amended.	Ss. 4 to 6, 56, 67, 69, 70, 76 and 80 substituted.	9, ss. 2, 4, 6 to 15, 18, 19, 21 to 24, 29 and 30.
			S. 9 omitted	<i>Ibid.</i> , ss. 3, 17, 20, 26 and 27.
			Ss. 53A, 53B, 53C, 53D, 53E, 53F, 53G, 53H, 53I, 53J, 75A and 83A inserted.	<i>Ibid.</i> , s. 5.
				<i>Ibid.</i> , ss. 16, 25 and 28.



INDIAN INCOME-TAX (AMENDMENT) ACT, 1959

No. 1 OF 1959

[12th March, 1959]

An Act further to amend the Indian Income-tax Act, 1922.

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

1. This Act may be called the Indian Income-tax (Amendment) Act, 1959. Short title.

11 of 1922. 2. In section 34 of the Indian Income-tax Act, 1922 (hereinafter referred to as the principal Act), after sub-section (3), the following sub-section shall be inserted, namely:— Amendment of section 34.

18 of 1956. “(4) A notice under clause (a) of sub-section (1) may be issued at any time notwithstanding that at the time of the issue of the notice the period of eight years specified in that sub-section before its amendment by clause (a) of section 18 of the Finance Act, 1956, had expired in respect of the year to which the notice relates.”

3. After section 49E of the principal Act, the following section shall be inserted, namely:— Insertion of new section 49EE.

“49EE. (1) Where in pursuance of any settlement relating to the assessment, re-assessment or case of any person made or purported to have been made before the 17th day of January, 1959, whether under this Act or otherwise, any sum of money or any security for the payment of any sum of money has been paid or furnished by him, or on his behalf by any other person, no claim for the refund of any sum so paid or for the return of any security so furnished shall be entertained or allowed on the ground that the settlement is invalid— Power to set off in certain cases moneys in the possession of Government against tax found due under assessments etc., thereafter to be made.

(a) in any case where a notice under section 34 in respect of the income, profits or gains relating to the settlement aforesaid has been issued before the 17th day of January, 1959, and

(b) in any other case, for a period of two years from that date and, if during the period of the said two years any notice under section 34 is issued, pending the completion of the assessment, re-assessment or settlement in pursuance of such notice;

and, accordingly, no application, suit or other legal proceeding for the refund of any such money or the return of any such security shall lie or be allowed to continue—

(i) pending the completion of the assessment, re-assessment or settlement in pursuance of the notice referred to in clause (a); or

(ii) during the period of two years referred to in clause (b) or pending the completion of the assessment, re-assessment or settlement in pursuance of the notice referred to in that clause.

(2) The Income-tax Officer, Appellate Assistant Commissioner or the Commissioner, as the case may be, may set off the amount referred to in sub-section (1) or the amount of the security referred to in that sub-section which may be realised for the purpose against the tax, interest, penalty or any other sum which may become payable by reason of any assessment, re-assessment or settlement made in pursuance of the notice referred to in clause (a) of that sub-section or in pursuance of any such notice issued within the period of two years referred to in clause (b) of that sub-section.

(3) In computing the period of limitation prescribed for any legal proceeding in relation to any such sum or security aforesaid, the time during which any such proceeding cannot be instituted by reason of the provisions contained in sub-section (1) shall be excluded.”

Saving of notices, assessments, etc., in certain cases.

4. No notice issued under clause (a) of sub-section (1) of section 34 of the principal Act at any time before the commencement of this Act and no assessment, re-assessment or settlement made or other proceeding taken in consequence of such notice shall be called in question in any court, tribunal or other authority merely on the ground that at the time the notice was issued or at the time the assessment or re-assessment was made, the time within which such notice should have been issued or the assessment or re-assessment should have been made under that section as in force before its amendment by clause (a) of section 18 of the Finance Act, 1956, had expired.

Repeal and saving.

5. (1) The Indian Income-tax (Amendment) Ordinance, 1959, is hereby repealed.

(2) Notwithstanding such repeal, anything done or any action taken (including any notice issued) in the exercise of any powers conferred by or under the said Ordinance shall be deemed to have been done or taken in the exercise of the powers conferred by or under this Act as if this Act were in force on the day on which such thing was done or action was taken.

THE APPROPRIATION ACT, 1959

No. 2 OF 1959

[12th March, 1959]

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 1958-59.

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

1. This Act may be called the Appropriation Act, 1959. 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 hundred and sixty-one crores, sixty-three lakhs and eighty-three thousand rupees towards defraying the several charges which will come in course of payment during the financial year 1958-59, in respect of the services specified in column 2 of the Schedule. Issue of Rs.
1,61,63,83,000
out of the
Consolidated
Fund of
India for the
year 1958-59.

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.
1	Ministry of Commerce and Industry	2,85,000	..	2,85,000
5	Miscellaneous Departments and Expenditure under the Ministry of Commerce and Industry	52,68,000	..	52,68,000
8	Ministry of Defence	2,31,000	..	2,31,000
9	Defence Services— Effective— Army . . . . .	..	95,000	95,000
18	Scientific Research	40,00,000	..	40,00,000
28	Customs . . . . .	..	3,000	3,000
29	Union Excise Duties . . . . .	..	4,01,97,000	4,01,97,000
32	Stamps	21,80,000	..	21,80,000
35	Mint	96,00,000	..	96,00,000
37	Superannuation Allowances and Pensions	13,00,000	..	13,00,000
40	Miscellaneous Adjustments between the Union and State Governments	3,04,000	..	3,04,000
	CHARGED.—Interest on Debt and other obligations and reduction or avoidance of Debt . . . . .	..	1,50,00,000	1,50,00,000
58	Privy Purses and Allowances of Indian Rulers	1,11,000	34,000	1,45,000
67	Broadcasting	33,00,000	..	33,00,000
69	Ministry of Irrigation and Power	1,64,000	..	1,64,000
70	Multi-purpose River Schemes	10,00,000	..	10,00,000
72	Ministry of Labour and Employment	2,00,000	..	2,00,000
79	Expenditure on Displaced Persons and Minorities	4,27,00,000	..	4,27,00,000
84	Ministry of Transport and Communications	3,00,000	..	3,00,000
88	Communications (including National Highways)	24,00,000	..	24,00,000

I No. of Vote	2 Services and purposes	3		
		Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
89	Indian Posts and Telegraphs Department		1,45,000	1,45,000
95	Supplies	5,03,000	12,000	5,15,000
96	Other Civil Works	2,89,93,000	..	2,89,93,000
97	Stationery and Printing	96,00,000	..	96,00,000
106	Capital Outlay of the Ministry of Commerce and Industry	4,13,97,000	..	4,13,97,000
112	Capital Outlay on Currency and Coinage	1,63,47,000	..	1,63,47,000
117	Loans and Advances by the Central Government	45,00,00,000	25,00,00,000	70,00,00,000
119	Purchase of Foodgrains	67,59,00,000	..	67,59,00,000
120	Other Capital Outlay of the Ministry of Food and Agri- culture	..	22,000	22,000
130	Capital Outlay on Roads	97,92,000	..	97,92,000
134	Dellii Capital Outlay	50,00,700	..	50,00,000
	TOTAL	1,31,08,75,000	30,55,08,000	1,61,63,83,000

THE CINEMATOGRAPH (AMENDMENT) ACT, 1959

No. 3 OF 1959

[12th March, 1959]

An Act further to amend the Cinematograph Act, 1952.

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

Short title. 1. This Act may be called the Cinematograph (Amendment) Act, 1959.

Amendment of section 1. 2. In section 1 of the Cinematograph Act, 1952 (hereinafter referred to as the principal Act), in sub-section (2), for the words and letter "Part C States", the words "the Union territories" shall be substituted.

Amendment of section 2. 3. In section 2 of the principal Act, after clause (d), the following clause shall be inserted, namely:—

'(dd) "film" means a cinematograph film;'

Substitution of new sections for sections 3, 4, 5 and 6. 4. For sections 3, 4, 5 and 6 of the principal Act, the following sections shall be substituted, namely:—

Board of Film Censors.

"3. (1) For the purpose of sanctioning films for public exhibition, the Central Government may, by notification in the Official Gazette, constitute a Board to be called the Board of Film Censors which shall consist of a Chairman and not more than nine other members appointed by the Central Government.

(2) The Chairman of the Board shall receive such salary and allowances as may be determined by the Central Government, and the other members shall receive such allowances or fees for attending the meetings of the Board as may be prescribed.

(3) The other terms and conditions of service of the members of the Board shall be such as may be prescribed.

4. (1) Any person desiring to exhibit any film shall in the prescribed manner make an application to the Board for a certificate in respect thereof, and the Board may, after examining or having the film examined in the prescribed manner,—

Examination
of films.

(i) sanction the film for unrestricted public exhibition;
or

(ii) sanction the film for public exhibition restricted to adults; or

(iii) direct the applicant to carry out such excisions or modifications in the film as it thinks necessary before sanctioning the film for unrestricted public exhibition or for public exhibition restricted to adults, as the case may be; or

(iv) refuse to sanction the film for public exhibition.

(2) No action under clause (ii), clause (iii) or clause (iv) of sub-section (1) shall be taken by the Board except after giving an opportunity to the applicant for representing his views in the matter.

5. (1) For the purpose of enabling the Board to efficiently discharge its functions under this Act, the Central Government may establish at such regional centres as it thinks fit, advisory panels each of which shall consist of such number of persons, being persons qualified in the opinion of the Central Government to judge the effect of films on the public, as the Central Government may think fit to appoint thereto.

Advisory
panels.

(2) At each regional centre there shall be as many regional officers as the Central Government may think fit to appoint, and rules made in this behalf may provide for the association of regional officers in the examination of films.

(3) The Board may consult in such manner as may be prescribed any advisory panel in respect of any film for which an application for a certificate has been made.

(4) It shall be the duty of every such advisory panel whether acting as a body or in committees as may be provided in the rules made in this behalf to examine the film and to make such recommendations to the Board as it thinks fit.

(5) The members of the advisory panel shall not be entitled to any salary but shall receive such fees or allowances as may be prescribed.

Certification
of films.

5A. (1) If, after examining a film or having it examined in the manner provided in this Act, the Board considers that the film is suitable for unrestricted public exhibition or that, although not suitable for such exhibition, it is suitable for public exhibition restricted to adults, it shall grant to the person applying for a certificate in respect of a film a "U" certificate in the former case and an "A" certificate in the latter case, and shall in either case cause the film to be so marked in the prescribed manner.

(2) A certificate granted or an order refusing to grant a certificate in respect of any film shall be published in the Gazette of India.

(3) Subject to the other provisions contained in this Act, a certificate granted by the Board under this section shall be valid throughout India for a period of ten years.

Principles
for guidance
in certifying
films.

5B. (1) A film shall not be certified for public exhibition if, in the opinion of the authority competent to grant the certificate, the film or any part of it is against the interests of the security of the State, friendly relations with foreign States, public order, decency or morality, or involves defamation or contempt of court or is likely to incite the commission of any offence.

(2) Subject to the provisions contained in sub-section (1), the Central Government may issue such directions as it may think fit setting out the principles which shall guide the authority competent to grant certificates under this Act in sanctioning films for public exhibition.

Appeals.

5C. Any person applying for a certificate in respect of a film who is aggrieved by any order of the Board—

(a) refusing to grant a certificate; or

(b) granting only an "A" certificate; or

(c) directing the applicant to carry out any excisions or modifications;

may, within thirty days from the date of such order, appeal to the Central Government, and the Central Government may, after such inquiry into the matter as it considers necessary and after giving the appellant an opportunity for representing his views in the matter, make such order in relation thereto as it thinks fit.

Revisional
powers
of
the Central
Government.

6. (1) Notwithstanding anything contained in this Part, the Central Government may at any stage call for the record of any proceeding in relation to any film which is pending before, or has been decided by, the Board, and after such inquiry into the matter

as it considers necessary, make such order in relation thereto as it thinks fit, and the Board shall dispose of the matter in conformity with such order:

Provided that no such order shall be made prejudicially affecting any person applying for a certificate or to whom a certificate has been granted, as the case may be, except after giving him an opportunity for representing his views in the matter.

(2) Without prejudice to the powers conferred on it under sub-section (1), the Central Government may, by notification in the Official Gazette, direct that—

(a) a film which has been granted a certificate shall be deemed to be an uncertified in the whole or any part of india; or

(b) a film which has been granted a "U" certificate shall be deemed to be a film in respect of which an "A" certificate has been granted; or

(c) the exhibition of any film be suspended for such period as may be specified in the direction:

Provided that no direction issued under clause (c) shall remain in force for more than two months from the date of the notification.

(3) No action shall be taken under clause (a) or clause (b) of sub-section (2) except after giving an opportunity to the person concerned for representing his views in the matter.

(4) During the period in which a film remains suspended under clause (c) of sub-section (2), the film shall be deemed to be an uncertified film."

5. After section 7 of the principal Act, the following sections shall be inserted, namely:—

"7A. (1) Where a film in respect of which no certificate has been granted under this Act is exhibited, or a film certified as suitable for public exhibition restricted to adults is exhibited to any person who is not an adult or a film is exhibited in contravention of any of the other provisions contained in this Act or of any order made by the Central Government or the Board in the exercise of any of the powers conferred on it, any police officer may, in pursuance of an order made in this behalf by the district magistrate or by any magistrate of the first class empowered in this behalf by the district magistrate, enter any place in which he has reason to believe that the film has been or is being or is likely to be exhibited, search it and seize the film.

Insertion of
new sections
7A, 7B, etc.

Power of
seizure.

(2) All searches under this Act shall be carried out in accordance with the provisions of the Code of Criminal Procedure, 1898, 5 of 1898, relating to searches.

Delegation
of powers
by Board.

7B. The Central Government may, by general or special order, direct that any power, authority or jurisdiction exercisable by the Board under this Act shall, in relation to such matters and subject to such conditions, if any, as may be specified in the order, be exercisable also by the Chairman or any other member of the Board, and anything done or action taken by the Chairman or other member specified in the order shall be deemed to be a thing done or action taken by the Board.

Power to
direct
exhibition
of films
for
examination.

7C. For the purpose of exercising any of the powers conferred on it by this Act, the Central Government or the Board may require any film to be exhibited before it or before any person specified by it in this behalf.

Vacancies,
etc., not to
invalidate
proceeding.

7D. No act or proceeding of the Board or of any advisory panel shall be deemed to be invalid by reason only of a vacancy in, or any defect in, the constitution of the Board or panel, as the case may be.

Members of
the Board
and advisory
panels to be
public ser-
vants.

7E. All members of the Board and of any advisory panel shall, when acting or purporting to act in pursuance of any of the provisions of this Act, be deemed to be public servants within the meaning of section 21 of the Indian Penal Code.

45 of 1860.

Bar of legal
proceedings.

7F. No suit or other legal proceeding shall lie against the Central Government, the Board, advisory panel or any officer or member of the Central Government, Board or advisory panel, as the case may be, in respect of anything which is in good faith done or intended to be done under this Act."

Amendment
of section 8.

6. For sub-section (3) of section 8 of the principal Act, the following sub-section shall be substituted, namely:—

"(3) All rules made by the Central Government under this Part shall be laid for not less than thirty days before each House of Parliament as soon as may be after they are made, and shall be subject to such modifications as Parliament may make during the session in which they are so laid or the session immediately following."

THE DELHI LAND REFORMS (AMENDMENT)
ACT, 1959

No. 4 OF 1959

[12th March, 1959]

An Act further to amend the Delhi Land Reforms Act, 1954.

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

1. (1) This Act may be called the Delhi Land Reforms (Amendment) Act, 1959. Short title
and com-
mencement.

(2) Clause (b) of section 2, clauses (b) to (e) of section 3, sections 4 to 9, 12 and 13 and sub-section (1) of section 20 shall be deemed to have come into force on the 20th day of July, 1954, and the rest of this Act shall come into force at once.

Delhi Act
8 of 1954.

2. In section 1 of the Delhi Land Reforms Act, 1954 (hereinafter referred to as the principal Act), in sub-section (2),— Amendment
of section 1.

(a) in clause (a), the word “are” occurring before the word “included” shall be omitted;

(b) in clause (b), for the words “areas controlled, notified, held, occupied or owned by the Delhi Improvement Trust, or”, the word “areas” shall be substituted.

3. In section 3 of the principal Act,—

Amendment
of section 3.

(a) for clauses (1) and (5), the following clauses shall be substituted, namely:—

(1) “agricultural year” or “fasli year” means the year commencing on the 1st day of July and ending on the 30th day of June;

(5) “Delhi town” means the areas which immediately before the establishment of the Municipal Corporation of Delhi were included in the limits of Delhi Municipality, Civil Station Notified Area, West Delhi Municipality and the Fort Notified Area;’;

(b) after clause (12), the following clause shall be inserted, namely:—

‘(12A) “Khudkasht” means land (other than Sir) cultivated by a proprietor either by himself or by servants or by hired labour,—

(a) at the commencement of this Act, or

(b) at any time during the period of five years immediately before the commencement of this Act, whether or not it was so cultivated at such commencement, provided that it has not, at any time after having been so cultivated, been let out to a tenant;’

(c) after clause (19), the following clause shall be inserted, namely:—

‘(19A) “Revenue Assistant” means an Assistant Collector of the first grade or class and includes any officer empowered by the Chief Commissioner to perform all or any of the functions of a Revenue Assistant under this Act;’

(d) in clause (24), the word “khudkasht,” shall be omitted;

(e) in clause (25), the words “Revenue Assistant” shall be omitted.

Amendment
of section 5.

4. In section 5 of the principal Act, in clause (a),—

(a) the words “under his self-cultivation” shall be omitted;

(b) after the words “Patta Dawami”, the words “or Istam-rari” shall be inserted.

5/6
Amendment
of section 7.

7. In section 7 of the principal Act,—

(a) in sub-section (1), in clause (i) of the *Explanation*,—

(i) the words, letters and figures “recorded as such on 1st July, 1950” shall be omitted;

(ii) for the words “except the uncultivated areas included in the holdings of such proprietor or proprietors”, the following shall be substituted, namely:—

“except the uncultivated areas—

(a) included in the holdings of such proprietor or proprietors, or

(b) used for purposes other than those mentioned in clause (13) of section 3, at any time before the 28th day of October, 1956, or

(c) acquired by a *bona fide* purchaser for value at any time before the 28th day of October, 1956, for purposes other than those mentioned in clause (13) of section 3.”;

(b) in sub-section (2), the words “consisting of all the adult residents of the village” and the words, letters and figures “as recorded on 1st July, 1950” shall be omitted;

(c) in sub-section (3), for the words “not exceeding two, as the Chief Commissioner may determine, commencing from the fasli year next following the commencement of this Act”, the following shall be substituted, namely:—

“not exceeding four, as the Chief Commissioner may determine, the first of which shall be paid—

(a) in any case where such calculation has been made before the date on which the Delhi Land Reforms (Amendment) Act, 1959, receives the assent of the President, on the first day of the fasli year next following such date; and

(b) in any other case, on the first day of the fasli year next following the date of such calculation”;

(d) after sub-section (3), the following sub-section shall be inserted, namely:—

“(4) Where the amount of compensation is not paid by the due date specified in sub-section (3), such amount shall be paid with interest thereon at the rate of 2½ per cent. per annum from the said date until payment.”.

6. In section 11 of the principal Act, in sub-section (2), for the portion other than the proviso, the following shall be substituted, ^{Amendment of section 11.} namely:—

“(2) For the purposes of sub-section (1), the Deputy Commissioner shall take into consideration the entries in the revenue records which shall be presumed to be correct unless the contrary is proved.”.

7. In section 15 of the principal Act,—

(a) for sub-section (2), the following sub-section shall be substituted, ^{Amendment of section 15.} namely:—

“(2) If the proprietor mortgagor deposits the amount and applies for redemption as provided in sub-section (1), he shall be declared as Bhumidhar in respect of the mortgaged area which was under the personal cultivation of the mortgagee on the date of such application for redemption, and if

any part of the mortgaged area was on the said date let out to a tenant, such tenant shall be declared as Bhumidhar in respect of the area that was so let out to him.”;

(b) in sub-section (3), the words “whether or not it was the Sir or Khudkasht of the mortgagor on the date of the mortgage” shall be omitted.

Insertion of new section 16A. 8. After section 16 of the principal Act, the following section shall be inserted, namely:—

Compensation payable by tenant declared Bhumidhar of redeemed land.

“16A. Where a tenant is declared as Bhumidhar in respect of any part of mortgaged area that has been redeemed under sub-section (1) of section 15, the compensation payable by such tenant to the mortgagor shall be determined and paid in the manner provided in clause (2) or clause (3) of section 16 according as such tenant is declared a Bhumidhar under sub-section (2) or sub-section (5) of section 15.”

Amendment of section 18.

9. In section 18 of the principal Act,—

(a) in sub-section (2), after the words “Revenue Assistant”, the words “and, shall on regaining possession have the same rights as he would have had but for such eviction, decree or order” shall be inserted;

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

“(3) Nothing in this section shall affect the rights of a proprietor in any land held or occupied at the commencement of this Act for purposes other than those mentioned in clause (13) of section 3.”

Amendment of section 26.

10. In section 26 of the principal Act, for the words “except with the written permission of the landholder of such land or the Gaon Panchayat, as the case may be”, the following shall be substituted, namely:—

“except—

(a) with the written permission of the landholder of such land or the Gaon Panchayat, as the case may be, or

(b) where such permission is not given within the prescribed period, with the written permission of the Revenue Assistant granted in accordance with rules made under this Act in this behalf”.

11. In section 28 of the principal Act,—

Amendment
of section 28.

(a) in sub-section (1), for the words “written consent of the Gaon Panchayat or the landholder”, the words “written permission of the landholder, the Gaon Panchayat or the Revenue Assistant” shall be substituted;

(b) in sub-section (2), for the word “consent”, the word “permission” shall be substituted.

12. For section 33 of the principal Act, the following section shall be substituted, namely:—

Substitution
of new sec-
tion for
section 33.

“33. No Bhumidhar shall have the right to transfer by sale or gift or otherwise any land to any person, other than an institution established for a charitable purpose or a body notified by the Chief Commissioner, where as a result of the transfer—

Restrictions
on trans-
fers by a
Bhumidhar.

(a) such person shall become entitled to land which together with land, if any, held by him personally or together with the members of his family will, in the aggregate, exceed thirty standard acres, or

(b) the transferor shall be left with an uneconomic holding of less than eight standard acres in the Union territory of Delhi:

Provided that the Chief Commissioner may exempt from the operation of clause (b) the transfer of any land made before the 1st day of December, 1958, if the land covered by such transfer does not exceed one acre in area and is used or intended to be used for purposes other than those mentioned in clause (13) of section 3.

Explanation.—For the purposes of this section a person’s family shall, if the members are living jointly, consist of the person himself, his minor children, his wife or her husband, as the case may be, and if the person himself is a minor, his father and mother.”

13. Section 45 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:—

Amendment
of section 45.

“(2) Nothing in sub-section (1) shall apply to any transfer which has been exempted by the Chief Commissioner from the operation of clause (b) of section 33.”

Amendment of section 88. 14. In section 88 of the principal Act, for the words "if the rent is paid in cash, its equivalent value", the words "four times the land revenue payable for the land held by the Asami, whichever is less" shall be substituted.

Amendment of section 150. 15. In section 150 of the principal Act, for the proviso, the following proviso shall be substituted, namely:—

"Provided that such areas shall not include any area to which the Delhi Panchayat Raj Act, 1954, does not extend."

Substitution of new section for section 151. 16. For section 151 of the principal Act, the following section shall be substituted, namely:— Delhi Act 3 of 1955.

Membership of Gaon Sabha and constitution of Gaon Panchayat. "151. (1) All persons registered by virtue of the provisions of the Constitution and the Representation of the People Act, 1950, as voters in so much of the electoral roll for any parliamentary constituency for the time being in force as relates to a Gaon Sabha Area shall be the members of the Gaon Sabha for that area. 43 of 1950

Explanation.—In this sub-section, the expression "parliamentary constituency" has the meaning assigned to it under the Representation of the People Act, 1950. 43 of 1950.

(2) Every Gaon Sabha shall have an executive body to be known as the Gaon Panchayat.

(3) A Gaon Panchayat shall consist of a Pradhan and such number of panches, not less than four and not more than ten, as the Chief Commissioner may fix from time to time in this behalf.

(4) The Pradhan and the panches shall be elected by the members of the Gaon Sabha from among themselves.

(5) The Chief Commissioner shall, by order in the Official Gazette, determine the number of seats, if any, reserved for women and the Scheduled Castes in each Gaon Panchayat:

Provided that the number of seats so reserved for the Scheduled Castes shall bear as nearly as may be the same proportion to the total number of seats in the Gaon Panchayat as the population of the Scheduled Castes in the area of the Gaon Sabha bears to the total population of such area."

Amendment of section 153. 17. In section 153 of the principal Act, for clause (a), the following clause shall be substituted, namely:—

"(a) ceases to be a member of the Gaon Sabha; or".

18. In section 187 of the principal Act, for the words "in which no appeal lies, or where an appeal lies but has not been preferred", the words "in which no appeal lies to him" shall be substituted.

Amendment of section 187.

19. In section 191 of the principal Act, after sub-section (2), the following sub-section shall be added, namely:—

Amendment of section 191.

"(3) All rules made under this Act shall be laid for not less than thirty days before both Houses of Parliament as soon as possible after they are made and shall be subject to such modifications as Parliament may make during the session in which they are so laid or the session immediately following."

20. (1) In Schedule I to the principal Act,—

Amendment of Schedule I.

(a) for the figures and brackets "15(2)" in column 2 against entry No. 1, the figures and brackets "15(1)" shall be substituted;

(b) for entries 2, 19 and 21, the following entries shall be respectively substituted, namely:—

"2	15(2)(3), (4) and (5).	Application by mortgagor or mortgagee or tenants to be declared Bhumidhar.	None	None	-do-	-do-	-do-	...
19	84	Suit for ejectment of a person occupying land without title and damages.						
	(i)	by a Bhumidhar declared under Chapter III of the Act or by an Asami falling under section 6 of the Act where such unlawful occupant was in possession of the land before the issue of the prescribed declaration form;	Three years.	From the date of issue of the prescribed declaration form to the tenure-holder or the sub-tenure-holder concerned.	-do-	-do-	-do-	...
	(ii)	by a Gaon Sabha where the unlawful occupant was in possession of the land before the constitution of Gaon Panchayat;	Three years.	From the date of constitution of Gaon Panchayat under section 151.	-do-	-do-	-do-	...
	(iii)	by a Bhumidhar, Asami or Gaon Sabha in any other case.	Three years.	From the 1st of July following the date of occupation.	-do-	-do-	-do-	..
21	87	Suit for ejectment of person from lands of public utility.	Three years.	From the date of constitution of Gaon Panchayat under section 151.	-do-	-do-	-do-	Chief Commissioner."

(2) The amendments made in Schedule I to the principal Act by sub-section (1) shall not apply in relation to suits under entries 19 and 21 of that Schedule instituted or disposed of before the date on which this sub-section comes into force.

Certain
decrees and
orders to be
null and
void.

21. (1) Notwithstanding anything contained in any law for the time being in force—

(a) every decree or order passed by any court or other authority in respect of any land which came to be excluded from the operation of the Delhi Land Reforms Act, 1954, as a result of the amendment made by clause (ii) of section 2 of the Delhi Land Reforms (Amendment) Act, 1956, shall be null and void, if the same would not have been passed but for such amendment;

Delhi Act 8
of 1954.

Delhi Act 16
of 1956.

(b) all suits and applications in respect of any such land for any relief, which cannot be granted but for such amendment, pending in any court or other authority immediately before the date on which this section comes into force, shall be dismissed; and

(c) every decree or order passed by any court or other authority refusing to grant any relief in respect of any such land on account of such amendment shall be null and void and the proceedings in which such decree or order was passed shall be revived and disposed of in accordance with the provisions of the Delhi Land Reforms Act, 1954, as amended by this Act.

Delhi Act
8 of 1954.

(2) Where a decree or order is null and void under clause (a) of sub-section (1) the court or other authority which passed the decree or order shall, on the application of any party entitled to any benefit by way of restitution or otherwise cause such restitution to be made as will, so far as may be, place the parties in the position which they would have occupied but for the decree or order.

(3) No suit shall be instituted for the purpose of obtaining any restitution or other relief which could be obtained by application under sub-section (2).

(4) Nothing in this section shall affect the interests of a *bona fide* purchaser for value in any land referred to in sub-section (1) in respect of any sale made on or after the 8th day of January, 1957, and before the 1st day of January, 1958.

THE APPROPRIATION (RAILWAYS) ACT, 1959

No. 5 OF 1959

[14th March, 1959]

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 1959-60 for the purposes of Railways.

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

1. This Act may be called the Appropriation (Railways) Act, Short title. 1959.

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 and eighteen crores, six lakhs and fifty thousand rupees towards defraying the several charges which will come in course of payment during the financial year 1959-60, in respect of the services relating to Railways specified in column 2 of the Schedule.

Issue of Rs.
10,18,06,50,000
out of the
Consolidated
Fund of
India for the
financial year
1959-60.

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
		Rs.	Rs.	Rs.
1	Railway Board	86,54,000	..	86,54,000
2	Miscellaneous Expenditure	1,78,45,000	3,00,000	1,81,45,000
3	Payments to Worked Lines and Others	19,77,000	..	19,77,000
4	Working Expenses—Adminis- tration	35,47,21,000	..	35,47,21,000
5	Working Expenses—Repairs and Maintenance	109,89,34,000	..	109,89,34,000
6	Working Expenses—Operating Staff	66,27,11,000	..	66,27,11,000
7	Working Expenses—Operation (Fuel)	62,44,52,000	..	62,44,52,000
8	Working Expenses—Operation other than Staff and Fuel	20,55,79,000	66,94,000	21,22,73,000
9	Working Expenses—Miscella- neous Expenses	26,01,12,000	3,75,000	26,04,87,000
10	Working Expenses—Labour Wel- fare	9,24,35,000	..	9,24,35,000
11	Working Expenses—Appropri- ation to Depreciation Reserve Fund	45,00,00,000	..	45,00,00,000
12	Dividend payable to General Revenues	54,40,71,000	..	54,40,71,000
13	Open Line Works (Revenue)— Labour Welfare	1,31,83,000	..	1,31,83,000
14	Open Line Works (Revenue)— Other than Labour Welfare	13,70,53,000	..	13,70,53,000
15	Construction of New Lines	45,09,38,000	..	45,09,38,000

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.
16	Open Line Works—Additions .	372,30,95,000	..	372,30,95,000
17	Open Line Works—Replacements	99,49,52,000	..	99,49,52,000
18	Open Line Works—Development Fund	31,49,00,000	..	31,49,00,000
19	Miscellaneous Charges—Development Fund	57,95,000	..	57,95,000
20	Appropriation to Development Fund	21,18,74,000	..	21,18,74,000
	TOTAL	1,017,32,81,000	73,69,000	1,018,06,50,000

THE APPROPRIATION (RAILWAYS) No. 2 ACT, 1959

No. 6 OF 1959

[14th March, 1959]

41
An Act to authorise payment and appropriation of certain further sums from and out the Consolidated Fund of India for the service of the financial year 1958-59 for the purposes of Railways.

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

Short title.

1. This Act may be called the Appropriation (Railways) No. 2 Act, 1959.

Is suc of Rs.
42,94,00,000
out of the
Consolidated
Fund of
India for the
financial year
1958-59.

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 forty-two crores and ninety-four lakh rupees towards defraying the several charges which will come in course of payment during the financial year 1958-59, 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)

1	2	3		
		Sums not exceeding		
No. of Vote	Services and purposes	Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
1	Railway Board	2,62,000	..	2,62,000
2	Miscellaneous Expenditure	27,41,000	..	27,41,000
4	Working Expenses—Administration	1,81,88,000	..	1,81,88,000
5	Working Expenses—Repairs and Maintenance	2,62,53,000	..	2,62,53,000
6	Working Expenses—Operating Staff	88,53,000	..	88,53,000
7	Working Expenses—Operation (Fuel)	2,37,08,000	..	2,37,08,000
8	Working Expenses—Operation other than Staff and Fuel	1,50,64,000	14,08,000	1,64,72,000
9	Working Expenses—Miscellaneous Expenses . . . . .	..	2,70,000	2,70,000
10	Working Expenses—Labour Welfare	43,74,000	..	43,74,000
12	Dividend payable to General Revenues	44,36,000	..	44,36,000
15	Construction of New Lines . . . . .	..	1,58,000	1,58,000
16	Open Line Works—Additions	18,58,89,000	..	18,58,89,000
17	Open Line Works—Replacements	13,59,03,000	..	13,59,03,000
19	Miscellaneous Charges—Development Fund	18,93,000	..	18,93,000
	TOTAL	42,75,64,000	18,36,000	42,94,00,000

THE APPROPRIATION (VOTE ON ACCOUNT) ACT, 1959

No. 7 OF 1959

[14th March, 1959]

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 1959-60.

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

Short title. 1. This Act may be called the Appropriation (Vote on Account) Act, 1959.

Withdrawal of Rs. 6,64,22,89,000 from and out of the Consolidated Fund of India for the financial year 1959-60. 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 six hundred and sixty-four crores, twenty-two lakhs and eighty-nine thousand rupees towards defraying the several charges which will come in course of payment during the financial year 1959-60.

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)

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 Commerce and Industry	6,16,000	..	6,16,000
2	Industries	2,47,49,000	..	2,47,49,000
3	Salt	6,19,000	6,000	6,25,000
4	Commercial Intelligence and Statistics	6,77,000	..	6,77,000
5	Miscellaneous Departments and Ex- penditure under the Ministry of Com- merce and Industry	23,26,000	..	23,26,000
6	Ministry of Community Development and Co-operation	2,28,000	..	2,28,000
7	Community Development Projects, National Extension Service and Co-operation	1,71,54,000	..	1,71,54,000
8	Ministry of Defence	3,36,000	..	3,36,000
9	Defence Services—Effective—Army	14,56,30,000	83,000	14,57,13,000
10	Defence Services—Effective—Navy	1,53,33,000	4,000	1,53,37,000
11	Defence Services—Effective—Air Force	4,98,28,000	4,000	4,98,32,000
12	Defence Services—Non-Effective Charges	1,27,60,000	7,01,000	1,34,61,000
13	Ministry of Education	4,95,000	..	4,95,000
14	Education	2,59,46,000	..	2,59,46,000
15	Miscellaneous Departments and Other Expenditure under the Ministry of Education	19,70,000	..	19,70,000
16	Tribal Areas	72,58,000	..	72,58,000
17	Naga Hills—Tuensang Area	28,69,000	..	28,69,000
18	External Affairs	81,35,000	..	81,35,000
19	State of Pondichery	22,92,000	1,000	22,93,000
20	Miscellaneous Expenditure under the Ministry of External Affairs	39,000	..	39,000

1 No. of Vote	2 Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
21	Ministry of Finance	12,34,000	..	12,34,000
22	Customs	33,05,000	2,000	33,07,000
23	Union Excise Duties	67,44,000	3,000	67,47,000
24	Taxes on Income including Corpora- tion Tax, etc.	47,04,000	11,000	47,15,000
25	Opium	2,73,93,000	..	2,73,93,000
26	Stamps	23,23,000	69,000	23,92,000
27	Audit	88,17,000	1,72,000	89,89,000
28	Currency	32,52,000	1,36,000	33,88,000
29	Mint	49,03,000	..	49,03,000
30	Territorial and Political Pensions	2,11,000	..	2,11,000
31	Superannuation Allowances and Pensions	62,74,000	5,50,000	68,24,000
32	Miscellaneous Departments and Other Expenditure under the Ministry of Finance	3,66,68,000	..	3,66,68,000
33	Planning Commission	18,99,000	..	18,99,000
34	Miscellaneous Adjustments between the Union and State Governments	1,51,000	..	1,51,000
35	Pre-partition Payments	1,83,000	45,000	2,28,000
	<i>CHARGED.—Interest on Debt and Other Obligations and Reduction or Avoidance of Debt</i>	..	14,01,82,000	14,01,82,000
	<i>CHARGED.—Grants-in-aid to States</i>	..	12,21,03,000	12,21,03,000
36	Ministry of Food and Agriculture	6,29,000	..	6,29,000
37	Forest	21,61,000	..	21,61,000
38	Agriculture	83,73,000	..	83,73,000
39	Agricultural Research	41,15,000	..	41,15,000
40	Animal Husbandry	21,89,000	..	21,89,000
41	Miscellaneous Departments and Other Expenditure under the Ministry of Food and Agriculture	98,01,000	34,000	98,35,000
42	Ministry of Health	1,17,000	..	1,17,000
43	Medical Services	55,26,000	..	55,26,000
44	Public Health	1,37,75,000	..	1,37,75,000

1 No. of Vote	2 Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
45	Miscellaneous Departments and Expenditure under the Ministry of Health	7,33,000	..	7,33,000
46	Ministry of Home Affairs	24,16,000	..	24,16,000
47	Cabinet	3,11,000	..	3,11,000
48	Zonal Councils	31,000	..	31,000
49	Administration of Justice	21,000	1,32,000	1,53,000
50	Police	45,28,000	..	45,28,000
51	Census	1,54,000	..	1,54,000
52	Statistics	15,75,000	..	15,75,000
53	Privy Purses and Allowances of Indian Rulers	1,29,000	1,34,20,000	1,35,49,000
54	Delhi	90,82,000	3,000	90,85,000
55	Himachal Pradesh	48,58,000	18,000	48,76,000
56	Andaman and Nicobar Islands	25,95,000	..	25,95,000
57	Manipur	19,49,000	..	19,49,000
58	Tripura	31,05,000	4,000	31,09,000
59	Laccadive, Minicoy and Amindivi Islands	1,57,000	..	1,57,000
60	Miscellaneous Departments and Expenditure under the Ministry of Home Affairs	97,17,000	..	97,17,000
61	Ministry of Information and Broadcasting	1,20,000	..	1,20,000
62	Broadcasting	38,70,000	..	38,70,000
63	Miscellaneous Departments and Expenditure under the Ministry of Information and Broadcasting	28,63,000	..	28,63,000
64	Ministry of Irrigation and Power	2,03,000	..	2,03,000
65	Multi-purpose River Schemes	15,95,000	..	15,95,000
66	Miscellaneous Departments and Other Expenditure under the Ministry of Irrigation and Power	13,86,000	..	13,86,000
67	Ministry of Labour and Employment	1,67,000	..	1,67,000
68	Chief Inspector of Mines	1,79,000	..	1,79,000

1 No. of Vote	2 Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
69	Miscellaneous Departments and Other Expenditure under the Ministry of Labour and Employment	87,72,000	..	87,72,000
70	Ministry of Law	2,15,000	..	2,15,000
71	Elections	7,58,000	..	7,58,000
72	Ministry of Rehabilitation	3,11,000	..	3,11,000
73	Expenditure on Displaced Persons and Minorities	1,64,10,000	..	1,64,10,000
74	Ministry of Scientific Research and Cultural Affairs	2,44,000	..	2,44,000
75	Archæology	8,92,000	..	8,92,000
76	Survey of India	13,43,000	..	13,43,000
77	Botanical Survey	1,28,000	..	1,28,000
78	Zoological Survey	95,000	..	95,000
79	Scientific Research and Cultural Affairs	1,08,92,000	..	1,08,92,000
80	Miscellaneous Departments and Expenditure under the Ministry of Scientific Research and Cultural Affairs	3,07,000	..	3,07,000
81	Ministry of Steel, Mines and Fuel	3,36,000	..	3,36,000
82	Geological Survey	18,42,000	..	18,42,000
83	Exploration of Oil and Natural Gas	28,21,000	..	28,21,000
84	Miscellaneous Departments and Other Expenditure under the Ministry of Steel, Mines and Fuel	2,25,58,000	..	2,25,58,000
85	Ministry of Transport and Communications	4,55,000	..	4,55,000
86	Indian Posts and Telegraphs Department (including Working Expenses)	5,52,87,000	30,25,000	5,83,12,000
87	Mercantile Marine	5,75,000	..	5,75,000
88	Lighthouses and Lightships	10,74,000	..	10,74,000
89	Meteorology	13,54,000	..	13,54,000
90	Overseas Communications Service	10,71,000	69,000	11,40,000
91	Aviation	59,12,000	..	59,12,000
92	Central Road Fund	32,39,000	..	32,39,000
93	Communications (including National Highways)	55,36,000	..	55,36,000

I No. of Vote	2 Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
94	Miscellaneous Departments and Other Expenditure under the Ministry of Transport and Communications	14,26,000	..	14,26,000
95	Ministry of Works, Housing and Supply	5,27,000	..	5,27,000
96	Supplies	23,56,000	18,000	23,74,000
97	Other Civil Works	2,24,92,000	2,35,000	2,27,27,000
98	Stationery and Printing	64,79,000	..	64,79,000
99	Miscellaneous Departments and Expenditure under the Ministry of Works, Housing and Supply	9,91,000	..	9,91,000
100	Department of Atomic Energy	1,11,000	..	1,11,000
101	Atomic Energy Research	36,73,000	..	36,73,000
102	Department of Parliamentary Affairs	19,000	..	19,000
103	Lok Sabha	8,33,000	6,000	8,39,000
104	Miscellaneous Expenditure under the Lok Sabha	34,000	..	34,000
105	Rajya Sabha	2,82,000	5,000	2,87,000
	<i>CHARGED.—Staff, Household and Allowances of the President</i>	..	2,10,000	2,10,000
106	Secretariat of the Vice-President	5,000	..	5,000
	<i>CHARGED.—Union Public Service Commission</i>	..	3,55,000	3,55,000
107	Capital Outlay of the Ministry of Commerce and Industry	1,35,45,000	..	1,35,45,000
108	Capital Outlay of the Ministry of Community Development and Co-operation	31,56,000	..	31,56,000
109	Defence Capital Outlay	3,07,50,000	33,000	3,07,83,000
110	Capital Outlay of the Ministry of Education	5,80,000	..	5,80,000
111	Capital Outlay of the Ministry of External Affairs	5,69,000	..	5,69,000
112	Capital Outlay on India Security Press	92,000	..	92,000
113	Capital Outlay on Currency and Coinage	8,41,12,000	..	8,41,12,000
114	Capital Outlay on Mints	4,04,000	..	4,04,000
115	Commuted Value of Pensions	3,78,000	8,000	3,86,000
116	Payments to Retrenched Personnel	1,000	..	1,000
117	Other Capital Outlay of the Ministry of Finance	5,39,62,000	..	5,39,62,000

1 No. of Vote	2 Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
118	Loans and Advances by the Central Government	17,66,68,000	26,05,75,000	43,72,43,000
	CHARGED.— <i>Repayment of Debt</i> . . . . .	..	4,65,00,00,000	4,65,00,00,000
119	Capital Outlay on Forests	1,16,000	..	1,16,000
120	Purchase of Foodgrains	20,78,47,000	10,000	20,78,57,000
121	Other Capital Outlay of the Ministry of Food and Agriculture	3,03,63,000	1,000	3,03,64,000
122	Capital Outlay of the Ministry of Health	1,04,00,000	..	1,04,00,000
123	Capital Outlay of the Ministry of Home Affairs	6,75,000	..	6,75,000
124	Capital Outlay on Broadcasting	16,67,000	..	16,67,000
125	Capital Outlay on Multi-purpose River Schemes	26,91,000	..	26,91,000
126	Other Capital Outlay of the Ministry of Irrigation and Power	65,17,000	..	65,17,000
127	Capital Outlay of the Ministry of Labour and Employment	29,000	..	29,000
128	Capital Outlay of the Ministry of Rehabilitation	1,68,33,000	..	1,68,33,000
129	Capital Outlay of the Ministry of Scientific Research and Cultural Affairs	19,82,000	..	19,82,000
130	Capital Outlay of the Ministry of Steel, Mines and Fuel	2,00,60,000	..	2,00,60,000
131	Capital Outlay on Indian Posts and Telegraphs (not met from Revenue)	2,84,87,000	..	2,84,87,000
132	Capital Outlay on Civil Aviation	36,11,000	42,000	36,53,000
133	Capital Outlay on Ports	25,29,000	..	25,29,000
134	Capital Outlay on Roads	1,37,50,000	..	1,37,50,000
135	Other Capital Outlay of the Ministry of Transport and Communications	73,01,000	..	73,01,000

1	2	3		
		Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
136	Delhi Capital Outlay	61,02,000	57,000	61,59,000
137	Capital Outlay on Buildings	68,54,000	4,000	68,58,000
138	Other Capital Outlay of the Ministry of Works, Housing and Supply	59,58,000	..	59,58,000
139	Capital Outlay of the Department of Atomic Energy	45,58,000	..	45,58,000
	GRAND TOTAL	1,44,99,53,000	5,19,23,56,000	6,64,22,89,000

THE WORKMEN'S COMPENSATION (AMENDMENT)
ACT, 1959

No. 8 OF 1959

[20th March, 1959]

An Act further to amend the Workmen's Compensation Act, 1923.

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

Short title
and com-
mencement.

1. (1) This Act may be called the Workmen's Compensation (Amendment) Act, 1959.

(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 Workmen's Compensation Act, 1923 (hereinafter referred to as the principal Act), in sub-section (1),—

(i) clause (a) shall be omitted;

(ii) for clause (d), the following clause shall be substituted, namely:—

'(d) "dependant" means any of the following relatives of a deceased workman, namely:—

(i) a widow, a minor legitimate son, and unmarried legitimate daughter, or a widowed mother; and

(ii) if wholly dependent on the earnings of the workman at the time of his death, a son or a daughter who has attained the age of 18 years and who is infirm;

(iii) if wholly or in part dependent on the earnings of the workman at the time of his death,

(a) a widower,

(b) a parent other than a widowed mother,

(c) a minor illegitimate son, an unmarried illegitimate daughter or a daughter legitimate or illegitimate if married and a minor or if widowed and a minor,

¹1-6-1959, Vide S.O. 1306, dated 27-5-1959. See Gazette of India, Pt. II, Sec. 3 (ii), p. 1326.

- (d) a minor brother or an unmarried sister or a widowed sister if a minor,
- (e) a widowed daughter-in-law,
- (f) a minor child of a pre-deceased son,
- (g) a minor child of a pre-deceased daughter where no parent of the child is alive, or
- (h) a paternal grandparent if no parent of the workman is alive.';

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

'(ff) "minor" means a person who has not attained the age of 18 years;';

(iv) in clause (i), the words and figures "under the Medical Act, 1858, or any Act amending the same, or" shall be omitted.

21 & 22
Vict. c. 90.

3. In section 3 of the principal Act,—

(i) in clause (a) of the proviso to sub-section (1), for the word "seven", the word "three" shall be substituted;

Amendment
of section 3.

(ii) for sub-sections (2) and (3), the following sub-sections shall be substituted, namely:—

"(2) If a workman employed in any employment specified in Part A of Schedule III contracts any disease specified therein as an occupational disease peculiar to that employment, or if a workman, whilst in the service of an employer in whose service he has been employed for a continuous period of not less than six months (which period shall not include a period of service under any other employer in the same kind of employment) in any employment specified in Part B of Schedule III, contracts any disease specified therein as an occupational disease peculiar to that employment, or if a workman whilst in the service of one or more employers in any employment specified in Part C of Schedule III for such continuous period as the Central Government may specify in respect of each such employment, contracts any disease specified therein as an occupational disease peculiar to that employment, the contracting of the disease shall be deemed to be an injury by accident within the meaning of this section and, unless the contrary is proved, the accident shall be deemed to have arisen out of, and in the course of, the employment.

(2A) If any disease specified in Part C of Schedule III as an occupational disease peculiar to that employment has been contracted by any workman during the continuous period specified under sub-section (2) in respect of that employment and the workman has during such period been employed in such employment under more than one employer, all such employers shall be liable for the payment of compensation under this Act in such proportion as the Commissioner may, in the circumstances, deem just.

(3) The State Government in the case of employments specified in Part A and Part B of Schedule III, and the Central Government in the case of employments specified in Part C of that Schedule, after giving, by notification in the Official Gazette, not less than three months' notice of its intention so to do, may, by a like notification, add any description of employment to the employments specified in Schedule III, and shall specify in the case of employments so added the diseases which shall be deemed for the purposes of this section to be occupational diseases peculiar to those employments respectively, and thereupon the provisions of sub-section (2) shall apply within the State or the territories to which this Act extends, as the case may be, as if such diseases had been declared by this Act to be occupational diseases peculiar to those employments.”;

(iii) in sub-section (4), for the word, brackets and figure “sub-sections (2)”, the word, brackets, figures and letter “sub-sections (2), (2A)” shall be substituted.

Amendment
of section 4.

4. In section 4 of the principal Act, in sub-section (1),—

(i) for clauses (a) and (b), the following clauses shall be substituted, namely:—

“(a) Where death results from the injury and the deceased workman has been in receipt of monthly wages falling within limits shown in the first column of Schedule IV—the amount shown against such limits in the second column thereof;

(b) Where permanent total disablement results from the injury and the injured workman has been in receipt of monthly wages falling within limits shown in the first column of Schedule IV—the amount shown against such limits in the third column thereof.”;

(ii) for clause (d), the following clause shall be substituted, namely:—

“(d) Where temporary disablement, whether total or partial, results from the injury and the injured workman has been in receipt of monthly wages falling within limits shown in the first column of Schedule IV—a half-monthly payment of the sum shown against such limits in the fourth column thereof, payable on the sixteenth day—

(i) from the date of the disablement, where such disablement lasts for a period of twenty-eight days or more, or

(ii) after the expiry of a waiting period of three days from the date of the disablement, where such disablement lasts for a period of less than twenty-eight days,

and thereafter half-monthly during the disablement or during a period of five years, whichever period is shorter.”;

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

“*Explanation.*—Any payment or allowance which the workman has received from the employer towards his medical treatment shall not be deemed to be a payment or allowance received by him by way of compensation within the meaning of clause (a) of the proviso.”.

5. After section 4 of the principal Act, the following section shall be inserted, namely:—

Insertion of new section 4A.

“4A. (1) Compensation under section 4 shall be paid as soon as it falls due.

Compensation to be paid when due and penalty for default.

(2) In cases where the employer does not accept the liability for compensation to the extent claimed, he shall be bound to make provisional payment based on the extent of liability which he accepts, and, such payment shall be deposited with the Commissioner or made to the workman, as the case may be, without prejudice to the right of the workman to make any further claim.

(3) Where any employer is in default in paying the compensation due under this Act within one month from the date

it fell due, the Commissioner may direct that, in addition to the amount of the arrears, simple interest at the rate of six per cent. per annum on the amount due together with, if in the opinion of the Commissioner there is no justification for the delay, a further sum not exceeding fifty per cent. of such amount, shall be recovered from the employer by way of penalty.”.

Amendment of section 5. 6. In section 5 of the principal Act, in clause (c), for the words “in other cases”, the words, brackets and letter “in other cases [including cases in which it is not possible for want of necessary information to calculate the monthly wages under clause (b)]” shall be substituted.

Amendment of section 8. 7. In section 8 of the principal Act, in sub-section (4), for the words “twenty-five rupees”, the words “fifty rupees” shall be substituted.

Amendment of section 10. 8. In section 10 of the principal Act, in sub-section (1), for the words “one year” wherever they occur, the words “two years” shall be substituted.

Amendment of section 10B. 9. In section 10B of the principal Act,—

(i) in sub-section (1), after the word “death” wherever it occurs, the words “or serious bodily injury” shall be inserted; and the following *Explanation* shall be added at the end, namely:—

Explanation.—“Serious bodily injury” means an injury which involves, or in all probability will involve, the permanent loss of the use of, or permanent injury to, any limb, or the permanent loss of or injury to the sight or hearing, or the fracture of any limb, or the enforced absence of the injured person from work for a period exceeding twenty days.’;

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

“(3) Nothing in this section shall apply to factories to which the Employees’ State Insurance Act, 1948, 34 of 19, applies.”.

10. After section 14 of the principal Act, the following section shall be inserted, namely:—

Insertion of new section 14A.

"14A. Where an employer transfers his assets before any amount due in respect of any compensation, the liability wherefor accrued before the date of the transfer, has been paid, such amount shall, notwithstanding anything contained in any other law for the time being in force, be a first charge on that part of the assets so transferred as consists of immovable property."

Compensation to be first charge on assets transferred by employer.

11. In section 15 of the principal Act, in sub-section (2),—

Amendment of section 15.

(a) for the words "six months", the words "one year" shall be substituted; and

(b) the following proviso shall be added at the end, namely:—

"Provided that the Commissioner may entertain any claim to compensation in any case notwithstanding that the claim has not been preferred in due time as provided in this sub-section, if he is satisfied that the failure so to prefer the claim was due to sufficient cause."

12. Section 18 of the principal Act shall be omitted.

Omission of section 18.

13. In section 18A of the principal Act, in sub-section (1), for the words "one hundred", the words "five hundred" shall be substituted.

Amendment of section 18A.

14. For section 24 of the principal Act, the following section shall be substituted, namely:—

Substitution of new section for section 24.

"24. Any appearance, application or act required to be made or done by any person before or to a Commissioner (other than an appearance of a party which is required for the purpose of his examination as a witness) may be made or done on behalf of such person by a legal practitioner or by an official of an Insurance Company or a registered Trade Union or by an Inspector appointed under sub-section (1) of section 8 of the Factories Act, 1948, or under sub-section (1) of section 5 of the Mines Act, 1952, or by any other officer specified by the State Government in this behalf, authorised in writing by such person, or, with the permission of the Commissioner, by any other person so authorised."

Appearance of parties.

15. In section 30 of the principal Act, after clause (a), the following clause shall be inserted, namely:—

Amendment of section 30.

"(aa) an order awarding interest or penalty under section 4A;".

Amendment
of section 32.

16. In section 32 of the principal Act, in sub-section (2), after clause (n), the following clauses shall be inserted, namely:—

“(o) for prescribing abstracts of this Act and requiring the employers to display notices containing such abstracts;

(p) for prescribing the manner in which diseases specified as occupational diseases may be diagnosed;

(q) for prescribing the manner in which diseases may be certified for any of the purposes of this Act;

(r) for prescribing the manner in which, and the standards by which, incapacity may be assessed.”

Substitution
of new Schedule
for
Schedule I.

17. For Schedule I to the principal Act, the following Schedule shall be substituted, namely:—

“SCHEDULE I

[See sections 2(r) and (4)]

LIST OF INJURIES DEEMED TO RESULT IN PERMANENT PARTIAL DISABLEMENT

Serial No.	Description of injury	Percentage of loss of earning capacity
1	Loss of both hands or amputation at higher sites	100
2	Loss of a hand and a foot	100
3	Double amputation through leg or thigh, or amputation through leg or thigh on one side and loss of other foot.	100
4	Loss of sight to such an extent as to render the claimant unable to perform any work for which eye sight is essential	100
5	Very severe facial disfigurement	100
6	Absolute deafness	100
<i>Amputation cases—upper limbs (either arm)</i>		
7	Amputation through shoulder joint	90
8	Amputation below shoulder with stump less than 8" from tip of acromion	80
9	Amputation from 8" from tip of acromion to less than 4 1/2" below tip of olecranon	70
10	Loss of a hand or of the thumb and four fingers of one hand or amputation from 4 1/2" below tip of olecranon	60
11	Loss of thumb	30
12	Loss of thumb and its metacarpal bone	40
13	Loss of four fingers of one hand	50
14	Loss of three fingers of one hand	30
15	Loss of two fingers of one hand	20
16	Loss of terminal phalanx of thumb	20
<i>Amputation cases—lower limbs</i>		
17	Amputation of both feet resulting in end-bearing stumps.	90
18	Amputation through both feet proximal to the metatarso-phalangeal joint	80

Serial No.	Description of injury	Percentage of loss of earning capacity
19	Loss of all toes of both feet through the metatarso-phalangeal joint	40
20	Loss of all toes of both feet proximal to the proximal inter-phalangeal joint	30
21	Loss of all toes of both feet distal to the proximal inter-phalangeal joint	20
22	Amputation at hip	90
23	Amputation below hip with stump not exceeding 5" in length measured from tip of great trochanter	80
24	Amputation below hip with stump exceeding 5" in length measured from tip of great trochanter but not beyond middle thigh	70
25	Amputation below middle thigh to 3 1/2" below knee	60
26	Amputation below knee with stump exceeding 3 1/2" but not exceeding 5"	50
27	Amputation below knee with stump exceeding 5"	40
28	Amputation of one foot resulting in end-bearing	30
29	Amputation through one foot proximal to the metatarso-phalangeal joint	30
30	Loss of all toes of one foot through the metatarso-phalangeal joint	20
<i>Other injuries</i>		
31	Loss of one eye, without complications, the other being normal	40
32	Loss of vision of one eye, without complications or disfigurement of eye-ball, the other being normal	30
<i>Loss of—</i>		
<i>A.—Fingers of right or left hand</i>		
<i>Index finger</i>		
33	Whole	14
34	Two phalanges	11
35	One phalanx	9
36	Guillotine amputation of tip without loss of bone	5
<i>Middle finger</i>		
37	Whole	12
38	Two phalanges	9
39	One phalanx	7
40	Guillotine amputation of tip without loss of bone	4
<i>Ring or little finger</i>		
41	Whole	7
42	Two phalanges	6
44	One phalanx	5
44	Guillotine amputation of tip without loss of bone	2
<i>B.—Toes of right or left foot</i>		
<i>Great toe</i>		
45	Through metatarso-phalangeal joint	14
46	Part, with some loss of bone	3

Serial No.	Description of injury	Percentage of loss of earning capacity
<i>Any other toe</i>		
47	Through metatarso-phalangeal joint	3
48	Part, with some loss of bone	1
<i>Two toes of one foot, excluding great toe</i>		
49	Through metatarso-phalangeal joint	5
50	Part, with some loss of bone	2
<i>Three toes of one foot, excluding great toe</i>		
51	Through metatarso-phalangeal joint	6
52	Part, with some loss of bone	3
<i>Four toes of one foot, excluding great toe</i>		
53	Through metatarso-phalangeal joint	9
54	Part, with some loss of bone	3".

Amendment
of Schedule
II.

18. In Schedule II to the principal Act,—

(i) for clauses (i) to (ix), the following clauses shall be substituted, namely:—

“(i) employed, otherwise than in a clerical capacity or on a railway, in connection with the operation or maintenance of a lift or a vehicle propelled by steam or other mechanical power or by electricity or in connection with the loading or unloading of any such vehicle; or

(ii) employed, otherwise than in a clerical capacity, in any premises wherein or within the precincts whereof a manufacturing process as defined in clause (k) of section 2 of the Factories Act, 1948, is being carried on, or in any kind of work whatsoever incidental to or connected with any such manufacturing process or with the article made, and steam, water or other mechanical power or electrical power is used; or 63 of 1948.

(iii) employed for the purpose of making, altering, repairing, ornamenting, finishing or otherwise adapting for use, transport or sale any article or part of an article in any premises wherein or within the precincts whereof twenty or more persons are so employed; or

(iv) employed in the manufacture or handling of explosives in connection with the employer's trade or business; or

35 of 1952.

(v) employed, in any mine as defined in clause (j) of section 2 of the Mines Act, 1952, in any mining operation or in any kind of work, other than clerical work, incidental to or connected with any mining operation or with the mineral obtained, or in any kind of work whatsoever below ground; or

(vi) employed as the master or as a seaman of—

(a) any ship which is propelled wholly or in part by steam or other mechanical power or by electricity or which is towed or intended to be towed by a ship so propelled; or

(b) any ship not included in sub-clause (a), of twenty-five tons net tonnage or over; or

(c) any sea-going ship not included in sub-clause (a) or sub-clause (b) provided with sufficient area for navigation under sails alone; or

(vii) employed for the purpose of—

(a) loading, unloading, fuelling, constructing, repairing, demolishing, cleaning or painting any ship of which he is not the master or a member of the crew, or handling or transport within the limits of any port subject to the Indian Ports Act, 1908, of goods which have been discharged from or are to be loaded into any vessel; or

(b) warping a ship through the lock; or

(c) mooring and unmooring ships at harbour wall berths or in pier; or

(d) removing or replacing dry dock caissons when vessels are entering or leaving dry docks; or

(e) the docking or undocking of any vessel during an emergency; or

(f) preparing splicing coir springs and check wires, painting depth marks on lock-sides, removing or replacing fenders whenever necessary, landing of gangways, maintaining life-buoys up to standard or any other maintenance work of a like nature; or

(g) any work on jolly-boats for bringing a ship's line to the wharf; or

15 of 1908.

(viii) employed in the construction, maintenance, repair or demolition of—

(a) any building which is designed to be or is or has been more than one storey in height above the ground or twelve feet or more from the ground level to the apex of the roof; or

(b) any dam or embankment which is twelve feet or more in height from its lowest to its highest point; or

(c) any road, bridge, tunnel or canal; or

(d) any wharf, quay, sea-wall or other marine work including any moorings of ships; or

(ix) employed in setting up, maintaining, repairing or taking down any telegraph or telephone line or post or any overhead electric line or cable or post or standard or fittings and fixtures for the same; or”;

(ii) in clause (xiii), after the words “Railway Mail Service”, the words “or as a telegraphist or as a postal or railway signaller” shall be inserted;

(iii) in clause (xvi), for the words “fifty” and “twenty”, the words “twenty-five” and “twelve” shall respectively be substituted;

(iv) in clause (xxvi), for the words “one hundred”, the word “fifty” shall be substituted;

(v) in clause (xxvii), the word “or” shall be inserted at the end, and after that clause, the following clauses shall be inserted, namely:—

“(xxviii) employed in or in connection with the construction, erection, dismantling, operation or maintenance of an aircraft as defined in section 2 of the Indian Aircraft Act, 1934; or

22 of 1934.

(xxix) employed in farming by tractors or other contrivances driven by steam or other mechanical power or by electricity; or

(xxx) employed, otherwise than in a clerical capacity, in the construction, working, repair or maintenance of a tube-well; or

(xxxi) employed in the maintenance, repair or renewal of electric fittings in any building; or

(xxxii) employed in a circus.”

19. In Schedule III to the principal Act,—

Amendment
of Schedule
III.

(i) for Part B, the following Part shall be substituted, namely:—

“PART B

Poisoning by lead, its alloys or compounds or its sequelae excluding poisoning by lead tetra-ethyl.	Any process involving the handling or use of lead or any of its preparations or compounds except lead tetra-ethyl.
Poisoning by phosphorus or its compounds, or its sequelae.	Any process involving the use of phosphorus or its preparations or compounds.
Poisoning by mercury, its amalgams and compounds, or its sequelae.	Any process involving the use of mercury or its preparations or compounds.
Poisoning by benzene, or its homologues, their amido and nitroderivatives or its sequelae.	Any process involving the manufacture, distillation, or use of benzene, benzol, benzene homologues and amido and nitroderivatives.
Chrome ulceration or its sequelae.	Any process involving the use of chromic acid or bichromate of ammonium potassium or sodium, or their preparations.
Poisoning by arsenic or its compounds, or its sequelae.	Any process involving the production, liberation or utilisation of arsenic or its compounds.
Pathological manifestations due to—	
(a) radium and other radio-active substances ;	Any process involving exposure to the action of radium, radio-active substances or X-rays.
(b) X-rays.	
Primary epitheliomatous cancer of the skin.	Any process involving the handling or use of tar, pitch, bitumen, mineral oil, paraffin, or the compounds, products or residues of these substances.
Poisoning by halogenated hydrocarbons of the aliphatic series and their halogen derivatives.	Any process involving the manufacture, distillation and use of hydrocarbons of the aliphatic series and their halogen derivatives.
Poisoning by carbon disulphide or its sequelae.	Any employment in— (a) the manufacture of carbon disulphide ; or (b) the manufacture of artificial silk by viscose process ; or (c) rubber industry ; or (d) any other industry involving the production or use of products containing carbon disulphide or exposure to emanations from carbon disulphide.
Occupational cataract due to infra-red radiations.	Any manufacturing process involving exposure to glare from molten material or to any other sources of infra-red radiation.
Telegraphist's Cramp.	Any employment involving the use of telegraphic instruments.”

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

PART C

Silicosis	Any employment involving exposure to the inhalation of dust containing silica.
Coal Miner's Pneumoconiosis	Any employment in coal mining.
Asbestosis	Any employment in— (1) the production of— (i) fibro cement materials; or (ii) asbestos mill board; or (2) the processing of ores containing asbestos.
Bagassosis	Any employment in the production of bagasse mill board or other articles from bagasse".

Amendment
of Schedule
IV.

20. In Schedule IV to the principal Act, the words "of Adult" wherever they occur, shall be omitted.

THE DELHI PANCHAYAT RAJ (AMENDMENT)
ACT, 1959

No. 9 OF 1959

[3rd April, 1959]

An Act further to amend the Delhi Panchayat Raj Act, 1954.

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

1. This Act may be called the Delhi Panchayat Raj (Amendment) Act, 1959. Short title.

2. In section 2 of the Delhi Panchayat Raj Act, 1954 (hereinafter referred to as the principal Act),— Amendment of section 2, Delhi Act 3 of 1955.

(i) in clause (11), for the word and figures "section 55", the word and figures "section 50" shall be substituted;

(ii) in clause (12), for the words "prescribed by this Act or rules made thereunder", the words "prescribed by rules made under this Act" shall be substituted;

(iii) in clause (19), for the words "District Judge" in the two places where they occur, the words "Additional District Magistrate" shall be substituted.

3. For sections 4, 5 and 6 of the principal Act, the following section shall be substituted, namely:— Substitution of new section for sections 4, 5 and 6.

4. All persons registered by virtue of the provisions of the Constitution and of the Representation of the People Act, 1950, as voters in so much of the electoral roll for any parliamentary constituency for the time being in force as relates to a Gaon Sabha Area shall be members of the Gaon Sabha of that Area. Membership of Gaon Sabha.

43 of 1950.

Explanation.—In this section, the expression “parliamentary constituency” has the meaning assigned to it under the Representation of the People Act, 1950.

Amendment
of section 8.

4. In section 8 of the principal Act, the words “, defect or omission in the enrolment” shall be omitted.

Omission of
section 9.

5. Section 9 of the principal Act shall be omitted.

Amendment
of section
16.

6. In section 16 of the principal Act, for the words “Gaon Panchayat’s duties”, the words “duties of the Gaon Panchayat” shall be substituted.

Amendment
of section
18.

7. In section 18 of the principal Act, in clause (r), for the words “civil justice”, the word “justice” shall be substituted.

Amendment
of section
30.

8. In section 30 of the principal Act, the words, brackets and figures “within the meaning of section 21 of the Indian Penal Code, 1860 (Act XLV of 1860)” shall be omitted.

Amendment
of section
41.

9. In section 41 of the principal Act, in sub-section (2), for the words “court fee in any suit or proceeding”, the words “court fee or fine in any suit, criminal case or proceeding” shall be substituted.

Amendment
of section
42.

10. In section 42 of the principal Act, for the words “as prescribed”, the words “by such person and in such manner as may be prescribed” shall be substituted.

Amendment
of section
44.

11. In section 44 of the principal Act,—

(i) in sub-section (1), for the words and figures “group 8 or more contiguous Gaon Sabha Areas covering approximately a population of 5,000 persons into circles”, the words “group into a circle such number of contiguous Gaon Sabha Areas as the Chief Commissioner or the prescribed authority may deem fit” shall be substituted and shall be deemed always to have been substituted;

(ii) in sub-section (3), for the words “Every Gaon Sabha in each circle shall elect a number of adults of prescribed qualifications permanently residing within its jurisdiction”, the words “Every Gaon Sabha in each circle shall elect from amongst its

members a number of persons of prescribed qualification" shall be substituted;

(iii) in sub-section (4),—

(a) in clause (f), after the word "convicted", the words, brackets and figures "under the Untouchability (Offences) Act, 1955, or" shall be inserted;

(b) the proviso shall be omitted.

12. In section 45 of the principal Act,—

Amendment
of section 45.

(i) the brackets and figure "(1)" at the commencement shall be omitted;

(ii) for the words "suits and proceedings", the words "suits, criminal cases and proceedings" shall be substituted.

13. In section 49 of the principal Act,—

Amendment
of section
49.

(i) in sub-section (1),—

(a) for the words "A panch", the words "A member or panch of a Gaon Panchayat, Circle Panchayat or Panchayati Adalat" shall be substituted;

(b) in clause (c), for the words "the Circle Panchayat", the words "the Gaon Panchayat or the Circle Panchayat" shall be substituted;

(ii) for sub-section (2), the following sub-section shall be substituted, namely:—

"(2) A member or panch removed under sub-section (1) shall not be entitled to re-election as a member or panch for a period of three years and shall cease to be a member of the Gaon Panchayat or Circle Panchayat as the case may be.";

(iii) in sub-section (3), for the words "A panch" the words "A member or panch" shall be substituted.

14. In sections 50, 51, 64, 65, 66, 68 and 77 of the principal Act, for the words "suit or proceeding" wherever they occur, the words "suit, criminal case or proceeding" shall be substituted.

Amendment
of sections
50, 51, 64 to
66, 68 and
77.

15. Section 53 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:—

Amendment
of section
53.

"(2) Notwithstanding anything contained in the Code of Criminal Procedure, 1898, every criminal case instituted under

this Act shall be instituted before the Sarpanch of the Circle Panchayat of the circle in which the offence is committed.”

Insertion of
new sections
53A to 53J.

16. After section 53 of the principal Act, the following sections shall be inserted, namely:—

Offences
triable by
Panchayati
Adalats.

“53A. (1) The following offences shall be triable by a Panchayati Adalat:—

(a) offences under sections 140, 160, 172, 174, 179, 269, 277, 279, 283, 285, 286, 289, 290, 294, 323, 334, 336, 341, 352, 356, 357, 358, 374, 379, 403, 411 (where the value of the stolen or misappropriated property in cases under sections 379, 403 and 411 does not exceed fifty rupees), 426, 428, 430, 431, 447, 448, 504, 506, 509 and 510 of the Indian Penal Code;

45 of 1860.

(b) offences under sections 24 and 26 of the Cattle-trespass Act, 1871;

1 of 1871.

(c) offences under sections 3, 4, 7 and 12 of the Delhi Public Gambling Act, 1955;

Delhi Act
9 of 1955.

(d) such other offence under any of the aforesaid enactments or any other enactment punishable with fine only, up to a limit of one hundred rupees as may, by notification in the Official Gazette, be declared by the Chief Commissioner to be triable by a Panchayati Adalat;

(e) any offence under this Act or any rule made thereunder;

(f) abetment of any of the foregoing offences;

(g) an attempt to commit any of the foregoing offences, when such attempt is an offence.

(2) Any criminal case relating to an offence under section 143, 145, 151, or 153 of the Indian Penal Code, pending before any court may be transferred for trial to the Panchayati Adalat, if in the opinion of such court the offence is not serious.

45 of 1860.

(3) The Chief Commissioner may by order published in the Official Gazette withdraw from a Panchayati Adalat the power to try all or any of the offences referred to in clauses (a) to (g) of sub-section (1).

Penalties.

53B. (1) No Panchayati Adalat shall inflict a substantive sentence of imprisonment.

(2) A Panchayati Adalat may impose a fine not exceeding one hundred rupees but no imprisonment may be awarded in default of payment:

Provided that no accused shall be tried for more than three offences in the same criminal case and the fine that may be imposed on one accused in a criminal case shall not in the aggregate exceed one hundred rupees.

53C. No Panchayati Adalat shall try any criminal case against a person where such person—

Certain persons not to be tried by Panchayati Adalats

(a) has been previously convicted of an offence punishable with imprisonment for a term of three years or more;

(b) has been previously fined for theft by any Panchayati Adalat;

(c) has been bound over to be of good behaviour under section 109 or 110 of the Code of Criminal Procedure, 1898;

(d) has been previously convicted under the Public Gambling Act, 1867 or the Delhi Public Gambling Act, 1955; or

(e) is a public servant.

53D. A Panchayati Adalat may dismiss any complaint after examining the complainant and taking such evidence as he may produce, it is satisfied that the complaint is frivolous, vexatious or untrue.

Summary dismissal of complaint.

53E. In imposing any fine, the Panchayati Adalat may order any portion or the whole of the fine recovered to be applied—

Compensation to complainants.

(a) in defraying the expenses properly incurred in the criminal case by the complainant,

(b) in the payment to any person of compensation for any material loss or injury caused by the offence, or

(c) in compensating any *bona fide* purchaser of stolen property for loss of the same where property is restored to the possession of the person entitled thereto.

53F. (1) If in any criminal case before a Panchayati Adalat the accused is acquitted or discharged and the Panchayati Adalat is of the opinion that the accusation against him was false and either frivolous or vexatious, the Panchayati Adalat may call upon the complainant forthwith to show cause why he should not pay compensation to the accused.

Compensation to the accused.

(2) If after hearing the complainant, the Panchayati Adalat is satisfied that the accusation was false and either frivolous or vexatious, it may direct that compensation not

exceeding twenty-five rupees be paid by the complainant to the accused.

Enquiry in cases forwarded by magistrates.

53G. Notwithstanding anything contained in the Code of Criminal Procedure, 1898, a magistrate may direct an enquiry referred to in section 202 of that Code to be made by a Panchayati Adalat in a criminal case in which the offence has been committed within the territorial limits of a Circle Panchayat. of 1898.

Recovery of fines and compensation.

53H. Any fine imposed in a case or compensation ordered to be paid under section 53F by a Panchayati Adalat shall be recoverable in the manner provided in section 386 of the Code of Criminal Procedure, 1898, but if the Panchayati Adalat finds any difficulty in its recovery, it may request the magistrate within whose jurisdiction the Panchayati Adalat lies to recover it as if the sentence of fine or the order directing payment of compensation had been passed by him. 5 of 1898.

Contempt of Panchayati Adalat.

53I. (1) If any person intentionally offers any insult to a Panchayati Adalat or any member thereof, while the Panchayati Adalat is sitting in any stage of judicial proceedings, in its or his view or presence or refuses to take oath duly administered or sign a statement made by the said person when legally required to do so, the Panchayati Adalat may at any time before rising on the same day take cognizance of the offence and sentence the offender to a fine not exceeding five rupees.

(2) The fine imposed under sub-section (1) shall, for the purposes of section 53H, be deemed to be a fine imposed in a criminal case.

Conviction by the Panchayati Adalat not a previous conviction.

53J. No conviction by the Panchayati Adalat shall be deemed to be a previous conviction for the purposes of section 75 of the Indian Penal Code, or section 562 or 565 of the Code of Criminal Procedure, 1898, or section 3 of the Probation of Offenders Act, 1958. 45 of 1860
5 of 1898.
20 of 1958

Substitution of new section for section 56.

17. For section 56 of the principal Act, the following section shall be substituted, namely:—

Extension of jurisdiction by agreement of parties.

“56. Notwithstanding anything contained in section 55, parties may by written agreement refer any suit to a Circle Panchayat for decision by it if the value of such suit does not exceed the pecuniary limits of the appellate jurisdiction of the Senior Sub-Judge and thereupon the Circle Panchayat shall dispose of such suit in accordance with rules made under this Act.”

18. Section 62 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:—

Amendment
of section 62.

“(2) Where a criminal case is pending in any court against an accused in respect of any offence or where an accused has been tried for any offence, no Panchayati Adalat shall take cognizance of any such offence or on the same facts, of any other offence of which the accused might have been charged or convicted.”.

19. In section 63 of the principal Act,—

Amendment
of section 63.

(a) for the words “suit or proceeding” wherever they occur, the words “suit, criminal case or proceeding” shall be substituted;

(b) for the words “plaintiff or”, the words “plaintiff or the complainant or” shall be substituted; and

(c) after the words “Senior Sub-Judge”, the words “, the Additional District Magistrate” shall be inserted.

20. For sections 67, 69 and 70 of the principal Act, the following sections shall respectively be substituted, namely :—

Substitution
of new sec-
tions for
sections 67,
69 and 70.

“67. (1) If the plaintiff, the complainant or the applicant fails to appear after having been informed of the time and place fixed for hearing, the Panchayati Adalat may dismiss the suit, criminal case or proceeding or pass such order as it may deem fit.

Disposals of
suits, etc.,
in the ab-
sence of the
party concer-
ned.

(2) The Panchayati Adalat may hear and decide the suit or proceeding in the absence of the defendant or opposite party if the summons have been served upon him or if he has been informed of the time and place fixed for hearing.

69. No legal practitioner shall appear, plead or act on behalf of any party before a Panchayati Adalat:

Legal prac-
titioner not
to appear
before Pan-
chayati
Adalat.

Provided that a person who is arrested shall have the right to consult and be defended by a legal practitioner of his choice.

70. (1) Subject to the provisions of section 69, any party to a suit or proceeding may appear before a Panchayati Adalat either in person or by such agent duly authorised in writing by him as the Panchayati Adalat may admit as a fit person to represent him.

Appearance
in person
or by re-
presentative.

(2) The parties to criminal cases shall appear personally before the Panchayati Adalat:

Provided that—

(a) the Panchayati Adalat may in any case dispense with the personal attendance of the accused and permit him to appear by his agent duly authorised in writing;

(b) the Panchayati Adalat may in its discretion at any stage of the proceeding direct the personal attendance of the accused.

(3) No stamp-duty shall be required to be paid for any power of attorney filed under this section.”

Amendment
of section
71.

21. In section 71 of the principal Act,—

(a) for the words “civil or revenue dispute”, the words “suit or proceeding” shall be substituted;

(b) the following proviso shall be added at the end, namely:—

“Provided that—

(a) in the case of a suit, the value thereof does not exceed the pecuniary limits of the appellate jurisdiction of the Senior Sub-Judge;

(b) in the case of a proceeding, the annual land revenue payable on the land involved in such proceeding does not exceed two hundred rupees.”

Amendment
of section
72.

22. Section 72 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 words “suit or proceeding” wherever they occur, the words “suit, criminal case or proceeding” shall be substituted and after the words and figures “Code of Civil Procedure, 1908,” the words and figures “Code of Criminal Procedure, 1898,” shall be inserted; ^{5 of 1908} ^{5 of 1898}

(b) after sub-section (1) as so re-numbered, the following sub-section shall be inserted, namely:—

“(2) Nothing in sub-section (1) shall entitle any party to compound any offence which is not compoundable under the provisions of the Code of Criminal Procedure, 1898, or to compound an offence without the permission of the bench concerned, if it is compoundable with permission under the provisions of the said Code.” ^{5 of 1898}

23. In section 74 of the principal Act, for the words "suit or proceeding" wherever they occur, the words "suit, criminal case or proceeding" shall be substituted and after the words "Senior Sub-Judge", the words ", the Additional District Magistrate" shall be inserted.

Amendment
of section
74.

24. In section 75 of the principal Act,—

Amendment
of section
75.

(i) for the words "suit or proceeding" wherever they occur, the words "suit, criminal case or proceeding" shall be substituted; and

(ii) in sub-section (2), after the words "Senior Sub-Judge", the words ", Additional District Magistrate" shall be inserted.

25. After section 75 of the principal Act, the following section shall be inserted, namely:—

Insertion of
new section
75A.

"75A. If at any time it appears to a Panchayati Adalat—

Transfer of
cases by the
Panchayati
Adalat.

(a) that it has no jurisdiction to try any case pending before it,

(b) that the offence involved is one for which it cannot award adequate punishment, or

(c) that the case should otherwise be tried by a court;

it shall submit the case to the Senior Sub-Judge, the Additional District Magistrate or the Collector, as the case may be, for transfer to a court of competent jurisdiction and shall give information thereof to the parties concerned."

26. For section 76 of the principal Act, the following section shall be substituted, namely:—

Substitution
of new sec-
tion for sec-
tion 76.
Revision.

"76. The Senior Sub-Judge, Additional District Magistrate or Collector according as it is a suit, criminal case or proceeding may, either on his own motion or on the application of any party, call for the record of any case which has been decided by the Panchayati Adalat and if it appears to him that injustice or material irregularity has occurred, he may make such order in the case as he thinks fit."

27. For section 80 of the principal Act, the following section shall be substituted, namely:—

Substitution
of new sec-
tion for sec-
tion 80.

"80. A Panchayati Adalat after an application is made under section 64 shall, unless it has been dismissed or otherwise disposed of under the provisions of this Act, cause summons in the prescribed form to be served in the prescribed manner on the defendant or the accused person or the opposite party as the

Summons to
defendant or
accused per-
son.

case may be, requiring him to attend and produce his evidence at such time and place as may be stated in the summons and shall at the same time direct the plaintiff or complainant or the applicant to attend and produce his evidence at such time and place."

Insertion of new section 83A. 28. After section 83 of the principal Act, the following section shall be inserted, namely:—

Suspension of powers.

"83A. The Chief Commissioner may, by order published in the Official Gazette, direct that any Panchayati Adalat shall not exercise all or any of the powers under this Act for such period as may be specified in the order and such Panchayati Adalat shall cease to exercise such powers for the period so specified."

Amendment of section 88.

29. In section 88 of the principal Act, in clause (c) of sub-section (2), after the words "Senior Sub-Judge", the words ", the Additional District Magistrate" shall be inserted and for the words "civil and revenue cases", the words "civil, criminal and revenue cases" shall be substituted.

Amendment of section 102.

30. In section 102 of the principal Act, after sub-section (2), the following sub-section shall be added, namely:—

"(3) All rules made under this Act shall be laid for not less than thirty days before both Houses of Parliament as soon as possible after they are made and shall be subject to such modifications as Parliament may make during the session in which they are so laid or the session immediately following."

THE PARLIAMENT (PREVENTION OF
DISQUALIFICATION) ACT, 1959

No. 10 OF 1959.

[4th April, 1959]

An Act to declare that certain offices of profit under the Government shall not disqualify the holders thereof for being chosen as, or for being, members of Parliament.

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

1. This Act may be called the Parliament (Prevention of Disqualification) Act, 1959. Short title.

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

Definitions.

(a) "compensatory allowance" means any sum of money payable to the holder of an office by way of daily allowance (such allowance not exceeding the amount of daily allowance to which a member of Parliament is entitled under the Salaries and Allowances of Members of Parliament Act, 1954), any conveyance allowance, house-rent allowance or travelling allowance for the purpose of enabling him to recoup any expenditure incurred by him in performing the functions of that office;

(b) "statutory body" means any corporation, committee, commission, council, board or other body of persons, whether incorporated or not, established by or under any law for the time being in force;

(c) "non-statutory body" means any body of persons other than a statutory body.

3. It is hereby declared that none of the following offices, in so far as it is an office of profit under the Government of India or the Government of any State, shall disqualify the holder thereof for being chosen as, or for being, a member of Parliament, namely:— Certain offices of profit not to disqualify.

(a) any office held by a Minister, Minister of State or Deputy Minister for the Union or for any State, whether *ex officio* or by name;

(b) the office of Chief Whip, Deputy Chief Whip or Whip in Parliament or of a Parliamentary Secretary;

(c) the office of a member of any force raised or maintained under the National Cadet Corps Act, 1948, the Territorial Army Act, 1948, or the Reserve and Auxiliary Air Forces Act, 1952; 31 of 1948.
56 of 1948.
62 of 1952.

(d) the office of a member of a Home Guard constituted under any law for the time being in force in any State;

(e) the office of sheriff in the city of Bombay, Calcutta or Madras;

(f) the office of chairman or member of the syndicate, senate, executive committee, council or court of a university or any other body connected with a university;

(g) the office of a member of any delegation or mission sent outside India by the Government for any special purpose;

(h) the office of chairman or member of a committee (whether consisting of one or more members), set up temporarily for the purpose of advising the Government or any other authority in respect of any matter of public importance or for the purpose of making an inquiry into, or collecting statistics in respect of, any such matter, if the holder of such office is not entitled to any remuneration other than compensatory allowance;

(i) the office of chairman, director or member of any statutory or non-statutory body other than any such body as is referred to in clause (h), if the holder of such office is not entitled to any remuneration other than compensatory allowance, but excluding (i) the office of chairman of any statutory or non-statutory body specified in Part I of the Schedule and (ii) the office of chairman or secretary of any statutory or non-statutory body specified in Part II of the Schedule;

(j) the office of village revenue officer, whether called a *lambardar*, *malguzar*, *patel deshmukh* or by any other name, whose duty is to collect land revenue and who is remunerated by a share of, or commission on, the amount of land revenue collected by him, but who does not discharge any police functions.

Explanation.—For the purposes of this section, the office of chairman or secretary shall include every office of that description by whatever name called.

4. If a person being a member of Parliament who immediately before the commencement of this Act held an office of profit declared by any law repealed by this Act not to disqualify the holder thereof for being such member, becomes so disqualified by reason of any of the provisions contained in this Act, such office shall not, if held by such person for any period not extending beyond a period of six months from the commencement of this Act disqualify him for being a member of Parliament.

Temporary suspension of disqualification in certain cases.

5. The Parliament (Prevention of Disqualification) Act, 1950, the Parliament Prevention of Disqualification Act, 1951, the Prevention of Disqualification Act, 1953, and any provision in any other enactment which is inconsistent with this Act are hereby repealed.

19 of 1950.
68 of 1951.
1 of 1954.

Repeals.

THE SCHEDULE

[See section 3(i)]

PART I

BODIES UNDER THE CENTRAL GOVERNMENT

Air-India International Corporation established under section 3 of the Air Corporations Act, 1953 (27 of 1953).

Air Transport Council constituted under section 30 of the Air Corporations Act, 1953 (27 of 1953).

Board of Directors of the Export Risks Insurance Corporation (Private) Limited.

Board of Directors of the Heavy Electricals (Private) Limited.

Board of Directors of the Hindustan Cables (Private) Limited.

Board of Directors of the Hindustan Insecticides (Private) Limited.

Board of Directors of the Hindustan Machine Tools (Private) Limited.

Board of Directors of the Hindustan Shipyard Limited.

Board of Directors of the Nangal Fertilizers and Chemicals (Private) Limited.

Board of Directors of the National Coal Development Corporation (Private) Limited.

Board of Directors of the National Development Corporation (Private) Limited.

Board of Directors of the National Instruments (Private) Limited.

Board of Directors of the National Small Industries Corporation (Private) Limited.

Board of Directors of the Neyveli Lignite Corporation (Private) Limited.

Board of Directors of the Sindri Fertilizers and Chemicals (Private) Limited.

Board of Directors of the State Trading Corporation of India (Private) Limited.

Central Warehousing Corporation established under section 17 of the Agricultural Produce (Development and Warehousing) Corporations Act, 1956 (28 of 1956).

Coal Board established under section 4 of the Coal Mines (Conservation and Safety) Act, 1952 (12 of 1952).

Coal Mines Labour Housing Board constituted under section 6 of the Coal Mines Labour Welfare Fund Act, 1947 (32 of 1947).

Commissioners for the Port of Calcutta.

Committee for the allotment of land in the township of Gandhidham.

Company Law Advisory Commission constituted under section 410 of the Companies Act, 1956 (1 of 1956).

Cotton Textiles Fund Committee constituted under the Textile Funds Ordinance, 1944 (34 of 1944).

Dock Labour Board, Bombay, established under the Bombay Dock Workers (Regulation of Employment) Scheme, 1956, made under the Dock Workers (Regulation of Employment) Act, 1948 (9 of 1948).

Dock Labour Board, Calcutta, established under the Calcutta Dock Workers (Regulation of Employment) Scheme, 1956, made under the Dock Workers (Regulation of Employment) Act, 1948 (9 of 1948).

Dock Labour Board, Madras, established under the Madras Dock Workers (Regulation of Employment) Scheme, 1956, made under the Dock Workers (Regulation of Employment) Act, 1948 (9 of 1948).

Forward Markets Commission established under section 3 of the Forward Contracts (Regulation) Act, 1952 (74 of 1952).

Indian Air Lines Corporation established under section 3 of the Air Corporations Act, 1953 (27 of 1953).

Industrial Finance Corporation of India established under section 3 of the Industrial Finance Corporation Act, 1948 (15 of 1948).

Licensing Committee constituted under rule 10 of the Registration and Licensing of Industrial Undertakings Rules, 1952, made under the Industries (Development and Regulation) Act, 1951 (65 of 1951).

Mining Boards constituted under section 12 of the Mines Act, 1952 (35 of 1952).

National Co-operative Development and Warehousing Board established under section 3 of the Agricultural Produce (Development and Warehousing) Corporations Act, 1956 (28 of 1956).

Rehabilitation Finance Administration constituted under section 3 of the Rehabilitation Finance Administration Act, 1948 (12 of 1948).

Tariff Commission established under section 3 of the Tariff Commission Act, 1951 (50 of 1951).

Trustees of the Port of Bombay.

Trustees of the Port of Madras.

Trustees or Commissioners of any major Port as defined in the Indian Ports Act, 1908 (15 of 1908), other than the Port of Calcutta, Bombay or Madras.

BODIES UNDER STATE GOVERNMENTS

Andhra Pradesh

Agricultural Improvement Fund Committee constituted under section 3 of the Hyderabad Agricultural Improvement Act, 1952.

Co-operative Agricultural and Marketing Development Fund Committee.

Livestock Purchasing Committee.

Assam

Adhi Conciliation Boards constituted under section 2A of the, Assam Adhiars Protection and Regulation Act, 1948.

Assam Evacuee Property Management Committee constituted under section 12 of the Assam Evacuee Property Act, 1951.

Assam Text Book Committee.

Bihar

Mining Board for Coal Mines.

Text Book and Education Literature Committee.

Bombay

Allocation Committee (Allopathic) under the Employees' State Insurance Scheme.

Allocation Committee (Ayurvedic) under the Employees' State Insurance Scheme.

Board to conduct over-all supervision of the business and affairs of the Narsinggiriji Mills, Sholapur.

Bombay Housing Board constituted under section 3 of the Bombay Housing Board Act, 1948.

Bombay State Electricity Board constituted under section 5 of the Electricity (Supply) Act, 1948 (54 of 1948).

Bombay State Electricity Consultative Council constituted under section 16 of the Electricity (Supply) Act, 1948 (54 of 1948).

Medical Service Committee under the Employees' State Insurance Scheme.

Pharmaceutical Committee under the Employees' State Insurance Scheme.

Regional Transport Authority for Ahmedabad, Aurangabad, Bombay, Nagpur, Poona, Rajkot and Thana constituted under section 44 of the Motor Vehicles Act, 1939 (4 of 1939).

Saurashtra Housing Board constituted under section 3 of the Saurashtra Housing Board Act, 1954.

State Transport Authority constituted under section 44 of the Motor Vehicles Act, 1939 (4 of 1939).

Vidarbha Housing Board constituted under section 3 of the Madhya Pradesh Housing Act, 1950.

Kerala

Board of Examiners appointed under rule 8 of the Travancore-Cochin Boiler Attendants Rules, 1954.

Panel of Assessors constituted under rule 63 of the Travancore-Cochin Boiler Attendants Rules, 1954.

Panel of Assessors constituted under the Travancore-Cochin Economiser Rules, 1956.

Madhya Pradesh

Madhya Pradesh Housing Board constituted under section 3 of the Madhya Pradesh Housing Board Act, 1950.

Mahakoshal Housing Board.

Madras

Committee to select Books for Study for S.S.L.C. Examination.

Landing and Shipping Fees Committees for Minor Ports.

Local Committee constituted under regulation 10A of the Employees' State Insurance (General) Regulations, 1950.

Madras Board of Transport.

Madras State Electricity Board constituted under section 5 of the Electricity (Supply) Act, 1948 (54 of 1948).

Madras State Electricity Consultative Council constituted under section 16 of the Electricity (Supply) Act, 1948 (54 of 1948).

Port Conservancy Boards.

Port Trust Boards of Minor Ports.

State Board of Communications.

Text Books Committee.

Mysore

Board of Management, Mysore Iron and Steel Works, Bhadravathi.

Board of Management of Industrial Concerns.

Orissa

Appeal Committee under the Board of Secondary Education.

Orissa Board of Communications and Transport.

Regional Transport Authority constituted under section 44 of the Motor Vehicles Act, 1939 (4 of 1939).

State Transport Authority constituted under section 44 of the Motor Vehicles Act, 1939 (4 of 1939).

Punjab

Punjab State National Workers (Relief and Rehabilitation) Board.

Rajasthan

City Improvement Trust, Kota constituted under the City of Kota Improvement Act, 1946.

Excise Appellate Board, Ajmer.

Rajasthan State Electricity Board constituted under section 5 of the Electricity (Supply) Act, 1948 (54 of 1948).

Urban Improvement Board, Jaipur.

Uttar Pradesh

Government Cement Factory Board.

Local Committees for Agra, Kanpur, Lucknow and Saharanpur appointed under section 25 of the Employees' State Insurance Act, 1948 (34 of 1948).

Sub-Committee to select books for Educational Expansion Department.

U.P. Sugar and Power Alcohol and Labour Housing Board constituted under section 10 of the U.P. Sugar and Power Alcohol Industries Labour Welfare and Development Fund Act, 1950.

West Bengal

Licensing Board constituted under the regulations made under rule 45 of the Indian Electricity Rules, 1956.

West Bengal Housing Board constituted under the West Bengal Development Corporation Act, 1954.

BODIES IN UNION TERRITORIES

Delhi Development Authority constituted under section 3 of the Delhi Development Act, 1957 (61 of 1957).

Delhi Electricity Power Control Board constituted under section 5 of the Bombay Electricity (Special Powers) Act, 1946, as applied to Delhi.

Delhi State Electricity Council constituted under section 16 of the Electricity (Supply) Act, 1948 (54 of 1948).

PART II

BODIES UNDER THE CENTRAL GOVERNMENT

Advisory Committee for the Air-India International Corporation appointed under section 41 of the Air Corporations Act, 1953 (27 of 1953).

Advisory Committee for the Indian Airlines Corporation appointed under section 41 of the Air Corporations Act, 1953 (27 of 1953).

Central Silk Board constituted under section 4 of the Central Silk Board Act, 1948 (61 of 1948).

Coffee Board constituted under section 4 of the Coffee Act, 1942 (7 of 1942).

Coir Board constituted under section 4 of the Coir Industry Act, 1953 (45 of 1953).

Development Council for Acids and Fertilizers established under section 6 of the Industries (Development and Regulation) Act, 1951 (65 of 1951).

Development Council for Alkalies and Allied Industries established under section 6 of the Industries (Development and Regulation) Act, 1951 (65 of 1951).

Indian Central Coconut Committee constituted under section 4 of the Industries (Development and Regulation) Act, 1951 (65 of 1951).

Development Council for Drugs, Dyes, and Intermediates established under section 6 of the Industries (Development and Regulation) Act, 1951 (65 of 1951).

Development Council for Food Processing Industries established under section 6 of the Industries (Development and Regulation) Act, 1951 (65 of 1951).

Development Council for Heavy Electrical Engineering Industries established under section 6 of the Industries (Development and Regulation) Act, 1951 (65 of 1951).

Development Council for Internal Combustion Engines and Power Driven Pumps established under section 6 of the Industries (Development and Regulation) Act, 1951 (65 of 1951).

Development Council for Light Electrical Engineering Industries established under section 6 of the Industries (Development and Regulation) Act, 1951 (65 of 1951).

Development Council for Machine Tools established under section 6 of the Industries (Development and Regulation) Act, 1951 (65 of 1951).

Development Council for Non-ferrous Metals including alloys established under section 6 of the Industries (Development and Regulation) Act, 1951 (65 of 1951).

Development Council for Oil-based and Plastic Industries established under section 6 of the Industries (Development and Regulation) Act, 1951 (65 of 1951).

Development Council for Sugar Industry established under section 6 of the Industries (Development and Regulation) Act, 1951 (65 of 1951).

Development Council for Textiles made of artificial Silk including artificial Silk Yarn established under section 6 of the Industries (Development and Regulation) Act, 1951 (65 of 1951).

Development Council for Textiles made of Wool, including woollen yarn, hosiery, carpets and druggets established under section 6 of the Industries (Development and Regulation) Act, 1951 (65 of 1951).

Durgah Committee, Ajmer, constituted under section 4 of the Durgah Khawaja Saheb Act, 1955 (36 of 1955).

Indian Central Arecanut Committee.

Indian Central Coconut Committee constituted under section 4 of the Indian Coconut Committee Act, 1944 (10 of 1944).

Indian Central Cotton Committee constituted under section 4 of the Indian Cotton Cess Act, 1923 (14 of 1923).

Indian Central Jute Committee.

Indian Central Oilseeds Committee constituted under section 4 of the Indian Oilseeds Committee Act, 1946 (9 of 1946).

Indian Central Sugarcane Committee.

Indian Central Tobacco Committee.

Indian Lac Cess Committee constituted under section 4 of the Indian Lac Cess Act, 1930 (24 of 1930).

Rubber Board constituted under section 4 of the Rubber Act, 1947 (24 of 1947).

Tea Board constituted under section 4 of the Tea Act, 1953 (29 of 1953).

BODIES UNDER STATE GOVERNMENTS

Andhra Pradesh

Market Committee constituted under section 4 of the Hyderabad Agricultural Market Act No. II of 1339F.

Market Committee constituted under section 4A of the Madras Commercial Crops Markets Act, 1933.

Bihar

Bihar State Board of Religious Trusts.

Bihar Subai Majlis Awqaf.

Bodh Gaya Temple Advisory Committee constituted under section 15 of the Bodh Gaya Temple Act, 1949.

Bodh Gaya Temple Management Committee constituted under section 3 of the Bodh Gaya Temple Act, 1949.

Kerala

Administration Committee for Coir Purchase Scheme.

Malabar Market Committee constituted under section 4A of the Madras Commercial Crops Markets Act, 1933.

Tapioca Market Expansion Board.

Madras

Area Committee for Hindu Religious and Charitable Endowments constituted under section 12 of the Madras Hindu Religious and Charitable Endowments Act, 1951.

Madras State Wakf Board constituted under section 9 of the Wakf Act, 1954 (29 of 1954).

Punjab

State Marketing Board constituted under section 3 of the Patiala Agricultural Produce Markets Act, 2004.

THE APPROPRIATION (No. 2) ACT, 1959

No. 11 OF 1959

[28th April, 1959]

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 1959-60.

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

Short title. 1. This Act may be called the Appropriation (No. 2) Act, 1959.

Issue of Rs. 76,16,32,85,000 out of the Consolidated Fund of India for the year 1959-60. 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, 1959] to the sum of seven thousand six hundred and sixteen crores, thirty-two lakhs and eighty-five thousand rupees towards defraying the several charges which will come in course of payment during the financial year 1959-60 in respect of the services specified in columns 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. or Vote	2 Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
1	Ministry of Commerce and Industry	73,93,000	..	73,93,000
2	Industries	29,69,88,000	..	29,69,88,000
3	Salt	74,26,000	71,000]	74,97,000
4	Commercial Intelligence and Statistics	81,23,000	..	81,23,000
5	Miscellaneous Departments and Expenditure under the Ministry of Commerce and Industry	2,79,16,000	..	2,79,16,000
6	Ministry of Community Development and Co-operation	27,40,000	..	27,40,000
7	Community Development Projects, National Extension Service and Co-operation	20,58,44,000	..	20,58,44,000
8	Ministry of Defence	40,28,000	..	40,28,000
9	Defence Services—Effective—Army	1,74,75,62,000	10,00,000	1,74,85,62,000
10	Defence Services—Effective—Navy	18,40,00,000	50,000	18,40,50,000
11	Defence Services—Effective—Air Force	59,79,41,000	50,000	59,79,91,000
12	Defence Services—Non-effective Charges	15,31,20,000	84,09,000	16,15,29,000
13	Ministry of Education	59,43,000	..	59,43,000
14	Education	31,13,48,000	..	31,13,48,000
15	Miscellaneous Departments and Other Expenditure under the Ministry of Education	2,36,39,000	..	2,36,39,000
16	Tribal Areas	8,70,90,000	..	8,70,90,000
17	Naga Hills—Tuensang Area	3,44,33,000	..	3,44,33,000
18	External Affairs	9,76,16,000	..	9,76,16,000

1	2	3				
		No. of Vote	Services and purposes	Sums not exceeding		
				Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.		
19	State of Pondicherry	2,75,05,000	14,000	2,75,19,000		
20	Miscellaneous Expenditure under the Ministry of External Affairs	4,68,000	..	4,68,000		
21	Ministry of Finance	1,48,05,000	..	1,48,05,000		
22	Customs	3,96,57,000	20,000	3,96,77,000		
23	Union Excise Duties	8,09,23,000	72,39,98,000	80,49,21,000		
24	Taxes on Income including Corporation tax, etc.	5,64,44,000	1,34,000	5,65,78,000		
25	Opium	3,09,94,000	..	3,09,94,000		
26	Stamps	2,78,75,000	8,32,000	2,87,07,000		
27	Audit	10,58,06,000	20,56,000	10,78,62,000		
28	Currency	3,90,23,000	16,31,000	4,06,54,000		
29	Mint	5,88,39,000	..	5,88,39,000		
30	Territorial and Political Pensions	25,34,000	..	25,34,000		
31	Superannuation Allowances and Pensions	3,76,46,000	33,00,000	4,09,46,000		
32	Miscellaneous Departments and Other Expenditure under the Ministry of Finance	44,00,23,000	..	44,00,23,000		
33	Planning Commission	2,27,86,000	..	2,27,86,000		
34	Miscellaneous Adjustments between the Union and State Governments	18,08,000	..	18,08,000		
35	Pre-partition Payments	21,92,000	5,37,000	27,29,000		
	CHARGED.—Interest on Debt and Other Obligations and Reduction or Avoidance of Debt	..	1,68,21,88,000	1,68,21,88,000		
	CHARGED.—Grants-in-aid to States	..	48,84,10,000	48,84,10,000		
36	Ministry of Food and Agriculture	75,46,000	..	75,46,000		
37	Forest	2,59,30,000	..	2,59,30,000		
38	Agriculture	10,04,83,000	..	10,04,83,000		
39	Agricultural Research	4,93,75,000	..	4,93,75,000		
40	Animal Husbandry	2,62,73,000	..	2,62,73,000		

1	2	3		
		Sums not exceeding		
No. of Vote	Services and purposes	Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
41	Miscellaneous Departments and Other Expenditure under the Ministry of Food and Agriculture	11,76,09,000	4,01,000	11,80,10,000
42	Ministry of Health	14,09,000	..	14,09,000
43	Medical Services	6,63,09,000	..	6,63,09,000
44	Public Health	16,53,07,000	..	16,53,07,000
45	Miscellaneous Departments and Expenditure under the Ministry of Health	87,93,000	..	87,93,000
46	Ministry of Home Affairs	2,89,89,000	..	2,89,89,000
47	Cabinet	37,33,000	..	37,33,000
48	Zonal Councils	3,69,000	..	3,69,000
49	Administration of Justice	2,49,000	15,87,000	18,36,000
50	Police	5,43,43,000	..	5,43,43,000
51	Census	18,51,000	..	18,51,000
52	Statistics	1,89,04,000	..	1,89,04,000
53	Privy Purses and Allowances of Indian Rulers	5,15,000	5,36,78,000	5,51,93,000
54	Delhi	10,89,84,000	30,000	10,90,14,000
55	Himachal Pradesh	5,82,91,000	2,17,000	5,85,08,000
56	Andaman and Nicobar Islands	3,11,39,000	..	3,11,39,000
57	Manipur	2,33,89,000	..	2,33,89,000
58	Tripura	3,72,62,000	50,000	3,73,12,000
59	Laccadive, Minicoy and Amindivi Islands	18,83,000	..	18,83,000
60	Miscellaneous Departments and Expenditure under the Ministry of Home Affairs	11,66,04,000	..	11,66,04,000
61	Ministry of Information and Broadcasting	14,37,000	..	14,37,000
62	Broadcasting	4,64,47,000	..	4,64,47,000

1	2	3		
No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
63	Miscellaneous Departments and Expenditure under the Ministry of Information and Broadcasting	3,43,51,000	..	3,43,51,000
64	Ministry of Irrigation and Power.	24,32,000	..	24,32,000
65	Multi-purpose River Schemes	1,91,37,000	..	1,91,37,000
66	Miscellaneous Departments and Other Expenditure under the Ministry of Irrigation and Power	1,66,37,000	..	1,66,37,000
67	Ministry of Labour and Employment.	20,06,000	..	20,06,000
68	Chief Inspector of Mines	21,53,000	..	21,53,000
69	Miscellaneous Departments and Other Expenditure under the Ministry of Labour and Employment	10,52,64,000	..	10,52,64,000
70	Ministry of Law	25,85,000	..	25,85,000
71	Elections	90,93,000	..	90,93,000
72	Ministry of Rehabilitation	37,32,000	..	37,32,000
73	Expenditure on Displaced Persons and Minorities	19,69,18,000	..	19,69,18,000
74	Ministry of Scientific Research and Cultural Affairs	29,32,000	..	29,32,000
75	Archæology	1,07,05,000	..	1,07,05,000
76	Survey of India	1,61,14,000	..	1,61,14,000
77	Botanical Survey	15,35,000	..	15,35,000
78	Zoological Survey	11,35,000	..	11,35,000
79	Scientific Research and Cultural Affairs	13,06,98,000	..	13,06,98,000
80	Miscellaneous Departments and Expenditure under the Ministry of Scientific Research and Cultural Affairs	36,86,000	..	36,86,000
81	Ministry of Steel, Mines and Fuel	40,34,000	..	40,34,000
82	Geological Survey	2,21,05,000	..	2,21,05,000

I No. of Vote	2 Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
83	Exploration of Oil and Natural Gas	3,38,55,000	..	3,38,55,000
84	Miscellaneous Departments and Other Expenditure under the Ministry of Steel, Mines and Fuel	27,06,98,000	..	27,06,98,000
85	Ministry of Transport and Communications	54,56,000	..	54,56,000
86	Indian Posts and Telegraphs Department (including working expenses)	66,34,47,000	3,63,01,000	69,97,48,000
87	Mercantile Marine	68,94,000	..	68,94,000
88	Light houses and Light ships	1,28,87,000	..	1,28,87,000
89	Meteorology	1,62,47,000	..	1,62,47,000
90	Overseas Communications Service	1,28,54,000	8,32,000	1,36,86,000
91	Aviation	7,09,37,000	..	7,09,37,000
92	Central Road Fund	3,88,63,000	..	3,88,63,000
93	Communications (including National Highways)	6,64,37,000	..	6,64,37,000
94	Miscellaneous Departments and Other Expenditure under the Ministry of Transport and Communications	1,71,17,000	..	1,71,17,000
95	Ministry of Works, Housing and Supply	63,24,000	..	63,24,000
96	Supplies	2,82,75,000	2,17,000	2,84,92,000
97	Other Civil Works	26,99,04,000	28,23,000	27,27,27,000
98	Stationery and Printing	7,77,42,000	..	7,77,42,000
99	Miscellaneous Departments and Expenditure under the Ministry of Works, Housing and Supply	1,18,96,000	..	1,18,96,000
100	Department of Atomic Energy	13,25,000	..	13,25,000
101	Atomic Energy Research	4,40,70,000	..	4,40,70,000
102	Department of Parliamentary Affairs	2,32,000	..	2,32,000
103	Lok Sabha	99,99,000	67,000	1,00,66,000

1	2	3		
		Sums not exceeding		
No. of Vote	Services and purposes	Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
104	Miscellaneous Expenditure under Lok Sabha	34,000	..	34,000
105	Rajya Sabha	33,89,000	61,000	34,50,000
	CHARGED.— <i>Staff, Household and Allowances of the President</i> . . . . .	..	25,19,000	25,19,000
106	Secretariat of the Vice-President	64,000	..	64,000
	CHARGED.— <i>Union Public Service Commission</i> . . . . .	..	42,64,000	42,64,000
107	Capital Outlay of the Ministry of Commerce and Industry	16,25,35,000	..	16,25,35,000
108	Capital Outlay of the Ministry of Community Development and Co-operation	3,78,71,000	..	3,78,71,000
109	Defence Capital Outlay	36,90,00,000	4,00,000	36,94,00,000
110	Capital Outlay of the Ministry of Education	69,64,000	..	69,64,000
111	Capital Outlay of the Ministry of External Affairs	68,32,000	..	68,32,000
112	Capital Outlay on the India Security Press	11,00,000	..	11,00,000
113	Capital Outlay on Currency and Coinage	1,00,93,43,000	..	1,00,93,43,000
114	Capital Outlay on Mints	48,54,000	..	48,54,000
115	Commuted Value of Pensions	45,35,000	1,00,000	46,35,000
116	Payments to Retrenched Personnel	6,000	..	6,000
117	Other Capital Outlay of the Ministry of Finance	64,75,41,000	..	64,75,41,000
118	Loans and Advances by the Central Government	2,11,99,96,000	3,12,68,99,000	5,24,68,95,000
	CHARGED.— <i>Repayment of Debt</i> . . . . .	..	53,58,67,32,000	53,58,67,32,000
119	Capital Outlay on Forests	13,97,000	..	13,97,000
120	Purchase of Foodgrains	1,86,34,77,000	2,00,000	1,86,36,77,000
121	Other Capital Outlay of the Ministry of Food and Agriculture	36,43,55,000	15,000	36,43,70,000

1 No. of Vote	2 Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
122	Capital Outlay of the Ministry of Health	12,47,97,000	..	12,47,97,000
123	Capital Outlay of the Ministry of Home Affairs	81,02,000	..	81,02,000
124	Capital Outlay on Broadcasting	2,00,00,000	..	2,00,00,000
125	Capital Outlay on Multi-purpose River Schemes	3,22,98,000	..	3,22,98,000
126	Other Capital Outlay of the Ministry of Irrigation and Power	7,82,11,000	..	7,82,11,000
127	Capital Outlay of the Ministry of Labour and Employment	3,49,000	..	3,49,000
128	Capital Outlay of the Ministry of Rehabilitation	20,20,00,000	..	20,20,00,000
129	Capital Outlay of the Ministry of Scientific Research and Cultural Affairs	2,37,85,000	..	2,37,85,000
130	Capital Outlay of the Ministry of Steel, Mines and Fuel	24,07,20,000	..	24,07,20,000
131	Capital Outlay on Indian Posts and Telegraphs (not met from Revenue)	34,18,41,000	..	34,18,41,000
132	Capital Outlay on Civil Aviation	4,33,27,000	5,00,000	4,38,27,000
133	Capital Outlay on Ports	3,03,50,000	..	3,03,50,000
134	Capital Outlay on Roads	16,50,00,000	..	16,50,00,000
135	Other Capital Outlay of the Ministry of Transport and Communications	8,76,10,000	..	8,76,10,000
136	Delhi Capital Outlay	7,32,19,000	6,86,000	7,39,05,000
137	Capital Outlay on Buildings	8,22,46,000	49,000	8,22,95,000
138	Other Capital outlay of the Ministry of Works, Housing and Supply	7,14,97,000	..	7,14,97,000
139	Capital Outlay of the Department of Atomic Energy	5,47,00,000	..	5,47,00,000
	TOTAL	16,43,19,57,000	59,73,13,28,000	76,16,32,85,000

THE FINANCE ACT, 1959

No. 12 OF 1959

[28th April, 1959]

An Act to give effect to the financial proposals of the Central Government for the financial year 1959-60.

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

Short title
and com-
mencement.

1. (1) This Act may be called the Finance Act, 1959.

(2) Save as otherwise provided in this Act, sections 3 to 18 inclusive and sections 20 to 27 inclusive shall be deemed to have come into force on the first day of April, 1959.

Income-tax
and super-
tax.

2. (1) Subject to the provisions of sub-sections (2) and (3), for the year beginning on the 1st day of April, 1959,—

(a) 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 and C of that Part apply, shall be increased by a surcharge for purposes of the Union and a special surcharge on unearned income, calculated in either case in the manner provided therein; and

(b) super-tax shall, for the purposes of section 55 of the Indian Income-tax Act, 1922 (hereinafter referred to as the Income-tax Act), be charged at the rates specified in Part II of the First Schedule, and, in the cases to which Paragraphs A, B and C of that Part apply, shall be increased by a surcharge for purposes of the Union and a special surcharge on unearned income, calculated in either case in the manner provided therein.

(2) In making any assessment for the year ending on the 31st day of March, 1960,—

(a) where the total income of an assessee, not being a company, includes any income chargeable under the head "Salaries" or any income chargeable under the head "Interest on Securities" or any income from dividends in respect of which by virtue of section 49B of the Income-tax Act he is deemed himself to have

11 of 1958.

paid the income-tax imposed under that Act, the income-tax payable by the assessee on that part of his total income which consists of such inclusions shall be an amount bearing to the total amount of income-tax payable according to the rates applicable under the operation of the Finance Act, 1958, on his total income the same proportion as the amount of such inclusions bears to his total income;

11 of 1958.

(b) where the total income of an assessee, not being a company, includes any income chargeable under the head "Salaries" on which super-tax has been or might have been deducted under the provisions of sub-section (2) of section 18 of the Income-tax Act, the super-tax payable by the assessee on that portion of his total income which consists of such inclusion shall be an amount bearing to the total amount of super-tax payable according to the rates applicable under the operation of the Finance Act, 1958, on his total income the same proportion as the amount of such inclusion bears to his total income.

(3) In cases to which section 17 of the Income-tax Act applies, the tax chargeable shall be determined as provided in that section, and with reference to the rates imposed by sub-section (1).

(4) In cases in which tax has to be deducted under section 18 of the Income-tax Act at the prescribed rates, the deduction shall be made at the rates specified in Part III of the First Schedule.

(5) In the case of a company liable to make payments of tax under section 18A of the Income-tax Act during the financial year beginning on the 1st day of April, 1959, the provisions of that section shall have effect as if the references to the rates of income-tax and super-tax in force for that financial year were references respectively—

(a) to a rate of 20 per cent. for income-tax; and

(b) to a rate of—

(i) 25 per cent. for super-tax 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; and

(ii) 43 per cent. for super-tax in the case of any other company.

(6) For the purposes of this section, and of the rates of tax imposed thereby, the expression "total income" means total income as determined for the purposes of income-tax or super-tax, as the

case may be, in accordance with the provisions of the Income-tax Act, and the expression "earned income" has the meaning assigned to it in clause (64A) of section 2 of that Act.

Amendment
of section 4.

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

(i) in sub-section (1),—

(a) the third proviso shall be omitted;

(b) after *Explanation 2*, the following *Explanation* shall be inserted, namely:—

"Explanation 2A.—Income which would be chargeable under the head "Salaries" if payable in the taxable territories but which is paid without the taxable territories by the Government to a citizen of India for rendering service without the taxable territories shall be deemed to accrue or arise in the taxable territories."

(ii) in sub-section (3), for clause (x), the following clauses shall be substituted, namely:—

"(x) Any income received—

(a) by the Ruler of an Indian State as his privy purse under article 291 of the Constitution;

(b) by any ambassador, high commissioner, envoy, minister, *charge d'affaires*, commissioner, counsellor or the secretary, adviser or *attache* of an embassy, high commission, legation or commission of a foreign State as remuneration from such State for service in such capacity;

(c) by a *consul de carriere*, whether called a consul-general, consul, vice-consul, consular agent, pro-consul or by any other name, of a foreign State as remuneration from such State for service in such capacity;

(d) by a trade commissioner or other official representative in India of the Government of a foreign State (not holding office as such in an honorary capacity) as his remuneration, if the remuneration of the corresponding officials, if any, of the Government resident for similar purposes in the country concerned enjoys a similar exemption in that country;

(e) by a member of the staff of any of the officials referred to in clause (b) or clause (c) or clause (d) as his remuneration, if the member—

(i) is a subject of the country represented;

(ii) is not engaged in any business, profession, vocation or employment in India otherwise than as a member of such staff; and further, where the individual is a member of the staff of any official referred to in clause (d), if the country represented has made corresponding provisions for similar exemptions in the case of members of the staff of the corresponding officials of the Government.

(xa) Any allowances or perquisites paid or allowed as such without the taxable territories by the Government to a citizen of India for rendering service without the taxable territories.”

Amendments
of section
10.

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

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

“(2AA) For the purpose of computing the profits or gains of any business consisting of the prospecting for or extraction or production of mineral oils in relation to which the Central Government has entered into an agreement with any person for the association or participation in such business of the Central Government (which agreement has been laid on the Table of each House of Parliament), there shall be made in lieu of, or in addition to, the allowances admissible under sub-section (2), such allowances as are specified in the agreement in relation—

(a) to expenditure by way of infructuous or abortive exploration expenses in respect of any area surrendered prior to the beginning of commercial production by the assessee;

(b) after the beginning of commercial production, to expenditure incurred by the assessee, whether before or after such commercial production, in respect of drilling or exploration activities or services or in respect of physical assets used in that connection except assets on which allowance for depreciation is admissible under sub-section (2); and

(c) to the depletion of mineral oil in the mining area in respect of the assessment year relevant to the previous year in which commercial production is begun and for such succeeding year or years as may be specified in the agreement;

and such allowances shall be computed and made in the manner specified in the agreement, the other provisions of this Act being deemed for this purpose to have been modified to the extent necessary to give effect to the terms of the agreement”;

(ii) sub-section (2B) and (2C) shall be omitted.

Amendment
of section
12.

5. In section 12 of the Income-tax Act, for sub-section (1A), the following sub-section shall be substituted, namely:—

“(1A) Income from other sources shall include dividends and any dividend declared by a company or distributed or paid by it within the meaning of sub-clause (a) or sub-clause (b) or sub-clause (c) or sub-clause (d) or sub-clause (e) of clause (6A) of section 2, shall be deemed to be the income of the previous year in which it is so declared, distributed or paid, as the case may be.”.

Amendment
of section
15C.

6. In section 15C of the Income-tax Act, in clause (i) of sub-section (2), for the words and figures “used in a business which was being carried on before the 1st day of April, 1948”, the words “previously used in any other business” shall be substituted, and shall be deemed always to have been substituted.

Amendment
of section
16.

7. In section 16 of the Income-tax Act, sub-section (2) shall be omitted:

Amendment
of section
17.

8. In section 17 of the Income-tax Act,—

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

“(1A) Notwithstanding anything contained in sub-section (1), where a citizen of India, not resident in the taxable territories, is in receipt of salary from the Government for rendering service without the taxable territories, the tax, including super-tax payable by him on his total income for the assessment years commencing with the assessment year 1960-61 shall be determined with reference to his total world income in the manner specified in the first proviso to sub-section (1).”;

(ii) for sub-section (7), the following sub-section shall be substituted, namely:—

“(7) Where the total income of a company includes any income chargeable under the head “Capital Gains”, the super-tax payable by it shall be the aggregate of the tax calculated—

(i) at the rate of ten per cent. on the amount of Capital Gains so included, and

(ii) at the rate applicable to the company on its total income as reduced by the amount of the Capital Gains, had such reduced income been its total income.”

9. In section 18 of the Income-tax Act,—

Amendment
of section
18.

(i) in sub-section (2B), for the words “to a person not resident in the taxable territories shall, at the time of payment, deduct income-tax at the maximum rate and also super-tax on the estimated income of the assessee under this head in accordance with the provisions of clause (b) of sub-section (1) of section 17”, the words “to a person not resident in the taxable territories, not being a person referred to in sub-section (1A) of section 17, shall, at the time of payment, deduct income-tax and super-tax at the prescribed rates on the estimated income of the assessee under this head” shall be substituted;

(ii) for sub-sections (3) and (3A), the following sub-section shall be substituted, namely:—

“(3) The person responsible for paying any income chargeable under the head “Interest on Securities” shall, at the time of payment, deduct income-tax and super-tax at the prescribed rates on the amount of interest payable:

Provided that where, in the case of any recipient, the Income-tax Officer gives a certificate in writing (which certificate he shall give in every proper case on the application of the assessee) that to the best of his belief the total income or the total world income of the recipient will be less than the minimum liable to income-tax or will be liable to income-tax at a rate which is less than the prescribed rate, the person responsible for paying the interest to such recipient shall, until such certificate is cancelled by the Income-tax Officer, pay the interest without deduction or deduct the tax at such lesser rate, as the case may be:

Provided further that where the recipient is not a company, the proviso to sub-section (2B) shall apply to the deduction of super-tax under this sub-section as it applies to the deduction of super-tax under sub-section (2B).";

(iii) for sub-section (3B), the following sub-section shall be substituted, namely:—

“(3B) Any person responsible for paying to a person, not being a company, who is not resident in the taxable territories or to a company which is neither an Indian company nor a company which has made the prescribed arrangements for the declaration and payment of dividends within India, any interest, not being “Interest on Securities”, or any other sum, not being dividends, chargeable under the provisions of this Act, shall, at the time of payment, unless he is himself liable to pay any income-tax and super-tax thereon as an agent, deduct income-tax and super-tax at the prescribed rates:

Provided that where the recipient is not a company, the proviso to sub-section (2B) shall apply to the deduction of income-tax and super-tax under this sub-section as it applies to the deduction of income-tax and super-tax under sub-section (2B):

Provided further that nothing in this sub-section shall apply to any payment made in the course of transactions in respect of which a person responsible for payment is deemed under the first proviso to section 43 not to be an agent of the recipient.”;

(iv) for sub-section (3D), the following sub-sections shall be substituted, namely:—

“(3D) The principal officer of an Indian company or a company which has made the prescribed arrangements for the declaration and payment of dividends within India shall, before making any payment in cash, or before issuing any cheque or warrant in respect of any dividend or before making any distribution or payment to a shareholder of any dividend within the meaning of sub-clause (a) or sub-clause (b) or sub-clause (c) or sub-clause (d) or sub-clause (e) of clause (6A) of section 2, deduct on the amount of such dividend, income-tax and super-tax at the prescribed rates:

Provided that where, in the case of any shareholder, not being a company, the Income-tax Officer gives a certificate in writing (which certificate he shall give only in accordance with the rules made in this behalf) that to the best of his belief the total income or the total world income of the shareholder will be less than the minimum liable to income-tax, the principal officer responsible for paying any dividend to such shareholder shall, until such certificate is cancelled by the Income-tax Officer, pay the dividend without deduction.

(3E) Where any share held by a shareholder carries as respects dividends a preferential right to be paid a fixed amount or an amount calculated at a fixed rate free of tax, then, notwithstanding such preferential right, tax shall be deductible under sub-section (3D), and for the purposes of such deduction the amount payable to the shareholder as dividend shall be taken to be such amount as would, after deduction of a sum equal to thirty per cent. thereof, be equal to the net amount of dividend receivable by the shareholder free of tax.

(3F) Where the principal officer of a company considers that by reason of the provisions of section 15C no income-tax or super-tax will be payable by the recipient on the whole or any portion of the dividend referred to in sub-section (4) of that section he may, before paying the dividend to the shareholder, or issuing any cheque or warrant in respect thereof, make an application to the Income-tax Officer to determine the appropriate proportion of the dividend on which income-tax or super-tax is not payable by the recipient under the provisions of section 15C; and on such determination by the Income-tax Officer, no income-tax or super-tax shall be deducted on such proportionate amount."

(v) in sub-section (5).—

(a) the words, brackets and figures "and any sum by which a dividend has been increased under sub-section (2) of section 16" and the words and figures "or section 20, as the case may be" shall be omitted;

(b) in the third proviso, the words, brackets and figures "or in respect of any sum by which the dividend has been increased under sub-section (2) of section 16," shall be omitted;

(vi) in sub-section (7), for the words "If any such person does not deduct or after deducting fails to pay the tax as required by or under this section, he, and in the cases specified in sub-section (3D) the company of which he is the principal officer", the following words shall be substituted, namely:—

"If any person or the principal officer of a company does not deduct tax or after deducting fails to pay the sums deducted as required by or under this section, he, or the company, as the case may be,";

(vii) in sub-section (9),—

(a) the brackets, figure and letter "(3A)," shall be omitted;

(b) for the words "from which tax has been deducted, furnish to the person to whom such payment is made", the following words shall be substituted, namely:—

"or, as the case may be, at the time of issue of a cheque or warrant for payment of any dividend to a shareholder furnish to the person to whom such payment is made or the cheque or warrant is issued";

(viii) after sub-section (9), the following sub-sections shall be inserted, namely:—

"(10) Notwithstanding anything contained in this section, no deduction of tax shall be made on any interest or dividend payable to the Government or to the Reserve Bank of India in respect of any securities or shares owned by it or in which it has full beneficial interest.

(11) For the purposes of deduction of tax under sub-sections (2B), (3), (3B) and (3D) the expression "prescribed rates" means the rates prescribed in this behalf by the Finance Act of the year in which such deduction is required to be made."

Omission of section 20. 10. Section 20 of the Income-tax Act shall be omitted.

Amendment of section 23A. 11. In section 23A of the Income-tax Act, in *Explanation 2*, for the figures "45%" and "60%", in both the places where they occur, the figures "50%" and "65%" shall respectively be substituted.

Amendment of section 23B. 12. In section 23B of the Income-tax Act, in sub-section (6), the words "or deemed to have been paid" shall be omitted.

13. In section 35 of the Income-tax Act,—

(i) to sub-section (9), the following proviso shall be added, namely:—

“Provided that this sub-section shall not apply in relation to dividends payable by a company in respect of any previous year relevant to any assessment year commencing on or after the 1st day of April, 1960.”;

(ii) sub-section (10) shall be omitted.

14. For section 49B of the Income-tax Act, the following section shall be substituted, namely:—

49B. Where a company pays to a shareholder any dividend out of its profits and gains which is assessed to agricultural income-tax by any State Government, the shareholder shall be entitled to a reduction from the tax payable by him under this Act, of a sum equal to—

(a) that proportion of the agricultural income-tax (including super-tax, if any) paid by the company as the amount of the dividend attributable to the profits of the company assessed to agricultural income-tax bears to its total profits assessed to agricultural income-tax, reduced by the amount of refund, if any, allowed to him by the State Government; or

(b) where the shareholder—

(i) is not a company, the amount of income-tax (but not super-tax) payable by him under this Act; and

(ii) is a company, 20 per cent;

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

whichever is less.”.

15. Section 49C of the Income-tax Act shall be omitted.

16. In section 51 of the Income-tax Act, in clause (b), the words and figures “or by section 20” shall be omitted.

Amendment
of section 35

Substitution
of new sec-
tion for sec-
tion 49B.

Relief to
sharehold-
ers in res-
pect of agri-
cultural in-
come-tax
attributable
to dividend

Omission of
section 49C

Amendment
of section 51

Amendment of section 52. 17. In section 52 of the Income-tax Act, after the words, brackets and figures "or sub-section (3) of section 33", the words, brackets and figures "or furnishes a certificate under sub-section (9) of section 18" shall be inserted.

Amendment of section 58. 18. In section 58 of the Income-tax Act,—

(i) in sub-section (1), the word and figures "and 20" shall be omitted;

(ii) in sub-section (2), for the brackets, figure and letter "(3A)", the brackets and figure "(3)" shall be substituted.

Commencement of the amendments to Act 11 of 1922. 19. (1) The amendments to the Income-tax Act made by—

(a) sub-clause (a) of clause (i) of section 3, in so far as it seeks to omit the third proviso to sub-section (1) of section 4 in its application to income chargeable under the head "Salaries";

(b) sub-clause (b) of clause (i) and clause (ii) of section 3; and

(c) clause (i) of section 8;

shall, for the purpose of making any deductions of income-tax and super-tax under sub-section (2) of section 18 of the Income-tax Act, have effect on and from the first day of April, 1959, and for other purposes shall have effect on and from the first day of April, 1960.

(2) The amendments to the Income-tax Act made by section 9, section 10, section 16 and section 18 shall be deemed to have come into force on the first day of April, 1959.

(3) The amendments to the Income-tax Act made by section 5, section 7, clause (ii) of section 8, section 11, section 12, section 13, section 14 and section 15 shall have effect on and from the first day of April, 1960.

(4) Notwithstanding anything contained in sub-section (2) or sub-section (3), in relation to dividends declared or payable by a company in respect of any previous year relevant to any assessment year prior to the assessment year 1960-61, the Income-tax Act shall have effect as if the amendments contained in section 5, section 7, section 9, section 10, section 14, section 15, section 16 and section 18 had not been made.

27 of 1957.

20. In section 2 of the Wealth-tax Act, 1957 (hereinafter referred to as the Wealth-tax Act), in clause (m), the following amendments shall be made and shall be deemed always to have been made, namely:—

Amendment of section 2.

(i) in sub-clause (i), the word "and" shall be omitted;

(ii) in sub-clause (ii), the word "and" shall be inserted at the end; and

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

"(iii) the amount of the tax, penalty or interest payable in consequence of any order passed under or in pursuance of this Act or any law relating to taxation of income or profits, or the Estate Duty Act, 1953, the Expenditure-tax Act, 1957, or the Gift-tax Act, 1958,—

34 of 1953.

29 of 1957.

18 of 1958.

(a) which is outstanding on the valuation date and is claimed by the assessee in appeal, revision or other proceeding as not being payable by him, or

(b) which, although not claimed by the assessee as not being payable by him, is nevertheless outstanding for a period of more than twelve months on the valuation date;"

21. In the Schedule to the Wealth-tax Act,—

Amendment of Schedule.

(i) in the rates of tax specified in paragraphs (a) and (b) of Part I, for the figures "½%", "1%" and "1½%" in both the places where they occur, the figures "1%", "1½%" and "2%" shall respectively be substituted;

(ii) in Rule 2, for the figures and words "1.5 per cent", the figure and words "2 per cent" shall be substituted.

22. In section 2 of the Expenditure-tax Act, 1957 (hereinafter referred to as the Expenditure-tax Act),—

Amendment of section 2.

29 of 1957.

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

"(i) where the assessee is an individual, his or her spouse or minor child, and includes any person wholly or mainly dependent on the assessee for support and maintenance;"

(ii) for clause (n), the following clause shall be substituted, namely:—

“(n) “previous year”, in relation to any assessment year,—

(a) in the case of an assessee having a source of income, profits or gains in respect of which there is no previous year under the Income-tax Act, means the twelve months ending on the 31st day of March immediately preceding the assessment year;

(b) in the case of an assessee having different previous years under the Income-tax Act for different sources of income, profits or gains, means that previous year of twelve months determined as the previous year under sub-clause (a) of clause (11) (i) of section 2 of the Income-tax Act or such period determined as the previous year under sub-clause (b) of clause (11) (i) of that section, whichever expired last;

(c) in the case of any other assessee, means the previous year as defined in clause (11) of section 2 of the Income-tax Act if an assessment were to be made under that Act for that year:

Provided that where an assessment has been made under this Act for any assessment year in respect of the expenditure incurred by an assessee in the previous year, the meaning of the expression “previous year” as then applicable to him shall continue to apply in respect of any subsequent assessment year unless the assessee is allowed to vary it with the consent of the Expenditure-tax Officer who may, in allowing any such variation, impose such conditions as he may think fit.

Amendment of section 3. 23. In section 3 of the Expenditure-tax Act, for the proviso to sub-section (1), the following shall be substituted, namely:—

“Provided that no expenditure-tax shall be payable by an assessee for any assessment year if the income from all sources derived by the assessee and his dependants during the previous year as reduced by the amount of taxes to which such income may be liable under any law for the time being in force does not exceed rupees thirty-six thousand.

Explanation.—Income derived by an assessee or any of his dependants shall include—

(i) income which a trustee or any other person receives or is entitled to receive during the previous year on behalf of the assessee or any of his dependants, or both, as the case may be; and

(ii) in the case of an assessee being an individual who is a member of a Hindu undivided family or of any association of persons, any sum in money or money's worth spent or disbursed for the benefit of the assessee or any of his dependants during the previous year from or out of the income or property of the Hindu undivided family or the association, as the case may be.”.

24. In section 4 of the Expenditure-tax Act,—

(a) in clause (i), the words “which, but for the expenditure having been incurred by that other person, would have been incurred by the assessee,” shall be omitted;

Amendment
of section 4.

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

“(ii) where the assessee is an individual, any expenditure incurred by any dependant of the assessee, and where the assessee is a Hindu undivided family, any expenditure incurred by any dependant from or out of any income or property transferred directly or indirectly to the dependant by the assessee.”.

25. In section 5 of the Expenditure-tax Act,—

(i) in clause (e), for the words “or in the construction, repair, maintenance or improvement of any immovable property belonging to him”, the words “or in the construction of any building, or in the repair, maintenance or improvement of a building or part thereof not in the occupation of the assessee or any of his dependants” shall be substituted;

Amendment
of section 5.

(ii) for clause (f), the following clause shall be substituted, namely:—

“(f) any expenditure incurred by the assessee by way of investment in deposits, loans, shares and securities;”;

(iii) for clause (g), the following clause shall be substituted, namely:—

“(g) any expenditure incurred by the assessee in the purchase of products of any cottage industry in India or any

work of art, where the price of any such article exceeds rupees one thousand, and any expenditure incurred by the assessee in the purchase of books;”.

Amendment
of section 6.

26. In section 6 of the Expenditure-tax Act, in sub-section (1),—

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

“(iii) taxes paid to a local authority in respect of any property in the occupation of the assessee or any of his dependants or both;”;

(ii) in clause (d), for the words “on the purchase of furniture and other household goods”, the words “on the purchase of bullion, precious stones, jewellery, furniture and other household goods” shall be substituted;

(iii) for clause (h), the following clause shall be substituted, namely:—

“(h) a basic allowance—

(i) where the assessee is an individual, of Rs. 30,000 for himself and all his dependants; and

(ii) where the assessee is a Hindu undivided family, of Rs. 30,000 in respect of the karta and his wife and children, and a further allowance of Rs. 3,000 for every additional coparcener;

Provided that the basic allowance for the Hindu undivided family as a whole shall not exceed Rs. 60,000 in any case:

Provided further that the allowance of Rs. 3,000 for any additional coparcener shall not be allowed where the coparcener is separately assessed under this Act and is entitled to the allowance of Rs. 30,000 under sub-clause (i).”

Amendment
of section 2.

27. In section 2 of the Gift-tax Act, 1958, in clause (xx),—

18 of 19

(i) in sub-clause (a), after the words “in the case of an assessee”, the words “having no source of income, profits or gains or” shall be inserted;

(ii) after sub-clause (c), the following provisos shall be inserted, namely:—

‘Provided that where a person who has not been assessed under this Act for any assessment year makes a

gift on a date which does not fall within a previous year as defined in sub-clause (a) or sub-clause (b) or sub-clause (c), the previous year shall be the twelve months ending on the 31st day of March immediately preceding the assessment year:

Provided further that where an assessment has been made under this Act for any assessment year in respect of gifts made by an assessee during any previous year, the meaning of the expression "previous year" as then applicable to him shall continue to apply for any subsequent assessment year unless the assessee is allowed to vary it with the consent of the Gift-tax Officer who may, in allowing any such variation, impose such conditions as he may think fit;.

28. The Indian Tariff Act, 1934 (hereinafter referred to as the Tariff Act), shall be amended in the manner specified in the Second Schedule. Amendment of Act 32 of 1934.

29. In the Indian Tariff (Amendment) Act, 1949, in sections 4 and 5, for the figures "1959", the figures "1960" shall be substituted. Amendment of Act 1 of 1949.

30. In the First Schedule to the Central Excises and Salt Act, 1944,— Amendment of Act 1 of 1944.

(a) in Item No. 8, for the entry in the third column against sub-item (2), the entry "Five rupees and sixty naye paise per cwt." shall be substituted;

(b) in Item No. 9,—

(i) in sub-item I(5), for the description of goods in the second column, the following shall be substituted, namely:—

"if other than flue-cured and not actually used for the manufacture of (a) cigarettes or (b) smoking mixtures for pipes and cigarettes or (c) biris—

(i) stems of tobacco larger than $\frac{1}{4}$ inch in size,

(ii) dust of tobacco,

(iii) granule ('rawa') of tobacco capable of passing through a sieve made of wire not finer than 24 S.W.G. (0.022 inch diameter) and containing not less than 18 uniform circular or square apertures per linear inch,

(iv) tobacco cured in whole leaf form and packed or tied in bundles, hanks or bunches or in the form of twists or coils.

Explanation.—Such varieties of unmanufactured tobacco used in the manufacture of biris as the Central Government, by notification in the Official Gazette, specifies in this behalf shall not be deemed to fall within this sub-item but shall be deemed to be unmanufactured tobacco, not otherwise specified, within the meaning of sub-item (6).”;

(ii) in sub-item II(2), for the entries in the third column against sub-items (vii), (viii) and (ix), the entries “Three rupees and fifteen naye paise”, “Two rupees” and “One rupee and twenty naye paise” shall respectively be substituted;

(c) in Item No. 10, for the entry in the third column against sub-item (1), the entry “40 per cent. *ad valorem*” shall be substituted;

(d) in Item No. 11, for the entry in the third column, the entry “Eight rupees and seventy-five naye paise per cwt.” shall be substituted;

(e) in Item No. 12A, for the entry in the third column, the entry “Six naye paise per square yard” shall be substituted;

(f) in Item No. 24, for the entry in the third column, the entry “Eighty naye paise per imperial gallon” shall be substituted;

(g) in Item No. 25, for the entry in the third column against sub-item (a), the entry “Fifty rupees per ton” shall be substituted.

Discontinu-
ance of salt
duty.

31. For the year beginning on the 1st day of April, 1959, no duty under the Central Excises and Salt Act, 1944, or the Tariff Act shall be levied in respect of salt manufactured in, or imported into, India. 1 of 1944. 32 of 193.

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THE FIRST SCHEDULE

(See section 2)

PART I

Income-tax and surcharge on income-tax

PARAGRAPH A

(i) In the case of every individual who is married and every Hindu undivided family whose total income does not exceed Rs. 20,000 in either case—

Rates of Income-tax

Where the individual has no child wholly or mainly dependent on him or where the Hindu undivided family has no minor coparcener.	Where the individual has one child wholly or mainly dependent on him or where the Hindu undivided family has one minor coparcener.	Where the individual has more than one child wholly or mainly dependent on him or where the Hindu undivided family has more than one minor coparcener.
--	--	--

	Rs. 3,000	of total income.	Rs. 3,300	of total income.	Rs. 3,600	of total income.	Nil.
(1) On the first							
(2) On the next	2,000	”	1,700	”	1,400	”	3%
(3) On the next	2,500	”	2,500	”	2,500	”	6%
(4) On the next	2,500	”	2,500	”	2,500	”	9%
(5) On the next	2,500	”	2,500	”	2,500	”	11%
(6) On the next	2,500	”	2,500	”	2,500	”	14%
(7) On the next	5,000	”	5,000	”	5,000	”	18%

(ii) In the case of every individual who is not married and every individual or Hindu undivided family whose total income in either case exceeds Rs. 20,000 and in the case of every unregistered firm or ~~or Paragraph C or Paragraph D of this Part applies:—~~
or Paragraph C or Paragraph D of this Part applies:—

	Rs.		
(1) On the first	1,000	of total income	Nil.
(2) On the next	4,000	”	3%
(3) On the next	2,500	”	6%
(4) On the next	2,500	”	9%
(5) On the next	2,500	”	11%
(6) On the next	2,500	”	14%
(7) On the next	5,000	”	18%
(8) On the balance of total income			25%

(Other association of persons, not being a case to which Paragraph B)

Provided that for the purposes of this Paragraph—

(i) no income-tax shall be payable on a total income which does not exceed the limit specified below;

(ii) the income-tax payable shall in no case exceed half the amount by which the total income exceeds the said limit;

(iii) the income-tax payable by an individual who is married or a Hindu undivided family whose total income exceeds in either case Rs. 20,000 shall not exceed the aggregate of—

(a) the income-tax which would have been payable if the total income had been Rs. 20,000;

(b) half the amount by which the total income exceeds Rs. 20,000;

The limit aforesaid shall be—

(i) 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 conditions, namely:—

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

(b) 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;

(ii) Rs. 3,000 in every other case.

Surcharges on income-tax

The amount of income-tax computed at the rates hereinbefore specified shall be increased by the aggregate of the surcharges calculated as under:—

(a) A surcharge for purposes of the Union equal to the sum of—

(i) five per cent. of the amount of income-tax; and

(ii) where the earned income included in the total income exceeds Rs. 1,00,000, five per cent. of the difference between the amount of income-tax which would have been payable on the whole of the earned income included in the total income if such earned income had been the total income and the amount of income-tax payable on a total income of Rs. 1,00,000;

(b) A special surcharge on unearned income at fifteen per cent. of the difference between the amount of income-tax on the

total income and the amount of income-tax on the whole of the earned income, if any, included in the total income if such earned income had been the total income:

Provided that—

(i) no surcharge for purposes of the Union shall be payable where the total income does not exceed the limit specified below;

(ii) no special surcharge on unearned income shall be payable in the case of an assessee whose total income does not include any income from dividend on ordinary shares if his total income does not exceed the limit specified below, and where the total income includes any dividends on ordinary shares, such limit shall be increased by Rs. 1,500 or the amount of the said dividends, whichever is less:

Provided further that—

(a) where the total income includes any dividends on ordinary shares, the surcharge for purposes of the Union and the special surcharge on unearned income shall not in each case exceed half the amount by which the total income exceeds the respective limits applicable in either case;

(b) the surcharge for purposes of the Union and the special surcharge on unearned income, both together, shall not exceed half the amount by which the total income exceeds the limit specified below;

The limit aforesaid shall be—

(i) Rs. 15,000 in the case of every Hindu undivided family which satisfies as at the end of the previous year either of the following conditions, namely:—

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

(b) 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;

(ii) Rs. 7,500 in every other case.

Explanation.—For the purposes of this Paragraph, in the case of every Hindu undivided family governed by the *Mitakshara* law, a son shall be deemed to be entitled to claim partition of the coparcenary property against his father, or grand-father notwithstanding any custom to the contrary.

PARAGRAPH B

In the case of every company and local authority,—

Rate of income-tax

On the whole of the total income 30%

Surcharge on income-tax

The amount of income-tax computed at the rates hereinbefore specified shall be increased by a surcharge of 5 per cent. thereon.

PARAGRAPH C

In every case in which under the provisions of the Income-tax Act, income-tax is to be charged at the maximum rate,—

Rate of income-tax

On the whole of the total income 25%

Surcharge on income-tax

The amount of income-tax computed at the rate hereinbefore specified shall be increased by a surcharge of 20 per cent. thereon.

PARAGRAPH D

In the case of every registered firm,—

Rates of income-tax

(1) On the first Rs. 40,000 of total income	..	Nil
(2) On the next Rs. 35,000 of total income	..	5%
(3) On the next Rs. 75,000 of total income	..	6%
(4) On the balance of total income	..	9%

PART II

Super-tax and surcharge on super-tax

PARAGRAPH A

In the case of every individual, Hindu undivided family, unregistered firm and other association of persons, not being a case to which any other Paragraph of this Part applies,—

Rates of super-tax

(1) On the first Rs. 20,000 of total income	..	Nil
(2) On the next Rs. 5,000 of total income	..	5%
(3) On the next Rs. 5,000 of total income	..	15%
(4) On the next Rs. 10,000 of total income	..	20%
(5) On the next Rs. 10,000 of total income	..	30%
(6) On the next Rs. 10,000 of total income	..	35%
(7) On the next Rs. 10,000 of total income	..	40%
(8) On the balance of total income	..	45%

Surcharges on super-tax

The amount of super-tax computed at the rates hereinbefore specified shall be increased by the aggregate of the surcharges calculated as under:—

(a) A surcharge for purposes of the Union equal to the sum of—

(i) five per cent. of the amount of super-tax; and

(ii) where the earned income included in the total income exceeds Rs. 1,00,000, five per cent. of the difference between the amount of super-tax which would have been payable on the whole of the earned income included in the total income, if such earned income had been the total income and the amount of super-tax payable on a total income of Rs. 1,00,000;

(b) A special surcharge on unearned income at fifteen per cent. of the difference between the amount of super-tax on the total income and the amount of super-tax on the whole of the earned income, if any, included in the total income, if such earned income had been the total income.

PARAGRAPH B

In the case of every local authority,—

Rate of super-tax

On the whole of the total income	16%
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Surcharge on super-tax

The amount of super-tax computed at the rates hereinbefore specified shall be increased by a surcharge of 12½ per cent. thereon.

PARAGRAPH C

In the case of every association of persons being a co-operative society as defined in clause (5B) of section 2 of the Income-tax Act,—

Rates of super-tax

(1) On the first Rs. 25,000 of total income	..	Nil
(2) On the balance of total income	..	16%

Surcharge on super-tax

The amount of super-tax computed at the rates hereinbefore specified shall be increased by a surcharge of 12½ per cent. thereon.

PARAGRAPH D

In the case of the Life Insurance Corporation of India established under the Life Insurance Corporation Act, 1956,—

31 of 1951

Rate of super-tax

On the whole of its profits and gains from life insurance business. 11%

In the case of every other company,—

Rates of super-tax

On the whole of the total income 50%:

Provided that,—

(i) a rebate at the rate of 40 per cent. on so much of the total income as consists of dividends from a subsidiary Indian company and a rebate at the rate of 35 per cent. on the balance of the total income shall be allowed in the case of any company which—

(a) in respect of its profits liable to tax under the Income-tax Act for the year ending on the 31st day of March, 1960, has made the prescribed arrangements for the declaration and payment within India of the dividends payable out of such profits and for the deduction of super-tax from dividends in accordance with the provisions of sub-section (3D) of section 18 of that Act; and

(b) is such a company as is referred to in sub-section (9) of section 23A of the Income-tax Act with a total income not exceeding Rs. 25,000;

(ii) a rebate at the rate of 40 per cent. on so much of the total income as consists of dividends from a subsidiary Indian company and a rebate at the rate of 30% on the balance of the total income shall be allowed in the case of any company which satisfies condition (a) but not condition (b) of the preceding clause;

(iii) a rebate at the rate of 40% on so much of the total income as consists of dividends from a subsidiary Indian company and a rebate at the rate of 20% on the balance of the total income shall be allowed in the case of any company not entitled to a rebate under either of the preceding clauses:

Provided further that,—

(i) the amount of the rebate under clause (i) or clause (ii) 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:—

II of 1958.

(a) on that part of the aggregate of the sums arrived at in accordance with clause (i) of the second proviso to Paragraph D of Part II of the First Schedule to the Finance Act, 1958, as has not been 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*; The whole amount of such part.

(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 to the extent to which such bonus shares or bonus have been issued out of premiums received in cash on the issue of its shares ; and at the rate of 30%

(c) in addition, in the case of a company referred to in clause (ii) of the preceding proviso which has distributed to its shareholders during the previous year dividends in excess of six per cent. of its paid-up capital, not being dividends payable at a fixed rate—

(A) in the case of a company which is not such as is referred to in sub-section (9) of section 23A of the Income-tax Act—

on that part of the said dividends which exceeds 6 per cent. but does not exceed 10 per cent. of the paid-up capital ; at the rate of 10%

on that part of the said dividends which exceeds 10 per cent. of the paid-up capital ; at the rate of 20%

and

(B) in the case of any other company—

on that part of the said dividends which exceeds 6 per cent. but does not exceed 10 per cent. of the paid-up capital ; at the rate of 10%

on that part of the said dividends which exceeds 10 per cent. but does not exceed 18 per cent. of the paid-up capital ; at the rate of 20%

on that part of the said dividends which exceeds 18 per cent. of the paid-up capital ; at the rate of 30%

(ii) where the sum arrived at in accordance with clause (i) of this proviso exceeds the amount of the rebate arrived at in accordance with clause (i) or clause (ii), as the case may be, of 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 super-tax payable by a company, the total income of which exceeds rupees twenty-five thousand shall not exceed the aggregate of—

(a) the super-tax which would have been payable by the company if its total income had been rupees twenty-five thousand, and

(b) half the amount by which its total income exceeds rupees twenty-five thousand.

Explanation.—For the purposes of this Paragraph,—

(i) the expression “paid-up capital” means the paid-up capital (other than capital entitled to a dividend at a fixed rate) of the company as on the first day of the previous year relevant to the assessment for the year ending on the 31st day of March 1960, increased by any premiums received in cash by the company on the issue of its shares, standing to the credit of the share premium account as on the first day of the previous year aforesaid;

(ii) the expression “dividend” shall be deemed to include any distribution included in the expression “dividend” as defined in clause (6A) of section 2 of the Income-tax Act;

(iii) where any portion of the profits and gains of the company is not included in its total income by reason of such portion being exempt from tax under any provision of the Income-tax Act, the “paid-up capital” of the company, the amount distributed as dividends (not being dividends payable at a fixed rate), the amount representing the face value of any bonus shares and the amount of any bonus issued to the share-holders shall each be deemed to be such proportion thereof as the total income of the company for the previous year bears to its total profits and gains for that year other than capital receipts, reduced by such allowances as may be admissible under the Income-tax Act which have not been taken into account by the company in its profit and loss account for that year.

PART III

Rates for deduction of tax under section 18 of the Income-tax Act at the prescribed rates

In every case in which under the provisions of section 18 of the Income-tax Act tax is to be deducted at the prescribed rates, deduc-

tion shall be made from the income subject to deduction at the following rates:—

	Income-tax		Super-tax	
	Rate of Income-tax	Rate of Surcharge	Rate of Super-tax	Rate of Surcharge
1. In the case of a person other than a company—				
(a) in every case, on the whole income (excluding interest payable on any security of the Central Government issued or declared to be income-tax free), and	25%	5%		
(b) in addition, where the person is one whom the person responsible for paying the income has no reason to believe to be resident in the taxable territories, on the whole income.				Super-tax and surcharge on super-tax in accordance with the provisions of clause (b) of sub-section (1) of section 17 of the Income-tax Act.
			Rate of Income-tax	Rate of Super-tax
2. In the case of a company—				
(a) in every case—				
(i) on the whole income (excluding interest payable on any security of the Central Government issued or declared to be income-tax free) ; and			20%	
(ii) on the whole income (excluding dividends payable by an Indian company referred to in section 56A of the Income-tax Act) ; and				10%
(b) in addition,—				
(i) where the company is 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 dividends payable by its subsidiary Indian company, if any, or by an Indian company referred to in section 56A of the Income-tax Act).				15%
(ii) 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, on the whole income (excluding dividends payable by its subsidiary Indian company, if any, or by an Indian company referred to in section 56A of the Income-tax Act)				33%

THE SECOND SCHEDULE

(See section 28)

In the First Schedule to the Tariff Act,—

(i) in Item No. 29, for the existing entry in the fourth column, the entry "Rs. 2 per 100 linear feet" shall be substituted;

(ii) for Item No. 39(1), the following Items shall be substituted, 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	
1	2	3	4	5	6	7
"39(1)	Rubber manufactures, not otherwise specified, excluding apparel.	Revenue	35 per cent. <i>ad valorem.</i>	..	..	..
39(2)	Rubber tyres and tubes for motor vehicles.	Revenue	40 per cent. <i>ad valorem.</i>	..	..	..
39(3)	Rubber tyres and tubes not otherwise specified.	Revenue	35 per cent. <i>ad valorem.</i>	..	..	.."

THE INDIAN RAILWAYS (AMENDMENT) ACT, 1959

No. 13 OF 1959

[1st May, 1959]

An Act further to amend the Indian Railways Act, 1890.

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

1. This Act may be called the Indian Railways (Amendment) Act, Short title, 1959.
2. In section 40 of the Indian Railways Act, 1890 (hereinafter referred to as the principal Act), for the word "President", the word "Chairman" shall be substituted. Amendment of section 40.
3. In section 68 of the principal Act,— Amendment of section 68.
 - (a) in sub-section (1), after the words "railway servant", the words "empowered in this behalf by the railway administration" shall be inserted;
 - (b) in sub-section (2), the words "if empowered in this behalf by the railway administration," shall be omitted.
4. In section 108 of the principal Act, for the words "with fine which may extend to fifty rupees", the words "with imprisonment for a term which may extend to three months, or with fine which may extend to two hundred and fifty rupees, or with both" shall be substituted. Amendment of section 108.
5. In sub-section (1) of section 109 of the principal Act, for the words "refuses to leave it when required to do so by any railway servant, he shall be punished with fine which may extend to twenty rupees", the following words shall be substituted, namely:— Amendment of section 109.

"or having unauthorisedly occupied a berth or seat reserved by a railway administration for the use of another passenger, refuses to leave it when required to do so by any railway servant, he may be removed from the compartment or the berth or seat, as the case may be, by any railway servant authorised by the

railway administration in this behalf or by any other person whom such railway servant may call to his aid and he shall also be punishable with fine which may extend to twenty rupees”.

Amendment
of section
112.

6. In section 112 of the principal Act,—

(1) in sub-section (1), for the words “in addition to the amount of the single fare for any distance which he may have travelled”, the following words shall be substituted, namely:—

“and shall also be liable to pay the excess charge hereinafter in this section mentioned in addition to the ordinary single fare for the distance which he has travelled, or where there is any doubt as to the station from which he started, the ordinary single fare from the station from which the train originally started, or if the tickets of passengers travelling in the train have been examined since the original starting of the train, the ordinary single fare from the place where the tickets were examined or, in case of their having been examined more than once, were last examined”;

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

“(1A) The excess charge referred to in sub-section (1), shall be a sum equivalent to the ordinary single fare referred to in that sub-section or fifty *naye paise*, whichever is greater.”.

Insertion of
new section
113B.

7. After section 113A of the principal Act, the following section shall be inserted, namely:—

Security for
good
behaviour
in certain
cases.

“113B. (1) When a court convicting a person of an offence under section 112 or section 113 finds that he has been habitually committing or attempting to commit that offence and the court is of opinion that it is necessary or desirable to require that person to execute a bond for good behaviour, such court may at the time of passing the sentence on the person order him to execute a bond, with or without sureties, for such amount and for such period not exceeding three years as it thinks fit.

(2) An order under this section may also be made by an appellate court or by the High Court when exercising its powers of revision.”.

8. In section 114 of the principal Act, for the words "with fine which may extend to two hundred rupees", the words "with imprisonment for a term which may extend to three months, or with fine which may extend to two hundred and fifty rupees, or with both" shall be substituted. Amendment of section 114.

9. In section 116 of the principal Act, for the words "with fine which may extend to fifty rupees", the words "with imprisonment for a term which may extend to three months, or with fine which may extend to two hundred and fifty rupees, or with both" shall be substituted. Amendment of section 116.

10. After section 120 of the principal Act, the following section shall be inserted, namely:— Insertion of new section 120A.

"120A. (1) If a person canvasses for any custom or hawks or exposes for sale any article whatsoever, in any railway carriage or upon any part of a railway, except under and in accordance with the terms and conditions of a licence granted by the railway administration in this behalf, he shall be punishable with fine which may extend to two hundred and fifty rupees. Canvassing or hawking on a railway.

(2) Any such person as is referred to in sub-section (1) may be removed from the carriage or part of the railway by any railway servant authorised by the railway administration in this behalf or by any other person whom such railway servant may call to his aid."

11. In section 121 of the principal Act, for the words "with fine which may extend to one hundred rupees", the words "with imprisonment for a term which may extend to six months, or with fine which may extend to five hundred rupees, or with both" shall be substituted. Amendment of section 121.

12. In section 131 of the principal Act, after the figures "101," the figures "108, 112," shall be inserted. Amendment of section 131.

THE RESERVE BANK OF INDIA (AMENDMENT)
ACT, 1959
No. 14 OF 1959

[1st May, 1959]

An Act further to amend the Reserve Bank of India Act, 1934.

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

Short title. 1. This Act may be called the Reserve Bank of India (Amendment) Act, 1959.

Insertion of new section 28A in Act 2 of 1934. 2. After section 28 of the Reserve Bank of India Act, 1934, the following section shall be inserted, namely:—

Issue of special bank notes and special one rupee notes in certain cases.

‘28A. (1) For the purpose of controlling the circulation of bank notes without India, the Bank may, notwithstanding anything contained in any other provision of this Act, issue bank notes of such design, form and material as may be approved under sub-section (3) (hereinafter in this section referred to as special bank notes) of the denominational values of five rupees, ten rupees and one hundred rupees.

(2) For the purpose of controlling the circulation of Government of India one rupee notes without India, the Central Government may, notwithstanding anything contained in any other provision of this Act or in the Currency Ordinance, 1940, issue Government of India notes of the denominational value of one rupee of such design, form and material as may be adopted under sub-section (3) (hereinafter in this section referred to as special one rupee notes). of 1940.

(3) The design, form and material of the special bank notes shall be such as may be approved by the Central Government after consideration of the recommendations made by the Governor and of the special one rupee notes shall be such as the Central Government may think fit to adopt.

(4) Neither the special bank notes nor the special one rupee notes shall be legal tender in India.

(5) The special one rupee note shall be deemed to be included in the expression "rupee coin" for all the purposes of this Act except section 39, but shall be deemed not to be a currency note for any of the purposes of this Act.

(6) Where a special bank note is on its face expressed to be payable at a specified office or branch of the Bank, the obligation imposed by section 39 shall be only on the specified office or branch and, further, shall be subject to such regulations as may be made under this section.

(7) The Bank may, with the previous sanction of the Central Government, make regulations to provide for all matters for which provisions is necessary or convenient for the purpose of giving effect to the provisions of this section, and, in particular, the manner in which, and the conditions or limitations subject to which—

(i) bank notes and one rupee notes in circulation in any country outside India may be replaced by special notes issued under this section;

(ii) any such special notes may be exchanged for any other bank notes or one rupee notes.

THE CHARTERED ACCOUNTANTS (AMENDMENT)
ACT, 1959

No. 15 OF 1959

[6th May, 1959]

An Act further to amend the Chartered Accountants Act, 1949.

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

Short title
and com-
mencement.

1. (1) This Act may be called the Chartered Accountants (Amendment) Act, 1959.

(2) It shall come into force on such date¹ as the Central Government may, by notification in the Official Gazette, appoint.

Amendment
of long title
and
preamble.

2. In the long title of, and the preamble to, the Chartered Accountants Act, 1949 (hereinafter referred to as the principal Act), for the words "profession of accountants", the words "profession of chartered accountants" shall be substituted. ^{38 of 1949}

Amendment
of section 2.

3. In section 2 of the principal Act,—

(i) in clause (b) of sub-section (1), the words "and who is in practice" shall be omitted;

(ii) in sub-section (2),—

(a) after the words "chartered accountants" or "chartered accountant", wherever they occur, the words "in practice" shall be inserted;

(b) for the words "a firm of chartered accountants", the words "a firm of such chartered accountants" shall be substituted.

Amendment
of section 5.

4. For sub-section (3) of section 5 of the principal Act, the following sub-section shall be substituted, namely:—

"(3) A member, being an associate who has been in continuous practice in India for at least five years, whether before or after the commencement of this Act, or whether partly before and partly after the commencement of this Act, and a member

¹1st July, 1959 *vide* G.S.R. 728, dt. 22-6-59, See Gazette of India, Pt. II, Sec. 3 (i), p. 890.

who has been an associate for a continuous period of not less than five years and who possesses such qualifications as the Council may prescribe with a view to ensuring that he has experience equivalent to the experience normally acquired as a result of continuous practice for a period of five years as a chartered accountant shall, on payment of the prescribed entrance fee, which shall not exceed rupees two hundred in any case, and on application made and granted in the prescribed manner, be entered in the Register as a fellow of the Institute and shall be entitled to use the letters F.C.A. after his name to indicate that he is a fellow of the Institute of Chartered Accountants.”.

5. In section 6 of the principal Act,—

Amendment
of section 6.

(i) in sub-section (1), after the words “entitled to practise”, the words “whether in India or elsewhere” shall be inserted;

(ii) for sub-section (2), the following sub-section shall be substituted, namely:—

“(2) Every such member shall pay such annual fee for his certificate as may be prescribed, and such fee shall be payable on or before the 1st day of April in each year.”.

6. In section 7 of the principal Act, for the words beginning with “Every member of the Institute” and ending with “in substitution therefor”, the following shall be substituted, namely:—

Amendment
of section 7.

“Every member of the Institute in practice shall, and any other member may, use the designation of a chartered accountant and no member using such designation shall use any other description, whether in addition thereto or in substitution therefor”.

7. In section 8 of the principal Act,—

Amendment
of section 8.

(i) for clause (ii), the following clause shall be substituted, namely:—

“(ii) is of unsound mind and stands so adjudged by a competent court; or”;

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

“(vi) has been removed from membership of the Institute on being found on inquiry to have been guilty of professional or other misconduct:

Provided that a person who has been removed from membership for a specified period, shall not be entitled to have his name entered in the Register until the expiry of such period."

Amendment
of section 9.

8. In sub-section (2) of section 9 of the principal Act,—

(i) in clause (a), for the words "persons elected by members of the Institute", the following shall be substituted, namely:—

"not more than twenty-four persons elected by members of the Institute";

(ii) in clause (b), for the words "five persons", the words "six persons" shall be substituted.

Substitution
of new
section for
section 10.

9. For section 10 of the principal Act, the following section shall be substituted, namely:—

Mode of
election to
the Council.

"10. (1) Elections under clause (a) of sub-section (2) of section 9 shall be conducted in the prescribed manner.

(2) Where any dispute arises regarding any such election the matter shall be referred by the Council to a Tribunal appointed by the Central Government in this behalf and the decision of such Tribunal shall be final:

Provided that no such reference shall be made except on an application made to the Council by an aggrieved party within thirty days from the date of the declaration of the result of the election.

(3) The expenses of the Tribunal shall be borne by the Council."

Amendment
of section 12.

10. In section 12 of the principal Act, in sub-section (4), for the words "On the dissolution of the Council, the President of the Council at the time of such dissolution", the words "On the expiration of the duration of the Council, the President of the Council at the time of such expiration" shall be substituted.

Amendment
of section
13.

11. To sub-section (3) of section 13 of the principal Act, the following proviso shall be added, namely:—

"Provided that no election shall be held to fill a casual vacancy occurring within six months prior to the date of the

expiration of the duration of the Council, but such a vacancy may be filled by nomination by the Central Government after consultation with the President of the Council."

12. Section 14 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:—

Amendment
of section
14.

"(2) Notwithstanding the expiration of the duration of a Council (hereinafter referred to as the former Council), the former Council shall continue to exercise its functions until a new Council is constituted in accordance with the provisions of this Act, and on such constitution, the former Council shall stand dissolved."

13. In sub-section (2) of section 15 of the principal Act,—

Amendment
of section
15.

(i) in clause (b), for the words "articled clerks", the words "articled and audit clerks" shall be substituted;

(ii) in clause (g), the words "chartered accountants, associates," shall be omitted;

(iii) in clause (i), for the words "chartered accountants", the words "members of the Institute" shall be substituted.

14. In section 16 of the principal Act,—

Amendment
of section
16.

(i) in clause (e) of sub-section (1), after the words "members of the Council", the words "and members of its committees" shall be inserted;

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

"(3) The Secretary of the Council shall be entitled to participate in the meetings of the Council but shall not be entitled to vote thereat."

15. In section 17 of the principal Act, for sub-section (2), the following sub-section shall be substituted, namely:—

Amendment
of section
17.

"(2) The Council may also form such other committees from amongst its members as it deems necessary for the purpose of carrying out the provisions of this Act, and any committee so formed may, with the sanction of the Council, co-opt such other members of the Institute not exceeding two-thirds of the mem-

bers of the committee as the committee thinks fit, and any member so co-opted shall be entitled to exercise all the rights of a member of the committee.”.

Amendment
of section
18.

16. In sub-section (4) of section 18 of the principal Act, after the words “a chartered accountant”, the words “in practice” shall be inserted.

Amendment
of section
19.

17. In section 19,—

(i) for sub-section (3), the following sub-section shall be substituted, namely:—

“(3) The Council shall cause to be published in such manner as may be prescribed, a list of members of the Institute as on the 1st day of April of each year, and shall, if requested to do so by any such member, send to him a copy of such list.”;

(ii) in sub-section (4), after the words “annual membership fee”, the following shall be inserted, namely:—

“differing in amount according as he is an associate or a fellow of the Institute.”.

Substitution
of new section
for section
20.

18. For section 20 of the principal Act, the following section shall be substituted, namely:—

Removal
from the
Register.

“20. (1) The Council may remove from the Register the name of any member of the Institute—

(a) who is dead; or

(b) from whom a request has been received to that effect; or

(c) who has not paid any prescribed fee required to be paid by him; or

(d) who is found to have been subject at the time when his name was entered in the Register, or who at any time thereafter has become subject, to any of the disabilities mentioned in section 8, or who for any other reason has ceased to be entitled to have his name borne on the Register.

(2) The Council shall remove from the Register the name of any member in respect of whom an order has been passed under this Act removing him from membership of the Institute.”.

19. For Chapter V of the principal Act, the following Chapter shall be substituted, namely:—

Substitution
of new
Chapter for
Chapter V.

‘CHAPTER V

MISCONDUCT

21. (1) Where on receipt of information by, or of a complaint made to, it, the Council is *prima facie* of opinion that any member of the Institute has been guilty of any professional or other misconduct, the Council shall refer the case to the Disciplinary Committee, and the Disciplinary Committee shall thereupon hold such inquiry and in such manner as may be prescribed, and shall report the result of its inquiry to the Council.

Procedure
in inquiries
relating to
misconduct
of members
of Institute.

(2) If on receipt of such report the Council finds that the member of the Institute is not guilty of any professional or other misconduct, it shall record its finding accordingly and direct that the proceedings shall be filed or the complaint shall be dismissed, as the case may be.

(3) If on receipt of such report the Council finds that the member of the Institute is guilty of any professional or other misconduct, it shall record a finding accordingly and shall proceed in the manner laid down in the succeeding sub-sections.

(4) Where the finding is that a member of the Institute has been guilty of a professional misconduct specified in the First Schedule, the Council shall afford to the member an opportunity of being heard before orders are passed against him on the case, and may thereafter make any of the following orders, namely:—

(a) reprimand the member;

(b) remove the name of the member from the Register for such period, not exceeding five years, as the Council thinks fit:

Provided that where it appears to the Council that the case is one in which the name of the member ought to be removed from the Register for a period exceeding five years or permanently, it shall not make any order referred to in clause (a) or clause (b), but shall forward the case to the High Court with its recommendations thereon.

(5) Where the misconduct in respect of which the Council has found any member of the Institute guilty is misconduct other than any such misconduct as is referred to in sub-section (4), it shall forward the case to the High Court with its recommendations thereon.

(6) On receipt of any case under sub-section (4) or sub-section (5), the High Court shall fix a date for the hearing of the case and shall cause notice of the date so fixed to be given to the member of the Institute concerned, the Council and to the Central Government, and shall afford such member, the Council and the Central Government an opportunity of being heard, and may thereafter make any of the following orders, namely:—

(a) direct that the proceedings be filed, or dismiss the complaint, as the case may be;

(b) reprimand the member;

(c) remove him from membership of the Institute either permanently or for such period as the High Court thinks fit;

(d) refer the case to the Council for further inquiry and report.

(7) Where it appears to the High Court that the transfer of any case pending before it to another High Court, will promote the ends of justice or tend to the general convenience of the parties, it may so transfer the case, subject to such conditions, if any, as it thinks fit to impose, and the High Court to which such case is transferred shall deal with it as if the case had been forwarded to it by the Council.

Explanation I.—In this section “High Court” means the highest civil court of appeal, not including the Supreme Court, exercising jurisdiction in the area in which the person whose conduct is being inquired into carries on business, or has his principal place of business at the commencement of the inquiry:

Provided that where the cases relating to two or more members of the Institute have to be forwarded by the Council to different High Courts, the Central Government shall, having regard to the ends of justice and the general convenience of the parties, determine which of the High Courts to the exclusion of others shall hear the cases against all the members.

Explanation II.—For the purposes of this section “member of the Institute” includes a person who was a member of the Institute on the date of the alleged misconduct although he has ceased to be a member of the Institute at the time of the inquiry.

(8) For the purposes of any inquiry under this section, the Council and the Disciplinary Committee shall have the same powers as are vested in a civil court under the Code of Civil Procedure, 1908, in respect of the following matters, namely:—

- (a) summoning and enforcing the attendance of any person and examining him on oath;
- (b) the discovery and production of any document; and
- (c) receiving evidence on affidavit.

22. For the purposes of this Act, the expression “professional misconduct” shall be deemed to include any act or omission specified in any of the Schedules, but nothing in this section shall be construed to limit or abridge in any way the power conferred or duty cast on the Council under sub-section (1) of section 21 to inquire into the conduct of any member of the Institute under any other circumstances.

Professic
miscond
defined.

22A. (1) Any member of the Institute aggrieved by any order of the Council imposing on him any of the penalties referred to in sub-section (4) of section 21, may, within thirty days of the date on which the order is communicated to him, prefer an appeal to the High Court:

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

(2) The High Court may, on its own motion or otherwise, after calling for the records of any case, revise any order made by the Council under sub-section (2) or sub-section (4) of section 21 and may—

- (a) confirm, modify or set aside the order;
- (b) impose any penalty or set aside, reduce, confirm, or enhance the penalty imposed by the order;
- (c) remit the case to the Council for such further inquiry as the High Court considers proper in the circumstances of the case; or

(d) pass such other order as the High Court thinks fit:

Provided that no order of the Council shall be modified or set aside unless the Council has been given an opportunity of being heard and no order imposing or enhancing a penalty shall be passed unless the person concerned has also been given an opportunity of being heard.

Explanation.—In this section “High Court” and “member of the Institute” have the same meanings as in section 21’.

Amendment
of section
23.

20. In sub-section (1) of section 23 of the principal Act, for the words “The Council may constitute such Regional Councils”, the following shall be substituted, namely:—

“For the purpose of advising and assisting it on matters concerning its functions, the Council may constitute such Regional Councils”.

Insertion of
new section
24A.

21. After section 24 of the principal Act, the following section shall be inserted, namely:—

Penalty for
using name
of the Council,
awarding
degrees
of chartered
accountancy,
etc.

“24A. (1) Save as otherwise provided in this Act, no person shall—

(i) use a name or a common seal which is identical with the name or the common seal of the Institute or so nearly resembles it as to deceive or as is likely to deceive the public;

(ii) award any degree, diploma or certificate or bestow any designation which indicates or purports to indicate the position or attainment of any qualification or competence similar to that of a member of the Institute; or

(iii) seek to regulate in any manner whatsoever the profession of chartered accountants.

(2) Any person contravening the provisions of sub-section (1) shall, without prejudice to any other proceedings which may be taken against him, be punishable with fine which may extend on first conviction to one thousand rupees, and on any subsequent conviction with imprisonment which may extend to six months, or with fine which may extend to five thousand rupees, or with both.

(3) Nothing contained in this section shall apply to any University established by law or to any body affiliated to the Institute.”.

22. In section 26 and section 27 of the principal Act, for the words "chartered accountant" or "firm of chartered accountants", wherever they occur, the words "chartered accountant in practice", or "firm of such chartered accountants" shall be substituted.

Amendment
of sections
26 and 27.

23. In sub-section (2) of section 30 of the principal Act, for clause (j), the following clause shall be substituted, namely:—

Amendment
of section
30.

"(j) the training of articled and audit clerks, the fixation of limits within which premia may be charged from articled clerks and the cancellation of articles and termination of audit service for misconduct or for any other sufficient cause".

24. After section 30 of the principal Act, the following section shall be inserted, namely:—

Insertion of
new section
30A.

"30A. (1) Where the Central Government considers it expedient so to do, it may, by order in writing, direct the Council to make any regulations or to amend or revoke any regulations already made within such period as it may specify in this behalf.

Powers of
Central
Government
to direct
regulations
to be made
or to make
or amend
regulations.

(2) If the Council fails or neglects to comply with such order within the specified period, the Central Government may make the regulations or amend or revoke the regulations made by the Council, as the case may be, either in the form specified in the order or with such modifications thereof as the Central Government thinks fit."

25. For section 31 of the principal Act, the following section shall be substituted, namely:—

Substitu-
tion of new
section for
section 31.

"31. Any reference to a chartered accountant or a registered accountant or a certified or qualified auditor in any other law or in any document whatsoever shall be construed as a reference to a chartered accountant in practice within the meaning of this Act."

Construction
of references.

26. For the Schedule to the principal Act, the following Schedules shall be substituted, namely:—

Substitution
of new
Schedules
for the exist-
ing
Schedule.

THE FIRST SCHEDULE

[See sections 21(4) and 22]

PART I

Professional misconduct in relation to chartered accountants in practice

A chartered accountant in practice shall be deemed to be guilty of professional misconduct, if he—

(1) allows any person to practise in his name as a chartered accountant unless such person is also a chartered accountant in practice and is in partnership with or employed by himself;

(2) pays or allows or agrees to pay or allow, directly or indirectly, any share, commission or brokerage in the fees or profits of his professional business, to any person other than a member of the Institute or a partner or a retired partner or the legal representative of a deceased partner;

Explanation.—In this item “partner” includes a person residing outside India with whom a chartered accountant in practice has entered into partnership which is not in contravention of item (4) of this Part.

(3) accepts or agrees to accept any part of the profits of the professional work of a lawyer, auctioneer, broker or other agent who is not a member of the Institute;

(4) enters into partnership with any person other than a chartered accountant in practice or a person resident without India who but for his residence abroad would be entitled to be registered as a member under clause (v) of sub-section (1) of section 4 or whose qualifications are recognised by the Central Government or the Council for the purpose of permitting such partnerships, provided that the chartered accountant shares in the fees or profits of the business of the partnership both within and without India;

(5) secures, either through the services of a person not qualified to be his partner or by means which are not open to a chartered accountant, any professional business;

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(6) solicits clients or professional work either directly or indirectly, by circular, advertisement, personal communication or interview or by any other means;

(7) advertises his professional attainments or services, or uses any designation or expressions other than chartered accountant on professional documents, visiting cards, letter heads or sign boards, unless it be a degree of a University established by law in India or recognised by the Central Government or a title indicating membership of the Institute of Chartered Accountants or of any other institution that has been recognised by the Central Government or may be recognised by the Council;

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(8) accepts a position as auditor previously held by another chartered accountant or a restricted State auditor without first communicating with him in writing;

1 of 1956.

(9) accepts an appointment as auditor of a company without first ascertaining from it whether the requirements of section 226 of the Companies Act, 1956, in respect of such appointment have been duly complied with;

(10) charges or offers to charge, accepts or offers to accept in respect of any professional employment fees which are based on a percentage of profits or which are contingent upon the findings or results of such employment, except in cases which are permitted under any regulations made under this Act;

(11) engages in any business or occupation other than the profession of chartered accountants unless permitted by the Council so to engage:

Provided that nothing contained herein shall dis-entitle a chartered accountant from being a director of a company, unless he or any of his partners is interested in such company as an auditor;

(12) accepts a position as auditor previously held by some other chartered accountant or a restricted State auditor in such conditions as to constitute under-cutting;

(13) allows a person not being a member of the Institute or a member not being his partner to sign on his behalf or on behalf of his firm, any balance-sheet, profit and loss account, report or financial statements.

PART II

Professional misconduct in relation to members of the Institute in service

A member of the Institute (other than a member in practice) shall be deemed to be guilty of professional misconduct, if he being an employee of any company, firm or person—

(a) pays or allows or agrees to pay directly or indirectly to any person any share in the emoluments of the employment undertaken by the member;

(b) accepts or agrees to accept any part of fees, profits or gains from a lawyer, a chartered accountant or broker engaged by such company, firm or person or agent or customer of such company, firm or person by way of commission or gratification;

(c) discloses confidential information acquired in the course of his employment except as and when required by law or except as permitted by the employer.

PART III

Professional misconduct in relation to members of the Institute generally

A member of the Institute, whether in practice or not, shall be deemed to be guilty of professional misconduct, if he—

- (1) includes in any statement, return or form to be submitted to the Council any particulars knowing them to be false;
- (2) not being a fellow styles himself as a fellow;
- (3) does not supply the information called for, or does not comply with the requirements asked for, by the Council or any of its Committees.

THE SECOND SCHEDULE

[See sections 21(5) and 22]

PART I

Professional misconduct in relation to chartered accountants in practice requiring action by a High Court

A chartered accountant in practice shall be deemed to be guilty of professional misconduct, if he—

- (1) discloses information acquired in the course of his professional engagement to any person other than his client, without the consent of his client or otherwise than as required by any law for the time being in force;
- (2) certifies or submits in his name or in the name of his firm a report of an examination of financial statements unless the examination of such statements and the related records has been made by him or by a partner or an employee in his firm or by another chartered accountant in practice;
- (3) permits his name or the name of his firm to be used in connection with an estimate of earnings contingent upon future transactions in a manner which may lead to the belief that he vouches for the accuracy of the forecast;
- (4) expresses his opinion on financial statements of any business or any enterprise in which he, his firm or a partner in his firm has a substantial interest, unless he discloses the interest also in his report;

(5) fails to disclose a material fact known to him which is not disclosed in a financial statement, but disclosure of which is necessary to make the financial statement not misleading;

(6) fails to report a material mis-statement known to him to appear in a financial statement with which he is concerned in a professional capacity;

(7) is grossly negligent in the conduct of his professional duties;

(8) fails to obtain sufficient information to warrant the expression of an opinion or his exceptions are sufficiently material to negate the expression of an opinion;

(9) fails to invite attention to any material departure from the generally accepted procedure of audit applicable to the circumstances;

(10) fails to keep moneys of his client in a separate banking account or to use such moneys for purposes for which they are intended.

PART II

Professional misconduct in relation to members of the Institute generally requiring action by a High Court

A member of the Institute, whether in practice or not, shall be deemed to be guilty of professional misconduct, if he—

(i) contravenes any of the provisions of this Act or the regulations made thereunder;

(ii) is guilty of such other act or omission as may be specified by the Council in this behalf, by notification in the Gazette of India.

THE INDIAN LIGHTHOUSE (AMENDMENT) ACT, 1959

No. 16 OF 1959

[8th May, 1959]

An Act further to amend the Indian Lighthouse Act, 1927.

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

Short title. 1. This Act may be called the Indian Lighthouse (Amendment) Act, 1959.

Amendment of section 10. 2. In sub-section (1) of section 10 of the Indian Lighthouse Act, 1927, for the words "four annas", the words "fifty *naye paise*" shall ~~17~~ of 1927. be substituted.

THE COAL GRADING BOARD (REPEAL) ACT, 1959

No. 17 OF 1959

[9th May, 1959]

An Act to repeal the Coal Grading Board Act, 1925, and to provide for certain matters incidental thereto.

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

1. (1) This Act may be called the Coal Grading Board (Repeal) Act, 1959. 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.

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

(a) "appointed day" means the date on which this Act comes into force;

12 of 1952. (b) "Coal Board" means the Coal Board established under section 4 of the Coal Mines (Conservation and Safety) Act, 1952;

31 of 1925. (c) "Coal Grading Board" means the Coal Grading Board constituted under section 3 of the Coal Grading Board Act, 1925.

31 of 1925. 3. On the appointed day, the Coal Grading Board Act, 1925, shall stand repealed, and the Coal Grading Board shall stand dissolved. Repeal of Act 31 of 1925 and dissolution of Coal Grading Board.

4. (1) All moneys and other property, of whatever kind, owned by or vested in, the Coal Grading Board immediately before the appointed day and all debts, liabilities and obligations of that Board then existing shall, on the appointed day, stand transferred to and vested in the Coal Board. Consequential provisions.

12 of 1952. (2) Anything done or any action taken before the appointed day by the Coal Grading Board shall, so far as it is not inconsistent with any of the provisions of the Coal Mines (Conservation and Safety) Act, 1952, or the rules made thereunder, be as valid and effectual as if it had been done or taken by the Coal Board.

¹14th August, 1959, *vide* S. O. 1771, dt. 7-8-59, *see* Gazette of India, 1959, Ex., Pt. II, Sec. 3(ii), p-439.

THE APPROPRIATION (No. 3) ACT, 1959

No. 18 OF 1959

[12th May, 1959]

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, 1956, in excess of the amounts granted for those services and for that year.

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

Short title. 1. This Act may be called the Appropriation (No. 3) Act, 1959.

Issue of Rs. 1,07,16,271 out of the Consolidated Fund of India to meet certain excess expenditure for the year ended on the 31st March, 1956. 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 one crore, seven lakhs, sixteen thousand, two hundred and seventy-one 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, 1956, 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, 1956.

THE SCHEDULE
(See sections 2 and 3)

1 No. of Vote	2 Services and purposes	3		
		Voted Portion	Excess Charged Portion	Total
6	Indian Posts and Telegraphs Departments	Rs. 1,01,173	Rs. ..	Rs. 1,01,173
24	Miscellaneous Expenditure under the Ministry of External Affairs	19,772	..	19,772
30	Stamps	11,95,551	..	11,95,551
39	Miscellaneous Adjustments between the Union and State Governments	76,147	..	76,147
40	Pre-partition Payments	..	1,25,305	1,25,305
51	Cabinet	58,742	..	58,742
62	Ministry of Information and Broadcasting	4,16,808	..	4,16,808
64	Miscellaneous Departments and Expen- diture under the Ministry of Informa- tion and Broadcasting	2,57,163	..	2,57,163
86	Salt	..	8,950	8,950
88	Government Collieries	..	51,432	51,432
97	Communications (including National Highways)	68,994	..	68,994
100	Supplies	..	3,117	3,117
101	Other Civil Works	77,86,191	4,96,225	82,82,416
	CHARGED—Staff Household and Allowances of the President	..	238	238
	CHARGED—Union Public Service Commis- sion	..	2,991	2,991
117	Commuted Value of Pensions	..	47,472	47,472
	TOTAL	99,80,541	7,35,730	1,07,16,271

THE APPROPRIATION (RAILWAYS) No. 3 ACT, 1959

No. 19 OF 1959

[12th May, 1959]

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 1959-60 for the purposes of Railways.

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

Short title. 1. This Act may be called the Appropriation (Railways) No. 3 Act, 1959.

Issue of Rs. 21,00,000 out of the Consolidated Fund of India for the financial year 1959-60. 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-one lakh rupees towards defraying the several charges which will come in course of payment during the financial year 1959-60, 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 Service and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Consoli- dated Fund	Total
		Rs.	Rs.	Rs.
2	Miscellaneous Expendi- ture.	3,00,000	..	3,00,000
15	Construction of New Lines.	18,00,000	..	18,00,000
	Total	21,00,000	..	21,00,000

THE BENGAL FINANCE (SALES TAX) (DELHI
AMENDMENT) ACT, 1959

No. 20 OF 1959

[12th May, 1959]

An Act further to amend the Bengal Finance (Sales Tax) Act, 1941, as in force in the Union territory of Delhi.

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

Short title and commencement.

1. (1) This Act may be called the Bengal Finance (Sales Tax) (Delhi Amendment) Act, 1959.

(2) It shall come into force on such date¹ as the Chief Commissioner, Delhi, may, by notification in the Official Gazette, appoint.

Amendment of reference to State and State Government.

2. Throughout the Bengal Finance (Sales Tax) Act, 1941, as in force in the Union territory of Delhi (hereinafter referred to as the principal Act), unless otherwise expressly stated,—

B. 1959 Act
VI of 1941.

(a) for the word "State" except where it occurs in the expression "State Government", the words "Union territory" shall be substituted;

(b) for the words "State Government", except in clause (b) of sub-section (3) of section 25, the words "Central Government" shall be substituted.

Amendment of section 2.

3. In section 2 of the principal Act,—

(a) clause (b) shall be omitted;

(b) in clause (d),—

(i) after the words "does not include", the word "newspapers" shall be inserted;

(ii) the *Explanation* shall be omitted;

(c) for clause (g), the following clause shall be substituted, namely:—

'(g) "sale", with its grammatical variations and cognate expressions, means any transfer of property in goods by one person to another for cash or for deferred payment or for any other valuable consideration, and includes a

¹1st October, 1959, vide Delhi Administration Notfn. No. F. 4(54)/59 Fin. (E) (ii), dt. 24-9-59.

transfer of goods on hire-purchase or other system of payment by instalments, but does not include a mortgage or hypothecation of or a charge or pledge on goods.

Explanation.—A sale or purchase of goods shall be deemed to take place inside the Union territory of Delhi if the goods are within that territory—

(i) in the case of specific or ascertained goods, at the time the contract of sale is made; and

(ii) in the case of unascertained or future goods, at the time of their appropriation to the contract of sale by the seller or by the buyer, whether assent of the other party is prior or subsequent to such appropriation;";

(d) for clause (h), the following clause shall be substituted, namely:—

'(h) "sale price" means the amount payable to a dealer as consideration for the sale of any goods, less any sum allowed as cash discount according to the practice normally prevailing in the trade, but inclusive of any sum charged for anything done by the dealer in respect of the goods at the time of or before the delivery thereof other than the cost of freight or delivery or the cost of installation in cases where such cost is separately charged;'

4. In section 4 of the principal Act,—

A amendment
of section 4.

(a) in sub-section (1),—

(i) the first proviso shall be omitted;

(ii) in the second proviso, the word "further" shall be omitted and for the word "Schedule", the words "Second Schedule" shall be substituted;

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

"(4B) Every dealer shall, notwithstanding that he is not liable to pay tax under any of the sub-sections (1) to (4A), be liable to pay tax under this Act so long as he is registered under the Central Sales Tax Act, 1956, on all sales effected by him or on his behalf within the Union territory of Delhi on or after the date of his liability or the date of his registration, whichever is earlier, under the Central Sales Tax Act aforesaid.";

74 of 1956.

(c) for clause (a) of sub-section (5), the following clause shall be substituted, namely:—

"(a) in relation to any dealer who imports for sale any goods into the Union territory of Delhi or manufac-

tures or produces any goods for sale, regardless of the value of the goods imported, manufactured or produced, ten thousand rupees;”.

Amendment
of section 5.

5. In section 5 of the principal Act,—

(a) for sub-section (1), the following sub-section shall be substituted, namely:—

“(1) The tax payable by a dealer under this Act shall be levied,—

(a) in the case of taxable turnover in respect of the goods specified in the First Schedule, at the rate of seven *naye paise* in the rupee;

(b) in the case of taxable turnover in respect of the goods specified in the Third Schedule, at the rate of two *naye paise* in the rupee;

(c) in the case of taxable turnover in respect of any other goods, at the rate of four *naye paise* in the rupee:

Provided that the Chief Commissioner, with the previous approval of the Central Government, may, by notification in the Official Gazette, add to, or omit from, or otherwise amend the First and the Third Schedules:

Provided further that if in respect of any goods or class of goods the Chief Commissioner is of opinion that it is expedient in the interest of the general public so to do, the Chief Commissioner, with the previous approval of the Central Government, may, by notification in the Official Gazette, direct that the tax in respect of the taxable turnover of such goods or class of goods shall, subject to such conditions as may be specified, be levied at such modified rate not exceeding the rate applicable under this sub-section as may be specified in the notification.”;

(b) in sub-section (2),—

(1) for sub-clause (ii) of clause (a), the following sub-clause shall be substituted, namely:—

“(ii) sales to a registered dealer—

of goods of the class or classes specified in the certificate of registration of such dealer, as being intended for re-sale by him, or for use by him as raw materials in the manufacture of goods for sale; and

of containers or other materials for the packing of goods of the class or classes so specified for sale:

Provided that in the case of such sales a declaration duly filled up and signed by the registered dealer to whom the goods are sold and containing the prescribed particulars on a prescribed form obtainable from the prescribed authority is furnished in the prescribed manner by the dealer who sells the goods:

Provided further that where any goods specified in the certificate of registration are purchased by a registered dealer as being intended for re-sale by him or for use by him as raw materials in the manufacture of goods for sale, but are utilised by him for any other purpose, the price of the goods so purchased shall be allowed to be deducted from the gross turnover of the selling dealer but shall be included in the taxable turnover of the purchasing dealer;”;

(2) the word “and” at the end of clause (a) and clause (b) shall be omitted.

6. After section 5 of the principal Act, the following sections shall be inserted, namely:— Insertion of new sections 5A and 5B.

“5A. Notwithstanding anything to the contrary in this Act, the Chief Commissioner may, by notification in the Official Gazette, specify the point in the series of sales by successive dealers at which any goods or class of goods may be taxed. Power of Chief Commissioner to pres/ripte points at which goods may be taxed.

5B. The burden of proving that in respect of any sale effected by a dealer he is not liable to pay tax under this Act shall lie on him.” Burden of proof.

7. In section 8 of the principal Act, in sub-section (1), for the word “Schedule”, the words “Second Schedule” shall be substituted. Amendment of section 8.

8. In section 8B of the principal Act, in sub-section (1), the brackets and letter “(a)” and the words, brackets and letter “or (b) executing contracts the value of which is likely to exceed thirty thousand rupees per year,” shall be omitted. Amendment of section 8B.

9. After section 10 of the principal Act, the following section shall be inserted, namely:— Insertion of new section 10A.

“10A. No person who is not a registered dealer shall collect in respect of any sale by him of goods in the Union territory of Delhi any amount by way of tax under this Act, and no Collection of tax only by registered dealers.

registered dealer shall make any such collection except in accordance with this Act and the rules made thereunder.”.

Amendment
of section
11.

10. In section 11 of the principal Act,—

(a) to sub-section (2a), the following proviso shall be added, namely:—

“Provided that where such assessment is made in consequence of or to give effect to any order of an appellate or revisional authority or of a court, the period of four years or six years, as the case may be, shall be reckoned from the date of such order.”;

(b) in sub-section (3), after the words “under any of the provisions of this section”, the words, figures and letter “or section 22A” shall be inserted;

(c) after sub-section (3), the following sub-section shall be inserted, namely:—

“(3a) When a dealer is in default in making a payment of the tax, the Commissioner or any person appointed to assist him under sub-section (1) of section 3, may in his discretion direct that, in addition to the amount of the arrears, a sum not exceeding that amount shall be recovered from the dealer by way of penalty.”.

Amendment
of section 21.

11. In sub-section (1) of section 21 of the principal Act, for the words “such dealer may, by application in writing accompanied by a fee of one hundred rupees,”, the words “such dealer or the Commissioner may, by application in writing, and accompanied in the case of an application by a dealer by a fee of one hundred rupees,” shall be substituted.

Amendment
of section
21A.

12. Section 21A 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) Subject to any rules made in this behalf, any authority referred to in sub-section (1) may impound and retain in its custody for such period as it thinks fit, any books of account or other documents produced before it, in any proceedings under this Act:

Provided that a person appointed to assist the Commissioner under sub-section (1) of section 3 shall not—

(a) impound any books of account or other documents without recording his reasons for so doing; or

(b) retain in his custody any such books or documents for a period exceeding thirty days without obtaining the approval of the Commissioner therefor.”.

13. In sub-section (1) of section 22 of the principal Act,—

Amendment of section 22

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

“(dd) contravenes the provisions of section 10A; or”;

(b) in the proviso, after the word and figures “section 11”, the words, figures and letter “or section 22A” shall be inserted.

14. After section 22 of the principal Act, the following section shall be inserted, namely:—

Insertion of new section 22A.

“22A. (1) If the Commissioner or any person appointed under sub-section (1) of section 3 to assist him, in the course of any proceedings under this Act is satisfied that a dealer has concealed the particulars of his sales or has furnished inaccurate particulars of his sales and has thereby returned figures below the real amount, he may, after giving the dealer a reasonable opportunity of being heard, direct that the dealer shall, in addition to the tax payable by him under this Act, pay, by way of penalty, a sum not exceeding one and a half times the amount of tax which would have been avoided if the figures returned by the dealer were accepted as correct.

Penalty for concealment of sales or furnishing inaccurate particulars or making false representations.

(2) If any person purchasing goods is guilty of an offence under clause (c) or clause (d) of sub-section (1) of section 22, the authority which granted to him or as the case may be, is competent to grant to him a certificate of registration under this Act may, after giving him a reasonable opportunity of being heard, by order in writing, impose upon him by way of penalty a sum not exceeding one and a half times the tax which would have been levied under this Act in respect of the sale to him of the goods, if the offence had not been committed.”.

15. After section 23 of the principal Act, the following section shall be inserted, namely:—

Insertion of new section 23A.

“23A. (1) The Chief Commissioner may, by notification in the Official Gazette, set up check-posts or barriers at any place in the Union territory of Delhi with a view to preventing evasion of sales tax and other dues payable under this Act.

Setting up of check-posts and barriers.

(2) Every person transporting such goods as may be notified shall, at any check-post or barrier referred to in sub-section (1), file before such officer as may be authorised by the Chief Commissioner in this behalf a declaration in such form and in such manner as may be prescribed.

(3) The officer authorised by the Chief Commissioner under sub-section (2) or any other officer who may be authorised in this behalf may, for the purpose of satisfying himself that the provisions of sub-section (2) are not being contravened, and subject to such restrictions as may be prescribed, intercept and search any vehicle which may be suspected of contravening the said provisions.”.

Amendment of section 26.

16. In section 26 of the principal Act,—

(i) in sub-section (2), clauses (a), (aa) and (c) shall be omitted;

(ii) after sub-section (3), the following sub-section shall be added, namely:—

“(4) All rules made under this section shall be laid for not less than thirty days before each House of Parliament as soon as may be after they are made, and shall be subject to such modifications as Parliament may make during the session in which they are so laid or the session immediately following.”.

Substitution of new section for section 27. Savings.

17. For section 27 of the principal Act, the following section shall be substituted, namely:—

“27. Nothing in this Act or the rules made thereunder shall be deemed to impose, or authorise the imposition of a tax on any sale or purchase of any goods when such sale or purchase takes place—

(i) in the course of inter-State trade or commerce;

(ii) outside the Union territory of Delhi; or

(iii) in the course of import of the goods into, or export of the goods out of, the territory of India.

Explanation.—Sections 3, 4 and 5 of the Central Sales Tax Act, 1956, shall apply for determining whether or not a particular sale or purchase takes place in the manner indicated in clause (i), clause (ii) or clause (iii).”.

Insertion of new Third Schedule.

18. After the Second Schedule to the principal Act, the following Schedule shall be inserted, namely:—

“THE THIRD SCHEDULE

[See section 5(1) (b)]

1. Coal including coke in all its forms.

2. Cotton as defined in section 14 of the Central Sales Tax Act, 1956.

74 of 1956.

74 of 1956. 3. Iron and steel as defined in section 14 of the Central Sales Tax Act, 1956.

74 of 1956. 4. Jute as defined in section 14 of the Central Sales Tax Act, 1956.

74 of 1956. 5. Oil-seeds as defined in section 14 of the Central Sales Tax Act, 1956.".

THE DISPLACED PERSONS (COMPENSATION AND
REHABILITATION) AMENDMENT ACT, 1959

No. 21 OF 1959

[19th May, 1959]

An Act further to amend the Displaced Persons (Compensation
and Rehabilitation) Act, 1954.

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

Short title. 1. This Act may be called the Displaced Persons (Compensation
and Rehabilitation) Amendment Act, 1959.

Amendment
of section
30. 2. Section 30 of the Displaced Persons (Compensation and Reha-
bilitation) Act, 1954, shall be re-numbered as sub-section (1) thereof, 44 of 1954.
and after sub-section (1) as so re-numbered, the following sub-sec-
tion shall be inserted, namely:—

“(2) Notwithstanding anything contained in sub-section
(1) if the Chief Settlement Commissioner is of opinion that a
person is refusing or neglecting, or has refused or neglected, to
pay any sum due under this Act, he may, after giving such
person an opportunity of being heard, by order in writing stating
the grounds therefor, direct that the provisions of sub-section (1)
shall not apply to him, and thereupon such person shall cease
to be entitled to the exemption conferred by that sub-section.”.

THE CENSUS (AMENDMENT) ACT, 1959

No. 22 OF 1959

[19th May, 1959]

An Act further to amend the Census Act, 1948.

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

1. This Act may be called the Census (Amendment) Act, 1959. Short title.
- 37 of 1948. 2. In sub-section (2) of section 1 of the Census Act, 1948 (hereinafter referred to as the principal Act), the words “except the State of Jammu and Kashmir” shall be omitted. Amendment of section 1.
3. After section 1 of the principal Act, the following section shall be inserted, namely:— Insertion of new section 2.
- 45 of 1860.
1 of 1872. “2. Any reference in this Act to the Indian Penal Code or the Indian Evidence Act, 1872, shall, in relation to the State of Jammu and Kashmir, be construed as a reference to the corresponding enactment in force in that State.”. Rule of construction respecting enactments not extending to Jammu and Kashmir.

THE COST AND WORKS ACCOUNTANTS ACT, 1959

ARRANGEMENT OF SECTIONS

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THE SECOND SCHEDULE. -

THE COST AND WORKS ACCOUNTANTS ACT, 1959

NO. 23 OF 1959

[19th May, 1959]

An Act to make provision for the regulation of the profession of cost and works accountants.

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

CHAPTER I

PRELIMINARY

1. (1) This Act may be called the Cost and Works Accountants Act, 1959. Short title, extent and commencement.

(2) It extends to the whole of India except the State of Jammu and Kashmir.

(3) It shall come into force on such date¹ as the Central Government may, by notification in the Official Gazette, appoint.

2. (1) In this Act, unless the context otherwise requires,—

(a) "associate" means an associate member of the Institute; Definitions and interpretation.

(b) "cost accountant" means a person who is a member of the Institute;

(c) "Council" means the Council of the Institute;

(d) "dissolved company" means the Institute of Cost and Works Accountants registered under the Companies Act, 1956;

1 of 1956.

(e) "fellow" means a fellow of the Institute;

(f) "Institute" means the Institute of Cost and Works Accountants of India constituted under this Act;

(g) "prescribed" means prescribed by regulations made under this Act;

(h) "President" means the President of the Council;

¹28th May, 1959, vide G.S.R. 610, dt. 25-5-59, See Gazette of India, Pt. II Sec. 3 (i), p. 259.

(i) "Register" means the Register of members maintained under this Act;

(j) "Vice-President" means the Vice-President of the Council;

(k) "year" means the period commencing on the 1st day of April of any year and ending on the 31st day of March of the succeeding year.

(2) Save as otherwise provided in this Act, a member of the Institute shall be deemed "to be in practice" when, individually or in partnership with one or more members of the Institute in practice, he, in consideration of remuneration received or to be received,—

(i) engages himself in the practice of cost and works accountancy; or

(ii) offers to perform or performs services involving the costing or pricing of goods or services or the preparation, verification or certification of cost accounting and related statements or holds himself out to the public as a cost accountant in practice; or

(iii) renders professional services or assistance in or about matters of principle or detail relating to cost accounting procedure or the recording, presentation or certification of costing facts or data; or

(iv) renders such other services as, in the opinion of the Council, are or may be rendered by a cost accountant in practice;

and the words "to be in practice", with their grammatical variations and cognate expressions, shall be construed accordingly.

Explanation.—A member of the Institute who is a whole-time salaried employee of any person shall not be deemed to be in practice within the meaning of this sub-section.

CHAPTER II

THE INSTITUTE OF COST AND WORKS ACCOUNTANTS

Incorporation of the Institute.

3. (1) All persons whose names are entered in the Register at the commencement of this Act and all persons who may hereafter have their names entered in the Register under the provisions of this Act, so long as they continue to have their names borne on the said Register, are hereby constituted a body corporate by the name of the

Institute of Cost and Works Accountants of India, and all such persons shall be known as members of the Institute.

(2) The Institute shall have perpetual succession and a common seal, and shall have power to acquire, hold and dispose of property, both movable and immovable, and shall by its name sue or be sued.

4. (1) Any of the following persons shall be entitled to have his name entered in the Register, namely:—

Entry of names in the Register.

(i) any person who was an associate or a fellow of the dissolved company (other than an honorary associate or honorary fellow thereof) immediately before the commencement of this Act, except any such person who is not a permanent resident of India and is not at such commencement practising as a cost accountant in India;

(ii) any person who has passed such examination and completed such training as may be prescribed for members of the Institute;

(iii) any person who, at the commencement of this Act, is engaged in the practice of cost accountancy in India and who fulfils such conditions as the Central Government or the Council may specify in this behalf;

(iv) any person who has passed such other examination and completed such other training without India as is recognised by the Central Government or the Council as being equivalent to the examination and training prescribed for members of the Institute:

Provided that in the case of any person who is not permanently residing in India, the Central Government or the Council may impose such further conditions as it may deem fit;

(v) any person domiciled in India, who at the commencement of this Act is studying for any foreign examination and is at the same time undergoing training, whether within or without India, or, who, having passed such examination, is at such commencement undergoing training whether within or without India:

Provided that such foreign examination and training are recognised by the Central Government or the Council in this behalf:

Provided further that the person passes the examination and completes his training within five years from the commencement of this Act.

(2) Every person belonging to the class mentioned in clause (i) of sub-section (1) shall have his name entered in the Register without the payment of any entrance fee.

(3) Every person belonging to any of the classes mentioned in clauses (ii), (iii), (iv) and (v) of sub-section (1) shall have his name entered in the Register on application being made and granted in the prescribed manner and on payment of the prescribed entrance fee, which shall not exceed rupees three hundred in any case.

(4) The Central Government shall take such steps as may be necessary for the purpose of having the names of all persons belonging to the class mentioned in clause (i) of sub-section (1) entered in the Register at the commencement of this Act.

Fellows and Associates.

5. (1) The members of the Institute shall be divided into two classes designated respectively as associates and fellows.

(2) Any person other than a person to whom the provisions of sub-section (3) apply shall, on his name being entered in the Register, be deemed to have become an associate member of the Institute and so long as his name remains so entered, shall be entitled to use the letters AICWA after his name to indicate that he is an associate member of the Institute of Cost and Works Accountants.

(3) Any person who was a fellow of the dissolved company and who is entitled to have his name entered in the Register under clause (i) of sub-section (1) of section 4, shall be entered in the Register as a fellow of the Institute.

(4) A member, being an associate who has been in continuous practice in India for at least five years, whether before or after the commencement of this Act, or whether partly before and partly after the commencement of this Act, and a member who has been an associate for a continuous period of not less than five years and who possesses such qualifications as the Council may prescribe with a view to ensuring that he has experience equivalent to the experience normally acquired as a result of continuous practice for a period of five years as a cost accountant shall, on payment of the prescribed entrance fee, which shall not exceed rupees two hundred in any case, and on application made and granted in the prescribed manner, be entered in the Register as a fellow of the Institute.

Explanation I.—For the purposes of this sub-section, a person shall be deemed to have practised in India for any period for which he has held a certificate of practice under section 6, notwithstanding that he did not actually practise during that period.

Explanation II.—In computing the continuous period during which a person has been an associate of the Institute, there shall be included any continuous period during which the person has been an associate of the dissolved company immediately before he became an associate of the Institute.

(5) Any person whose name is entered in the Register as a fellow of the Institute and so long as his name remains so entered, shall be entitled to use the letters FICWA after his name to indicate that he is a fellow of the Institute of Cost and Works Accountants.

6. (1) No member of the Institute shall be entitled to practise, Certificate of whether in India or elsewhere, unless he has obtained from the practice. Council a certificate of practice. ✓

(2) Every such member shall make application in such form and pay such annual fee, for his certificate as may be prescribed, and such fee shall be payable on or before the 1st day of April in each year:

Provided that if a member of the Institute who was in practice immediately before the commencement of this Act has made within one month of such commencement an application for the grant of certificate of practice, he shall not be deemed to have contravened the provisions of sub-section (1) by reason of his having practised during the period between such commencement and the disposal of the application.

7. Every member of the Institute in practice shall, and any other member may, use the designation of a cost accountant and no member using such designation shall use any other description, whether in addition thereto or in substitution therefor: Members to be known as cost accountants.

Provided that nothing in this section shall be deemed to prohibit any such member from adding any other description or letters to his name, if entitled thereto, to indicate membership of such other Institute of accountancy, whether in India or elsewhere, as may be recognised in this behalf by the Council, or any other qualification that he may possess, or to prohibit a firm, all the partners of which are members of the Institute and in practice, from being known by its firm name as cost accountants.

8. Notwithstanding anything contained in section 4, a person Disabilities. shall not be entitled to have his name entered in, or borne on, the Register if he—

(i) has not attained the age of twenty-one years at the time of his application for the entry of his name in the Register; or

(ii) is of unsound mind and stands so adjudged by a competent court; or

(iii) is an undischarged insolvent; or

(iv) being a discharged insolvent, has not obtained from the court a certificate stating that his insolvency was caused by misfortune without any misconduct on his part; or

(v) has been convicted by a competent court whether within or without India, of an offence involving moral turpitude and punishable with imprisonment or of an offence, not of a technical nature, committed by him in his professional capacity unless in respect of the offence committed he has either been granted a pardon or, on an application made by him in this behalf, the Central Government has, by an order in writing removed the disability; or

(vi) has been removed from membership of the Institute on being found on inquiry to have been guilty of professional or other misconduct:

Provided that a person who has been removed from membership for a specified period, shall not be entitled to have his name entered in the Register until the expiry of such period.

CHAPTER III

COUNCIL OF THE INSTITUTE

Constitution of the Council of the Institute. 9. (1) There shall be a Council of the Institute for the management of the affairs of the Institute and for discharging the functions assigned to it by or under this Act.

(2) The Council shall be composed of—

(a) not more than twelve persons elected by members of the Institute from amongst the fellows of the Institute chosen in such manner and from such regional constituencies as may be specified in this behalf by the Central Government by notification in the Official Gazette; and

(b) not more than four persons nominated by the Central Government.

Mode of election to Council.

10. (1) Elections under clause (a) of sub-section (2) of section 9 shall be conducted in the prescribed manner:

Provided that the first election under the said clause shall be held in such manner as the Central Government may specify in this behalf.

(2) Where any dispute arises regarding any such election, the matter shall be referred by the Council to a Tribunal appointed by

the Central Government in this behalf and the decision of such Tribunal shall be final:

Provided that no such reference shall be made except on an application made to the Council by an aggrieved party within thirty days from the date of the declaration of the result of the election.

(3) The expenses of the Tribunal shall be borne by the Council.

11. If the members of the Institute fail to elect any member under clause (a) of sub-section (2) of section 9 from any of the regional constituencies that may be specified under that clause, the Central Government may nominate any duly qualified person from such constituency to fill the vacancy, and any person so nominated shall be deemed to be a duly elected member of the Council.

Nomination
in default of
election.

12. (1) The Council at its first meeting shall elect two of its members to be respectively the President and the Vice-President thereof, and so often as the office of the President or the Vice-President becomes vacant, the Council shall choose a person to be the President or the Vice-President, as the case may be:

President
and Vice-
President.

Provided that on the first constitution of the Council a member of the Council nominated in this behalf by the Central Government shall discharge the functions of the President, until such time as a President is elected under the provisions of this sub-section.

(2) The President shall be the Chief Executive Authority of the Council.

(3) The President or the Vice-President shall hold office for a period of one year from the date on which he is chosen but so as not to extend beyond his term of office as a member of the Council, and, subject to his being a member of the Council at the relevant time, he shall be eligible for re-election:

Provided that the President of the Council at the time of the expiration of its duration shall continue to hold office until a new Council is constituted in accordance with the provisions of this Act.

13. (1) Any member of the Council may at any time resign his membership by writing under his hand addressed to the President, and the seat of such member shall become vacant when such resignation is notified in the Official Gazette.

Resignation
of member-
ship and
casual vacan-
cies.

(2) A member of the Council shall be deemed to have vacated his seat if he is declared by the Council to have been absent without sufficient excuse from three consecutive meetings of the Council, or if his name is, for any cause, removed from the Register under the provisions of section 20.

(3) A casual vacancy in the Council shall be filled by fresh election from the constituency concerned or by nomination by the Central Government, as the case may be, and the person elected or nominated to fill the vacancy shall hold office until the dissolution of the Council:

Provided that no election shall be held to fill a casual vacancy occurring within six months prior to the date of the expiration of the duration of the Council, but such a vacancy may be filled by nomination by the Central Government after consultation with the President of the Council.

(4) No act done by the Council shall be called in question on the ground merely of the existence of any vacancy in, or defect in the constitution of, the Council.

Duration
and
dissolution
of Council.

14. (1) The duration of any Council constituted under this Act shall be three years from the date of its first meeting.

(2) Notwithstanding the expiration of the duration of a Council (hereinafter referred to as the former Council), the former Council shall continue to exercise its functions under this Act until a new Council is constituted in accordance with the provisions of this Act, and on such constitution, the former Council shall stand dissolved.

Functions of
the Council.

15. (1) The duty of carrying out the provisions of this Act shall be vested in the Council.

(2) In particular, and without prejudice to the generality of the foregoing power, the duties of the Council shall include—

(a) the examination of candidates for enrolment and the prescribing of fees therefor;

(b) the registration and training of students;

(c) the prescribing of qualifications for entry in the Register;

(d) the recognition of foreign qualifications and training for purposes of enrolment;

(e) the granting or refusal of certificates of practice under this Act;

(f) the maintenance and publication of a Register of persons qualified to practise as cost accountants;

(g) the levy and collection of fees from members, examinees and other persons;

(h) the removal of names from the Register and restoration to the Register of names which have been removed;

(i) the regulation and maintenance of the status and standard of professional qualifications of members of the Institute;

(j) the carrying out, by financial assistance to persons other than members of the Council or in any other manner, of research in accountancy;

(k) the maintenance of libraries and publication of books and periodicals relating to cost accountancy and allied subjects; and

(l) the exercise of disciplinary powers conferred by this Act.

16. (1) For the efficient performance of its duties, the Council may—

Staff,
remuneration
and
allowances.

(a) appoint a Secretary who may also, if so decided by the Council, act as Treasurer;

(b) appoint such other persons on its staff as it deems necessary;

(c) require and take from the Secretary or from any other employee of the Council such security for the due performance of his duties as the Council considers necessary;

(d) fix the salaries, fees, allowances and other conditions of service of the Secretary and other employees of the Council;

(e) with the previous sanction of the Central Government fix the allowances of the President, Vice-President and other members of the Council and its Committees.

(2) The Secretary of the Council shall be entitled to participate in the meetings of the Council and the Committees thereof but shall not be entitled to vote thereat.

17. (1) The Council shall constitute from amongst its members the following Standing Committees, namely:—

Committees
of the
Council.

(i) an Executive Committee;

(ii) a Disciplinary Committee; and

(iii) an Examination Committee.

(2) The Council may also form a Training and Educational Facilities Committee and such other Committees from amongst its members as it deems necessary for the purpose of carrying out the provisions of this Act.

(3) The Executive Committee shall consist of the President, and the Vice-President, *ex officio*, and three other members of the Council elected by the Council.

(4) The Disciplinary Committee shall consist of the President, *ex officio*, one member to be nominated by the Central Government from amongst the members nominated to the Council by that Government and one member to be elected by the Council.

(5) The Examination Committee shall consist of the President or the Vice-President, *ex officio*, as the Council may decide, and two other members of the Council elected by the Council.

(6) Notwithstanding anything contained in this section, any Committee formed under sub-section (2), may, with the sanction of the Council, co-opt such other members of the Institute not exceeding two-thirds of the total membership of the Committee as the Committee thinks fit, and any member so co-opted shall be entitled to exercise all the rights of a member of the Committee.

(7) The President shall be the Chairman of every Committee of which he is a member, and in his absence, the Vice-President, if he is a member of the Committee, shall be the Chairman.

(8) The Standing Committees and other Committees formed under this section shall exercise such functions and be subject to such conditions in the exercise thereof as may be prescribed.

Finances of
the Council.

18. (1) There shall be established a fund under the management and control of the Council into which shall be paid all moneys received by the Council and out of which shall be met all expenses and liabilities properly incurred by the Council.

(2) The Council may invest any money for the time being standing to the credit of the fund in any Government security or in any other security approved by the Central Government.

(3) The Council shall keep proper accounts of the funds distinguishing capital from revenue.

(4) The annual accounts of the Council shall be subject to audit by a chartered accountant in practice within the meaning of the Chartered Accountants Act, 1949, to be appointed annually by the Council: 38 of 1949.

Provided that no member of the Council who is a chartered accountant or a person who is in partnership with such member shall be eligible for appointment as an auditor under this sub-section.

(5) As soon as may be practicable at the end of each year, but not later than the 30th day of September of the year next following,

the Council shall cause to be published in the Gazette of India a copy of the audited accounts and the Report of the Council for that year and copies of the said accounts and Report shall be forwarded to the Central Government and to all the members of the Institute.

2 of 1934. (6) The Council may borrow from a scheduled bank as defined in the Reserve Bank of India Act, 1934, or from the Central Government—

(a) any money required for meeting its liabilities on capital account on the security of the fund or on the security of any other assets for the time being belonging to it; or

(b) for the purpose of meeting current liabilities pending the receipt of income by way of temporary loan or over-draft.

CHAPTER IV

REGISTER OF MEMBERS

19. (1) The Council shall maintain in the prescribed manner a Register of the members of the Institute.

(2) The Register shall include the following particulars about every member of the Institute, namely:—

(a) his full name, date of birth, domicile, residential and professional addresses;

(b) the date on which his name is entered in the Register;

(c) his qualifications;

(d) whether he holds a certificate of practice; and

(e) any other particulars which may be prescribed.

(3) The Council shall cause to be published in such manner as may be prescribed a list of members of the Institute as on the 1st day of April of each year, and shall, if requested to do so by any such member, send him a copy of such list.

(4) Every member of the Institute shall, on his name being entered in the Register, pay such annual membership fee differing in amount according as he is an associate or a fellow as may be prescribed.

20. (1) The Council may remove from the Register the name of any member of the Institute,—

Removal
from the
Register. e/

(a) who is dead; or

(b) from whom a request has been received to that effect;
or

(c) who has not paid any prescribed fee required to be paid by him; or

(d) who is found to have been subject at the time when his name was entered in the Register, or who at any time thereafter has become subject, to any of the disabilities mentioned in section 8, or who for any other reason has ceased to be entitled to have his name borne on the Register.

(2) The Council shall remove from the Register the name of any member in respect of whom an order has been passed under this Act removing him from membership of the Institute.

CHAPTER V

MISCONDUCT

Procedure in
inquiries
relating to
misconduct
of members
of Institute.

21. (1) Where on receipt of information by, or a complaint made to, it, the Council is *prima facie* of opinion that any member of the Institute has been guilty of any professional or other misconduct, the Council shall refer the case to the Disciplinary Committee constituted under section 17, and the Disciplinary Committee shall thereupon hold such inquiry and in such manner as may be prescribed and shall report the result of its inquiry to the Council.

(2) If on receipt of such report the Council finds that the member of the Institute is not guilty of any professional or other misconduct, it shall record its finding accordingly and direct that the proceedings shall be filed, or the complaint shall be dismissed, as the case may be.

(3) If on receipt of such report the Council finds that the member of the Institute is guilty of any professional or other misconduct, it shall record a finding accordingly, and shall proceed in the manner laid down in the succeeding sub-sections.

(4) Where the finding is that a member of the Institute has been guilty of a professional misconduct specified in the First Schedule, the Council shall afford to the member an opportunity of being heard before orders are passed against him on the case, and may thereafter make any of the following orders, namely:—

(a) reprimand the member;

(b) remove the name of the member from the Register for such period, not exceeding five years, as the Council thinks fit:

Provided that where the Council is of opinion that the case is one in which the name of the member ought to be removed from the Register for a period exceeding five years or permanently, it shall not make any order referred to in clause (a) or clause (b), but shall forward the case to the High Court with its recommendations thereon.

(5) Where the misconduct in respect of which the Council has found any member of the Institute guilty is a misconduct other than any such misconduct as is referred to in sub-section (4), it shall forward the case to the High Court with its recommendations thereon.

(6) On receipt of any case under sub-section (4) or sub-section (5), the High Court shall fix a date for the hearing of the case and shall cause notice of the date so fixed to be given to the member of the Institute concerned, the Council and to the Central Government, and shall afford such member, the Council and the Central Government an opportunity of being heard and may thereafter make any of the following orders, namely:—

- (a) direct that the proceedings be filed, or dismiss the complaint, as the case may be;
- (b) reprimand the member;
- (c) remove him from membership of the Institute either permanently or for such period as the High Court thinks fit;
- (d) refer the case to the Council for further inquiry and report.

(7) Where it appears to the Court that the transfer of any case pending before it to another High Court, will promote the ends of justice or tend to the general convenience of the parties, it may so transfer the case, subject to such conditions, if any, as it thinks fit to impose, and the High Court to which such case is transferred shall deal with it as if the case had been forwarded to it by the Council.

Explanation I.—In this section “High Court” means the highest civil court of appeal, not including the Supreme Court, exercising jurisdiction in the area in which the person whose conduct is being inquired into carries on business, or has his principal place of business at the commencement of the inquiry:

Provided that where the cases relating to two or more members of the Institute have to be forwarded by the Council to different High Courts, the Central Government shall, having regard to the ends of justice and the general convenience of the parties, determine which of the High Courts to the exclusion of others shall hear the cases against all the members.

Explanation II.—For the purposes of this section “member of the Institute” includes a person who was a member of the Institute on the date of the alleged misconduct although he has ceased to be a member of the Institute at the time of the inquiry.

(8) For the purposes of any inquiry under this section the Council and the Disciplinary Committee shall have the same powers as are vested in a civil court under the Code of Civil Procedure, 1908, § of 1908, in respect of the following matters:—

- (a) summoning and enforcing the attendance of any person and examining him on oath;
- (b) the discovery and production of any document; and
- (c) receiving evidence on affidavits.

Misconduct defined.

22. For the purposes of this Act, the expression “professional misconduct” shall be deemed to include any act or omission specified in any of the Schedules, but nothing in this section shall be construed to limit or abridge in any way the power conferred or duty cast on the Council under sub-section (1) of section 21 to inquire into the conduct of any member of the Institute under any other circumstances.

CHAPTER VI

REGIONAL COUNCILS

Constitution and functions of Regional Councils.

23. (1) For the purpose of advising and assisting it on matters concerning its functions, the Council may constitute such Regional Councils as and when it deems fit for one or more of the regional constituencies that may be specified by the Central Government under clause (a) of sub-section (2) of section 9.

(2) The Regional Councils shall be constituted in such manner and exercise such functions as may be prescribed.

CHAPTER VII

PENALTIES

Penalty for falsely claiming to be a member, etc.

24. Any person who,—

(i) not being a member of the Institute—

- (a) represents that he is a member of the Institute; or
- (b) uses the designation cost accountant; or

(ii) being a member of the Institute, but not having a certificate of practice, represents that he is in practice or practises as a cost accountant;

shall be punishable on first conviction with fine which may extend to one thousand rupees, and on any subsequent conviction with imprisonment which may extend to six months, or with fine which may extend to five thousand rupees, or with both.

25. (1) Save as otherwise provided in this Act, no person shall,—

(i) use a name or a common seal which is identical with the name or the common seal of the Institute or so nearly resembles it as to deceive or as is likely to deceive the public;

(ii) award any degree, diploma or certificate or bestow any designation which indicates or purports to indicate the position or attainment of any qualification or competence in cost accountancy similar to that of a member of the Institute; or

(iii) seek to regulate in any manner whatsoever the profession of cost and works accountants.

(2) Any person contravening the provisions of sub-section (1) shall, without prejudice to any other proceedings which may be taken against him, be punishable on first conviction with fine which may extend to one thousand rupees, and on any subsequent conviction with imprisonment which may extend to six months, or with fine which may extend to five thousand rupees, or with both.

(3) Nothing contained in this section shall apply to any University established by law or to any body affiliated to the Institute.

(4) If the Central Government is satisfied that any diploma or certificate or any designation granted or conferred by any person other than the Institute, which purports to be a qualification in cost accountancy but which, in the opinion of the Central Government, falls short of the standard of qualifications prescribed for cost accountants and does not in fact indicate or purport to indicate the position or attainment of any qualification or competence in cost accountancy similar to that of a member of the Institute, it may, by notification in the Official Gazette and subject to such conditions as it may think fit to impose, declare that this section shall not apply to such diploma or certificate or designation.

26. (1) No company, whether incorporated in India or elsewhere, shall practise as cost accountants.

(2) Any contravention of the provisions of sub-section (1) shall be punishable on first conviction with fine which may extend to one thousand rupees, and on any subsequent conviction to five thousand rupees.

Penalty for using name of the Council, awarding degrees of cost accountancy, etc.

Companies not to engage in cost accountancy.

Unqualified persons not to sign documents.

27. (1) No person other than a member of the Institute shall sign any document on behalf of a cost accountant in practice or a firm of such cost accountants in his or its professional capacity.

(2) Any person contravening the provision of sub-section (1) shall, without prejudice to any other proceedings which may be taken against him, be punishable with fine which may extend on first conviction to one thousand rupees, and on any subsequent conviction with imprisonment which may extend to six months, or with fine which may extend to five thousand rupees, or with both.

Offences by companies.

28. (1) If the person committing an offence under this Act is a company, the company as well as every person in charge of, and responsible to, the company for the conduct of its business at the time of the commission of the offence 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 that the commission of the offence 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", with respect to an offence under section 24, section 25 or section 27, means any body corporate and includes a firm or other association of individuals; and with respect to an offence under section 28 means a body corporate; and

(b) "director", in relation to a firm, means a partner in the firm.

Sanction to prosecute.

29. No person shall be prosecuted under this Act except on a complaint made by or under the order of the Council or of the Central Government.

CHAPTER VIII

DISSOLUTION OF THE INSTITUTE OF COST AND WORKS ACCOUNTANTS
REGISTERED UNDER THE COMPANIES ACT, 1956 (1 OF 1956)

30. On the commencement of this Act,—

1 of 1956.

(a) the company known as the Institute of Cost and Works Accountants registered under the Companies Act, 1956, shall be dissolved and thereafter no person shall make, assert or take any claims, demands or proceedings against the dissolved company or against any officer thereof in his capacity as such officer except in so far as may be necessary, for enforcing the provisions of this Act;

Dissolution of the Institute of Cost and Works Accountants registered under the Companies Act, 1956.

(b) the right of every member to or in respect of the dissolved company shall be extinguished, and thereafter no member of that company shall make, assert or take any claims or demands or proceedings in respect of that company except as provided in this Act.

31. (1) On the commencement of this Act, there shall be transferred to and vested in the Institute all the assets and liabilities of the dissolved company.

Transfer of assets and liabilities of the dissolved company to the Institute.

(2) The assets of the dissolved company shall be deemed to include all rights and powers, and all property, whether movable or immovable of the company, including, in particular, cash balances, reserve funds, investments, deposits and all other interests and rights in or arising out of such property as may be in the possession of the dissolved company and all books of accounts or documents of the dissolved company; and the liabilities shall be deemed to include all debts, liabilities and obligations of whatever kind then existing of that company.

(3) All contracts, debts, bonds, agreements and other instruments of whatever nature to which the dissolved company is a party, subsisting or having effect immediately before the commencement of this Act, shall be of as full force and effect against or in favour of the Institute, as the case may be, and may be enforced as fully and effectively as if instead of the dissolved company, the Institute had been a party thereto.

(4) If, on the commencement of this Act, any suit, appeal or other legal proceeding of whatever nature by or against the dissolved company is pending, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer to the Institute of the assets and liabilities of the dissolved company or of

anything contained in this Act, but the suit, appeal or other proceeding may be continued, prosecuted and enforced by or against the Institute, in the same manner and to the same extent as it would or may be continued, prosecuted and enforced by or against the dissolved company if this Act had not been passed.

Provisions
respecting
employees of
the dissolved
company.

32. (1) Every person employed in the dissolved company prior to the 1st day of September, 1958, and still in its employment immediately before the commencement of this Act shall, as from such commencement, become an employee of the Institute, shall hold his office or service therein by the same tenure and upon the same terms and conditions and with the same rights and privileges as to pension and gratuity as he would have held the same under the dissolved company if this Act had not been passed, and shall continue to do so unless and until his employment in the Institute is terminated or until his remuneration, terms and conditions of employment are duly altered by the Institute.

(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 employee of the dissolved company to the Institute shall not entitle any such employee to any compensation under that Act or other law, and no such claim shall be entertained by any court, tribunal or other authority.

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CHAPTER IX MISCELLANEOUS

Appeals.

33. (1) Any member of the Institute aggrieved by any order of the Council imposing on him any of the penalties referred to in clause (a) or clause (b) of sub-section (4) of section 21, may, within thirty days of the date on which the order is communicated to him, prefer an appeal to the High Court:

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

(2) The High Court may, on its own motion or otherwise, after calling for the records of any case, revise any order made by the Council under sub-section (2) or sub-section (4) of section 21 and may—

- (a) confirm, modify or set aside the order;
- (b) impose any penalty or set aside, reduce, confirm or enhance the penalty imposed by the order;
- (c) remit the case to the Council for such further enquiry as the High Court considers proper in the circumstances of the case;

(d) pass such other order as the High Court thinks fit:

Provided that no order of the Council shall be modified or set aside unless the Council has been given an opportunity of being heard and no order imposing or enhancing a penalty shall be passed unless the person concerned has been given an opportunity of being heard.

Explanation.—In this section “High Court” and “member of the Institute” have the same meanings as in section 21.

34. (1) Where an order is made under this Act reprimanding a member a record of the punishment shall be entered against his name in the Register.

Alteration in the Register and cancellation of certificate.

(2) Where the name of any member is removed, the certificate of practice granted to him under this Act shall be recalled and cancelled.

35. (1) The Central Government may from time to time issue such directions to the Council as in the opinion of the Central Government are conducive to the fulfilment of the objects of this Act and in the discharge of its functions, the Council shall be bound to carry out any such directions.

Directions of the Central Government.

(2) Directions issued under sub-section (1) may include directions to the Council to make any regulations or to amend or revoke any regulations already made.

(3) If, in the opinion of the Central Government the Council has persistently made default in giving effect to the directions issued under this section, the Central Government may, after giving an opportunity to the Council to state its case, by order, dissolve the Council, whereafter a new Council shall be constituted in accordance with the provisions of this Act with effect from such date as may be specified by the Central Government.

(4) Where the Central Government passes an order under sub-section (3) dissolving the Council, it may, pending the constitution of a new Council in accordance with the provisions of this Act, authorise any person or body of persons to take over the management of the affairs of the Institute and to exercise such functions as may be specified in this behalf by the Central Government.

36. No suit, prosecution or other legal proceeding shall lie against the Central Government or the Council in respect of anything which is in good faith done or intended to be done in pursuance of this Act or of any regulations or orders made thereunder.

Protection of action taken in good faith.

37. (1) Where a cost accountant in practice or a firm of such cost accountants has more than one office in India, each one of such offices shall be in the separate charge of a member of the Institute:

Maintenance of branch offices.

Provided that the Council may in suitable cases exempt any cost accountant in practice or firm of such cost accountants from the operation of this sub-section.

(2) Every cost accountant in practice or firm of such cost accountants maintaining more than one office shall send to the Council a list of offices and the persons in charge thereof and shall keep the Council informed of any changes in relation thereto.

Reciprocity.

38. (1) Where any country, specified by the Central Government in this behalf by notification in the Official Gazette, prevents persons of Indian domicile from becoming members of any institution similar to the Institute established under this Act or from practising the profession of cost accountancy or subjects them to unfair discrimination in that country, no subject of any such country shall be entitled to become a member of the Institute or practise the profession of cost accountancy, in India.

(2) Subject to the provisions of sub-section (1), the Council may prescribe the conditions, if any, subject to which foreign qualifications relating to cost accountancy shall be recognised for the purposes of entry in the Register.

Power to make regulations.

39. (1) The Council may, by notification in the Gazette of India, make regulations for the purpose of carrying out the objects of this Act, and a copy of such regulations shall be sent to each member of the Institute.

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

(a) the standard and conduct of examinations under this Act;

(b) the qualifications for the entry of the name of any person in the Register as a member of the Institute;

(c) the qualification required for the purposes of sub-section (4) of section 5;

(d) the conditions under which any examination or training may be treated as equivalent to the examination or training prescribed for members of the Institute;

(e) the conditions under which any foreign qualification may be recognised;

(f) the manner in which and the conditions subject to which applications for entry in the Register may be made.

(g) the fees payable for membership of the Institute and the annual fees payable by associates and fellows of the Institute in respect of their certificates;

(h) the manner in which elections to the Council and the Regional Councils may be held;

(i) the particulars to be entered in the Register;

(j) the functions of Regional Councils;

(k) the regulation and maintenance of the status and standard of professional qualifications of members of the Institute;

(l) the carrying out of research in accountancy;

(m) the maintenance of libraries and publication of books and periodicals relating to cost accountancy and allied subjects;

(n) the management of the property of the Council and the maintenance and audit of its accounts;

(o) the summoning and holding of meetings of the Council and committees thereof, the times and places of such meetings, the procedure to be followed thereat and the number of members necessary to form a quorum;

(p) the manner in which the annual list of members of the Institute shall be published;

(q) the powers, duties and functions of the President and the Vice-President of the Council;

(r) the functions of the Standing and other committees and the conditions subject to which such functions shall be discharged;

(s) the terms of office, and the powers, duties and functions of the Secretary and other employees of the Council;

(t) the exercise of disciplinary powers conferred by this Act;

(u) the terms and conditions of service of persons who have become employees of the Institute under section 32 of this Act;

(v) the registration and training of students and the fees to be charged therefor; and

(w) any other matter which is required to be, or may be, prescribed under this Act.

(3) All regulations made by the Council under this Act shall be subject to the condition of previous publication and to the approval of the Central Government.

(4) Notwithstanding anything contained in sub-sections (1) and (2), the Central Government may frame the first regulations for the purposes mentioned in this section, and such regulations shall be deemed to have been made by the Council, and shall remain in force until they are amended, altered or revoked by the Council.

THE FIRST SCHEDULE

[See sections 21(4) and 22]

PART I

Professional misconduct in relation to cost accountants in practice

A cost accountant in practice shall be deemed to be guilty of professional misconduct, if he—

(1) allows any person to practise in his name as a cost accountant unless such person is also a cost accountant in practice and is in partnership with or employed by himself;

(2) pays or allows or agrees to pay or allow, directly or indirectly, any share, commission or brokerage in the fees or profits of his professional work, to any person other than a member of the Institute or a partner or a retired partner or the legal representative of a deceased partner;

Explanation.—In this item, “partner” includes a person residing outside India with whom a cost accountant in practice has entered into partnership which is not in contravention of item (4) of this Part;

(3) accepts or agrees to accept any part of the profits of the professional work of a lawyer, auctioneer, broker or other agent who is not a member of the Institute;

(4) enters into partnership with any person other than a cost accountant in practice or a person resident without India who but for his residence abroad would be entitled to be registered as a member of the Institute under clause (iv) of sub-section (1) of section 4 or whose qualifications are recognised by the Central Government or the Council for the purpose of permitting such partnerships, provided that the cost accountant shares in the fees or profits of the professional work of the partnership both within and without India;

(5) secures, either through the services of a person not qualified to be his partner or by means which are not open to a cost accountant, any professional work;

(6) solicits clients or professional work either directly or indirectly, by circular, advertisement, personal communication or interview or by any other means;

(7) advertises his professional attainments or services, or uses any designation or expression other than cost accountant on professional documents, visiting cards, letter-heads or sign boards, unless it be a degree of a University established by law in India or recognised by the Central Government or a title indicating membership of the Institute of Cost and Works Accountants of India or of any other institution that has been recognised by the Central Government or may be recognised by the Council;

(8) accepts a position as cost accountant previously held by another cost accountant in practice without first communicating with him in writing;

(9) charges or offers to charge, accepts or offers to accept in respect of any professional employment fees which are based on a percentage of profits or which are contingent upon the findings or results of such employment, except in cases which are permitted under any regulations made under this Act;

(10) engages in any business or occupation other than the profession of cost accountant unless permitted by the Council so to engage:

Provided that nothing contained herein shall disentitle a cost accountant from being a director of a company unless he or any of his partners is interested in such company as accountant;

(11) accepts a position as cost accountant previously held by some other cost accountant in practice in such conditions as to constitute under-cutting;

(12) allows a person not being a member of the Institute in practice or a member not being his partner to sign on his behalf or on behalf of his firm, any cost or pricing statements or any other statements related thereto.

PART II

Professional misconduct in relation to members of the Institute in service

A member of the Institute (other than a member in practice) shall be deemed to be guilty of professional misconduct, if he being an employee of any company, firm or person—

(1) pays or allows or agrees to pay directly or indirectly, to any person any share in the emoluments of the employment undertaken by the member;

(2) accepts or agrees to accept any part of fees, profits or gains from a lawyer, a cost accountant or broker engaged by such company, firm or person or agent or customer of such company, firm or person by way of commission or gratification;

(3) discloses confidential information acquired in the course of his employment otherwise than as required by any law for the time being in force or as permitted by his employer.

PART III

Professional misconduct in relation to members of the Institute generally

A member of the Institute whether in practice or not shall be deemed to be guilty of professional misconduct, if he—

(1) includes in any statement, return or form to be submitted to the Council any particulars knowing them to be false;

(2) not being a fellow styles himself as a fellow;

(3) does not supply the information called for or does not comply with the requirements asked for by the Council or any of its Committees.

THE SECOND SCHEDULE

[See sections 21(5) and 22]

PART I

Professional misconduct in relation to cost accountants in practice requiring action by a High Court

A cost accountant in practice shall be deemed to be guilty of professional misconduct, if he—

(1) discloses information acquired in the course of his professional engagement to any person other than the client so engaging him, without the consent of such client, or otherwise than as required by any law for the time being in force;

(2) certifies or submits in his name or in the name of his firm a report of an examination of cost accounting and related statements, unless the examination of such statements has been made by him or by a partner or an employee in his firm or by another cost accountant in practice;

(3) permits his name or the name of his firm to be used in connection with an estimate of cost or earnings contingent upon future transactions in a manner which may lead to the belief that he vouches for the accuracy of the forecast;

(4) expresses his opinion on cost or pricing statements of any business or any enterprise in which he, his firm or a partner in his firm has a substantial interest, unless he discloses the interest also in his report;

(5) fails to disclose in a cost or pricing statement a material fact known to him, which is not disclosed in a cost or pricing statement, but disclosure of which is necessary to make such statement not misleading;

(6) fails to report a material mis-statement known to him to appear in a cost or pricing statement with which he is concerned in a professional capacity;

(7) is grossly negligent in the conduct of his professional duties;

(8) fails to obtain sufficient information to warrant the expression of an opinion or makes exceptions which are sufficiently material to negate the expression of an opinion;

(9) fails to invite attention to any material departure from the generally accepted procedure of costing and pricing applicable to the circumstances;

(10) fails to keep moneys of his client in a separate banking account or to use such moneys for purposes for which they are intended.

PART II

Professional misconduct in relation to members of the Institute generally requiring action by a High Court

A member of the Institute, whether in practice or not, shall be deemed to be guilty of professional misconduct, if he—

(1) contravenes any of the provisions of this Act or the regulations made thereunder;

(2) is guilty of such other act or omission as may be specified by the Council in this behalf, by notification in the Gazette of India.

THE PHARMACY (AMENDMENT) ACT, 1959

No. 24 OF 1959

[27th August, 1959]

An Act further to amend the Pharmacy Act, 1948.

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

Short title
and com-
mencement.

1. (1) This Act may be called the Pharmacy (Amendment) Act, 1959.

(2) Section 19 shall come into force at once; and the remaining provisions shall come into force on such date¹ as the Central Government may, by notification in the Official Gazette, appoint; and different dates may be appointed for different States or areas thereof.

Amendment
of section 1.

2. In section 1 of the Pharmacy Act, 1948 (hereinafter referred to as the principal Act),—

(a) for sub-section (2), the following sub-section shall be substituted, namely:—

“(2) It extends to the whole of India except the State of Jammu and Kashmir.”;

(b) in sub-section (3), the words “not later than three years from the commencement of this Act,” shall be omitted; and the following proviso shall be inserted at the end, namely:—

“Provided that where on account of the territorial changes brought about by the reorganisation of States on the 1st day of November, 1956, Chapters III, IV and V have effect only in a part of a State, the said Chapters shall take effect in the remaining part of that State from such date as the State Government may in like manner appoint.”.

Amendment
of section 2

3. In section 2 of the principal Act,—

(a) for clause (c), the following clause shall be substituted, namely:—

“(c) “Indian University” means a university established or incorporated under any law for the time being in force in the territories to which this Act extends;”.

¹ 1st May, 1960. Vide Notfn. No. S. O. 1042, dt. 26th April, 1960, see Gazette of India, 1960, Pt. II, Sec. 3(ii), p-1354.

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

(f) "medical practitioner" means a person—

(i) holding a qualification granted by an authority specified or notified under section 3 of the Indian Medical Degrees Act, 1916, or specified in the Schedules to the Indian Medical Council Act, 1956; or

(ii) registered or eligible for registration in a medical register of a State meant for the registration of persons practising the modern scientific system of medicine; or

(iii) registered in a medical register of a State, who, although not falling within sub-clause (i) or sub-clause (ii) is declared by a general or special order made by the State Government in this behalf as a person practising the modern scientific system of medicine for the purposes of this Act; or

(iv) registered or eligible for registration in the register of dentists for a State under the Dentists Act, 1948; or

(v) who is engaged in the practice of veterinary medicine and who possesses qualifications approved by the State Government;'

(c) clause (k) shall be omitted.

4. In section 3 of the principal Act,—

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

"(dd) the Drugs Controller, India, *ex officio* or if he is unable to attend any meeting, a person authorised by him in writing to do so:"

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

"Provided that for five years from the date on which this Chapter comes into force in the State of Kerala, Mysore or Rajasthan, as the case may be, instead of a member elected under clause (g), the State Government shall nominate one member, being a person eligible for registration as a pharmacist under section 31."

7 of 1916.
102 of 1956.

16 of 1948.

Amendment
of section 3.

Amendment of section 5. 5. In section 5 of the principal Act, in sub-section (1), the proviso shall be omitted.

Amendment of section 8. 6. In section 8 of the principal Act, in sub-section (1), the proviso shall be omitted.

Amendment of section 19. 7. In section 19 of the principal Act, after clause (d), the following clause shall be inserted, namely:—

“(dd) the officer-in-charge of drugs control organisation of the State under the Drugs Act, 1940, *ex officio* or if he is unable to attend any meeting, a person authorised by him in writing to do so;”^{23 of 1940.}

Amendment of section 21. 8. In section 21 of the principal Act, in sub-section (1), after clause (d), the following clause shall be inserted, namely:—

“(dd) the officer-in-charge of drugs control organisation of each participating State under the Drugs Act, 1940, *ex officio* or if he is unable to attend any meeting, a person authorised by him in writing to do so;”^{23 of 1940.}

Amendment of section 31. 9. In section 31 of the principal Act, for the words “A person shall be entitled”, the words “A person who has attained the age of eighteen years shall be entitled” shall be substituted.

Amendment of section 32. 10. In section 32 of the principal Act,—

(a) in sub-section (1),—

(i) for the words “a person shall on payment of the prescribed fee”, the words “a person who has attained the age of eighteen years shall on payment of the prescribed fee” shall be substituted;

(ii) in the proviso, for the words “under this sub-section”, the words, brackets and letters “under clause (a) or clause (c)” shall be substituted;

(b) in sub-section (2),—

(i) for the words “twenty-one years”, the words “eighteen years” shall be substituted;

(ii) the words “or is a registered pharmacist in another State” shall be inserted at the end.

11. After section 32 of the principal Act, the following section shall be inserted, namely:—

Insertion of new section 32A.

"32A. (1) Notwithstanding anything contained in section 32, a State Council may also permit to be entered on the register—

Special provisions for registration of certain persons.

(a) the names of displaced persons who have been carrying on the business or profession of pharmacy as their principal means of livelihood from a date prior to the 4th day of March, 1948, and who satisfy the conditions for registration as set out in section 31;

(b) the names of citizens of India who have been carrying on the business or profession of pharmacy in any country outside India and who satisfy the conditions for registration as set out in section 31;

(c) the names of persons who resided in an area which has subsequently become a territory of India and who satisfy the conditions for registration as set out in section 31;

(d) the names of persons who carry on the business or profession of pharmacy in the State, and

(i) would have satisfied the conditions for registration as set out in section 31, on the date appointed under sub-section (2) of section 30, had they applied for registration on or before that date; or

(ii) have been engaged in the compounding of drugs in a hospital or dispensary or other place in which drugs are regularly dispensed on prescriptions of medical practitioners as defined in sub-clause (iii) of clause (f) of section 2 for a total period of not less than five years prior to the date appointed under sub-section (2) of section 30;

(e) the names of persons who were qualified to be entered in the register for a State as it existed immediately before the 1st day of November, 1956, but who, by reason of the area in which they resided or carried on their business or profession of pharmacy having become part of a State as formed on that date, are not qualified to be entered in the register for the latter State only by reason of their not having passed either a matriculation examination or an examination prescribed as being equivalent to a matriculation examination or an approved examination or of their not possessing a qualification approved under section 14;

(f) the names of persons—

(i) who were included in the register for a State as it existed immediately before the 1st day of November, 1956; and

(ii) who, by reason of the area in which they resided or carried on their business or profession of pharmacy having become part of a State as formed on that date, reside or carry on such business or profession in the latter State;

(g) the names of persons who reside or carry on their business or profession of pharmacy in an area in which this Chapter takes effect after the commencement of the Pharmacy (Amendment) Act, 1959, and who satisfy the conditions for registration as set out in section 31.

(2) Any person who desires his name to be entered in the register in pursuance of sub-section (1) shall make an application in that behalf to the State Council, and such application shall be accompanied by the prescribed fee.

(3) The provisions of this section shall remain in operation for a period of two years from the commencement of the Pharmacy (Amendment) Act, 1959:

Provided that the State Government may, by notification in the Official Gazette, extend the period of operation of clause (a), clause (b) or clause (c) of sub-section (1) by such further period or periods, not exceeding two years in the aggregate, as may be specified in the notification.

Explanation 1.—For the purposes of clause (a) of sub-section (1), “displaced person” means any person who on account of the setting up of the Dominions of India and Pakistan or on account of civil disturbances or the fear of such disturbances in any area now forming part of Pakistan, has, on or after the 1st day of March, 1947, left or been displaced from his place of residence in such area and who has since then been residing in India.

Explanation 2.—For the purposes of clauses (b), (c) and (g) of sub-section (1), the period referred to in clause (d) of section 31 shall be computed with reference to the date of application.”

Amendment of section 34. 12. In section 34 of the principal Act, in sub-section (3), for the words “in the prescribed manner endorse the certificate of registration accordingly”, the words “issue a receipt therefor and such receipt shall be proof of renewal of registration” shall be substituted.

13. In sub-section (1) of section 36 of the principal Act,—

Amendment
of section
36.

(a) in clause (iii), after the words "for the purposes of his business of pharmacy", the words "or employed to work under him in connection with any business of pharmacy" shall be inserted;

(b) in the proviso,—

(i) in clause (c), after the words "employed by the registered pharmacist for the purposes of his business of pharmacy", the words "or employed to work under him in connection with any business of pharmacy" shall be inserted;

(ii) in clause (e), after the words "by persons employed by him", the words "or by persons under his control" shall be inserted.

14. For section 40 of the principal Act, the following section shall be substituted, namely:—

Substitution
of new sec-
tion for sec-
tion 40.

"40. (1) As soon as may be after the 1st day of April subsequent to the commencement of the Pharmacy (Amendment) Act, 1959, the Registrar shall cause to be printed copies of the register as it stood on the said date.

Printing of
register and
evidentiary
value of
entries
therein.

(2) The Registrar shall thereafter cause to be printed as soon as may be after the 1st day of April in each year copies of the annual supplement to the register referred to in sub-section (1), showing all additions to, and other amendments in, the said register.

(3) (a) The register shall be brought up-to-date three months before ordinary elections to the State Council are held and copies of this register shall be printed.

(b) The provisions of sub-section (2) shall apply to the register as so printed as they apply to the register referred to in sub-section (1).

(4) The copies referred to in sub-section (1) or sub-section (2) or sub-section (3) shall be made available to persons applying therefor on payment of the prescribed charge and shall be evidence that on the date referred to in the register or annual supplement, as the case may be, the persons whose names are entered therein were registered pharmacists."

Amendment
of section
41.

15. In section 41 of the principal Act,—

(a) in clause (b) of sub-section (2), after the words "or any combination of such words", the words "or of any such word with any other word" shall be inserted;

(b) in sub-section (3), after the words "the State Government or", the words "any officer authorized in this behalf by the State Government or by order of" shall be inserted.

Amendment
of section
42.

16. In section 42 of the principal Act,—

(a) in sub-section (1), the words "except under the direct and personal supervision of a registered pharmacist" shall be omitted;

(b) in sub-section (3), for the words "an order of the State Government", the words "order of the State Government or any officer authorised in this behalf by the State Government, or by order of the Executive Committee of the State Council" shall be substituted.

Amendment
of section
46.

17. In sub-section (2) of section 46 of the principal Act,—

(a) in clause (j), the words "and the manner of endorsement of renewals thereof" shall be omitted;

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

"(kk) the conduct of pharmacists and their duties in relation to medical practitioners, the public and the profession of pharmacy;"

Special pro-
visions for
dissolution
or reconsti-
tution and
reorganisa-
tion of State
Councils.

18. (1) Where on account of the territorial changes brought about by the reorganisation of States on the 1st day of November, 1956, a State Council is functioning either in a part of a State or in more than one State, the Central Government may, after consulting the State Government or Governments concerned, by order provide for all or any of the following matters, namely:—

(a) the dissolution of the State Council;

(b) the reconstitution and reorganisation in any manner whatsoever of the State Council, including the constitution, where necessary, of new State Councils;

(c) the extension of the term of office of the members of a State Council for any period or periods not exceeding two years in the aggregate;

(d) the area in respect of which the reconstituted State Council or new State Council shall function and operate;

(e) the transfer, in whole or in part, of the assets, rights and liabilities of the State Council (including the rights and liabilities under any contract made by it) to any other State Councils or State Governments and the terms and conditions of such transfer;

(f) the substitution of any such transferee for the State Council or the addition of any such transferee, as a party to any legal proceeding to which the State Council is a party; and the transfer of any proceedings pending before the State Council to any such transferee;

(g) the transfer or re-employment of any employees of the State Council to, or by, any such transferee and subject to the provisions of section 111 of the States Reorganisation Act, 1956, the terms and conditions of service applicable to such employees after such transfer or re-employment;

(h) such incidental, consequential and supplementary matters as may be necessary to give effect to the purposes of this section.

(2) Where an order is made under this section, transferring the assets, rights and liabilities of any State Council, then, by virtue of that order, such assets, rights and liabilities of the State Council shall vest in, and be the assets, rights and liabilities of, the transferee.

(3) Every order made under this section shall be published in the Official Gazette and shall be laid before each House of Parliament, as soon as may be, after it is made.

19. Chapters III, IV and V of the principal Act shall be deemed to have taken effect in the territories which immediately before the commencement of the Constitution were either comprised in the Province of Bombay or being administered as if they formed part of that Province, on the earliest date on which any act, proceeding or thing was done or taken in the said territories by the Government or by any officer of Government or by any other authority in the belief or purported belief that the said Chapters had taken effect in the said territories and that such act, proceeding or thing

Validation
of certain
acts.

was being done or taken under the said Chapters; and all acts, proceedings and things of the nature referred to above, done or taken in the said territories between the said date and the commencement of this section by the Government or by any officer of Government or by any other authority shall for all purposes be deemed to be, and to have always been, done or taken in accordance with law; and no suit or other proceeding shall be maintained or continued against the Government or any person or authority whatsoever on the ground that any such act, proceeding or thing was not done or taken in accordance with law.

THE INTERNATIONAL MONETARY FUND AND BANK
(AMENDMENT) ACT, 1959

No. 25 OF 1959

[28th August, 1959]

An Act further to amend the International Monetary Fund and
Bank Ordinance, 1945.

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

1. This Act may be called the International Monetary Fund and
Bank (Amendment) Act, 1959. Short title.

47 of 1945 2. In the International Monetary Fund and Bank Ordinance, 1945 Substitution
(hereinafter referred to as the principal Ordinance), for the word of the word
"Ordinance", wherever it occurs, the word "Act" shall be substituted. "Act" for
the word
"Ordinance"

3. For the last paragraph of the preamble and the enacting for-
mula, the words "Be it enacted as follows:—" shall be substituted. Amendment
of preamble
and enacting
formula.

4. In sub-section (1) of section 2 of the principal Ordinance,— Amendment
of section 2.

(i) in the opening paragraph, for the words "revenues of the
Central Government", the words "Consolidated Fund of India"
shall be substituted;

(ii) in clause (a), for the words, brackets and letter "to the
International Bank under paragraph (a)", the words, brackets
and letters "to the International Bank under paragraphs (a) and
(c)" shall be substituted.

5. Section 7 of the principal Ordinance shall be re-numbered as Amendment
sub-section (1) thereof, and after sub-section (1) as so re-numbered, of section 7.
the following sub-section shall be inserted, namely:—

"(2) 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 with-
out prejudice to the validity of anything previously done under
that rule."

THE STATE BANK OF INDIA (AMENDMENT)
ACT, 1959

No. 26 OF 1959

[28th August, 1959]

An Act further to amend the State Bank of India Act, 1955.

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

Short title. 1. This Act may be called the State Bank of India (Amendment) Act, 1959.

Amendment of section 22. 2. In section 22 of the State Bank of India Act, 1955 (hereinafter referred to as the principal Act),—

(a) in clause (d) of sub-section (1), for the words “or managing director”, the words “managing director, or legal or technical adviser” shall be substituted;

(b) after sub-section (3), the following sub-section shall be inserted, namely:—

“(4) In this section,—

(a) “banking company” has the same meaning as in 10 of 1949. in the Banking Companies Act, 1949;

(b) “manager” means the chief executive officer, by whatever name called, of a banking company;

(c) “private company” has the same meaning as in 1 of 1956. the Companies Act, 1956.”

Amendment of section 23. 3. In section 23 of the principal Act, the proviso shall be omitted.

Amendment of section 33. 4. In section 33 of the principal Act,—

(a) in sub-clause (d) of clause (i), for the words “under any law for the time being in force in India”, the words “by or under any law for the time being in force in India other than companies with limited liability” shall be substituted;

(b) for clause (xii), the following clauses shall be substituted, namely:—

“(xii) the transacting of pecuniary agency business on commission;

(xiii) the entering into contracts of indemnity, suretyship or guarantee with specific security or otherwise;”;

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

“(xxa) notwithstanding anything to the contrary contained in any other law for the time being in force, the establishment and maintenance of superannuation pension, provident or other funds for the benefit of the employees of the State Bank or dependents of such employees or for the purposes of the State Bank, and the granting of superannuation allowances, annuities and pension payable out of any such fund;”.

5. In section 34 of the principal Act, for sub-sections (3) and (4), the following sub-section shall be substituted, namely:—

Amendment
of section
34.

“(3) The State Bank shall not discount or purchase or advance or lend or open cash credits on the security of,—

(a) any negotiable instrument of any individual or firm payable at the place where it is presented which does not carry on it the several responsibilities of at least two persons or firms unconnected with each other in general partnership;

(b) any negotiable instrument or security (not being an instrument or security in which a trustee may invest trust money under section 20 of the Indian Trusts Act, 1882, or the corresponding provision of the law for the time being in force in any country where the State Bank has a branch) which does not mature within—

(i) fifteen months from the date of such discount, purchase, loan, advance or opening of cash credits, if the instrument or security is drawn or issued for the purpose of financing seasonal agricultural operations; and

(ii) six months from the date aforesaid if the instrument or security is drawn or issued for any other purpose.”.

Amendment
of section 35.

6. In section 35 of the principal Act, for sub-sections (2), (3) and (4), the following sub-sections shall be substituted, namely:—

(2) The terms and conditions relating to such acquisition, if agreed upon by the Central Board of the State Bank and the directorate or management of the banking institution concerned and approved by the Reserve Bank, shall be submitted to the Central Government for its sanction and that Government may by order in writing (hereafter in this section referred to as the order of sanction) accord its sanction thereto.

(3) Notwithstanding anything contained in this Act or any other law for the time being in force or any instrument regulating the constitution of the banking institution concerned, the terms and conditions as sanctioned by the Central Government shall come into effect on the date specified by the Central Government in this behalf in the order of sanction and be binding upon the State Bank and the banking institution concerned as well as upon the shareholders (or, as the case may be, proprietors) and creditors of that banking institution.

(4) If for any reason the terms and conditions cannot come into effect on the date specified in the order of sanction, the Central Government may fix another suitable date for that purpose.

(5) On the date on which the terms and conditions as aforesaid come into effect the business and the assets and liabilities of the banking institution concerned as covered by the acquisition shall, by virtue, and in accordance with the provisions, of the order of sanction stand transferred to, and become respectively the business and the assets and liabilities of, the State Bank.

(6) The consideration for the acquisition of the business and the assets and liabilities of any banking institution under this section may, if so agreed upon, be paid either in cash or by allotment of shares in the capital of the State Bank or partly in cash and partly by allotment of shares, and the State Bank may, for the purpose of any such allotment, increase, subject to the other provisions contained in this Act relating to the increase of capital, the capital of the State Bank by the issue of such number of shares as may be determined by the State Bank.

(7) Any business acquired under this section shall thereafter be carried on by the State Bank in accordance with the provisions of this Act, subject to such exemptions or modifica-

tions as the Central Government may, by notification in the Official Gazette, make in this behalf in consultation with the Reserve Bank:

Provided that no such exemption or modification shall be made so as to have effect for a period of more than seven years from the date of acquisition.

14 of 1947.

(8) Notwithstanding anything contained in the Industrial Disputes Act, 1947, or in any other law or in any agreement for the time being in force, on the acquisition of the business and the assets and liabilities of any banking institution under this section, no officer or other employee of that banking institution shall be entitled to any compensation to which he may be entitled under that Act or that other law or that agreement and no claim in respect of such compensation shall be entertained by any court, tribunal or other authority, if on his having accepted in writing an offer of employment by the State Bank on the terms and conditions proposed by it he has been employed in accordance with such terms and conditions.

(9) The Central Government may, if it considers necessary or expedient in the case of any banking institution in relation to which an order of sanction has been made under this section, appoint, whether before or after the coming into effect of the terms and conditions relating to the acquisition of the business and the assets and liabilities of that banking institution, a suitable person to take over the management of that banking institution for the purposes of winding up its affairs and distributing its assets, and the expenditure incurred in connection with such management (including the remuneration for the person so appointed and his staff, if any) shall be paid out of the assets of the banking institution or by the State Bank as the Central Government may direct.

(10) Simultaneously with the appointment of a suitable person to take over the management of any banking institution under sub-section (9) or immediately thereafter, the Central Government shall issue directions to be followed by that person in the management of that banking institution ^{for} of the purposes aforesaid and thereupon—

1 of 1956.
10 of 1949.

(a) the provisions of the Companies Act, 1956, or the Banking Companies Act, 1949, or any other law for the time being in force or any instrument having effect by

virtue of any such Act or law, in so far as they are inconsistent with such directions, shall cease to apply to or in relation to that banking institution;

(b) all persons in charge of the management, including any person holding office as manager or director of the banking institution immediately before the issue of such directions, shall be deemed to have vacated their offices as such; and

(c) the person appointed to take over the management of the banking institution shall in accordance with those directions take all such steps as may be necessary to facilitate the winding up of its affairs and distribution of its assets.

(11) The Central Government, when satisfied that nothing further remains to be done in order to wind up the affairs of any such banking institution, may by another order in writing direct that as from such date as may be specified therein the banking institution shall stand dissolved and thereupon any such direction shall have effect notwithstanding anything to the contrary contained in any other law.

(12) No action under this section shall be questioned on the ground merely of any defect in the constitution of any banking institution in relation to which such action has been taken or in the constitution of its Board of Directors or in the appointment of any person entrusted with the management of its affairs.

(13) In this section "banking institution" includes any individual or any association of individuals (whether incorporated or not, or whether a department of Government or a separate institution), carrying on the business of banking.

Amendment of section 36. 7. In section 36 of the principal Act, after sub-section (3), the following sub-section shall be inserted, namely:—

"(4) No amount applied for any of the purposes specified in sub-section (2) shall, for the purposes of the Indian Income-tax Act, 1922, be treated as income, profits or gains of the State Bank." ^{11 of 1922.}

Amendment of section 41.

8. In section 41 of the principal Act.—

(a) in sub-section (1), for the words, brackets and figures "sub-section (1) of section 144 of the Indian Companies Act, 1913", the words and figures "section 226 of the Companies Act, 1956" shall be substituted; ^{7 of 1913.}
^{1 of 1956.}

(b) in sub-section (5), for the word "first", the word "annual" shall be substituted;

(c) in clause (d) of sub-section (7), for the words "profit and loss" occurring for the second time, the words "profit or loss" shall be substituted.

9. In section 42 of the principal Act, in sub-section (1), for the word "hereinafter", the words "in this Act" shall be substituted. Amendment of section 42.

10. In section 50 of the principal Act, in sub-section (0) of sub-section (2), the following clause shall be substituted, namely:— Amendment of section 50.

"(o) the establishment and maintenance of superannuation pension, provident or other funds for the benefit of the employees of the State Bank or of the dependents of such employees or for the purposes of the State Bank, and the granting of superannuation allowances, annuities and pensions payable out of any such fund;"

for clause (e) of sub-section 1

THE KERALA LOCAL AUTHORITIES LAWS (AMENDMENT) ACT, 1959

No. 27 OF 1959

[29th August, 1959]

An Act to provide for the further extension of the term of office of the Mayor and other councillors and chairmen of standing committees of the Corporation of Trivandrum, and of the councillors of municipalities; and to provide for the recovery in certain cases of arrears of cesses, rates, taxes, fees or other sums due to Panchayats.

WHEREAS by virtue of the Proclamation issued by the President under article 356 of the Constitution on the 31st day of July, 1959, the powers of the legislature of the State of Kerala are now exercisable by or under the authority of the Parliament;

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

Short title. 1. This Act may be called the Kerala Local Authorities Laws (Amendment) Act, 1959.

Definitions. 2. In this Act,—

(a) "Kerala municipal laws" means,—

- (i) the Trivandrum City Municipal Act, Trav. Act
4 of 1116.
- (ii) the Travancore District Municipalities Act, 1116, Trav. Act
23 of 1116.
- (iii) the Cochin Municipal Act XVIII of 1113. Cochin
Act XVIII
of 1113.
- (iv) the Madras District Municipalities Act, 1920, as in force in Malabar, Madras Act
5 of 1920.
- (v) the Municipal Laws (Amendment) Act, 1958, and Kerala Act
43 of 1958.
- (vi) the Madras District Municipalities (Amendment) Act, 1958; Kerala Act
44 of 1958.

(b) "Malabar" means the Malabar district referred to in subsection (2) of section 5 of the States Reorganisation Act, 1956.

37 of 1956.

3. Notwithstanding anything in any of the Kerala Municipal laws, the Government may, by notification in the Gazette, extend the term of office of—

Extension of term of office of certain municipal functionaries.

(i) the Mayor and other councillors and the chairmen of standing committees of the Corporation of Trivandrum constituted under the Trivandrum City Municipal Act; and

Trav. Act
4 of 1116.

(ii) the councillors of any municipality constituted under the Madras District Municipalities Act, 1920, as in force in Malabar, or the Travancore District Municipalities Act, 1116, or the Cochin Municipal Act XVIII of 1113;

Madras Act
5 of 1920.
Trav. Act
23 of 1116.

Cochin Act
XVIII of
1113.

which expires at noon on the 1st day of September, 1959, up to such date not later than the 1st day of September, 1960, as may be specified in the notification.

4. When the term of office of the Mayor or of any chairman or councillor has been extended under section 3, the provisions of the Kerala municipal laws shall have effect in relation thereto, subject to the following modifications, namely:—

Election and term of office of new councillors in cases falling under section 3.

(a) the Government shall cause elections—

(i) to be so held, and appointments to be so made, of councillors to the Corporation of Trivandrum that the newly elected and appointed councillors enter upon office on the date specified in the notification under section 3;

(ii) to every municipality concerned to be so held that the newly elected councillors enter upon office on the date specified as aforesaid;

(b) the term of office of the newly elected or appointed councillors shall expire on the day immediately succeeding the expiry of three years from the date referred to in clause (a);

(c) the election of the Mayor of the Council of the Corporation of Trivandrum shall be held at the first meeting of the council after the date referred to in clause (a) and the election of the chairman of each standing committee of the council shall be held at the first meeting of such committee.

5. If any difficulty arises in giving effect to the provisions of this Act, or of any of the Kerala municipal laws as modified by section 4, the Government may, as occasion may arise, by order, do anything which appears to them necessary for the purpose of removing the difficulty.

Removal of difficulties.

182 *Kerala Local Authorities Laws (Amendment)* [ACT 27 OF 1959]

Amendment
of Travancore-Cochin Panchayats Act.

6. In the Travancore-Cochin Panchayats Act, 1950, after section 57, the following section shall be inserted, namely:—

Trav.-Cochin Act
of 1950

Recovery of arrears of cess, etc., where Panchayats cease to exist or to exercise jurisdiction

“57A. Where a Panchayat ceases to exist, or ceases to exercise jurisdiction over any local area, by reason of any notification issued under section 3, any cess, rate, tax, fee or other sum which accrued due to such Panchayat before the date it ceased to so exist or to exercise jurisdiction, shall be payable to such authority as the Government may, by general or special order, specify, and may be recovered as an arrear of land revenue under the Revenue Recovery Act for the time being in force.”

Repeal of Kerala Acts 43 and 44 of 1958.

7. The Municipal Laws (Amendment) Act, 1958, and the Madras District Municipalities (Amendment) Act, 1958, shall stand repealed on the 1st day of September, 1959.

THE ROAD TRANSPORT CORPORATIONS
(AMENDMENT) ACT, 1959

No. 28 OF 1959

[1st September, 1959]

An Act further to amend the Road Transport Corporations
Act, 1950

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

1. This Act may be called the Road Transport Corporations Short title.
(Amendment) Act, 1959.

64 of 1950. 2. Section 6 of the Road Transport Corporations Act, 1950 (here- Amendment
inafter referred to as the principal Act) shall be re-numbered as of section 6.
sub-section (1) thereof and after the sub-section as so re-numbered,
the following sub-section shall be inserted, namely:—

“(2) Nothing in clause (d) of sub-section (1) shall be deem-
ed to disqualify the Chief Executive Officer or General Manager
of a Corporation for being chosen as, or for being, a member
thereof.”

3. In clause (c) of section 12 of the principal Act, after the words Amendment
“General Manager”, the words “or any other officer of the Corpo- of section 12.
ration” shall be inserted.

4. In sub-section (1) of section 19 of the principal Act, after Amendment
clause (c), the following clauses shall be inserted, namely:— of section 19

“(d) to authorise the issue of passes to its employees and
other persons either free of cost or at concessional rates and on
such conditions as it may deem fit to impose;

(e) to authorise the grant of refund in respect of unused
tickets and concessional passes.”

5. Section 26 of the principal Act shall be re-numbered as sub- Amendment
section (1) thereof and after sub-section (1) as so re-numbered, the of section 26.
following sub-section shall be inserted, namely:—

“(2) With the previous approval of the State Government
and the Central Government, a Corporation may also borrow
money in the open market for the purpose of meeting any
expenditure of a capital nature.”

Amendment
of section 30.

6. In section 30 of the principal Act, for the words "and the balance shall be made over to the State Government for the purpose of road development", the following shall be substituted, namely:—

"and out of the balance such amount as may, with the previous approval of the State Government and the Central Government, be specified in this behalf by the Corporation, may be utilised for financing the expansion programmes of the Corporation and the remainder, if any, shall be made over to the State Government for the purpose of road development".

Amendment
of section 32.

7. In sub-section (3) of section 32 of the principal Act, for the words "A Corporation may sanction", the words "Subject to such conditions and restrictions as may be specified in this behalf by the State Government, a Corporation may sanction" shall be substituted.

Substitution
of section 33.

8. For section 33 of the principal Act, the following section shall be substituted, namely:—

Accounts
and Audit.

"33. (1) The Corporation shall maintain proper accounts and other 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 State Government in consultation with the Comptroller and Auditor-General of India.

(2) The accounts of a Corporation shall be audited annually by the Comptroller and Auditor-General of India or his nominee and any expenditure incurred by him in connection with such audit shall be payable by the Corporation to the Comptroller and Auditor-General of India.

(3) The Comptroller and Auditor-General of India and any person appointed by him in connection with the audit of the accounts of a Corporation shall have the same rights, privileges and authority in connection with such audit as the Comptroller and Auditor-General of India has in connection with the audit of the 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 Corporation.

(4) The accounts of the Corporation as certified by the Comptroller and Auditor-General of India or any person appointed by him in this behalf together with the audit report thereon shall be forwarded annually to the State Government; and that Government shall cause the same to be laid before the Legislature of the State."

9. In section 35 of the principal Act, after sub-section (2), the following sub-section shall be inserted, namely:— Amendment
of section 35.

“(3) The State Government shall cause the annual report referred to in sub-section (2) to be laid before the Legislature of the State.”

10. In section 37 of the principal Act, after sub-section (2), the following sub-section shall be inserted, namely:— Amendment
of section 37.

“(3) Every notification issued under this section together with a report on the circumstances leading to its issue shall be laid before the Legislature of the State, as soon as may be, after it is issued.”

11. Section 41 of the principal Act shall be omitted.

Omission of
section 41.

12. In sub-section (2) of section 44 of the principal Act,—

Amendment
of section 44.

(a) for clause (j), the following clause shall be substituted, namely:—

“(j) the form in which the annual statement of accounts shall be prepared;” and

(b) clause (k) shall be omitted.

13. In sub-section (2) of section 45 of the principal Act, after clause (c), the following clauses shall be inserted, namely:— Amendment
of section 45.

“(d) the issue of passes to the employees of the Corporation and other persons under section 19;

(e) the grant of refund in respect of unused tickets and concessional passes under section 19.”

THE PUBLIC WAKFS (EXTENSION OF LIMITATION)
ACT, 1959

No. 29 OF 1959

[1st September, 1959]

An Act to extend the period of limitation in certain cases for suits to recover possession of immovable property forming part of public wakfs.

Enacted by Parliament in the Tenth Year of the Republic of India as follows:—

Short title and extent.

1. (1) This Act may be called the Public Wakfs (Extension of Limitation) Act, 1959.

(2) It extends to the whole of India except the State of Jammu and Kashmir.

Definition.

2. In this Act, "public wakf" means the permanent dedication by a person professing Islam of any immovable property for any purpose recognised by Muslim Law as a public purpose of a pious, religious or charitable nature.

Extension of period of limitation in certain cases for suits to recover possession of immovable property forming part of public wakfs.

3. Where a person entitled to institute a suit of the description referred to in article 142 or article 144 of the First Schedule to the Indian Limitation Act, 1908, for possession of any immovable property forming part of a public wakf or any interest therein has been dispossessed, or has discontinued the possession, at any time after the 14th day of August, 1947, and before the 7th day of May, 1954, or, as the case may be, the possession of the defendant in such a suit has become adverse to such person at any time during the said period, then, notwithstanding anything contained in the said Act, the period of limitation in respect of such a suit shall extend up to the 15th day of August, 1967.

Repeal and saving.

4. (1) The Public Wakfs (Extension of Limitation) Ordinance, 1959, is hereby repealed.

2 of 1959.

(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 July, 1959.

THE WAKF (AMENDMENT) ACT, 1959

No. 30 OF 1959

[2nd September, 1959]

An Act to amend the Wakf Act, 1954.

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

1. This Act may be called the Wakf (Amendment) Act, 1959. Short title.
- 29 of 1954. 2. In sub-section (3) of section 1 of the Wakf Act, 1954 (hereinafter referred to as the principal Act),— Amendment of section 1.
- (a) in the proviso, the word "Delhi," shall be omitted; and
- (b) after the proviso, the following further proviso shall be inserted, namely:—
- "Provided further that where on account of the territorial changes brought about by the States Reorganisation Act, 1956, this Act is, as from the 1st day of November, 1956, applicable only to a part of a State, the Central Government may, by notification in the Official Gazette, bring this Act into force in the remaining part of that State with effect from such date as may be specified in the notification."
- 37 of 1956.
3. For sub-section (1) of section 10 of the principal Act, the following sub-section shall be substituted, namely:— Amendment of section 10.
- "(1) The Board shall consist of—
- (a) eleven members, in the case of a State and the Union territory of Delhi; and
- (b) five members, in the case of any other Union territory."
4. After section 66 of the principal Act, the following sections shall be inserted, namely:— Insertion of new sections 66A and 66B.
- 37 of 1956. "66A. (1) Where on account of the reorganisation of States under the States Reorganisation Act, 1956, the whole or any part of a State in respect of which a Board was, immediately before the 1st day of November, 1956, functioning has been transferred on that day to another State and by reason of such transfer, it Special provision for reorganisation of certain Boards.

appears to the Government of a State in any part of which the Board is functioning that the Board should be dissolved or that it should be reconstituted and reorganised as an intra-State Board for the whole or any part of that State, the State Government may frame a scheme for such dissolution or such reconstitution and reorganisation, as the case may be, including proposals regarding the transfer of the assets, rights and liabilities of the Board to any other Board or State Government and the transfer or re-employment of employees of the Board and forward the scheme to the Central Government.

(2) On receipt of a scheme forwarded to it under sub-section (1), the Central Government may, after consulting the State Governments concerned, approve the scheme with or without modifications and give effect to the scheme so approved by making such order as it thinks fit.

(3) An order under sub-section (2) may provide for all or any of the following matters, namely:—

(a) the dissolution of the Board;

(b) the reconstitution and reorganisation in any manner whatsoever of the Board including the establishment, where necessary, of a new Board;

(c) the area in respect of which the reconstituted Board or new Board shall function and operate;

(d) the transfer, in whole or in part, of the assets, rights and liabilities of the Board (including the rights and liabilities under any contract made by it) to any other Board or State Government and the terms and conditions of such transfer;

(e) the substitution of any such transferee for the Board, or the addition of any such transferee, as a party to any legal proceeding to which the Board is a party; and the transfer of any proceeding pending before the Board to any such transferee;

(f) the transfer or re-employment of any employees of the Board to, or by, any such transferee and subject to the provisions of section 111 of the States Reorganisation Act, 1956, the terms and conditions of service applicable to such employees after such transfer or re-employment;

(g) such incidental, consequential and supplemental matters as may be necessary to give effect to the approved scheme.

(4) Where an order is made under this section transferring the assets, rights and liabilities of any Board, then, by virtue of that order, such assets, rights and liabilities of the Board shall vest in, and be the assets, rights and liabilities of, the transferee.

(5) Every order made under this section shall be published in the Official Gazette and this Act and the notifications issued thereunder shall have effect subject to the provisions of the order.

(6) Every order made under this section shall be laid before each House of Parliament, as soon as may be, after it is made.

37 of 1956.

66B. (1) Where on account of the territorial changes brought about by the States Reorganisation Act, 1956, this Act is, as from the 1st day of November, 1956, applicable only to any part or parts of a State but has not been brought into force in the remaining part thereof, then, notwithstanding anything contained in this Act, it shall be lawful for the Government of the State to establish one or more Boards for such part or parts in which this Act is in force and in such a case, any reference in this Act to the word "State" in relation to a Board shall be construed as a reference to that part of the State for which the Board is established.

Special provision for establishment of Board for part of a State.

(2) Where any such Board has been established and it appears to the Government of the State that a Board should be established for the whole of the State, the State Government may, by order notified in the Official Gazette, dissolve the Board established for the part of the State or reconstitute and reorganise such Board or establish a new Board for the whole of the State and thereupon, the assets, rights and liabilities of the Board for the part of the State shall vest in, and be the assets, rights and liabilities of the reconstituted Board or the new Board, as the case may be."

THE EMPLOYMENT EXCHANGES (COMPULSORY
NOTIFICATION OF VACANCIES) ACT, 1959

No. 31 OF 1959

[2nd September, 1959]

An Act to provide for the compulsory notification of vacancies to employment exchanges.

Enacted by Parliament in the Tenth Year of the Republic of India as follows:—

Short title,
extent and
commence-
ment.

1. (1) This Act may be called the Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959.

(2) It extends to the whole of India except the State of Jammu and Kashmir.

(3) It shall come into force in a State on such date as the Central Government may, by notification in the Official Gazette, appoint in this behalf for such State and different dates may be appointed for different States or for different areas of a State.

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

(a) "appropriate Government" means—

(1) in relation to—

(a) any establishment of any railway, major port, mine or oil-field, or

(b) any establishment owned, controlled or managed by—

(i) the Central Government or a department of the Central Government,

(ii) a company in which not less than fifty-one per cent. of the share capital is held by the Central Government or partly by the Central Government and partly by one or more State Governments,

(iii) a corporation (including a co-operative society) established by or under a Central Act which is owned, controlled or managed by the Central Government,

the Central Government;

(2) in relation to any other establishment, the Government of the State in which that other establishment is situate;

(b) "employee" means any person who is employed in an establishment to do any work for remuneration;

(c) "employer" means any person who employs one or more other persons to do any work in an establishment for remuneration and includes any person entrusted with the supervision and control of employees in such establishment;

(d) "employment exchange" means any office or place established and maintained by the Government for the collection and furnishing of information, either by the keeping of registers or otherwise, respecting—

(i) persons who seek to engage employees,

(ii) persons who seek employment, and

(iii) vacancies to which persons seeking employment may be appointed;

(e) "establishment" means—

(a) any office, or

(b) any place where any industry, trade, business or occupation is carried on;

(f) "establishment in public sector" means an establishment owned, controlled or managed by—

(1) the Government or a department of the Government;

(2) a Government company as defined in section 617 of the Companies Act, 1956;

(3) a corporation (including a co-operative society) established by or under a Central, Provincial or State Act, which is owned, controlled or managed by the Government;

(4) a local authority;

(g) "establishment in private sector" means an establishment which is not an establishment in public sector and where ordinarily twenty-five or more persons are employed to work for remuneration;

(h) "prescribed" means prescribed by rules made under this Act;

(i) "unskilled office work" means work done in an establishment by any of the following categories of employees, namely:—

- (1) *daftri*;
- (2) *jemadar*, orderly and peon;
- (3) dusting man or *farash*;
- (4) bundle or record lifter;
- (5) process server;
- (6) watchman;
- (7) sweeper;

(8) any other employee doing any routine or unskilled work which the Central Government may, by notification in the Official Gazette, declare to be unskilled office work.

Act not to
apply in
relation to
certain
vacancies.

3. (1) This Act shall not apply in relation to vacancies,—

(a) in any employment in agriculture (including horticulture) in any establishment in private sector other than employment as agricultural or farm machinery operatives;

(b) in any employment in domestic service;

(c) in any employment the total duration of which is less than three months;

(d) in any employment to do unskilled office work;

(e) in any employment connected with the staff of Parliament.

(2) Unless the Central Government otherwise directs by notification in the Official Gazette in this behalf, this Act shall not also apply in relation to—

(a) vacancies which are proposed to be filled through promotion or by absorption of surplus staff of any branch or department of the same establishment or on the result of any examination conducted or interview held by, or on the recommendation of, any independent agency, such as the Union or a State Public Service Commission and the like :

(b) vacancies in an employment which carries a remuneration of less than sixty rupees in a month.

4. (1) After the commencement of this Act in any State or area thereof, the employer in every establishment in public sector in that State or area shall, before filling up any vacancy in any employment in that establishment, notify that vacancy to such employment exchanges as may be prescribed.

Notification of vacancies to employment exchanges.

(2) The appropriate Government may, by notification in the Official Gazette, require that from such date as may be specified in the notification, the employer in every establishment in private sector or every establishment pertaining to any class or category of establishments in private sector shall, before filling up any vacancy in any employment in that establishment, notify that vacancy to such employment exchanges as may be prescribed, and the employer shall thereupon comply with such requisition.

(3) The manner in which the vacancies referred to in sub-section (1) or sub-section (2) shall be notified to the employment exchanges and the particulars of employments in which such vacancies have occurred or are about to occur shall be such as may be prescribed.

(4) Nothing in sub-sections (1) and (2) shall be deemed to impose any obligation upon any employer to recruit any person through the employment exchange to fill any vacancy merely because that vacancy has been notified under any of those sub-sections.

5. (1) After the commencement of this Act in any State or area thereof, the employer in every establishment in public sector in that State or area shall furnish such information or return as may be prescribed in relation to vacancies that have occurred or are about to occur in that establishment, to such employment exchanges as may be prescribed.

Employers to furnish information and returns in prescribed form.

(2) The appropriate Government may, by notification in the Official Gazette, require that from such date as may be specified in the notification, the employer in every establishment in private sector or every establishment pertaining to any class or category of establishments in private sector shall furnish such information or return as may be prescribed in relation to vacancies that have occurred or are about to occur in that establishment to such employment exchanges as may be prescribed, and the employer shall thereupon comply with such requisition.

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(3) The form in which, and the intervals of time at which, such information or return shall be furnished and the particulars which they shall contain shall be such as may be prescribed.

Right of access to records or documents.

6. Such officer of Government as may be prescribed in this behalf, or any person authorised by him in writing, shall have access to any relevant record or document in the possession of any employer required to furnish any information or returns under section 5 and may enter at any reasonable time any premises where he believes such record or document to be and inspect or take copies of relevant records or documents or ask any question necessary for obtaining any information required under that section.

Penalties.

7. (1) If any employer fails to notify to the employment exchanges prescribed for the purpose any vacancy in contravention of sub-section (1) or sub-section (2) of section 4, he shall be punishable for the first offence with fine which may extend to five hundred rupees and for every subsequent offence with fine which may extend to one thousand rupees.

(2) If any person—

(a) required to furnish any information or return—

(i) refuses or neglects to furnish such information or return, or

(ii) furnishes or causes to be furnished any information or return which he knows to be false, or

(iii) refuses to answer, or gives a false answer to, any question necessary for obtaining any information required to be furnished under section 5; or

(b) impedes the right of access to relevant records or documents or the right of entry conferred by section 6,

he shall be punishable for the first offence with fine which may extend to two hundred and fifty rupees and for every subsequent offence with fine which may extend to five hundred rupees.

Cognizance of offences.

8. No prosecution for an offence under this Act shall be instituted except by, or with the sanction of, such officer of Government as may be prescribed in this behalf or any person authorised by that officer in writing.

Protection of action taken in good faith.

9. No suit, prosecution or other legal proceeding shall lie against any person for anything which is in good faith done or intended to be done under this Act.

10. (1) The Central Government may, by notification in the Official Gazette and subject to the condition of previous publication, ^{Power to make rules.} make rules for carrying out the purposes of this Act.

(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 employment exchange or exchanges to which, the form and manner in which, and the time within which, vacancies shall be notified, and the particulars of employments in which such vacancies have occurred or are about to occur;

(b) the form and manner in which, and the intervals at which, information and returns required under section 5 shall be furnished, and the particulars which they shall contain;

(c) the officers by whom and the manner in which the right of access to documents and the right of entry conferred by section 6 may be exercised;

(d) any other matter which is to be, or may be, prescribed under this Act.

(3) All rules made under this Act shall be laid for not less than thirty days before each House of Parliament as soon as may be after they are made, and shall be subject to such modifications as Parliament may make during the session in which they are so laid ^{of} the session immediately following.

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THE INDIAN ELECTRICITY (AMENDMENT) ACT, 1959

No. 32 OF 1959

[5th September, 1959]

An Act further to amend the Indian Electricity Act, 1910.

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

- Short title. 1. This Act may be called the Indian Electricity (Amendment) Act, 1959.
- Substitution of expressions "aerial line" and "Electric Inspector" by certain other expressions. 2. Throughout the Indian Electricity Act, 1910 (hereinafter referred to as the principal Act), unless otherwise expressly provided,—
- (i) for the words "aerial line" wherever they occur, the words "overhead line" shall be substituted; and
- (ii) for the words "Electric Inspector" wherever they occur, the words "Electrical Inspector" shall be substituted.
- Amendment of section 2. 3. In section 2 of the principal Act,—
- (i) for the words "have the meanings assigned to them in that Act", the words, brackets and figures "or in the Electricity (Supply) Act, 1948, have the meanings assigned to them in either of those Acts" shall be substituted; 54 of 1948.
- (ii) for clause (a), the following clause shall be substituted, namely:—
- '(a) "appropriate Government" means in relation to any works or electric installations belonging to, or under the control of, the Central Government or in relation to any mines, oil-fields, railways, aerodromes, telegraphs, broadcasting stations and any works of defence, the Central Government, and in any other case, the State Government;'
- (iii) for clause (c), the following clause shall be substituted, namely:—
- '(c) "consumer" means any person who is supplied with energy by a licensee or the Government or by any other person engaged in the business of supplying energy to the public under this Act or any other law for the time being

in force, and includes any person whose premises are for the time being connected for the purpose of receiving energy with the works of a licensee, the Government or such other person, as the case may be;'

(iv) for clause (f), the following clause shall be substituted, namely:—

'(f) "electric supply-line" means a wire, conductor or other means used for conveying, transmitting or distributing energy (whether by overhead line or underground cable), together with any casing, coating, covering, tube, pipe or insulator enclosing, surrounding or supporting the same or any part thereof, or any apparatus connected therewith for the purpose of so conveying, transmitting or distributing such energy and includes any support, cross-arm, stay, strut or safety device erected or set up for that purpose;'

(v) for clause (g), the following clause shall be substituted, namely:—

'(g) "energy" means electrical energy—

(i) generated, transmitted or supplied for any purpose, or

(ii) used for any purpose except the transmission of a message;'

(vi) in clause (i), the words "by a licensee" shall be omitted;

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

'(ii) "overhead line" means an electric supply-line which is placed above ground and in the open air but does not include live rails of a traction system;'

(viii) in clause (l), the words "by a licensee" shall be omitted and in sub-clause (i), for the words "licensee's premises", the words "supplier's premises" shall be substituted;

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

'(ll) "State Electricity Board" in relation to any State means the State Electricity Board, if any, constituted for that State under section 5 of the Electricity (Supply) Act, 1948 and includes any Board which functions in that State under sections 6 and 7 of the said Act;'

(x) for clause (n), the following clause shall be substituted, namely:—

‘(n) “works” includes electric supply-line and any building, plant, machinery, apparatus and any other thing of whatever description required to supply energy to the public and to carry into effect the objects of a license or sanction granted under this Act or any other law for the time being in force.’

Amendment
of section 3.

4. In section 3 of the principal Act,—

(i) in sub-section (1), for the words “grant to any person a license”, the words “grant after consulting the State Electricity Board, a license to any person” shall be substituted;

(ii) in sub-section (2),—

(a) in clause (a), in item (ii),—

(i) after the word “cantonment,” the word “aerodrome,” shall be inserted;

(ii) for the words “naval or military purposes”, the words “defence purposes” and for the words “Engineer-in-Chief, Army Headquarters, India”, the words “Central Government” shall respectively be substituted;

(b) in clause (d),—

(i) in item (i), the words “and as to the limits of price to be charged in respect of the supply of energy,” shall be omitted;

(ii) in item (ii), for the words and figures “sections 5 and 7”, the words and figures “sections 5 and 6” and for the words and figures “section 5 or section 7”, the words and figures “section 5 or section 6” shall be substituted.

Amendment
of section 4.

5. In section 4 of the principal Act,—

(i) in sub-section (1),—

(a) after the words “so requires”, the words “and after consulting the State Electricity Board” shall be inserted;

(b) in clause (c), for the words, brackets, figure and letter “sub-section (3), clause (b)”, the words, figures, letter and brackets “section 4A, sub-section (1)” shall be substituted;

(c) in clause (d), for the words "where the licensee is, in the opinion of the State Government, unable, by reason of his insolvency", the words "where in the opinion of the State Government the financial position of the licensee is such that he is unable" shall be substituted;

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

"(e) where a licensee, in the opinion of the State Government, has made default in complying with any direction issued under section 22A.";

(ii) for sub-sections (2) and (3), the following sub-sections shall be substituted, namely:—

"(2) Where in its opinion the public interest so permits, the State Government may, on the application or with the consent of the licensee, and after consulting the State Electricity Board, and the Central Government where that Government is interested, and if the licensee is not a local authority, after consulting also the local authority, if any, concerned, revoke a license as to the whole or any part of the area of supply upon such terms and conditions as it thinks fit.

(3) No license shall be revoked under sub-section (1) unless the State Government has given to the licensee not less than three months' notice, in writing, stating the grounds on which it is proposed to revoke the license and has considered any cause shown by the licensee within the period of that notice, against the proposed revocation.

(4) Where the State Government might under sub-section (1) revoke a license it may instead of revoking the license permit it to remain in force subject to such further terms and conditions as it thinks fit to impose and any further terms or conditions so imposed shall be binding upon, and be observed by, the licensee, and shall be of like force and effect as if they were contained in the license."

6. After section 4 of the principal Act, the following section shall be inserted, namely:—

Insertion of
new section
4A.

"4A. (1) Where in its opinion the public interest so permits, the State Government, on the application of the licensee or otherwise and, after consulting the State Electricity Board, and if the licensee is not a local authority, also the local authority,

Amendment
of licenses.

if any, concerned, may make such alterations and amendments in the terms and conditions of a license, including the provisions specified in section 3, sub-section (2), clause (f), as it thinks fit:

Provided that no such alterations or amendments shall be made except with the consent of the licensee unless such consent has, in the opinion of the State Government, been unreasonably withheld.

(2) Where the licensee has made an application under sub-section (1) proposing any alterations or amendments in his license, the following provisions shall have effect, namely:—

(a) the licensee shall publish a notice of the application in the prescribed manner and with the prescribed particulars;

(b) the State Government shall not make any alterations or amendments until all objections received by it with reference to the application within three months from the date of the first publication of the notice have been considered;

(c) in the case of an application proposing alterations or amendments in the area of supply comprising the whole or any part of any cantonment, aerodrome, fortress, arsenal, dockyard or camp or of any building or place in the occupation of the Government for defence purposes, the State Government shall not make any alterations or amendments except with the consent of the Central Government.

(3) Before making any alterations or amendments in a license otherwise than on the application of the licensee, the State Government shall publish the proposed alterations or amendments in the prescribed manner and with the prescribed particulars and consider all objections received by it with reference to the proposed alterations or amendments within three months from the date of the first publication of the notice; and where alterations or amendments have been proposed in an area of supply such as is referred to in clause (c) of sub-section (2), the State Government shall not make any alterations or amendments except with the consent of the Central Government."

7. For sections 5, 6 and 7 of the principal Act, the following sections shall be substituted, namely:—

Substitution of new sections for sections 5, 6 and 7.

"5. (1) Where the State Government revokes, under section 4, sub-section (1), the license of a licensee, the following provisions shall have effect, namely:—

Provisions where license of a licensee is revoked.

(a) the State Government shall serve a notice of revocation upon the licensee and shall fix a date on which the revocation shall take effect; and on and with effect from that date, or on and with effect from the date, if earlier, on which the undertaking of the licensee is sold to a purchaser in pursuance of any of the succeeding clauses or is delivered to a designated purchaser in pursuance of sub-section (3), all the powers and liabilities of the licensee under this Act shall absolutely cease and determine;

(b) the State Government shall enquire from the State Electricity Board, and where the licensee is not a local authority, also from any local authority constituted for the area within which the whole of the area of supply is included, whether it is willing to purchase the undertaking;

(c) if the State Electricity Board is willing to purchase the undertaking, the State Government shall, by notice in writing require the licensee to sell, and thereupon, the licensee shall sell the undertaking to the State Electricity Board;

(d) if the State Electricity Board is not willing to purchase the undertaking, the State Government shall have the option of purchasing the undertaking and if it elects to purchase, it shall by notice in writing require the licensee to sell, and thereupon the licensee shall sell the undertaking to it;

(e) if the State Electricity Board is not willing to purchase the undertaking and the State Government does not itself elect to purchase it, the State Government in any case where the local authority referred to in clause (b) is willing to purchase the undertaking shall by notice in writing require the licensee to sell and thereupon the licensee shall sell the undertaking to that local authority;

(f) if no sale of the undertaking is effected under any of the foregoing clauses and if any other person is willing to purchase the undertaking, the State Government may by notice in writing require the licensee to sell, and thereupon the licensee shall sell the undertaking to such other person.

(2) Where an undertaking is sold under sub-section (1), the purchaser shall pay to the licensee the purchase price of the undertaking determined in accordance with the provisions of sub-sections (1) and (2) of section 7A, or as the case may be, sub-section (3) of that section.

(3) Where the State Government issues any notice under sub-section (1) requiring the licensee to sell the undertaking, it may by such notice require the licensee to deliver, and thereupon the licensee shall deliver on a date specified in the notice the undertaking to the designated purchaser pending the determination and payment of the purchase price of the undertaking:

Provided that in any such case, the purchaser shall pay to the licensee, interest at the Reserve Bank rate ruling at the time of delivery of the undertaking plus one per centum, on the purchase price of the undertaking for the period from the date of delivery of the undertaking to the date of payment of the purchase price.

(4) Where before the date fixed in the notice issued under clause (a) of sub-section (1) as the date on which the revocation of the license shall take effect, no notice has been issued to the licensee requiring him to sell the undertaking or where for any reason no sale of the undertaking has been effected under that sub-section, the licensee shall have the option of disposing of all lands, buildings, works, materials and plant belonging to the undertaking in such manner as he may think fit:

Provided that if the licensee does not exercise such option within a period of six months from the aforesaid date, the State Government may forthwith cause the works of the licensee in, under, over, along, or across any street to be removed and every such street to be reinstated, and recover the cost of such removal and reinstatement from the licensee.

Purchase of
undertakings.

6. (1) Where a license has been granted to any person, not being a local authority, the State Electricity Board shall,—

(a) in the case of a license granted before the commencement of the Indian Electricity (Amendment) Act, 1959, on the expiration of each such period as is specified in the license; and

(b) in the case of a license granted on or after the commencement of the said Act, on the expiration of such period not exceeding twenty years and of every such subsequent

period, not exceeding ten years, as shall be specified in this behalf in the license;

have the option of purchasing the undertaking and such option shall be exercised by the State Electricity Board serving upon the licensee a notice in writing of not less than one year requiring the licensee to sell the undertaking to it at the expiry of the relevant period referred to in this sub-section.

(2) Where a State Electricity Board has not been constituted, or if constituted, does not elect to purchase the undertaking, the State Government shall have the like option to be exercised in the like manner of purchasing the undertaking.

(3) Where neither the State Electricity Board nor the State Government elects to purchase the undertaking, any local authority constituted for an area within which the whole of the area of supply is included shall have the like option to be exercised in the like manner of purchasing the undertaking.

(4) If the State Electricity Board intends to exercise the option of purchasing the undertaking under this section, it shall send an intimation in writing of such intention to the State Government at least eighteen months before the expiry of the relevant period referred to in sub-section (1) and if no such intimation as aforesaid is received by the State Government the State Electricity Board shall be deemed to have elected not to purchase the undertaking.

(5) If the State Government intends to exercise the option of purchasing the undertaking under this section, it shall send an intimation in writing of such intention to the local authority, if any, referred to in sub-section (3) at least fifteen months before the expiry of the relevant period referred to in sub-section (1) and if no such intimation as aforesaid is received by the local authority, the State Government shall be deemed to have elected not to purchase the undertaking.

(6) Where a notice exercising the option of purchasing the undertaking has been served upon the licensee under this section, the licensee shall deliver the undertaking to the State Electricity Board, the State Government or the local authority, as the case may be, on the expiration of the relevant period referred to in sub-section (1) pending the determination and payment of the purchase price.

(7) Where an undertaking is purchased under this section, the purchaser shall pay to the licensee the purchase price determined in accordance with the provisions of sub-section (4) of section 7A.

Vesting of
the under-
taking in the
purchaser.

7. Where an undertaking is sold under section 5 or section 6, then upon the completion of the sale or on the date on which the undertaking is delivered to the intending purchaser under sub-section (3) of section 5 or under sub-section (6) of section 6, as the case may be, whichever is earlier—

(i) the undertaking shall vest in the purchaser or the intending purchaser, as the case may be, free from any debt, mortgage or similar obligation of the licensee or attaching to the undertaking;

Provided that any such debt, mortgage or similar obligation shall attach to the purchase money in substitution for the undertaking;

(ii) the rights, powers, authorities, duties and obligations of the licensee under his license shall stand transferred to the purchaser and such purchaser shall be deemed to be the licensee:

Provided that where the undertaking is sold or delivered to a State Electricity Board or the State Government, the license shall cease to have further operation.

Determi-
nation of
purchase
price.

7A. (1) Where an undertaking of a licensee, not being a local authority, is sold under sub-section (1) of section 5, the purchase price of the undertaking shall be the market value of the undertaking at the time of purchase or where the undertaking has been delivered before the purchase under sub-section (3) of that section, at the time of the delivery of the undertaking and if there is any difference or dispute regarding such purchase price, the same shall be determined by arbitration.

(2) The market value of an undertaking for the purpose of sub-section (1) shall be deemed to be the value of all lands, buildings, works, materials and plant of the licensee suitable to, and used by him, for the purpose of the undertaking, other than (i) a generating station declared by the licensee not to form part of the undertaking for the purpose of purchase, and (ii) service lines or other capital works or any part thereof which have been constructed at the expense of consumers, due regard being had to the nature and condition for the time being of such lands, buildings, works, materials and plant and the state of repair thereof and to the circumstance that they are in such position as to be ready for immediate working and to the suitability of the same for the purpose of the undertaking, but without any addition in respect of compulsory purchase or of goodwill or of any profits which may be or might have been made from the undertaking or of any similar consideration.

(3) Where an undertaking of a licensee, being a local authority, is sold under sub-section (1) of section 5, the purchase price of the undertaking shall be such as the State Government, having regard to the market value of the undertaking at the date of delivery of the undertaking, may determine.

(4) Where an undertaking of a licensee is purchased under section 6, the purchase price shall be the value thereof as determined in accordance with the provisions of sub-sections (1) and (2):

Provided that there shall be added to such value such percentage, if any, not exceeding twenty per centum of that value as may be specified in the license on account of compulsory purchase."

8. In section 8 of the principal Act,—

Amendment
of section 8.

(i) for the words, figures and brackets "section 7, sub-section (1), neither a local authority nor the State Government purchases the undertaking", the words, figures and brackets "section 6, sub-section (1), the undertaking is not purchased by the State Electricity Board, the State Government or the local authority" shall be substituted;

(ii) in the proviso, for the words, figure, brackets and letter "section 5, clause (f), proviso", the words, figures and brackets "section 5, sub-section (4), proviso" shall be substituted.

9. In section 9 of the principal Act, in sub-section (1), for the words beginning with "notice of the application to every local authority" and ending with "or intends to supply, energy", the following shall be substituted, namely:—

Amendment
of section 9.

"notice of the application—

(a) to the State Electricity Board; and

(b) to every local authority both in the licensee's area of supply and also in the area in which such other person supplies, or intends to supply, energy".

10. In section 10 of the principal Act, for the words and figures "sections 5, 7 and 8", the words and figures "sections 5, 6 and 8" shall be substituted.

Amendment
of section
10.

11. In section 12 of the principal Act,—

Amendment
of section
12.

(i) in sub-section (2), for the words "owner and occupier", the words "owner or occupier" shall be substituted;

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

‘(6) In this section, “occupier” of any building or land means a person in lawful occupation of that building or land.’

Amendment
of section
13.

12. In section 13 of the principal Act, in sub-section (1),—

(i) in clause (a), the brackets and words “(not being a service line immediately attached, or intended to be immediately attached, to a distributing main, or the repair, renewal or amendment of existing works of which the character or position is not to be altered)” shall be omitted;

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

Explanation.—In clauses (a) to (e), the word “works” includes a service line in, under, over, along or across a railway even if such line is immediately attached or intended to be immediately attached to a distributing main, but does not include—

(i) any other service line so attached or intended to be so attached to a distributing main, or

(ii) works which consist of the repair, renewal or amendment of existing works of which the character or position is not to be altered;’

Amendment
of section
20.

13. In section 20 of the principal Act,—

(i) in sub-section (1),—

(a) after the words “to which energy is or has been supplied by him”, the words “or any premises or land, under, over, along, across, in or upon which the electric supply-lines or other works have been lawfully placed by him” shall be inserted;

(b) in clause (a), for the words “inspecting and testing”, the words “inspecting, testing, repairing or altering” shall be substituted;

(ii) in sub-section (2), for the words beginning with "the District Magistrate or" and ending with "belonging to the consumer", the following shall be substituted, namely:—

"a Magistrate of the first class or in a presidency-town, by a Presidency Magistrate and after giving not less than twenty-four hours' notice in writing to the occupier—

(a) enter any premises or land referred to in sub-section (1) for any of the purposes mentioned therein;

(b) enter any premises to which energy is to be supplied by him, for the purpose of examining and testing the electric wires, fittings, works and apparatus for the use of energy, belonging to the consumer";

(iii) in sub-section (3), after the words "his premises", the words "or land" shall be inserted.

14. In section 21 of the principal Act,—

Amendment
of section
21.

(i) in sub-section (1),—

(a) after the words "save as provided", the words, brackets and figure "in any conditions made under sub-section (2) or" shall be inserted;

(b) in the proviso, for the words "interfere with the supply by the licensee of energy to any other person", the following shall be substituted, namely:—

"interfere with—

(a) the safety or efficient working of a licensee's electric supply-lines or other works; or

(b) the supply of energy by the licensee to any other person";

(ii) in sub-section (2),—

(a) the words, brackets and figure "Subject to the provisions of sub-section (1)" shall be omitted;

(b) after the words "after consulting", the words "the State Electricity Board and also" shall be inserted;

(iii) in sub-section (3), for the word "cancel", the words "add any new condition or cancel or amend" shall be substituted.

Insertion of
new sections
22A and 22B.

Powers of
State Go-
vernment to
give direction
to a licensee
in regard to
the supply
of energy to
certain class
of consumers.

15. After section 22 of the principal Act, the following sections shall be inserted, namely:—

“22A. (1) The State Government may, if in its opinion it is necessary in the public interest so to do, direct any licensee to supply, in preference to any other consumer, energy required by any establishment which being in the opinion of the State Government an establishment used or intended to be used for maintaining supplies and services essential to the community, is notified by that Government in the Official Gazette in this behalf.

(2) Where any direction is issued under sub-section (1) requiring a licensee to supply energy to any establishment and any difference or dispute arises as to the price or other terms and conditions relating to the supply of energy, the licensee shall not by reason only of such difference or dispute be entitled to refuse to supply energy but such difference or dispute shall be determined by arbitration.

(3) Where any agreement by a licensee, whether made before or after the commencement of the Indian Electricity (Amendment) Act, 1959, for the supply of energy with any establishment referred to in sub-section (1) expires, the licensee shall continue to supply energy to such establishment on the same terms and conditions as are specified in the agreement until he receives a notice in writing from the establishment requiring him to discontinue the supply.

(4) Notwithstanding anything contained in this Act, or in the Electricity (Supply) Act, 1948, or in his license or in any agreement entered into by him for the supply of energy, a licensee shall be bound to comply with any direction given to him under sub-section (1) and any action taken by him in pursuance of any such direction shall not be deemed to be a contravention of section 23.

22B. (1) If the State Government is of opinion that it is necessary or expedient so to do, for maintaining the supply and securing the equitable distribution of energy, it may by order provide for regulating the supply, distribution, consumption or use thereof.

(2) Without prejudice to the generality of the powers conferred by sub-section (1) an order made thereunder may direct the licensee not to comply, except with the permission of the State Government, with—

(i) the provisions of any contract, agreement or requisition whether made before or after the commencement of the Indian Electricity (Amendment) Act, 1959, for the supply

Power to
control the
distribution
and con-
sumption of
energy.

(other than the resumption of a supply) or an increase in the supply of energy to any person, or

(ii) any requisition for the resumption of supply of energy to a consumer after a period of six months, from the date of its discontinuance, or

(iii) any requisition for the resumption of supply of energy made within six months of its discontinuance, where the requisitioning consumer was not himself the consumer of the supply at the time of its discontinuance.”.

16. In section 23 of the principal Act, in sub-section (1), the words “but may, save as aforesaid, make such charges for the supply of energy as may be agreed upon, not exceeding the limits imposed by his license” shall be omitted. Amendment
of section
23.

17. In section 24 of the principal Act, in sub-section (2), for the words “has been referred under this Act to an Electric Inspector”, the words “which by or under this Act is required to be determined by an Electrical Inspector, has been referred to the Inspector” shall be substituted. Amendment
of section
24.

18. In section 25 of the principal Act,—

(i) after the word “premises”, the words “or land” shall be inserted; Amendment
of section
25.

(ii) the words “for the purpose of supplying energy,” shall be omitted.

19. In section 26 of the principal Act,—

(i) in sub-section (5), for the words beginning with “without giving” and ending with “his intention”, the following shall be substituted, namely:— Amendment
of section
26.

“but he may by giving not less than forty-eight hours’ notice in writing to the licensee require the licensee to connect or disconnect such meter and on receipt of any such requisition the licensee shall comply with it within the period of the notice”;

(ii) for sub-section (6), the following sub-section shall be substituted, namely:—

“(6) Where any difference or dispute arises as to whether any meter referred to in sub-section (1) is or is not correct, the matter shall be decided, upon the application of either party, by an Electrical Inspector; and where the meter has, in the opinion of such Inspector ceased to be correct, such Inspector shall estimate the amount of the energy supplied to the consumer or the electrical quantity

contained in the supply, during such time, not exceeding six months, as the meter shall not, in the opinion of such Inspector, have been correct; but save as aforesaid, the register of the meter shall, in the absence of fraud, be conclusive proof of such amount or quantity:

Provided that before either a licensee or a consumer applies to the Electrical Inspector under this sub-section, he shall give to the other party not less than seven days' notice of his intention so to do."

Amendment
of section 28.

20. In section 28 of the principal Act,—

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

"(1) No person, other than a licensee, shall engage in the business of supplying energy to the public except with the previous sanction of the State Government and in accordance with such conditions as the State Government may fix in this behalf, and any agreement to the contrary shall be void.

(1A) The State Government shall not give any sanction under sub-section (1)—

(a) except after consulting the State Electricity Board; and

(b) except with the consent—

(i) in any case where energy is to be supplied in any area for which a local authority is constituted, of that local authority;

(ii) in any case where energy is to be supplied in any area forming part of any cantonment, aerodrome, fortress, arsenal, dockyard or camp or of any building or place in the occupation of the Government for defence purposes, of the Central Government;

(iii) in any area falling within the area of supply of a licensee, of that licensee:

Provided that except in a case falling under sub-clause (ii), no such consent shall be necessary if the State Government is satisfied that such consent has been unreasonably withheld.";

(ii) in sub-section (2), after the words "supplying energy", the words "to the public" shall be inserted.

21. In section 29 of the principal Act, in sub-section (1), after the words "supplying energy", the words "to the public" shall be inserted. Amendment of section 29.

22. In section 30 of the principal Act, in sub-section (1), for the words, brackets, letters and figures beginning with "No person, other than a licensee" and ending with "as may be applicable", the following shall be substituted, namely:— Amendment of section 30.

"No person other than a licensee or a person to whom sanction is granted under section 28, duly authorised under the terms of his license or sanction, as the case may be, shall transmit or use energy at a rate exceeding two hundred and fifty watts and one hundred volts—

(a) in any street, or

(b) in any place,—

(i) in which one hundred or more persons are likely ordinarily to be assembled, or

(ii) which is a factory within the meaning of the Factories Act, 1948, or a mine within the meaning of the Mines Act, 1952, or

(iii) to which the State Government, by general or special order, declares the provisions of this sub-section to apply,

without giving, before the commencement of transmission or use of energy, not less than seven days' notice in writing of his intention to the Electrical Inspector and to the District Magistrate, or in a presidency-town to the Commissioner of Police, containing particulars of the electrical installation and plant, if any, the nature and the purpose of supply, and complying with such of the provisions of Part IV, and of the rules made thereunder, as may be applicable".

23. In section 31 of the principal Act,—

(i) after the word "railway," where it occurs for the first time, the word "aerodrome," shall be inserted; Amendment of section 31.

(ii) after the word "railway," where it occurs for the second time, the word "airway," shall be inserted.

Amendment
of section
33.

24. In section 33 of the principal Act,—

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

“(1) If any accident occurs in connection with the generation, transmission, supply or use of energy in or in connection with, any part of the electric supply-lines or other works of any person and the accident results or is likely to have resulted in loss of human or animal life or in any injury to a human being or an animal, such person shall give notice of the occurrence and of any such loss or injury actually caused by the accident, in such form and within such time as may be prescribed, to the Electrical Inspector and to such other authorities as the appropriate Government may by general or special order, direct.”;

(ii) in sub-section (2), for the words “The State Government”, the words “The appropriate Government” shall be substituted;

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

“(3) Every Electrical Inspector or other person holding an inquiry under sub-section (2) shall have all the powers of a Civil Court under the Code of Civil Procedure, 1908, 5 of 1908, for the purpose of enforcing the attendance of witnesses and compelling the production of documents and material objects; and every person required by an Electrical Inspector or such other person as aforesaid to furnish any information shall be deemed to be legally bound to do so within the meaning of section 176 of the Indian Penal Code.”.

45 of 1860.

Amendment
of section
34.

25. In section 34 of the principal Act,—

(i) for the words “State Government” wherever they occur, the words “appropriate Government” shall be substituted;

(ii) in sub-section (2), for the words “the use of any electric supply-line”, the words “the use of, and the supply of energy to, any electric supply-line” shall be substituted.

Substitution
of new sec-
tion for
section 36.

Appointment
of Electrical
Inspectors.

26. For section 36 of the principal Act, the following section shall be substituted, namely:—

“36. (1) The appropriate Government may, by notification in the Official Gazette, appoint duly qualified persons to be Electrical Inspectors and every Electrical Inspector so appointed shall exercise the powers and perform the functions of an Elec-

trical Inspector under this Act within such areas or in respect of such class of works and electric installations and subject to such restrictions as the appropriate Government may direct.

(2) In the absence of express provision to the contrary in this Act, or any rule made thereunder, an appeal shall lie from the decision of an Electrical Inspector to the appropriate Government or if the appropriate Government, by general or special order so directs, to an Advisory Board.”

27. In section 36A of the principal Act,—

Amendment
of section
36A.

(i) for sub-section (2), the following sub-section shall be substituted, namely:—

“(2) The Central Electricity Board shall consist of the following members, namely:—

(a) a Chairman and five other members to be nominated by the Central Government;

(b) one member to be nominated by the Governments of each of the States, not being a Union territory, to which this Act extends;

(c) one member to be nominated by the Central Government to represent each of the Union territories of Delhi and Himachal Pradesh;

(d) one member to be nominated by the Central Government to represent the Union territories of Manipur, Tripura and the Andamans and Nicobar Islands;

(e) one member to be nominated by each of the State Electricity Boards;

(f) one member to be nominated by the Central Government to represent the Federation of Electricity Undertakings of India;

(g) one member to be nominated by the Railway Board;

(h) one member to be nominated by the Chief Inspector of Mines appointed under section 5 of the Mines Act, 1952; and

(i) one member to be nominated by the Indian Standards Institution constituted under the Indian Standards Institution (Certification Marks) Act, 1952.”;

(ii) sub-section (6) shall be omitted.

Omission of section 36B.

28. Section 36B of the principal Act shall be omitted.

Amendment of section 37.

29. In section 37 of the principal Act, in sub-section (3), for the words, brackets and letters "clause (f) or clause (h)", the words, brackets and letters "clauses (e) to (j) (both inclusive)" shall be substituted.

Amendment of section 38.

30. In section 38 of the principal Act, for sub-section (3), the following sub-section shall be substituted, namely:--

"(3) All rules made under section 37 shall be published in the Gazette of India and shall be laid for not less than thirty days before each House of Parliament as soon as may be after such publication and shall be subject to such modifications as Parliament may make during the session in which they are so laid or the session immediately following."

Substitution of new section for section 42.

31. For section 42 of the principal Act, the following section shall be substituted, namely:—

Penalty for illegal or defective supply or for non-compliance with order.

"42. Whoever—

(a) being a licensee or a person who has obtained the sanction of the State Government under section 28 to engage in the business of supplying energy to the public, save as permitted under section 27 or section 51 or by his license or as the case may be, by the conditions of sanction, supplies energy or lays down or places any electric supply-line or works outside the area of supply; or

(b) being a licensee or a person who has obtained the sanction of the State Government as aforesaid, in contravention of the provisions of this Act or of the rules thereunder, or in breach of the conditions of license or of the sanction, as the case may be, and without reasonable excuse, the burden of proving which shall lie on him, discontinues the supply of energy or fails to supply energy; or

(c) makes default in complying with any of the provisions of an order or of any notice or requisition issued under section 5 or section 6; or

(d) makes default in complying with any directions issued to him under section 22A; or

(e) makes default in complying with any order issued to him under section 22B or sub-section (2) of section 34;

shall be punishable with fine which may extend to one thousand rupees, and, in the case of a continuing offence or default, with a daily fine which may extend to one hundred rupees.”.

32. In section 44 of the principal Act,—

Amendment
of section

(i) in clause (a), the words “, without giving to the licensee forty-eight hours’ notice in writing of his intention” shall be omitted;

(ii) in clause (b), the words “, without such licensee’s consent” shall be omitted.

33. In section 47 of the principal Act, after the words “conditions of his license”, the words and figures “or in the case of a person who has obtained the sanction of the State Government under section 28, with any of the conditions of the sanction” shall be inserted.

Amendment
of section
47.

34. After section 49 of the principal Act, the following section shall be inserted, namely:—

Insertion of
new section
49A.

‘49A. (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 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 with the consent or connivance of, or is attributable to any neglect on the part of, any director or 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.’.

Amendment
of section
51.

35. In section 51 of the principal Act, for the words "appliances and apparatus for the transmission of energy, confer upon any public officer or licensee", the words "electric supply-lines, appliances and apparatus for the transmission of energy or for the purpose of telephonic or telegraphic communications necessary for the proper co-ordination of works, confer upon any public officer, licensee or any other person engaged in the business of supplying energy to the public under this Act" shall be substituted.

Insertion of
new section
51A.

36. After section 51 of the principal Act, the following section shall be inserted, namely:—

State Gov-
ernment to
have powers
and obliga-
tions of a
licensee
under this
Act.

"51A. Where the State Government engages in the business of supplying energy to the public, it shall have all the powers and obligations of a licensee under this Act:

Provided that nothing in sections 3 to 11 (both inclusive), section 21, sub-sections (2) and (3), sections 22 and 27 or in clauses I to V (both inclusive), clause VII and clauses IX to XII (both inclusive) of the Schedule relating to the duties and obligations of a licensee shall apply to the State Government:

Provided further that the provisions of clause VI of the Schedule shall apply to the State Government in respect of that area only where distribution mains have been laid by the State Government and the supply of energy through any of them has commenced."

Amendment
of section
52.

37. To section 52 of the principal Act, the following proviso shall be added, namely:—

"Provided that where the Government or a State Electricity Board is a party to a dispute, the dispute shall be referred to two arbitrators, one to be appointed by each party to the dispute."

Amendment
of section
54.

38. In section 54 of the principal Act, for the words, figures, brackets and letter "section 5, clause (f), section 6, sub-section (2)", the words, figures and brackets "section 5, sub-section (4)" shall be substituted.

Amendment
of section
56.

39. Section 56 of the principal Act shall be re-numbered as sub-section (1) thereof, and after the sub-section as so re-numbered, the following sub-section shall be inserted, namely:—

"(2) No court shall take cognizance of an offence under this Act, by a public officer except with the sanction—

(a) in the case of a person employed in connection with the affairs of the Union, of the Central Government; and

(b) in any other case, of the State Government."

40. In the Schedule to the principal Act,—

Amendment
of the
Schedule.

(a) in clause I,—

(i) in sub-clauses (a) and (b), for the words, figures, brackets and letter "section 4, sub-section (3), clause (b)", the words, figures, letter and brackets "section 4A, sub-section (1)" shall be substituted;

(ii) after clause (c), the following proviso shall be added, namely:—

"Provided that if the works referred to in clause IV are not executed to the satisfaction of the State Government within the period specified in that clause, that Government may by order direct that the whole or any part of the sum so deposited or secured shall be forfeited to it.";

(b) in clause II, in sub-clause (b), after the words "and information", the brackets and words "(including technical data and statements of energy generated and sold)" shall be inserted;

(c) in clause III, for the words "capital employed for the purposes of the undertaking", the words "undertaking relating to the generation, supply or distribution of energy" shall be substituted;

(d) in clause V,—

(i) in sub-clause (1), for the words "six or more", the words "two or more" shall be substituted;

(ii) in sub-clause (1) (a),—

(a) after the words "written contract", the words "in a form approved by the State Government" shall be inserted;

(b) for the words "produce annually, at the current rates charged by the licensee, a reasonable return to the licensee", the words and brackets "assure to the licensee at the current rates charged by him, an annual revenue not exceeding fifteen per centum of the cost of the distributing mains (not including transformers and other sub-station equipment) required to comply with the requisition" shall be substituted;

(iii) for sub-clause (2), the following sub-clause shall be substituted, namely:—

“(2) Where any difference or dispute arises between the licensee and such owners or occupiers as to the sufficiency of the security offered under this clause, or as to the cost of the distributing mains or as to the amount of energy to be taken or guaranteed as aforesaid, the matter shall be referred to the Electrical Inspector and decided by him.”;

(e) in clause VI,—

(i) in sub-clause (1), in the first proviso, in part (a), for the words “produce, at current rates charged by the licensee, a reasonable return to the licensee”, the words “assure to the licensee at the current rates charged by him, an annual revenue not exceeding fifteen per centum of the cost of the service line required to comply with the requisition” shall be substituted;

(ii) in sub-clause (2), for the words “maintained by the licensee”, the words “maintained by the licensee who shall also have the right to use it for the supply of energy to any other person” shall be substituted;

(iii) in sub-clause (3), after the words “by any owner or occupier”, the words “or as to the position of the meter board” shall be inserted;

(f) in clause VII, for the words “any five or more”, the words “any one or more” shall be substituted;

(g) in clause VIII, after sub-clause (1), the following sub-clause shall be inserted, namely:—

“(1A) The State Government or, as the case may be, a local authority may require the licensee—

(a) to provide the mains and other equipments for public lamps, and

(b) to use for that purpose supports, if any, previously erected or set up by him for supply of energy.”;

(h) in clause IX,—

(i) in sub-clause (1)(b), for the words “as will produce a reasonable return to the bulk-licensee on the outlay”, the words “as will assure to the bulk-licensee an annual revenue not exceeding fifteen per centum of the outlay” shall be substituted;

(ii) sub-clause (1) (c) shall be omitted;

(i) in clause X, in sub-clause (2), for the words and brackets "to the local authority (if any) concerned", the words and brackets "to the State Electricity Board and the local authority (if any) concerned and to the Electrical Inspector" shall be substituted;

(j) clauses XI and XIA shall be omitted;

(k) in clause XII, after the words "for the public lamps", the words "and other charges to be paid to him in connection therewith" shall be inserted;

(l) in clause XIV, after the words "shall afford", the words "to an Electrical Inspector or other person authorised by such Inspector" shall be inserted;

(m) in clause XV,—

(i) for the words "Electric Inspector" where they occur for the first time, the words and brackets "Electrical Inspector or a person authorised by him in this behalf (hereinafter referred to as the authorised person)" shall be substituted;

(ii) for the words "Electric Inspector" wherever they occur elsewhere in the clause, the words "Electrical Inspector or the authorised person" shall be substituted.

54 of 1948.

41. The following amendments being amendments consequential upon the amendments made in the principal Act by the foregoing sections shall be made in the Electricity (Supply) Act, 1948, namely:—

Consequential amendments in the Electricity (Supply) Act, 1948.

(i) in section 26, in the first proviso, for the words and figures "sections 22, 23 and 27", the words, figures, brackets and letter "section 22, sub-section (2) of section 22A and sections 23 and 27" shall be substituted;

(ii) section 71 shall be omitted;

(iii) in the Sixth Schedule, in paragraph I, after the words and figures "the Indian Electricity Act, 1910", the brackets, words, figures and letter "[except sub-section (2) of section 22A]" shall be inserted.

THE BANKING COMPANIES (AMENDMENT)
ACT, 1959

No. 33 OF 1959

[5th September, 1959]

An Act further to amend the Banking Companies Act, 1949.

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

Short title
and com-
mencement.

1. (1) This Act may be called the Banking Companies (Amendment) Act, 1959.

(2) It shall come into force on such date¹ as the Central Government may, by notification in the Official Gazette, appoint.

Amendment
of section 5.

2. In section 5 of the Banking Companies Act, 1949 (hereinafter referred to as the principal Act), in sub-section (1),—

10 of 1949.

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

‘(cc) “branch” or “branch office”, in relation to a banking company, means any branch or branch office, whether called a pay office or sub-pay office or by any other name, at which deposits are received, cheques cashed or moneys lent, and for the purposes of section 35 includes any place of business where any other form of business referred to in sub-section (1) of section 6 is transacted;’;

(ii) for clause (d), the following clause shall be substituted, namely:—

‘(d) “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;’;

(iii) for clause (h), the following clause shall be substituted, namely:—

‘(h) “managing director”, in relation to a banking company, means a director who, by virtue of an agreement with the banking company or of a resolution passed by the banking company in general meeting or by its Board of directors

¹1st October 1959. *Vide* Notfn. No. 14 (15)-BC/59 (IV). dt. 23-9-1952, *See* Gazette of India, Extraordinary, Pt. II, Sec. 3(ii), p-493.

or, by virtue of its memorandum or articles of association, is entrusted with the management of the whole, or substantially the whole of the affairs of the company, and includes a director occupying the position of a managing director, by whatever name called;'

(iv) clauses (i), (k) and (m) shall be omitted;

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

"(o) all other words and expressions used herein but not defined and defined in the Companies Act, 1956, shall have the meanings respectively assigned to them in that Act."

1 of 1956.

3. In PART I of the principal Act, after section 5, the following section shall be inserted, namely:—

Insertion of new section 5A.

"5A. Save as otherwise expressly provided in this Act,—

Act to override memorandum, articles, etc.

(a) the provisions of this Act shall have effect notwithstanding anything to the contrary contained in the memorandum or articles of a banking company, or in any agreement executed by it, or in any resolution passed by the banking company in general meeting or by its Board of directors, whether the same be registered, executed or passed, as the case may be, before or after the commencement of the Banking Companies (Amendment) Act, 1959; and

(b) any provision contained in the memorandum, articles, agreement or resolution aforesaid shall, to the extent to which it is repugnant to the provisions of this Act, become or be void, as the case may be."

4. In section 6 of the principal Act, in clause (b) of sub-section (1), for the words "managing agent", the words "managing agent or secretary and treasurer" shall be substituted.

Amendment of section 6.

5. In section 7 of the principal Act, for the proviso, the following proviso shall be substituted, namely:—

Amendment of section 7.

"Provided that nothing in this section shall apply to—

(a) a subsidiary of a banking company formed for one or more of the purposes mentioned in sub-section (1) of section 19 whose name indicates that it is a subsidiary of that banking company;

(b) any association of banks formed for the protection of their mutual interests and registered under section 25 of the Companies Act, 1956."

51 of 1956

Amendment
of section 10.

6. In section 10 of the principal Act,—

(a) in sub-section (1),—

(i) in clause (b), for the proviso to sub-clause (ii), the following proviso shall be substituted, namely:—

"Provided that nothing contained in this sub-clause shall apply to the payment by a banking company of—

(a) any bonus in pursuance of a settlement or award arrived at or made under any law relating to industrial disputes or in accordance with any scheme framed by such banking company or in accordance with the usual practice prevailing in banking business;

(b) any commission to any broker (including guarantee broker), cashier-contractor, clearing and forwarding agent, auctioneer or any other person, employed by the banking company under a contract otherwise than as a regular member of the staff of the company; or";

(ii) in clause (c), for sub-clause (i), the following sub-clause shall be substituted, namely:—

"(i) who is a director of any other company not being—

(a) a subsidiary of the banking company, or

(b) a company registered under section 25 of the Companies Act, 1956:

1 of 1956.

Provided that the prohibition in this sub-clause shall not apply in respect of any such director for a temporary period not exceeding three months or such further period not exceeding nine months as the Reserve Bank may allow; or";

(b) for sub-section (3), the following sub-sections shall be substituted, namely:—

“(3) Where a person holding the office of a chairman or director or manager or chief executive officer (by whatever name called) of a banking company is, or has been found by any tribunal or other authority (other than a criminal court) to have contravened the provision of any law and the Reserve Bank is satisfied that the contravention is of such a nature that the association of such person with the banking company is or will be detrimental to the interests of the banking company or its depositors or otherwise undesirable, the Reserve Bank may make an order that that person shall cease to hold the office with effect from such date as may be specified therein and thereupon, that office shall, with effect from the said date, become vacant.

(4) Any order made under sub-section (3) in respect of any person may also provide that he shall not, without the previous permission of the Reserve Bank in writing, in any way, directly or indirectly, be concerned with, or take part in the management of, the banking company or any other banking company for such period not exceeding five years as may be specified in the order.

(5) No order under sub-section (3) shall be made in respect of any person unless he has been given an opportunity of making a representation to the Reserve Bank against the proposed order:

Provided that it shall not be necessary to give any such opportunity if, in the opinion of the Reserve Bank, any delay would be detrimental to the interests of the banking company or its depositors.

(6) Any decision or order of the Reserve Bank made under this section shall be final for all purposes.”.

7. In section 11 of the principal Act,—

Amendment
of section 11.

(i) in sub-section (1), for the words “unless it has paid-up capital and reserves of such aggregate value as is hereinafter required by this section”, the words “unless it complies with such of the requirements of this section as are applicable to it” shall be substituted;

(ii) for sub-section (2), the following sub-section shall be substituted, namely:—

“(2) In the case of a banking company incorporated outside India—

(a) the aggregate value of its paid-up capital and reserves shall not be less than fifteen lakhs of rupees and if it has a place or places of business in the city of Bombay or Calcutta or both, twenty lakhs of rupees; and

(b) the banking company shall deposit and keep deposited with the Reserve Bank either in cash or in the form of unencumbered approved securities or partly in cash and partly in the form of such securities an amount which shall not be less than the minimum required by clause (a):

Provided that any such banking company may at any time replace—

(i) any securities so deposited by cash or by any other unencumbered approved securities or partly by cash and partly by other such securities, so however, that the total amount deposited is not affected;

(ii) any cash so deposited by unencumbered approved securities of an equal value.”;

(iii) in sub-section (4), the words “the proviso to” shall be omitted;

(iv) for sub-section (5), the following sub-section shall be substituted, namely:—

“(5) For the purposes of this section,—

(a) “place of business” means any office, sub-office, sub-pay office and any place of business at which deposits are received, cheques cashed or moneys lent;

(b) “value” means the real or exchangeable value, and not the nominal value which may be shown in the books of the banking company concerned.’

Amendment of section 12. 8. In section 12 of the principal Act, in sub-section (2), after the words “exercise voting rights”, the words “on poll” shall be inserted.

Insertion of new section 14A. 9. After section 14 of the principal Act, the following section shall be inserted, namely:—

Prohibition of floating charge on assets. “14A. (1) Notwithstanding anything contained in section 6, no banking company shall create a floating charge on the undertaking or any property of the company or any part thereof, unless

the creation of such floating charge is certified in writing by the Reserve Bank as not being detrimental to the interests of the depositors of such company.

(2) Any such charge created without obtaining the certificate of the Reserve Bank shall be invalid.

(3) Any banking company aggrieved by the refusal of a certificate under sub-section (1) may, within ninety days from the date on which such refusal is communicated to it, appeal to the Central Government.

(4) The decision of the Central Government where an appeal has been preferred to it under sub-section (3) or of the Reserve Bank where no such appeal has been preferred shall be final."

10. Section 15 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:—

Amendment of section 15.

1 of 1956.

"(2) Notwithstanding anything to the contrary contained in sub-section (1) or in the Companies Act, 1956, a banking company may pay dividends on its shares without writing off—

(i) the depreciation, if any, in the value of its investments in approved securities in any case where such depreciation has not actually been capitalised or otherwise accounted for as a loss;

(ii) the depreciation, if any, in the value of its investments in shares, debentures or bonds (other than approved securities) in any case where adequate provision for such depreciation has been made to the satisfaction of the auditor of the banking company;

(iii) the bad debts, if any, in any case where adequate provision for such debts has been made to the satisfaction of the auditor of the banking company."

11. For sections 17 and 18 of the principal Act, the following sections shall be substituted, namely:—

Substitution of new sections for sections 17 and 18.

'17. (1) Every banking company incorporated in India shall create a reserve fund and unless the amount in such fund together with the amount in the share premium account is not less than its paid-up capital, shall, out of the balance of profit of each year as disclosed in the profit and loss account prepared under section 29 and before any dividend is declared transfer to the reserve fund a sum equivalent to not less than twenty per cent. of such profit.

Reserve Fund.

(2) Where a banking company appropriates any sum or sums from the reserve fund or the share premium account, it shall, within twenty-one days from the date of such appropriation, report the fact to the Reserve Bank, explaining the circumstances relating to such appropriation:

Provided that the Reserve Bank may, in any particular case, extend the said period of twenty-one days by such period as it thinks fit or condone any delay in the making of such report.

Cash reserve.

18. Every banking company, not being a scheduled bank, 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 any other bank notified by the Central Government in this behalf or partly in cash with itself and partly in such account or accounts, a sum equivalent to at least two per cent. of its time liabilities in India and five per cent. of its demand liabilities in India, and shall submit to the Reserve Bank before the fifteenth 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 26 of 1881. preceding working day.

Explanation.—In this section and in 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 banking company;

(b) any advance taken from the Reserve Bank or from the State Bank of India or from the Refinance Corporation for Industry (Private) Limited, or from 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.

2 of 1934.

Amendment
of section 19.

12. In section 19 of the principal Act, in sub-section (1), after the words “Reserve Bank,” the words “the carrying on of the business of banking exclusively outside India, or” shall be inserted.

Amendment
of section 22.

13. In section 22 of the principal Act,—

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

“(1) Save as hereinafter provided, no company shall carry on banking business in India unless it holds a licence

issued in that behalf by the Reserve Bank and any such licence may be issued subject to such conditions as the Reserve Bank may think fit to impose.”;

(ii) in sub-section (2), in the first proviso, for the words, brackets and figure “sub-section (2)”, the words “this section” shall be substituted;

(iii) in sub-section (3), for clauses (a) and (b), the following clauses shall be substituted, namely:—

“(a) that the company is or will be in a position to pay its present or future depositors in full as their claims accrue;

(b) that the affairs of the company are not being, or are not likely to be conducted in a manner detrimental to the interests of its present or future depositors;”;

(iv) for sub-sections (4) and (5), the following sub-sections shall be substituted, namely:—

“(4) The Reserve Bank may cancel a licence granted to a banking company under this section—

(i) if the company ceases to carry on banking business in India; or

(ii) if the company at any time fails to comply with any of the conditions imposed upon it under sub-section (1); or

(iii) if at any time, any of the conditions referred to in sub-section (3) is not fulfilled:

Provided that before cancelling a licence under clause (ii) or clause (iii) of this sub-section on the ground that the banking company has failed to comply with or has failed to fulfil any of the conditions referred to therein, the Reserve Bank, unless it is of opinion that the delay will be prejudicial to the interests of the company's depositors or the public, shall grant to the company on such terms as it may specify, an opportunity of taking the necessary steps for complying with or fulfilling such condition.

(5) Any banking company aggrieved by the decision of the Reserve Bank cancelling a licence under this section may, within thirty days from the date on which such decision is communicated to it, appeal to the Central Government.

(6) The decision of the Central Government where an appeal has been preferred to it under sub-section (5) or of

by the Reserve Bank where no such appeal has been preferred shall be final."

Substitution
of new sec-
tion for
section 23.
Restrictions
on opening
of new, and
transfer of
existing,
places of
business.

14. For section 23 of the principal Act, the following section shall be substituted, namely:—

'23. (1) Without obtaining the prior permission of the Reserve Bank—

(a) no banking company shall open a new place of business in India or change otherwise than within the same city, town or village, the location of an existing place of business situated in India; and

(b) no banking company incorporated in India shall open a new place of business outside India or change, otherwise than within the same city, town or village in any country or area outside India, the location of an existing place of business situated in that country or area:

Provided that nothing in this sub-section shall apply to 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 banking company 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.

(2) Before granting any permission under this section, the Reserve Bank may require to be satisfied by an inspection under section 35 or otherwise as to the financial condition and history of the company, the general character of its management, the adequacy of its capital structure and earning prospects and that public interest will be served by the opening or, as the case may be, change of location, of the place of business.

(3) The Reserve Bank may grant permission under sub-section (1) subject to such conditions as it may think fit to impose either generally or with reference to any particular case.

(4) Where, in the opinion of the Reserve Bank, a banking company has, at any time, failed to comply with any of the conditions imposed on it under this section, the Reserve Bank may, by order in writing and after affording reasonable opportunity to the banking company for showing cause against the action proposed to be taken against it, revoke any permission granted under this section.

(5) For the purposes of this section "place of business" includes any sub-office, pay office, sub-pay office and any place of business at which deposits are received, cheques cashed or moneys lent;

15. In section 24 of the principal Act,—

Amendment
of section
24.

(i) in sub-section (1),—

(a) after the words "shall maintain", the words "in India" shall be inserted;

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

Explanation.—For the purposes of this section, "unencumbered approved securities" of a banking company shall include its approved securities lodged with another institution for an advance or any other credit arrangement to the extent to which such securities have not been drawn against or availed of;

(ii) for sub-section (2), the following sub-section shall be substituted, namely:—

"(2) In computing the amount for the purposes of sub-section (1), the deposit required under sub-section (2) of section 11 to be made with the Reserve Bank by a banking company incorporated outside India and any balances maintained in India by a banking company 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 scheduled bank the balance required under section 42 of the Reserve Bank of India Act, 1934, to be so maintained, shall be deemed to be cash maintained in India.";

(iii) in sub-section (3), after the words "its time and demand liabilities", the words "in India" shall be inserted.

16. In section 25 of the principal Act,—

Amendment
of section
25.

(i) for sub-sections (1) and (2), the following sub-sections shall be substituted, namely:—

"(1) The assets in India of every banking company at the close of business on the last Friday of every quarter or, if that Friday is a public holiday under the Negotiable Instruments Act, 1881, at the close of the business on the preceding working day, shall not be less than seventy-five per cent. of its demand and time liabilities in India.

(2) Every banking company shall, within one month from the end of every quarter, submit to the Reserve Bank a return in the prescribed form and manner of the assets and liabilities referred to in sub-section (1) as at the close of business on the last Friday of the previous quarter, or, if that Friday is a public holiday under the Negotiable Instruments Act, 1881, at the close of business on the preceding working day.”; 26 of 1951

(ii) in sub-section (3), clause (b) shall be re-lettered as clause (c) and the following shall be inserted as clause (b), namely:—

‘(b) “liabilities in India” shall not include the paid-up capital or the reserves or any credit balance in the profit and loss account of the banking company;’.

Amendment
of section
27.

17. In section 27 of the principal Act, in sub-section (2), for the words “the classification of advances and investments of banking companies in respect of industry, commerce and agriculture”, the words “the investments of a banking company and the classification of its advances in respect of industry, commerce and agriculture” shall be substituted.

Amendment
of section
28.

18. In section 28 of the principal Act, for the words and figures “under section 27”, the words “under this Act” shall be substituted.

Amendment
of section
32.

19. In section 32 of the principal Act, for sub-section (1), the following sub-section shall be substituted, namely:—

“(1) Where a banking company in any year furnishes its accounts and balance sheet in accordance with the provisions of section 31, it shall at the same time send to the registrar three copies of such accounts and balance sheet and of the auditor's report, and where such copies are so sent, it shall not be necessary to file with the registrar, in the case of a public company, copies of the accounts and balance sheet and of the auditor's report, and, in the case of a private company, copies of the balance sheet and of the auditor's report as required by sub-section (1) of section 220 of the Companies Act, 1956; and the copies so sent shall be chargeable with the same fee and shall be dealt with in all respects as if they were filed in accordance with that section.”.

20. To section 35 of the principal Act, the following Explanation shall be added, namely:—

Amendment
of section
35.

Explanation.—For the purposes of this section, the expression “banking company” shall include—

(i) in the case of a banking company incorporated outside India, all its branches in India; and

(ii) in the case of a banking company incorporated in India—

(a) all its subsidiaries formed for the purpose of carrying on the business of banking exclusively outside India; and

(b) all its branches whether situated in India or outside India.

21. In section 35B of the principal Act,—

Amendment
of section
35 B.

(i) in clause (a) of sub-section (1), for the words “managing or whole-time director or of a director not liable to retire by rotation”, the words “managing director or any other director, whole-time or otherwise” shall be substituted;

(ii) to sub-section (1), the following *Explanation* shall be added, namely:—

Explanation.—For the purposes of this sub-section, any provision conferring any benefit or providing any amenity or perquisite, in whatever form, whether during or after the termination of the term of office of the manager or the chief executive officer by whatever name called or the managing director, or any other director, whole-time or otherwise, shall be deemed to be a provision relating to his remuneration.”;

(iii) in sub-section (2), for the words, brackets and figures “apply to a banking company after the commencement of the Banking Companies (Amendment) Act, 1956”, the following shall be substituted, namely:—

“apply to any matter in respect of which the approval of the Reserve Bank has to be obtained under sub-section (1)”.

22. In section 36 of the principal Act, in clause (b) of sub-section (1), for the figures “45”, the figures and letter “44A” shall be substituted.

Amendment
of section
36.

Insertion of new section 36A.

Certain provisions of the Act not to apply to certain banking companies.

Amendment of section 36A.

Amendment of section 37.

23. In PART II of the principal Act, after section 36, the following section shall be inserted, namely:—

36A. (1) The provisions of section 11, sub-section (1) of section 12, and sections 17, 18, 24 and 25 shall not apply to a banking company—

(a) which, whether before or after the commencement of the Banking Companies (Amendment) Act, 1959, has been refused a licence under section 22, or prohibited from accepting fresh deposits by a compromise, arrangement or scheme sanctioned by a court or by any order made in any proceeding relating to such compromise, arrangement or scheme, or prohibited from accepting deposits by virtue of any alteration made in its memorandum; or

(b) whose licence has been cancelled under section 22, whether before or after the commencement of the Banking Companies (Amendment) Act, 1959.

(2) Where the Reserve Bank is satisfied that any such banking company as is referred to in sub-section (1) has repaid, or has made adequate provision for repaying all deposits accepted by the banking company, either in full or to the maximum extent possible, the Reserve Bank may, by notice published in the Official Gazette, notify that the banking company has ceased to be a banking company within the meaning of this Act, and thereupon all the provisions of this Act applicable to such banking company shall cease to apply to it, except as respects things done or omitted to be done before such notice."

24. Section 36A of the principal Act shall be re-numbered as section 36B.

25. In section 37 of the principal Act, after sub-section (3), the following sub-section shall be inserted, namely:—

"(4) Where the Reserve Bank is satisfied that the affairs of a banking company in respect of which an order under sub-section (1) has been made, are being conducted in a manner detrimental to the interests of the depositors, it may make an application to the High Court for the winding up of the company, and where any such application is made, the High Court shall not make any order extending the period for which the commencement or continuance of all actions and proceedings against the company were stayed under that sub-section."

26. For section 38 of the principal Act, the following section shall be substituted, namely:—

Substitution
of new sec-
tion for sec-
tion 38.

1 of 1956.

“38. (1) Notwithstanding anything contained in section 391, section 392, section 433 and section 583 of the Companies Act, 1956, but without prejudice to its powers under sub-section (1) of section 37 of this Act, the High Court shall order the winding up of a banking company—

Winding up
by High
Court.

(a) if the banking company is unable to pay its debts;
or

(b) if an application for its winding up has been made by the Reserve Bank under section 37 or this section.

(2) The Reserve Bank shall make an application under this section for the winding up of a banking company if it is directed so to do by an order under clause (b) of sub-section (4) of section 35.

(3) The Reserve Bank may make an application under this section for the winding up of a banking company—

(a) if the banking company—

(i) has failed to comply with the requirements specified in section 11; or

(ii) has by reason of the provisions of section 22 become disentitled to carry on banking business in India; or

(iii) has been prohibited from receiving fresh deposits by an order under clause (a) of sub-section (4) of section 35 or under clause (b) of sub-section (3A) of section 42 of the Reserve Bank of India Act, 1934; or

2 of 1934.

(iv) having failed to comply with any requirement of this Act other than the requirements laid down in section 11, has continued such failure, or, having contravened any provision of this Act has continued such contravention beyond such period or periods as may be specified in that behalf by the Reserve Bank from time to time, after notice in writing of such failure or contravention has been conveyed to the banking company;
or

(b) if in the opinion of the Reserve Bank—

(i) a compromise or arrangement sanctioned by a Court in respect of the banking company cannot be worked satisfactorily with or without modifications; or

(ii) the returns, statements or information furnished to it under or in pursuance of the provisions of this Act disclose that the banking company is unable to pay its debts; or

(iii) the continuance of the banking company is prejudicial to the interests of its depositors.

(4) Without prejudice to the provisions contained in section 434 of the Companies Act, 1956, a banking company shall be deemed to be unable to pay its debts if it has refused to meet any lawful demand made at any of its offices or branches within two working days, if such demand is made at a place where there is an office, branch or agency of the Reserve Bank, or within five working days, if such demand is made elsewhere, and if the Reserve Bank certifies in writing that the banking company is unable to pay its debts. 1 of 1956.

(5) A copy of every application made by the Reserve Bank under sub-section (1) shall be sent by the Reserve Bank to the registrar."

Amendment of section 39. 27. In section 39 of the principal Act, for the words and figures "in section 448", the words and figures "in section 448 or section 449" shall be substituted.

Insertion of new section 39A. 28. After section 39 of the principal Act, the following section shall be inserted, namely:—

Application of Companies Act to liquidators. '39A. (1) All the provisions of the Companies Act, 1956, relating to a liquidator, in so far as they are not inconsistent with this Act, shall apply to or in relation to a liquidator appointed under section 38A or section 39. 1 of 1956.

(2) Any reference to the "official liquidator" in this Part and Part IIIA shall be construed as including a reference to any liquidator of a banking company.'

Amendment of section 43 A. 29. In section 43A of the principal Act, in sub-section (1), after the words "have been made," the words "or adequate provision to the satisfaction of the High Court for such payments has been made," shall be inserted.

30. For section 44 of the principal Act, the following section shall be substituted, namely:—

Substitution of new section for section 44.

1 of 1956.

"44. (1) Notwithstanding anything to the contrary contained in section 484 of the Companies Act, 1956, no banking company may be voluntarily wound up unless the Reserve Bank certifies in writing that the company is able to pay in full all its debts to its creditors as they accrue.

Powers of High Court in voluntary winding up.

(2) The High Court may, in any case where a banking company is being wound up voluntarily, make an order that the voluntary winding up shall continue, but subject to the supervision of the court.

1 of 1956.

(3) Without prejudice to the provisions contained in sections 441 and 521 of the Companies Act, 1956, the High Court may of its own motion and shall on the application of the Reserve Bank, order the winding up of a banking company by the High Court in any of the following cases, namely:—

(a) where the banking company is being wound up voluntarily and at any stage during the voluntary winding up proceedings the company is not able to meet its debts as they accrue; or

(b) where the banking company is being wound up voluntarily or is being wound up subject to the supervision of the court and the High Court is satisfied that the voluntary winding up or winding up subject to the supervision of the court cannot be continued without detriment to the interests of the depositors."

31. Section 45K of the principal Act shall be omitted.

Omission of section 45K.

32. In section 45O of the principal Act, in sub-section (2), after the words "accrual of such claims", the words "or five years from the date of the first appointment of the liquidator, whichever is longer" shall be inserted.

Amendment of section 45O.

33. In section 46 of the principal Act,—

Amendment of section 46.

(i) in sub-section (2), for the words "five hundred rupees", the words "two thousand rupees" and for the words "fifty rupees", the words "one hundred rupees" shall be substituted;

(ii) for sub-section (4), the following sub-section shall be substituted, namely:—

“(4) If any other provision of this Act is contravened or if any default is made in complying with any requirement of this Act or of any order, rule or direction made or condition imposed thereunder, every director, liquidator and other officer of the company and any other person who is knowingly a party to the contravention or default shall be punishable with fine which may extend to two thousand rupees, and where a contravention or default is a continuing one, with a further fine which may extend to one hundred rupees for everyday during which such contravention or default continues.”;

(iii) sub-section (5) shall be omitted.

Amendment of section 49. **34.** In section 49 of the principal Act, for the words, figures, brackets and letters “sections 90, 165 and 255, clauses (a) and (b) of sub-section (1) of section 293 and sections 300 and 416 of the Companies Act, 1956”, the following shall be substituted, namely:— I of 1956.

“sections 90, 165, 182, 204 and 255, clauses (a) and (b) of sub-section (1) of section 293 and sections 300, 384 and 416 of the Companies Act, 1956”. I of 1956.

Insertion of new sections 49A, 49B and 49C. **35.** After section 49 of the principal Act, the following sections shall be inserted, namely:—

Restriction on acceptance of deposits withdrawable by cheque.

“49A. No person other than a banking company, the Reserve Bank, the State Bank of India or any other banking institution notified by the Central Government in this behalf shall accept from the public deposits of money withdrawable by cheque:

Provided that nothing contained in this section shall apply to any savings bank scheme run by the Government.

Change of name by a banking company.

49B. Notwithstanding anything contained in section 21 of the Companies Act, 1956, the Central Government shall not signify its approval to the change of name of any banking company unless the Reserve Bank certifies in writing that it has no objection to such change. I of 1956.

Alteration of memorandum of a banking company.

49C. Notwithstanding anything contained in the Companies Act, 1956, no application for the confirmation of the alteration of the memorandum of a banking company shall be maintainable unless the Reserve Bank certifies that there is no objection to such alteration.”. I of 1956.

36. In section 42 of the Reserve Bank of India Act, 1934, in the *Explanation* to sub-section (1), for clause (c), the following clause shall be substituted, namely:—

Amendment
of section 42
of the Re-
serve Bank
of India Act,
1934.

‘(c) “liabilities” shall not include the paid-up capital or the reserves or any credit balance in the profit and loss account of the bank or the amount of any loan taken from the Bank or from the Refinance Corporation for Industry (Private) Limited, or from the State Bank or from any other bank notified by the Central Government in this behalf.’

THE APPROPRIATION (No. 4) ACT, 1959

No. 34 OF 1959

[8th September, 1959]

An Act to provide for the authorisation of appropriation of money out of the Consolidated Fund of India to meet the amount spent on a service during the financial year ended on the 31st day of March, 1956, in excess of the amount granted for that service and for that year.

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

- | | |
|--|--|
| Short title, | 1. This Act may be called the Appropriation (No. 4) Act, 1959. |
| Issue of Rs. 97,76,505 out of the Consolidated Fund of India to meet an excess expenditure for the year ended on the 31st March, 1956. | 2. From and out of the Consolidated Fund of India, the sum specified in column 3 of the Schedule amounting in the aggregate to the sum of ninety-seven lakhs, seventy-six thousand, five hundred and five 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 service specified in column 2 of the Schedule during the financial year ended on the 31st day of March, 1956, in excess of the amount granted for that service and for that year. |
| Appropriation. | 3. The sum 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 service and purpose expressed in the Schedule in relation to the financial year ended on the 31st day of March, 1956. |

THE SCHEDULE

(See sections 2 and 3)

1	2	3		
		Voted	Excess	
			Charged	Total
No. of Vote	Service and purpose	Rs.	Rs.	Rs.
15	Defence Services—Non-effective Charges.	..	97,76,505	97,76,505

THE APPROPRIATION (No. 5) ACT, 1959

No. 35 OF 1959

[8th September, 1959]

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, 1957, in excess of the amounts granted for those services and for that year.

Enacted by Parliament in the Tenth Year of the Republic of India as follows:—

Short title. 1. This Act may be called the Appropriation (No. 5) Act, 1959.

Issue of Rs. 2. From and out of the Consolidated Fund of India, the sums
8,31,81,321 out of specified in column 3 of the Schedule amounting in the aggregate
the Consoli- dated Fund to the sum of eight crores, thirty-one lakhs, eighty-one thousand,
of India to meet certain three hundred and twenty-one rupees shall be deemed to have been
excess ex- penditure for authorised to be paid and applied to meet the amount spent for
the year defraying the charges in respect of the services specified in column
ended on the 31st March, 1957. 2 of the Schedule during the financial year ended on the 31st day of
March, 1957, 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, 1957.

THE SCHEDULE

(See sections 2 and 3)

1	2	3		
		Excess		
		Voted	Charged	Total
		Rs.	Rs.	Rs.
12	Defence Services—Effective—Army . . . . .	..	1,92,786	1,92,786
14	Defence Services—Effective—Air Force . . . . .	..	46,904	46,904
25	Miscellaneous Expenditure under the Ministry of External Affairs	1,45,121	..	1,45,121
41	Pre-partition Payments . . . . .	..	1,95,557	1,95,557
47	Ministry of Health	1,733	..	1,733
54	Police	35,12,949	..	35,12,949
56	Privy Purses and Allowances] of Indian Rulers	88,775	..	88,775
57A	Laccadive, Minicoy and Amindivi Islands	55,398	..	55,398
64	Broadcasting	23,94,460	..	23,94,460
89	Other Organisations [under the Ministry of Production	66,30,638	..	66,30,638
102	Supplies	4,28,827	..	4,28,827
103	Other Civil Works	6,52,33,504	11,47,326	6,63,80,830
106	Department of Atomic Energy	2,953	..	2,953
117	Defence Capital Outlay] . . . . .	..	1,41,087	1,41,087

1	2	3		
No. of Vote	Services and purposes	Excess		
		Voted	Charged	Total
		Rs.	Rs.	Rs.
123	Commuted Value of Pensions . . .	..	3,860	3,860
128	Purchase of Foodgrains . . .	..	69,225	69,225
135	Other Capital Outlay of the Ministry of Irrigation and Power . . .	28,90,218	..	28,90,218
	TOTAL . . .	8,13,84,576	17,96,745	8,31,81,321

THE APPROPRIATION (No. 6) ACT, 1959

No. 36 OF 1959

[8th September, 1959]

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 1959-60.

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

1. This Act may be called the Appropriation (No. 6) Act, 1959. 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 four crores, eighty-eight lakhs and two thousand rupees towards defraying the several charges which will come in course of payment during the financial year 1959-60, in respect of the services specified in column 2 of the Schedule.

Issue of Rs.
4,88,02,000.
out of the
Consolidated
Fund of
India for the
year 1959-
60.

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	2	3		
		Sums not exceeding		
No. of Vote	Services and purposes	Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
2	Industries	1,34,000	..	1,34,000
18	External Affairs	10,00,000	..	10,00,000
60	Miscellaneous Departments and Ex- penditure under the Ministry of Home Affairs . . . . .	..	1,000	1,000
73	Expenditure on Displaced Persons and Minorities	3,77,92,000	..	3,77,92,000
107	Capital Outlay of the Ministry of Commerce and Industry	13,50,000	..	13,50,000
121	Other Capital Outlay of the Ministry of Food and Agriculture	83,00,000	..	83,00,000
130	Capital Outlay of the Ministry of Steel, Mines and Fuel	2,25,000	..	2,25,000
	TOTAL	4,88,01,000	1,000	4,88,02,000

THE CENTRAL EXCISES AND SALT (AMENDMENT)
ACT, 1959

No. 37 OF 1959

[8th September, 1959]

An Act further to amend the Central Excises and Salt Act, 1944.

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

1. (1) This Act may be called the Central Excises and Salt (Amendment) Act, 1959. Short title
and com-
mencement.

(2) It shall be deemed to have come into force on the 1st day of July, 1959.

2. In the First Schedule to the Central Excises and Salt Act, 1944,— Amendment
of the First
Schedule,
Act I of
1944.

(a) in Item No. 24, for the entry in the third column, the entry "Twenty naye paise per imperial gallon or sixteen per cent. *ad valorem*, whichever is higher, *plus* eighty naye paise per imperial gallon" shall be substituted;

(b) in Item No. 25,—

(i) in sub-item (a), for the entry in the third column, the entry "Sixteen per cent. *ad valorem plus* rupees fifty per ton" shall be substituted;

(ii) in sub-item (b), for the entry in the third column, the entry "Sixteen per cent. *ad valorem plus* rupees fifteen per ton" shall be substituted;

(c) after Item No. 27, the following Item shall be inserted, namely:—

"28. Asphalt and Bitumen (including cutback Bitumen and Asphalt) natural or produced from petroleum or shale. Twenty-seven per cent. *ad valorem*."

THE STATE BANK OF INDIA (SUBSIDIARY BANKS)
ACT, 1959

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62. Power of Central Government to make rules.
63. Power of the State Bank to make regulations.
64. Amendment of certain enactments.
65. Saving.

THE FIRST SCHEDULE.

THE SECOND SCHEDULE.

THE THIRD SCHEDULE.

THE STATE BANK OF INDIA (SUBSIDIARY BANKS)
ACT, 1959

No. 38 OF 1959

[10th September, 1959]

An Act to provide for the formation of certain Government or Government-associated banks as subsidiaries of the State Bank of India and for the constitution, management and control of the subsidiary banks so formed, and for matters connected therewith, or incidental thereto.

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

CHAPTER I

PRELIMINARY

1. This Act may be called the State Bank of India (Subsidiary Banks) Act, 1959. Short title.

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

Definitions.

(a) "appointed day" means,—

(i) in relation to an existing bank, the date on which the corresponding new bank is constituted under section 3;

(ii) in relation to a new bank, the date on which that new bank is constituted under section 3;

(iii) in relation to the Hyderabad Bank, the date on which the amendments to the State Bank of Hyderabad Act, 1956, take effect under Part VII of the Third Schedule;

(iv) in relation to the Saurashtra Bank, the date on which the amendments to the Saurashtra State Banks (Amalgamation) Ordinance, 1950, take effect under Part V of the Third Schedule;

79 of 1956.

10 of 1950.

351 M. of Law

(b) "corresponding bank" means,—

- (i) in relation to the State Bank of Bikaner, the Bank of Bikaner, Limited;
- (ii) in relation to the State Bank of Indore, the Bank of Indore, Limited;
- (iii) in relation to the State Bank of Jaipur, the Bank of Jaipur, Limited;
- (iv) in relation to the State Bank of Mysore, the Bank of Mysore, Limited;
- (v) in relation to the State Bank of Patiala, the Bank of Patiala;
- (vi) in relation to the State Bank of Travancore, the Travancore Bank, Limited;

(c) "corresponding new bank" means,—

- (i) in relation to the Bank of Bikaner, Limited, the State Bank of Bikaner;
- (ii) in relation to the Bank of Indore, Limited, the State Bank of Indore;
- (iii) in relation to the Bank of Jaipur, Limited, the State Bank of Jaipur;
- (iv) in relation to the Bank of Mysore, Limited, the State Bank of Mysore;
- (v) in relation to the Bank of Patiala, the State Bank of Patiala;
- (vi) in relation to the Travancore Bank, Limited, the State Bank of Travancore;

(d) "existing bank" means any of the following banks, namely:—

- (i) Bank of Bikaner, Limited;
- (ii) Bank of Indore, Limited;
- (iii) Bank of Jaipur, Limited;
- (iv) Bank of Mysore, Limited;
- (v) Bank of Patiala;
- (vi) Travancore Bank, Limited;

79 of 1956. (e) "Hyderabad Bank" means the Hyderabad State Bank constituted under the Hyderabad State Bank Act, 1950F, and renamed the State Bank of Hyderabad under sub-section (1) of section 3 of the State Bank of Hyderabad Act, 1956;

(f) "new bank" means any of the banks constituted under section 3;

(g) "prescribed" means prescribed by regulations made under this Act;

2 of 1934. (h) "Reserve Bank" means the Reserve Bank of India constituted under the Reserve Bank of India Act, 1934;

10 of 1950. (i) "Saurashtra Bank" means the State Bank of Saurashtra constituted under the Saurashtra State Banks (Amalgamation) Ordinance, 1950;

23 of 1955. (j) "State Bank" means the State Bank of India constituted under the State Bank of India Act, 1955;

(k) "subsidiary bank" means any new bank and includes the Hyderabad Bank and the Saurashtra Bank;

(l) "Tribunal" means the Tribunal constituted under section 15.

CHAPTER II

CONSTITUTION OF NEW BANKS

3. With effect from such date¹ as the Central Government may, by notification in the Official Gazette, specify in this behalf, there shall be constituted the following new banks, namely:—

Establishment of new banks.

- (a) the State Bank of Bikaner;
- (b) the State Bank of Indore;
- (c) the State Bank of Jaipur;
- (d) the State Bank of Mysore;
- (e) the State Bank of Patiala;
- (f) the State Bank of Travancore;

and different dates may be specified for different new banks.

4. (1) Every new bank shall be a body corporate with perpetual succession and a common seal and shall sue and be sued in its name.

New banks to be bodies corporate.

¹ 1st January, 1960, in respect of entries (a) (b), (c) and (f), only, vide Notification No. S.R. 1384, dated 10-12-59, Gazette of India, 1959, Pt. II, Sec. 3(i), p. 1682.

² 1st March, 1960, in respect of entry (d) only, vide Notification No. G.S.R. 181, dated 16-2-1960, Gazette of India, 1959, Pt. II, Sec. 3(i), p. 299.

³ 1st April 1960, in respect of entry (e) only, vide Notification No. G.S.R. 349, dated 21-3-1960, Gazette of India, 1960, Pt. II, Sec. 3(i), p. 594.

(2) The body corporate constituting each of the new banks shall consist of the State Bank and other shareholders, if any, for the time being of the new bank.

(3) Every new bank shall carry on the business of banking and other business in accordance with the provisions of this Act, and shall have power to acquire and hold property, whether movable or immovable, for the purposes of its business and to dispose of the same.

Head office
and
branches of
new banks.

5. (1) The head office of each of the new banks shall be at such place as the Central Government may, by notification in the Official Gazette, from time to time, specify.

(2) Every new bank shall maintain as its branches all branches of the corresponding bank in existence immediately before the appointed day, and shall not establish any new branch or discontinue any branch except in consultation with the State Bank and with the approval of the Reserve Bank.

Authorised
capital of
new banks.

6. (1) Subject to the provisions of this Act, the authorised capital of the State Bank of Mysore and the State Bank of Travancore shall be rupees two crores each, and the authorised capital of every other new bank shall be rupees one crore.

(2) The authorised capital of every new bank shall be divided into shares of one hundred rupees each.

(3) Notwithstanding anything contained in this section, the State Bank may, with the approval of the Reserve Bank, authorise a new bank to increase or reduce its authorised capital:

Provided that where the authorised capital is so increased, the shares issued shall be of the denomination specified in sub-section (2).

Issued capi-
tal of new
banks.

7. (1) On the appointed day, the issued capital of a new bank shall consist of such amount, divided into fully paid-up shares of hundred rupees each, as the State Bank may, with the approval of the Reserve Bank, fix.

(2) All shares in the issued capital of a new bank shall the appointed day, stand allotted to the State Bank.

(3) The State Bank shall, as soon as may be, after the determination, if any, by the Tribunal, of the amount of compensation payable in respect of an existing bank, consider whether any increase in, or reduction of, the issued capital of the corresponding new bank as fixed under sub-section (1), by way of adjustment, or transfer from, or to, the reserves of such bank, or in any other manner, is

necessary or expedient and may, thereafter with the approval of the Reserve Bank, direct that bank to increase or reduce its issued capital.

(4) Without prejudice to the provisions contained in sub-section (3), a new bank may, with the approval of the State Bank and the Reserve Bank, increase from time to time, its issued capital and the capital so increased shall consist of fully paid-up shares to be issued in such manner as the State Bank may, with the approval of the Reserve Bank, direct.

(5) No increase or reduction in the issued capital of a new bank shall be made in such a manner that the State Bank holds at any time less than fifty-five per cent. of the issued capital of that bank.

8. (1) Every new bank shall establish a reserve fund which, subject to the provisions of sub-section (3) of section 7 and of sub-section (2) of this section, shall—

Reserve fund of the new banks.

(a) on the appointed day, consist of such sum as the State Bank, with the approval of the Reserve Bank, may determine, and

(b) after the appointed day, consist of the sum aforesaid together with such further sums as may be transferred to the reserve fund by the new bank out of its annual net profits before declaring a dividend.

(2) The State Bank shall, as soon as may be after the determination, if any, of the amount of compensation by the Tribunal, in respect of an existing bank, consider whether any increase in, or reduction of, the reserve fund of the corresponding new bank, by way of adjustment, by transfer from, or to, any account, or towards provision for bad and doubtful debts, depreciation of any assets or contingencies, or for any other purpose, is necessary, and may, thereafter, with the approval of the Reserve Bank, direct that bank to so increase or reduce its reserve fund.

9. On the constitution of a new bank, all shares in the capital of the corresponding bank, where such corresponding bank has a share capital, shall stand transferred to, and shall vest in, the State Bank, free of all trusts, liabilities and encumbrances.

Transfer of shares of existing banks to State Bank.

10. (1) Subject to the other provisions contained in this Act, when a new bank is constituted, the undertaking of the corresponding bank shall stand transferred to, and vest in, the new bank.

Transfer of undertaking of existing banks to new banks.

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(2) The undertaking of the corresponding bank referred to in sub-section (1) shall be deemed to include all rights, powers, authorities and privileges and all property, movable and immovable, including cash balances, reserve funds, investments and all other interests and rights in, or arising out of, such property and all books, accounts and documents relating thereto as may be in the possession of that bank immediately before the appointed day, and shall also be deemed to include all debts, liabilities and obligations of whatever kind, then existing of that bank.

(3) Without prejudice to the other provisions contained in this Act, all contracts, deeds, bonds, agreements, powers of attorney, grants of legal representation and other instruments of whatever nature, subsisting or having effect immediately before the appointed day and to which any existing bank is a party, or which are in favour of that bank, shall be of full force and effect against or in favour of the corresponding new bank, as the case may be, and may be enforced or acted upon as fully and effectually as if instead of the existing bank the corresponding new bank had been a party thereto or as if they had been issued in favour of the corresponding new bank.

(4) If, on the appointed day, any suit, appeal or other legal proceeding of whatever nature by or against an existing bank is pending, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of transfer to the corresponding new bank of the undertaking of the existing bank, or of anything contained in this Act, but the suit, appeal or other proceeding may be continued, prosecuted and enforced by or against the corresponding new bank.

Transfer of
services of
employees
of existing
banks.

11. (1) Save as otherwise provided in this Act, every employee of an existing bank in the employment of that bank immediately before the appointed day, shall, on and from that day, become an employee of the corresponding new bank and shall hold his office or service therein 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, gratuity and other matters as he would have held the same on the appointed day, if the undertaking of the existing bank had not been transferred to and vested in the corresponding new bank, and shall continue to do so unless and until his employment in that bank is terminated or until his remuneration or other terms and conditions of service are revised or altered by the corresponding new bank under, or in pursuance of, any law, or in accordance with any provision which, for the time being, governs his service:

Provided that nothing contained in this sub-section shall apply to an employee of the Bank of Patiala who holds a civil post under the State of Punjab unless, prior to the appointed day, he has intimated his consent to become an employee of the State Bank of Patiala by notice in writing given to the Government of that State through the Bank of Patiala.

(2) Any person who, on the appointed day, is entitled to, or is in receipt of, a pension or other superannuation or compassionate allowance or other benefit from an existing bank or from any provident, pension or other fund or from any authority administering such fund, shall be entitled to be paid by, and to receive from, the corresponding new bank or any provident, pension or other fund or from any authority administering such fund, the same pension, allowance or benefit, so long as he observes the conditions on which the pension, allowance or benefit was granted, and if any question arises whether he has so observed such conditions, the question shall be determined by the State Bank and its decision thereon shall be final.

(3) For the persons who immediately before the appointed day are the trustees of, or the members of any authority administering, any fund constituted for the benefit of the employees of an existing bank, there shall be substituted as trustees or members such persons as the State Bank may, by general or special order, specify.

14 of 1947.

(4) Notwithstanding anything contained in the Industrial Disputes Act, 1947, or any other law or in any agreement for the time being in force, the transfer from an existing bank of the services of any officer or employee of that bank to the corresponding new bank in terms of this section shall not entitle any such officer or employee, to any compensation to which he would, but for this provision, have been entitled under any such law or agreement, and no claim in respect of such compensation shall be entertained by any court, tribunal or other authority.

12. (1) If, according to the laws of any country outside India, the provisions of this Act by themselves are not effective to transfer or vest any asset or liability situated in that country which forms part of the undertaking of an existing bank to, or in, the corresponding new bank, the affairs of the existing bank in relation to such asset or liability shall, on and from the appointed day, stand entrusted to the general manager for the time being of the corresponding new bank, and the general manager may exercise all powers and do all such acts and things as are exercised or done by the existing bank for the purpose of effectively winding up the affairs of that bank.

Special provisions for transfer of foreign assets.

(2) The general manager of the corresponding new bank shall, in exercise of the powers conferred on him by sub-section (1), take all such steps as may be required by the laws of any such country outside India for the purpose of effecting such transfer or vesting, and in connection therewith the general manager may either himself or through any person authorised by him in this behalf, realise any asset and discharge any liability of the existing bank and transfer the net proceeds thereof to the corresponding new bank.

(3) Notwithstanding anything contained in sub-section (1) or sub-section (2), on and from the appointed day, no person shall make any claim or demand or take any proceeding in India against any existing bank or any person acting in its name or on its behalf except in so far as may be necessary for enforcing the provisions of this section or except in so far as it relates to any offence committed by such person.

CHAPTER III

COMPENSATION

Compensation to shareholders of existing banks other than the Bank of Patiala.

13. (1) Every person who and any State Government which immediately before the appointed day is registered as a holder of shares in the books of an existing bank shall be given by the State Bank such compensation in respect of the transfer to the State Bank of the shares in the capital of that bank as is determined in accordance with the principles contained in the First Schedule.

(2) The amount of compensation to be given in accordance with the principles contained in the First Schedule shall be determined in the first instance by the State Bank, in consultation with the Reserve Bank, and shall be offered by it to all those to whom compensation is payable under sub-section (1) in full satisfaction thereof.

(3) If the amount of compensation offered by the State Bank in terms of sub-section (2) is not acceptable to any shareholder of an existing bank, such shareholder may, before such date as may be notified by the Central Government in the Official Gazette, request the Central Government, in writing, to have the matter referred to the Tribunal.

(4) If, before the date notified under sub-section (3), the Central Government receives requests, in terms of that sub-section, from not less than one-fourth in number of the shareholders, holding not less than one-fourth in value of the paid-up share capital of the existing bank, the Central Government shall have the matter referred to the Tribunal for decision.

(5) If, before the date notified under sub-section (3), the Central Government does not receive requests as provided in that sub-section, the amount of compensation offered by the State Bank, and where a reference has been made to the Tribunal, the amount determined by it, shall be the compensation payable under sub-section (1) and shall be final and binding on all parties concerned.

(6) Subject to the provisions of the succeeding sub-sections, the amount of compensation shall be paid,—

(a) if the shareholder has not applied for shares of the corresponding new bank in accordance with the provisions of sub-section (7), by a cheque drawn on the State Bank; and

(b) if he has applied for shares of the corresponding new bank in accordance with the provisions of that sub-section, in shares of the corresponding new bank to the extent of the value of such shares allotted to him and the balance by a cheque drawn on the State Bank.

(7) Any shareholder of an existing bank to whom compensation is payable under this section may, before the expiry of three months from the date of the final determination of the amount of such compensation under sub-section (5), or such extended period as the State Bank may think fit in any particular case to allow, apply to the State Bank for the transfer to him of shares in the capital of the corresponding new bank in lieu of such compensation or part thereof; and for the purposes of such transfer, the value of each share of the corresponding new bank shall be such as may be determined in this behalf by the State Bank with the approval of the Reserve Bank.

(8) On receipt of an application under sub-section (7), the State Bank shall issue to the corresponding new bank a warrant, in the form specified in the rules made under this Act, directing it to transfer in favour of the person specified in the warrant such number of shares as may be allotted to the applicant in accordance with sub-sections (9) and (10), out of the shares in the capital of that bank standing allotted to the State Bank under the provisions of this Act, and the corresponding new bank shall be bound to comply with such warrant.

(9) A shareholder of an existing bank who has applied for shares in the capital of the corresponding new bank shall be allotted—

(a) such number of shares, having such total face value as would bear to forty-five per cent. of the issued capital of the corresponding new bank the same proportion as the paid-up value of his shares in the capital of the existing bank in respect of which he is paid compensation bears to the total paid-up capital of that bank; and

(b) if the total number of shares allotted under clause (a) to all applicants is less than forty-five per cent. of the issued capital of the corresponding new bank, such number of additional shares as the State Bank may deem fit having regard to the provisions of this Act, the circumstances of the case and the desirability of securing as wide a distribution of shares among as large a number of shareholders as possible.

Explanation.—For the purpose of determining the number of shares under this sub-section fractions of a share shall be disregarded.

(10) Notwithstanding anything contained in sub-section (9), an allotment of shares under that sub-section shall not be made in such a manner that the State Bank holds at any time less than fifty-five per cent. of the issued capital of the corresponding new bank.

(11) A warrant issued by the State Bank under sub-section (8) shall not be liable to duty under the Indian Stamp Act, 1899.

2 of 1899.

(12) Nothing contained in this section shall affect the rights *inter se* between the holder of any share in an existing bank, and any other person who may have an interest in such share and such other person shall be entitled to enforce his interest against the compensation awarded to the holder of such share, but not against the State Bank.

(13) In this section, the expression "existing bank" does not include the Bank of Patiala, and the expression "corresponding new bank" does not include the State Bank of Patiala.

Compensation payable by the State Bank in respect of the Bank of Patiala, the Saurashtra Bank and the Hyderabad Bank.

14. (1) The State Government of Punjab in respect of the Bank of Patiala, the State Government of Bombay in respect of the Saurashtra Bank and the Reserve Bank in respect of the Hyderabad Bank, shall be given, by reason of the provisions of this Act or of the amendments contained in Part V or Part VII of the Third Schedule, such compensation by the State Bank as is determined in accordance with the principles contained in the First Schedule.

(2) The amount of compensation to be given in accordance with the principles contained in the First Schedule shall be determined in the first instance by the State Bank, and shall be offered by it to the State Government of Punjab, the State Government of Bombay, or the Reserve Bank, as the case may be, in full satisfaction of the compensation payable under sub-section (1):

Provided that in determining the amount of compensation to be offered to the State Government of Punjab or the State Government of Bombay, the State Bank shall consult the Reserve Bank.

(3) If the amount of compensation offered by the State Bank in terms of sub-section (2) is not acceptable to the State Government

of Punjab, the State Government of Bombay or the Reserve Bank, as the case may be, the State Government concerned or the Reserve Bank, may, before such date as may be notified by the Central Government in the Official Gazette, request the Central Government to have the matter referred to the Tribunal for decision, and where any such request is received, the Central Government shall refer the matter accordingly.

(4) If, before the date notified under sub-section (3), the State Government of Punjab, the State Government of Bombay or the Reserve Bank, as the case may be, has not made any such request, the amount of compensation offered by the State Bank, and where a reference has been made to the Tribunal, the amount determined by it, shall be the compensation payable under sub-section (1) and shall be final and binding on all parties concerned.

(5) The amount of compensation shall be paid by a cheque drawn on the Reserve Bank.

15. (1) The Central Government may for the purposes of this Act constitute a Tribunal which shall consist of a Chairman and two other members. Constitution of the Tribunal.

(2) The Chairman shall be a person who is, or has been, a Judge of a High Court or has been a Judge of the Supreme Court and of the two other members, one shall be a person, who, in the opinion of the Central Government, has had experience of commercial banking and the other shall be a person who is a chartered accountant within the meaning of the Chartered Accountants Act, 1949.

38 of 1949.

(3) If, for any reason, a vacancy occurs in the office of the Chairman or any other member of the Tribunal, the Central Government shall fill the vacancy by appointing another person thereto in accordance with the provisions of sub-section (2), and any proceeding may be continued before the Tribunal so re-constituted from the stage at which the vacancy occurred.

(4) The Tribunal may, for the purpose of determining any compensation payable under this Act, choose one or more persons having special knowledge or experience of any relevant matter to assist it in the determination of such compensation.

16. (1) The Tribunal shall have the powers of a civil court while trying a suit under the Code of Civil Procedure, 1908, in respect of the following matters, namely:— Tribunal to have powers of a civil court.

5 of 1908.

(a) summoning and enforcing the attendance of any person and examining him on oath;

(b) requiring the discovery and production of documents;

(c) receiving evidence on affidavits; and

(d) issuing commissions for the examination of witnesses or documents.

(2) Notwithstanding anything contained in sub-section (1) or in any other law for the time being in force, the Tribunal shall not compel the Reserve Bank, the State Bank or any subsidiary bank—

(a) to produce any books of account or other documents which the Reserve Bank, the State Bank or the subsidiary bank claims to be of a confidential nature;

(b) to make any such books or documents part of the record of the proceedings before the Tribunal; or

(c) to give inspection of any such books or documents to any party before it or to any other person.

Procedure
of the
Tribunal.

17. (1) The Tribunal shall have power to regulate its own procedure.

(2) The Tribunal may hold the whole or any part of its enquiry *in camera*.

(3) Any clerical or arithmetical mistake in any order of the Tribunal or any error arising therein from any accidental slip or omission may at any time be corrected by the Tribunal either of its own motion or on the application of any of the parties.

CHAPTER IV

SHARES OF THE SUBSIDIARY BANKS

Transfer-
ability of
shares.

18. (1) Save as otherwise provided in sub-section (2), the shares of a subsidiary bank shall be freely transferable.

(2) Nothing contained in sub-section (1) shall entitle the State Bank to transfer any shares held by it in any subsidiary bank if such transfer will result in reducing the shares held by it to less than fifty-five per cent. of the issued capital of that subsidiary bank.

Restriction
on individual
holdings.

19. (1) No person shall be registered as a shareholder in respect of any shares in a subsidiary bank held by him, whether in his own name or jointly with any other person, in excess of two hundred shares, or be entitled to payment of any dividend on the excess shares held by him, or to exercise any of the rights of a shareholder in respect of such excess shares otherwise than for the purpose of selling them:

Provided that nothing contained in this sub-section shall apply to—

(a) the State Bank;

(b) a State Government;

(c) a Corporation;

(d) an insurer as defined in the Insurance Act, 1938;

- (e) a local authority;
- (f) a co-operative society;
- (g) a trustee of a public or private religious or charitable trust;
- (h) a shareholder of an existing bank who is allotted any shares under sub-section (9) of section 13.

(2) Notwithstanding anything contained in sub-section (1), no person referred to in the proviso to that sub-section, other than the State Bank, shall be entitled to exercise voting rights in respect of any shares held by such person in excess of five per cent. of the issued capital of the subsidiary bank concerned.

20. Notwithstanding anything contained in the Acts hereinafter mentioned in this section, the shares of a subsidiary bank shall be deemed to be included among the securities enumerated in section 20 of the Indian Trusts Act, 1882; and also to be approved securities for the purposes of the Insurance Act, 1938, and the Banking Companies Act, 1949.

2 of 1882.
4 of 1938.
10 of 1949.

Shares to be approved securities.

21. Every subsidiary bank shall keep at its head office a register, in one or more books, of the shareholders and shall enter therein the following particulars so far as they may be available:—

Register of shareholders.

- (i) the names, addresses and occupations, if any, of the shareholders and a statement of the shares held by each shareholder, distinguishing each share by its denoting number;
- (ii) the date on which each person is so entered as a shareholder;
- (iii) the date on which any person ceases to be a shareholder; and
- (iv) such other particulars as may be prescribed.

22. Notwithstanding anything contained in section 19, no notice of any trust, express, implied or constructive, shall be entered on the register of shareholders of a subsidiary bank or be receivable by it in respect of its shares.

Trusts not to be entered on the register.

CHAPTER V

MANAGEMENT OF SUBSIDIARY BANKS

23. Every person holding office as chairman, director, member of the Board of Management (including a member of a local or advisory committee), managing director, general manager, manager (other than manager of a branch), deputy managing director, deputy general manager, assistant general manager or adviser, as the case may be, in an existing bank (other than the Bank of Patiala), the Hyderabad Bank and the Saurashtra Bank immediately before the appointed

Certain officers to vacate office.

day, shall be deemed to have vacated that office on the appointed day, and notwithstanding anything contained in this Act or in any other law for the time being in force or in any agreement or contract, such person shall not be entitled to any compensation for the loss of office or for the premature termination of any agreement or contract relating to his employment, except such pension, compensation or other benefit as the corresponding new bank, the Hyderabad Bank or the Saurashtra Bank, as the case may be, may with the approval of the State Bank, grant to him, having regard to what he would have received if this Act had not been passed and if his employment had ceased on the appointed day in the ordinary course:

Provided that nothing in this section shall be deemed to prevent any person who has so vacated his office in any of the said banks from being re-nominated or re-appointed to any office in a subsidiary bank in accordance with the provisions of this Act.

Management.

24. (1) The State Bank may, from time to time, give directions and instructions to a subsidiary bank in regard to any of its affairs and business, and that bank shall be bound to comply with the directions and instructions so given.

(2) Subject to any such directions and instructions, the general superintendence and conduct of the affairs and business of a subsidiary bank shall, as from the appointed day, vest in a Board of Directors who may, with the assistance of the general manager, exercise all powers and do all such acts and things as may be exercised or done by that bank.

(3) The Board of Directors of a subsidiary bank shall, in discharging its functions under this Act, act on business principles, regard being had to public interest.

Composition of the Board of Directors.

25. (1) Subject to the provisions of sub-section (2), the Board of Directors of a subsidiary bank shall consist of the following:—

(a) the chairman for the time being of the State Bank, *ex-officio*;

(b) an officer of the Reserve Bank, to be nominated by that bank;

(c) not more than five directors to be nominated by the State Bank of whom not more than three shall be officers of that bank;

(d) two directors to be elected in the prescribed manner by the shareholders, other than the State Bank:

Provided that if the total amount of the holdings of all such shareholders registered in the books of the subsidiary bank three months before the date fixed for election is below five per cent.

of the total issued capital, or if there are no shareholders other than the State Bank registered on the books of the subsidiary bank, the directors to be elected by the shareholders shall be nominated by the State Bank and such directors shall, for the purposes of this Act, be deemed to be directors elected under this clause;

(e) a director, if any, to be nominated by the Central Government in consultation with the State Bank.

(2) Notwithstanding anything contained in clause (d) of sub-section (1), on the first constitution of the Board of Directors, the directors referred to in the said clause shall be appointed by the State Bank and the directors so appointed shall, for the purposes of this Act, be deemed to have been elected within the meaning of the said clause.

(3) If, for any reason, a director of a subsidiary bank nominated under clause (b) of sub-section (1) is unable to exercise his functions or to discharge his duties as such director, the Reserve Bank may nominate any of its officers to exercise all the functions and to discharge all the duties of such director whenever he is so unable to exercise his functions or discharge his duties, and the officer so nominated shall for all purposes of this Act be deemed to be a director of the subsidiary bank.

(4) An officer of the Reserve Bank or the State Bank may be nominated as a director of a subsidiary bank by virtue of his office.

(5) The directors nominated under sub-section (2) shall retire at the expiry of one year after the appointed day.

(6) Any nomination or appointment of a director made by the State Bank under this Act shall, except in so far as it relates to an officer of that bank, be in consultation with the Reserve Bank.

26. (1) A director of a subsidiary bank, if nominated under clause (b) of sub-section (1) of section 25 or if an officer of the State Bank and nominated under clause (c) or if an officer of the Central Government and nominated under clause (e) of that sub-section, shall hold office during the pleasure of the authority nominating him. Term of office of directors

(2) Subject to the provisions contained in section 25, a director nominated under clause (c) of sub-section (1) of that section and not being an officer of the State Bank, a director elected under clause (d) and a director, not being an officer of the Central Government, nominated under clause (e), of that sub-section, shall hold office for three years and thereafter until his successor is duly nominated or elected, as the case may be.

(3) A director of a subsidiary bank vacating his office shall be eligible for re-nomination or re-election, as the case may be.

Disqualifi-
cation
for direc-
torship.

27. (1) A person shall be disqualified to be a director of a subsidiary bank, if—

(a) he holds the office of director, provisional director, promoter, agent, or manager of any banking company or a banking company for the formation of which a prospectus has been issued; or

(b) he is a salaried officer of Government; or

(c) he has been removed or dismissed from the service of Government or a local authority or a corporation or a company in which not less than fifty-one per cent. of the paid-up share capital is held by Government; or

(d) he holds any office of profit under the subsidiary bank; or

(e) he is, or at any time has been, adjudicated an insolvent or has suspended payment of his debts or has compounded with his creditors; or

(f) he is of unsound mind and stands so declared by a competent court; or

(g) he is, or has been, convicted of any offence which, in the opinion of the Central Government, involves moral turpitude; or

(h) in the case of an elected director, he is not registered as a holder of unencumbered shares in the subsidiary bank of a nominal value of at least one thousand rupees:

Provided that the disqualification mentioned in clause (b) shall not apply to an officer of the Central Government nominated as a director under clause (e) of sub-section (1) of section 25:

Provided further that in the case of a director deemed to have been elected on the first constitution of the Board of Directors, the disqualification mentioned in clause (h) shall not operate for a period of six months from his becoming such director.

(2) No two persons who are partners of the same firm or are directors of the same private company or one of whom is an agent of the other or holds a power of attorney from a firm of which the other is a partner may be directors of a subsidiary bank at the same time.

(3) The nomination or election, as a director of any person who is a member of either House of Parliament or the Legislature of a State shall be void unless within two months of the date of nomination or election as such director, he ceases to be a member of Parliament or the Legislature of the State, and if any director is elected or nominated as a member of Parliament or the Legislature of a State, he shall cease to be a director as from the date of such election or nomination, as the case may be.

(4) Nothing contained in clause (d) of sub-section (1) shall be deemed to preclude any person from being a director of a subsidiary bank by reason only of his being a legal or technical adviser of that bank.

(5) In this section,—

10 of 1949.

(a) "banking company" has the same meaning as in the Banking Companies Act, 1949;

(b) "manager" means the chief executive officer, by whatever name called, of a banking company;

1 of 1956.

(c) "private company" has the same meaning as in the Companies Act, 1956.

28. If a director of a subsidiary bank—

Vacation of office of directors.

(a) is, or has become, subject to any of the disqualifications mentioned in section 27; or

(b) resigns his office by giving notice in writing under his hand, in the case of a nominated director to the State Bank, and in the case of an elected director to the Board of Directors of the subsidiary bank, and his resignation is accepted; or

(c) is absent without leave of the Board of Directors for more than three consecutive meetings thereof;

his seat on the Board of Directors shall thereupon become vacant:

Provided that nothing in clause (b) or clause (c) shall apply to a director referred to in clause (b) of sub-section (1) of section 25 or to a director, being an officer of the State Bank, nominated under clause (c) or to a director, being an officer of the Central Government nominated under clause (e) of that sub-section.

29. (1) The State Bank shall, after consulting the Board of Directors of a subsidiary bank, and with the approval of the Reserve Bank, appoint a general manager for that subsidiary bank: General manager.

Provided that in the case of the first appointment of the general manager no such consultation with the Board of Directors of the subsidiary bank shall be necessary.

(2) Subject to the general control of the Board of Directors, the day to day administration and management of the affairs of a subsidiary bank shall vest in the general manager, and the general manager shall exercise such other powers and perform such other duties as may be delegated to him by the Board of Directors.

(3) The general manager of a subsidiary bank—

(a) shall devote his whole time to the affairs of that bank:

Provided that the general manager of the subsidiary bank may, with the approval of the State Bank and the Reserve Bank, be a director of any other institution;

(b) shall hold office for such term not exceeding four years and subject to such conditions as the State Bank may, with the approval of the Reserve Bank, specify at the time of his appointment;

(c) shall receive such salary and allowances as may be determined by the State Bank with the approval of the Reserve Bank.

(4) The general manager vacating his office shall be eligible for re-appointment.

(5) The State Bank may, with the approval of the Reserve Bank, for any sufficient reason, remove from office the general manager of a subsidiary bank:

Provided that no such general manager shall be removed from office unless he has been given an opportunity of showing cause against such removal.

Remuneration of directors.

30. A director of a subsidiary bank shall be paid for attending the meetings of the Board of Directors or of any of its committees and for attending to any other business of the subsidiary bank such fees and allowances as may be prescribed:

Provided that no fees shall be payable to the chairman of the State Bank or any other director who is a wholtime officer of the Central Government or the Reserve Bank or the State Bank.

Removal from office of director.

31. (1) The State Bank may, with the approval of the Reserve Bank, for any sufficient reason, remove from office a director nominated under clause (c) of sub-section (1) of section 25 and not being an officer of the State Bank.

(2) The Central Government may, in consultation with the State Bank, for any sufficient reason, remove from office a director nominated under clause (e) of sub-section (1) of section 25 and not being an officer of the Central Government.

(3) Any director elected under clause (d) of sub-section (1) of section 25, may be removed from office—

(a) by the State Bank, with the approval of the Reserve Bank, if at the time of the removal there are no shareholders other than the State Bank registered in the books of the subsidiary bank concerned;

(b) by a resolution passed by a majority of the votes of such shareholders holding in the aggregate not less than one-half of the share capital held by all such shareholders:

Provided that if the total amount of the holdings of all shareholders, other than the State Bank, registered in the books of the subsidiary bank, on the date of the resolution, is below five per cent., of the total issued capital, the resolution shall not have effect unless confirmed by the State Bank.

(4) No director shall be removed from office under sub-section (1) or sub-section (2) unless he has been given an opportunity of showing cause against such removal.

32. If the general manager of a subsidiary bank is rendered incapable of discharging his duties by reason of infirmity or otherwise or is absent on leave or otherwise in circumstances not involving the vacation of his office, the State Bank may appoint another person to officiate for the general manager until the date on which the general manager resumes duty.

Appoint-
ment of
another
person
for dis-
charging
the duties
of general
manager
during his
absence.

33. (1) Where any vacancy occurs before the expiry of the term of office of a director of a subsidiary bank, the vacancy shall be filled—

Casual
vacancies
among
directors.

(a) in the case of a director nominated under clause (c) of sub-section (1) of section 25, not being an officer of the State Bank, by nomination by the State Bank;

(b) in the case of a director elected under clause, (d) of sub-section (1) of section 25, by election or where the proviso to that clause is applicable, by nomination by the State Bank :

Provided that where the duration of the vacancy in the office of an elected director is likely to be less than six months, the vacancy may be filled by the remaining directors by co-opting a person from amongst the shareholders entitled to elect a director under clause (d) of sub-section (1) of section 25 who is not disqualified under section 27;

(c) in the case of a director nominated under clause (e) of sub-section (1) of section 25, not being an officer of the Central Government, by nomination by that Government in consultation with the State Bank.

(2) A person nominated or elected or co-opted, as the case may be, under this section shall hold office for the unexpired portion of the term of his predecessor.

34. (1) The Board of Directors of a subsidiary bank shall meet at such time and place and shall observe such rules of procedure

Meetings of
the Board
of Directors.

in regard to the transaction of business at its meetings as may be prescribed.

(2) The chairman of the State Bank shall preside at every meeting of the Board of Directors of a subsidiary bank and, in his absence such one of the directors as may generally or in relation to any particular meeting be authorised by the chairman in this behalf shall preside; and in the absence of the chairman and also failing such authorisation, the directors of the subsidiary bank present at the meeting shall elect one from among themselves to preside at the meeting.

Explanation.—For the purposes of this sub-section, “absence from a meeting” means non-attendance for any reason whatsoever at the meeting or any part of the meeting during which any business is transacted.

(3) All questions at a meeting of the Board of Directors of a subsidiary bank shall be decided by a majority of the votes of the directors present, and in case of equality of votes, the person presiding at the meeting shall have a second or casting vote.

(4) Where any of the directors specified in clauses (a) and (b) of sub-section (1) of section 25 or any of the directors, being an officer of the State Bank specified in clause (c) of that sub-section is unable to attend any meeting of the Board of Directors of a subsidiary bank, and the State Bank or any other such director as may be present at the meeting considers that the State Bank would not be adequately or effectively represented at such meeting by reason of the absence of any such director, the State Bank or the director present may give notice in writing to that subsidiary bank—

(i) that the meeting should be adjourned to such date as may be indicated in the notice; or

(ii) that any matter, action, step or proceeding proposed to be considered, taken or carried out at that meeting, should not be so considered, taken or carried out; or

(iii) that no decision should be taken at that meeting on any such matter, action, step or proceeding;

and that subsidiary bank and its Board of Directors shall be bound to comply with such notice and act accordingly.

(5) A director of a subsidiary bank who is directly or indirectly concerned or interested in any contract, loan, arrangement or proposal, entered into or proposed to be entered into or made by or on behalf of the subsidiary bank shall, at the earliest possible opportunity, disclose the nature of his interest to the Board of Directors of that bank; and any such director shall not be present at any meeting of the Board of Directors when any such contract, loan, arrange-

ment or proposal is discussed, unless his presence is required by the other directors for the purpose of eliciting information and where any director is so required to be present, he shall not vote on any such contract, loan, arrangement or proposal:

Provided that nothing contained in this sub-section shall apply to such director by reason only of his being a shareholder (other than a director) holding not more than two per cent. of the paid-up capital in any public company as defined in the Companies Act, 1956, with which the subsidiary bank has entered into or proposes to enter into a contract or other arrangement.

1 of 1956.

(6) A copy of the minutes of every meeting of the Board of Directors of a subsidiary bank, together with copies of all connected papers, shall be forwarded to the State Bank and the Reserve Bank as soon as possible.

35. (1) There shall be an executive committee in respect of a subsidiary bank consisting of such directors as may be prescribed:

Executive committee and other committees

Provided that if any such director being an officer of the State Bank and nominated by that bank under clause (c) of sub-section (1) of section 25, is for any reason unable to exercise his functions or to discharge his duties in relation to the executive committee, the State Bank may depute any of its officers to exercise all the functions and to discharge all the duties of such director in relation to the executive committee whenever such director is so unable to exercise his functions or discharge his duties; and the officer so deputed shall, for all purposes of this Act, in so far as it applies to the executive committee, be deemed to be a director of the subsidiary bank.

(2) Subject to any regulations made under this Act, the executive committee may deal with any matter within the competence of the Board of Directors.

(3) A copy of the minutes of every meeting of the executive committee of a subsidiary bank shall be forwarded to the State Bank and be laid before the Board of Directors of the subsidiary bank as soon as possible after the meeting.

(4) Without prejudice to the powers of the executive committee, and subject to any regulations made under this Act, the Board of Directors of a subsidiary bank may constitute such and so many other committees, whether consisting wholly of the directors or wholly of other persons, or partly of the directors and partly of other persons, as it deems fit, to exercise such powers and perform such duties as may, subject to such conditions, if any, as the Board of Directors may impose, be delegated to them by the Board of Directors.

CHAPTER VI

BUSINESS OF SUBSIDIARY BANKS

Subsidiary
bank to act
as agent of
the State
Bank.

36. (1) A subsidiary bank shall, if so required by the State Bank, act as agent of the State Bank at any place in India for—

(a) paying, receiving, collecting and remitting money, bullion and securities on behalf of any Government in India; and

(b) undertaking and transacting any other business which the Reserve Bank may, from time to time, entrust to the State Bank.

(2) The terms and conditions on which any such agency business shall be carried on by the subsidiary bank on behalf of the State Bank shall be such as may be determined by the State Bank, after consultation with the subsidiary bank and with the approval of the Reserve Bank.

(3) Until an arrangement is made by the State Bank with the Hyderabad Bank or the State Bank of Mysore, as the case may be, under this section, or until the expiry of a period of six months from the appointed day (which period may from time to time be extended by the Reserve Bank) whichever is earlier, the Hyderabad Bank and the State Bank of Mysore may respectively act as agent of the Reserve Bank, at the same places where and for the same purposes for which, and on the same terms and conditions on which, the Hyderabad Bank or the Bank of Mysore, Limited, as the case may be, was acting as agent of the Reserve Bank immediately before the appointed day or with the previous approval of the Central Government at any other place or for any purpose.

(4) Until an arrangement is made by the State Bank with the State Bank of Bikaner, the State Bank of Jaipur, the Saurashtra Bank or the State Bank of Travancore, as the case may be, under this section or until the expiry of a period of six months from the appointed day (which period may from time to time be extended by the Reserve Bank) whichever is earlier, the State Bank of Bikaner, the State Bank of Jaipur, the Saurashtra Bank or the State Bank of Travancore may act as agent of the State Government of Rajasthan or the State Government of Bombay or the State Government of Kerala, as the case may be, at the same places where and for the same purposes for which, and on the same terms and conditions on which, the Bank of Bikaner, Limited, or the Bank of Jaipur, Limited, or the Saurashtra Bank, or the Travancore Bank, Limited, as the case may be, was acting as agent for the State Government immediately before the appointed day or with the previous approval of the Central Government at any other place or for any purpose.

10 of 1949. 37. (1) Subject to the other provisions contained in this Act, a subsidiary bank may carry on and transact the business of banking as defined in clause (b) of sub-section (1) of section 5 of the Banking Companies Act, 1949, and may engage in such one or more of the other forms of business, as are specified in sub-section (1) of section 6 of that Act. Other business which a subsidiary bank may transact.

(2) The Central Government may, after consultation with the Reserve Bank and the State Bank, by order in writing—

(a) authorise a subsidiary bank to do such other forms of business as the Central Government may consider necessary or expedient;

(b) direct that any form of business as is mentioned in the order, shall be carried on subject to such restrictions, conditions and safeguards as may be specified therein; or

(c) prohibit a subsidiary bank from carrying on or transacting any form of business which, but for this clause, it is lawful for the subsidiary bank to engage in.

(3) Save as otherwise provided in sub-section (2), a subsidiary bank shall not engage in any form of business other than that referred to in sub-section (1).

38. (1) A subsidiary bank may, with the approval of the State Bank, and shall, if the Reserve Bank, in consultation with the State Bank, so directs, enter into negotiations for acquiring the business, including the assets and liabilities of any other banking institution. Acquisition of business of other banks.

(2) The terms and conditions relating to such acquisition, if agreed upon by the Board of Directors of the subsidiary bank concerned and the directorate or management of the banking institution concerned and approved by the Reserve Bank, shall be submitted to the Central Government for its sanction and that Government may by order in writing (hereafter in this section referred to as the order of sanction) accord its sanction thereto.

(3) Notwithstanding anything contained in this Act or any other law for the time being in force or any instrument regulating the constitution of the banking institution concerned, the terms and conditions as sanctioned by the Central Government shall come into effect on the date specified by the Central Government in this behalf in the order of sanction and be binding upon the subsidiary bank and the banking institution concerned as well as upon the shareholders (or, as the case may be, proprietors) and creditors of that banking institution.

(4) If for any reason the terms and conditions cannot come into effect on the date specified in the order of sanction, the Central Government may fix another suitable date for that purpose.

(5) On the date on which the terms and conditions as aforesaid come into effect, the business and the assets and liabilities of the banking institution concerned as covered by the acquisition shall, by virtue, and in accordance with the provisions, of the order of sanction stand transferred to, and become respectively the business and the assets and liabilities of, the subsidiary bank concerned.

(6) The consideration for the acquisition of the business and the assets and liabilities of any banking institution under this section may, if so agreed upon, be paid either in cash or by allotment of shares in the capital of the subsidiary bank concerned or partly in cash and partly by allotment of shares, and the subsidiary bank may, for the purpose of any such allotment, increase, subject to the other provisions contained in this Act relating to the increase of capital, the capital of the subsidiary bank by the issue of such number of shares as may be determined by the subsidiary bank.

(7) Any business acquired under this section shall thereafter be carried on by the subsidiary bank in accordance with the provisions of this Act subject to such exemptions or modifications as the Central Government may, by notification in the Official Gazette, make in this behalf in consultation with the Reserve Bank:

Provided that no such exemption or modification shall be made so as to have effect for a period of more than seven years from the date of acquisition.

(8) Notwithstanding anything contained in the Industrial Disputes Act, 1947, or in any other law or in any agreement for the time being in force, on the acquisition of the business and the assets and liabilities of any banking institution under this section, no officer or other employee of that banking institution shall be entitled to any compensation to which he may be entitled under that Act or that other law or that agreement, and no claim in respect of such compensation shall be entertained by any court, tribunal or other authority if on his having accepted in writing an offer of employment by the subsidiary bank concerned on the terms and conditions proposed by it he has been employed in accordance with such terms and conditions. 14 of 1947.

(9) The Central Government may, if it considers necessary or expedient in the case of any banking institution in relation to which an order of sanction has been made under this section, appoint, whether before or after the coming into effect of the terms and conditions relating to the business and the assets and liabilities of that

banking institution, a suitable person to take over the management of that banking institution for the purposes of winding up its affairs and distributing its assets, and the expenditure incurred in connection with such management (including the remuneration of the person so appointed and his staff, if any) shall be paid out of the assets of the banking institution or by the subsidiary bank concerned as the Central Government may direct.

(10) Simultaneously with the appointment of a suitable person under sub-section (9) or immediately thereafter, the Central Government shall issue directions to be followed by that person in the management of that banking institution for the purposes aforesaid and thereupon—

1 of 1956.
10 of 1949.

(a) the provisions of the Companies Act, 1956, or the Banking Companies Act, 1949, or any other law for the time being in force or any instrument having effect by virtue of any such Act or law, in so far as they are inconsistent with such directions, shall cease to apply to, or in relation to, that banking institution;

(b) all persons in charge of the management, including any person holding office as manager or director, of the banking institution, immediately before the issue of such directions, shall be deemed to have vacated their offices as such; and

(c) the person appointed to take over the management of the banking institution shall, in accordance with those directions, take all such steps as may be necessary to facilitate the winding up of its affairs and the distribution of its assets.

(11) The Central Government, when satisfied that nothing further remains to be done in order to wind up the affairs of the banking institution concerned, may, by order in writing, direct that as from such date as may be specified therein, the banking institution shall stand dissolved and thereupon any such direction shall have effect notwithstanding anything to the contrary contained in any other law.

(12) No action under this section shall be questioned on the ground merely of any defect in the constitution of any banking institution in relation to which such action has been taken or in the constitution of its Board of Directors or in the appointment of any person entrusted with the management of its affairs.

(13) The provisions of this section shall apply in relation to the acquisition by one subsidiary bank of the business, including the assets and liabilities, of another subsidiary bank as they apply in relation to the acquisition by a subsidiary bank of the business, including the assets and liabilities, of any other banking institution.

(14) In this section, "banking institution" includes any individual or any association of individuals (whether incorporated or not, or whether a department of Government or a separate institution), carrying on the business of banking.

CHAPTER VII

ACCOUNTS AND AUDIT

Closing of
annual
accounts.

39. A subsidiary bank shall cause its books to be closed and balanced on the thirty-first day of December in each year.

Disposal of

40. (1) After making provision for bad and doubtful debts, depreciation in assets, equalisation of dividends, contribution to staff and superannuation funds and for all other matters for which provision is necessary by or under this Act or which are usually provided for by banking companies, a subsidiary bank may, out of its net profits, declare a dividend.

(2) The rate of dividend shall be determined by the Board of Directors of the subsidiary bank concerned.

(3) Nothing in this section shall be deemed to preclude the payment of interim dividends in such manner and to such extent as may be prescribed.

Audit.

41. (1) Subject to the provisions of section 42, the accounts of a subsidiary bank shall be audited by an auditor duly qualified to act as an auditor of companies under sub-section (1) of section 226 of the Companies Act, 1956, who shall be appointed by the State Bank, 1 of 1956, with the approval of the Reserve Bank.

(2) The auditor shall receive such remuneration as the State Bank may fix.

(3) No director or officer of a subsidiary bank shall be eligible to be its auditor during his continuance in office as such director or officer.

(4) The auditor shall be supplied with a copy of the annual balance sheet and profit and loss account, and a list of all books kept by the subsidiary bank, and it shall be the duty of the auditor to examine the balance sheet and profit and loss account with the accounts and vouchers relating thereto, and in the performance of his duties, the auditor—

(a) shall have, at all reasonable times, access to the books, accounts and other documents of that subsidiary bank;

(b) may, at the expense of that subsidiary bank, employ accountants and other persons to assist him in investigating such accounts; and

(c) may, in relation to such accounts, examine any director or any officer of that subsidiary bank.

(5) The auditor shall hold office for such term not exceeding one year as the State Bank may fix at the time of his appointment; and if any vacancy arises before the expiry of the term of an auditor, the vacancy may be filled by the State Bank, with the approval of the Reserve Bank.

(6) The auditor shall on relinquishing office be eligible for re-appointment.

(7) The auditor shall make a report to the State Bank upon the annual balance sheet and accounts of the subsidiary bank, and, in every such report, he shall state—

(a) whether, in his opinion, the balance sheet is a full and fair balance sheet containing all the necessary particulars and is properly drawn up so as to exhibit a true and correct view of the affairs of that subsidiary bank, and in case he has called for any explanation or information, whether it has been given and whether it is satisfactory;

(b) whether or not the transactions of that subsidiary bank which have come to his notice have been within the competence of the bank;

(c) whether or not the returns received from the offices and branches of that subsidiary bank have been found adequate for the purpose of his audit;

(d) whether the profit and loss account shows a true balance of profit or loss for the period covered by such account; and

(e) any other matter which he considers should be brought to the notice of the State Bank.

(8) The auditor shall forward a copy of the audit report to the subsidiary bank and to the Central Government.

(9) Without prejudice to the foregoing provisions, the Central Government may, at any time, appoint such number of auditors as it thinks fit to examine and report on the accounts of a subsidiary bank, and the auditors so appointed shall have all the rights, privileges and authority in relation to the audit of the accounts of the subsidiary bank which an auditor appointed by the State Bank has under this section.

Temporary provision regarding existing auditors.

42. If, on the appointed day, any appointment of an auditor made by, or in respect of, an existing bank, the Hyderabad Bank or the Saurashtra Bank, as the case may be, is subsisting, the State Bank may, on or after such day, either confirm the appointment in accordance with the provisions of this Act, subject to such modifications of the terms and conditions of the appointment, as it may deem necessary, or terminate the appointment; and may, if it so terminates the appointment, fix such remuneration as appears to it to be reasonable having regard to the work already done, functions discharged, or duties performed by the auditor concerned.

Returns to be furnished by a subsidiary bank.

43. (1) A subsidiary bank shall furnish to the State Bank and the Reserve Bank—

(a) within three months from the date on which its accounts are closed and balanced, its balance sheet, together with the profit and loss account and the auditor's report, and a report by the Board of Directors on the working of the subsidiary bank during the period covered by the accounts; and

(b) any other information relating to the affairs and business of the subsidiary bank which the State Bank or the Reserve Bank may require.

(2) The balance sheet and the profit and loss account of a subsidiary bank shall be signed by the general manager and a majority of the directors of the subsidiary bank.

General meetings.

44. (1) A general meeting (hereinafter referred to as an annual general meeting) of a subsidiary bank shall be held annually before the end of March at the place where the head office of the subsidiary bank is situate, and any other general meeting may be convened by the Board of Directors at any time.

(2) The shareholders present at an annual general meeting shall be entitled to discuss the balance sheet and profit and loss account of the bank concerned, made up to the previous 31st day of December, the report of the Board of Directors on the working of that bank for the period covered by the accounts and the auditors' report on the balance sheet and accounts.

(3) Nothing contained in this section relating to an annual general meeting shall apply in relation to a subsidiary bank if, as on the previous 31st day of December, all the shares in the issued capital of that bank are held by the State Bank.

CHAPTER VIII

MISCELLANEOUS

45. For the purpose of facilitating the full and effective transfer of the undertaking of an existing bank in accordance with the provisions of this Act, or in order to remove any difficulty which in the opinion of the Central Government has arisen or is likely to arise in connection with such transfer, the Central Government may, in consultation with the Reserve Bank, give such directions to any existing bank or the State Bank as appear to it to be necessary and the said bank or the State Bank, as the case may be, shall comply with such directions.

Power to issue directions for removing difficulties.

46. (1) The State Bank may, in relation to any existing bank or the Saurashtra Bank, at any time before the appointed day,—

Observers for existing banks and the Saurashtra Bank.

(a) depute one or more persons to watch the proceedings at any meeting of the Board of Directors, any committee or other body of the bank; require the bank to give an opportunity to the person or persons so deputed to be heard at such meetings and also require such person or persons to send a report of such proceedings to the State Bank;

(b) require the Board of Directors, any committee or other body of the bank to give in writing to any person specified by the State Bank in this behalf, at his usual address, all notices of, and other communications relating to, any meeting of the Board, committee or other body, as the case may be;

(c) appoint one or more persons to observe the manner in which the affairs of the bank or of its offices or branches are being conducted and make a report thereon; and

(d) require the bank to furnish the State Bank, within such time as may be specified by the State Bank, with any statement or information relating to the business or affairs of the bank, including copies of the proceedings of any meeting of the Board of Directors, any committee or other body, of the bank.

(2) If a person deputed by the State Bank to watch the proceedings of any meeting of the Board of Directors, any committee or other body, as the case may be, gives notice in writing to the bank that such person considers that any action, step or proceeding proposed to be taken or carried out by the bank will be detrimental to

the State Bank or to the bank itself, such action, step or proceeding shall not be taken or carried out by the bank unless and until the State Bank approves in writing of such action, step or proceeding.

Explanation.—For the purposes of this section, “Board of Directors” in relation to the Saurashtra Bank, means its Board of Management.

Inspection.

47. (1) Without prejudice to the other provisions contained in this Act, the State Bank may, at any time, cause an inspection to be made by one or more of its officers of any existing bank, a new bank, the Hyderabad Bank or the Saurashtra Bank.

(2) It shall be the duty of every person who is, or has, at any time, been a director, officer or other employee of a bank which is inspected under sub-section (1), to produce to any officer making the inspection, all such balances, books, accounts, securities and other documents in his custody or power and to furnish the said officer with any statements and information relating to the affairs of the bank as the said officer may require of him within such time as the said officer may specify.

(3) If any person—

(a) fails, within the stipulated time, to produce any balance, book, account, security or other document or to furnish any statement or information which under sub-section (2) it is his duty to produce or furnish, or to answer any question relating to the business of the bank under inspection which is asked by an officer making the inspection, or

(b) in any document or information required or furnished or while answering any question put to him, wilfully makes a statement which is false in any material particular, knowing it to be false, or wilfully omits to make a material statement.

he shall be punishable with imprisonment for a term which may extend to three years and shall also be liable to fine.

Cost of development programme.

48. (1) A subsidiary bank may accept any subsidies offered by the State Bank to meet—

(a) the cost of the whole or any part of any specific programme of development undertaken by that subsidiary bank with the approval of the State Bank; and

(b) such losses or expenditure as may be approved by the State Bank, with the consent of the Reserve Bank.

11 of 1922.

(2) For the purposes of the Indian Income-tax Act, 1922, any subsidy received by a subsidiary bank under sub-section (1) shall not be treated as income, profits or gains of the subsidiary bank.

49. (1) Notwithstanding anything contained in any of the other provisions of this Act, or in any other law or in any contract of service or other document, no appointment made or promotion, increment in salary, pension or allowance or any other benefit granted to any person by an existing bank or the Saurashtra Bank after the 10th day of February, 1958, and before the appointed day, which would not ordinarily have been made or granted or which would not ordinarily have been admissible under the rules or authorisations of the said banks or of any provident, pension or other fund in force before the 10th day of February, 1958, shall have effect or be payable or claimable from the subsidiary bank concerned, or from any provident, pension or other fund, or from any authority administering any such fund, unless the State Bank has, with the approval of the Reserve Bank, by a general or special order, confirmed the appointment, promotion or increment or has directed the grant of the pension, allowance or other benefit, as the case may be.

Special provision regarding existing officers and employees.

(2) Where any officer or other employee of an existing bank or of the Saurashtra Bank has received any amount by reason of such appointment, promotion or increment or any such pension, allowance or other benefit as is referred to in sub-section (1), which has not been confirmed or sanctioned by the State Bank under that sub-section, such officer or other employee shall be bound to refund such amount to the subsidiary bank concerned, and that bank shall be entitled to take all such steps as may be necessary for recovering such amount.

(3) Where any managing director, general manager or manager, deputy managing director or deputy general manager or other employee of an existing bank or the Saurashtra Bank has, after the 10th day of February, 1958, and before the appointed day, been paid any sum by way of compensation or gratuity, the subsidiary bank concerned shall be entitled to claim a refund of any sum so paid if the payment is not confirmed by the State Bank by a general or special order.

(4) Nothing in this section shall apply to, or in relation to, any officer or other employee of the Bank of Patiala, who does not become an officer or other employee of the State Bank of Patiala under the provisions of section 11.

50. (1) A subsidiary bank may, subject to such limitations and conditions as may be prescribed, appoint such number of officers,

Staff of a subsidiary bank.

advisers and employees as it considers necessary or desirable, for the efficient performance of its functions and on such terms and conditions as it may deem fit.

(2) For the removal of doubts, it is hereby declared that the officers, advisers and employees of a subsidiary bank, in whatever capacity engaged, shall not be deemed to be officers, advisers or employees of the State Bank for any purpose, unless otherwise provided in the contract or agreement of service of any such officer, adviser or employee.

Establishment of pension and superannuation funds by subsidiary banks.

51. Notwithstanding anything to the contrary contained in any other law for the time being in force, a subsidiary bank may establish and maintain superannuation, pension, provident or other funds for the benefit of its officers or employees or the dependants of such officers or employees or for the purposes of the subsidiary bank, and grant superannuation allowances, annuities and pensions payable out of any such fund.

Obligation as to fidelity and secrecy.

52. (1) A subsidiary bank shall observe, except as otherwise required by law, the practices and usages customary among bankers, and in particular, it shall not divulge any information relating to, or to the affairs of, its constituents except in circumstances in which it is, in accordance with the law or practice and usage customary among bankers, necessary or appropriate for that bank to divulge such information.

(2) Every director, auditor, adviser, officer or other employee of a subsidiary bank shall, before entering upon his duties, make a declaration of fidelity and secrecy as in the form set out in the Second Schedule:

Provided that any declaration made under sub-section (2) of section 35 of the State Bank of Hyderabad Act shall be deemed to be a declaration made to the Hyderabad Bank under this sub-section.

Indemnity of directors.

53. (1) Every director of a subsidiary bank shall be indemnified by that bank against all losses and expenses incurred by him in, or in relation to, the discharge of his duties except such as are caused by his own wilful act or default.

(2) A director of a subsidiary bank shall not be responsible for any loss or expense caused to the bank by the insufficiency or deficiency of the value of, or title to, any property or security acquired or taken on behalf of the bank or by the insolvency or wrongful act of any customer or debtor or by anything done in, or in relation to, the execution of the duties of his office or otherwise than for his wilful act or default.

54. (1) No act or proceeding of the Board of Directors of a subsidiary bank shall be questioned on the ground merely of the existence of any vacancy in, or defect in the constitution of, the Board.

Defects in appointment or constitution not to invalidate acts or proceedings.

(2) All acts done by any person acting in good faith as a director of a subsidiary bank shall, notwithstanding that he was disqualified to be a director or that there was any other defect in his appointment, be deemed to be valid.

55. Subject to the provisions of this Act and unless the Central Government, by notification in the Official Gazette, otherwise directs, on and from the appointed day, the provisions of the Companies Act, 1956, and the Banking Companies Act, 1949, shall not apply to an existing bank, in so far as the said provisions impose any obligation on, or require anything to be done by, any such bank.

Companies Act, 1956, and Banking Companies Act, 1949, not to apply to certain existing banks.

1 of 1956.
10 of 1949.

56. The State Bank of Patiala and the Saurashtra Bank shall be entitled to recover in the same manner as an arrear of land revenue any moneys due in respect of loans or advances made before the appointed day by the Bank of Patiala or the Saurashtra Bank, as the case may be, and the provisions of any law, relating to such recovery as were applicable to that bank before the appointed day shall continue to apply to the State Bank of Patiala or the Saurashtra Bank, as the case may be, in respect of such recovery after the appointed day.

Continuance of special provisions respecting recovery of loans and advances made by the Bank of Patiala and the State Bank of Saurashtra.

57. No provision of law relating to the winding up of companies shall apply to a subsidiary bank nor shall it be placed in liquidation, save as provided in this Act or by order of the Central Government and in such manner as the Central Government may direct.

Bar to liquidation of a subsidiary bank.

58. Notwithstanding anything contained in this Act or in any other law for the time being in force or in any contract or other instrument, an existing bank shall, on such date as the Central Government may, by notification in the Official Gazette, specify in this behalf, stand dissolved.

Dissolution of existing banks.

59. On and from the appointed day, any reference to an existing bank in any law, other than this Act, or in any contract or other instrument, shall, except as otherwise provided in any general or special order made by the Central Government, be construed as a reference to the corresponding new bank.

Reference in other laws to existing banks.

60. Any powers, duties or functions conferred, imposed or entrusted by this Act on, or to, the Reserve Bank, shall be exercised or performed by the Governor of the Reserve Bank or, in his absence,

Exercise of powers and functions on behalf of the Reserve Bank.

by a Deputy Governor nominated under sub-section (3) of section 7 of the Reserve Bank of India Act, 1934, or by such officer or officers of ² of 1934. the Reserve Bank in respect of such matters and subject to such conditions and limitations as the Governor of the Reserve Bank may specify.

Protection
of action
taken under
Act.

61. (1) No suit or other legal proceeding shall lie against the Central Government, the Reserve Bank or the State Bank or any officer of the Central Government, the Reserve Bank or the State Bank for any damage caused or likely to be caused by anything which is in good faith done or intended to be done in pursuance of this Act.

(2) No person shall have any right, whether in contract or otherwise, to any compensation for any loss incurred or any damage caused by reason of the operation of, or anything done in pursuance of, the provisions contained in sections 46 and 47.

Power of
Central
Govern-
ment to
make rules.

62. (1) The Central Government may, by notification in the Official Gazette, make rules to give effect to the provisions of this Act.

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

(a) the terms and conditions of service of the Chairman, members and staff of the Tribunal;

(b) the manner of, and the procedure for, payment of compensation (including allotment of shares in lieu of compensation) under this Act, including the requirements subject to which the payment shall be made;

(c) the determination of the persons to whom compensation shall be payable in all cases including cases where shares have been held by more than one person, or where they have been transferred before the appointed day, but the transfer has not been registered, or where the shareholder is dead;

(d) the circumstances under which claims for payment of the said compensation from persons claiming through or under a shareholder may be entertained;

(e) the requirements to be complied with before receipt of the said compensation by a shareholder, whose share certificate has been lost, destroyed, mutilated or stolen;

(f) the requirements subject to which information regarding the payment of the said compensation may be granted or

refused and the conditions subject to which such information may be given.

(3) All rules made under this section shall be laid for not less than thirty days before each House of Parliament as soon as may be after they are made, and shall be subject to such modifications as Parliament may make during the session in which they are so laid or the session immediately following.

63. (1) The State Bank may, with the approval of the Reserve Bank, make in respect of a subsidiary bank regulations, not inconsistent with this Act and the rules made thereunder, to provide for all matters for which provision is necessary or expedient for the purpose of giving effect to the provisions of this Act. Power of the State Bank to make regulations.

(2) In particular, and without prejudice to the generality of the foregoing power, such regulations may provide for—

(a) the powers and duties of the general manager of the subsidiary bank;

(b) the fees and allowances which may be paid to directors or others for attending any meetings of the Board of Directors or of its committees (including the executive committee) or other committees or for attending to any other work of the subsidiary bank;

(c) the time and place at which, and the manner in which, the business of the Board of Directors of the subsidiary bank shall be transacted and the procedure to be followed at the meetings thereof;

(d) the constitution of the executive committee of the subsidiary bank and the conditions and limitations subject to which the executive committee may exercise its powers and the procedure to be followed at the meetings thereof;

(e) the formation of any other committees, whether of the Board of Directors of the subsidiary bank or otherwise, and the delegation of powers and functions of the Board to such committees and the conduct of business in such committees;

(f) the nature of shares of the subsidiary bank, the manner in which, and the conditions subject to which, shares may be held and transferred and generally all matters relating to the rights and duties of shareholders;

(g) the maintenance of share registers, and the particulars to be entered in such registers in addition to those specified in

section 21, the inspection and closure of the registers and all other matters connected therewith;

(h) the holding and conduct of elections under this Act and the final determination of doubts or disputes regarding the qualifications of candidates for election or regarding the validity of elections;

(i) the manner in which general meetings shall be convened, the procedure to be followed thereat and the manner in which voting rights may be exercised;

(j) the manner in which notices may be served on behalf of the subsidiary bank upon shareholders or other persons;

(k) the payment of dividends, including interim dividends;

(l) the delegation of powers and functions of the Board of Directors of the subsidiary bank to the general manager or directors or officers or other employees of that bank;

(m) the conditions and limitations subject to which the subsidiary bank may appoint officers, advisers and other employees and fix their remuneration and other terms and conditions of service;

(n) the duties and conduct of officers, advisers and other employees of the subsidiary bank;

(o) the establishment and maintenance of superannuation, pension, provident or other funds for the benefit of the officers or employees of the subsidiary bank or of the dependants of such officers or employees or for the purposes of the subsidiary bank, and the granting of superannuation allowances, annuities and pensions payable out of any such fund;

(p) the conduct and defence of legal proceedings by or against the subsidiary bank and the manner of signing pleadings;

(q) the provision of a seal for the subsidiary bank and the manner and effect of its use;

(r) the form and manner in which contracts binding on the subsidiary bank may be executed;

(s) the conditions and requirements subject to which loans or advances may be made or bills may be discounted or purchased by the subsidiary bank;

(t) the conditions subject to which loans or advances may be made by the subsidiary bank to its directors or officers or the relatives of such directors or officers or to companies, firms or

individuals with which or with whom such directors or officers or relatives are connected as partners, directors, managers, servants, shareholders or otherwise;

(u) the persons or authorities who shall administer any pension, provident or other fund constituted for the benefit of the officers or employees of the subsidiary bank or their dependants or for the purposes of that bank;

(v) the circumstances in which the specific approval of the State Bank shall be required to the grant of loans and advances or investment of funds by the subsidiary bank or to any contract, arrangement or proposal entered into or proposed to be entered into by the subsidiary bank;

(w) the preparation and submission to the State Bank and the Reserve Bank of statements of programmes of activities and financial statements of the subsidiary bank and the periods for which, and the time within which, such statements and estimates are to be prepared and submitted;

(x) the person or persons in the State Bank by whom any powers, duties or functions conferred, imposed or entrusted on or to the State Bank under this Act may be exercised or performed;

(y) generally, for the efficient conduct of the affairs of the subsidiary bank.

(3) All regulations under this section, except the first regulations, shall be made in consultation with the Board of Directors of the subsidiary bank concerned.

64. The enactments specified in Parts I to VII of the Third Schedule shall be amended in the manner directed in the first column thereof and such amendments shall take effect on the dates specified in the second column thereof. Amendment
of certain
enactments.

65. Nothing in this Act shall be deemed to affect the provisions of section 35 of the State Bank of India Act, 1955. Saving.

THE FIRST SCHEDULE

(See sections 13 and 14)

PRINCIPLES OF COMPENSATION

1. A. The compensation to be given by the State Bank shall, in the case of the Hyderabad Bank, the Bank of Patiala or the Saurashtra Bank, be an amount equal to the value of the assets of that bank as on the day immediately before the appointed day, computed in

accordance with the provisions of Part I of this paragraph less the total amount of liabilities thereof computed in accordance with the provisions of Part II of this paragraph.

B. The total compensation to be given by the State Bank in respect of the transfer of the shares in the capital of the existing banks, other than the Bank of Patiala, to the persons (including any State Government) who, immediately before the appointed day, are registered as holders of shares in the books of each of these banks shall, in each case, be an amount equal to the value of the assets of that bank as on the day immediately preceding the appointed day in relation to the corresponding new bank, computed in accordance with the provisions of Part I of this paragraph less the total amount of liabilities thereof computed in accordance with the provisions of Part II of this paragraph.

PART I—Assets

For the purposes of this paragraph, assets means the total of the following:—

(a) the amount of cash in hand and with the Reserve Bank and the State Bank (including foreign currency notes which shall be converted at the market rate of exchange);

(b) the amount of balances with any other bank, not being the Reserve Bank or the State Bank, whether on deposit or current account, and money at call and short notice, balances held outside India being converted at the market rate of exchange:

Provided that any balances which are not realisable in full shall be deemed to be debts and valued accordingly;

(c) the market value as on the appointed day of any securities, shares, debentures, bonds and other investments, held by the bank concerned;

Explanation.—For the purposes of this clause,—

(i) securities of the Central and State Governments [other than the securities specified in sub-clauses (ii) and (iii) of this *Explanation*] maturing for redemption within five years from the appointed day shall be valued at the face value or the market value whichever is higher;

(ii) securities of the Central Government, such as Post Office Certificates and Treasury Savings Deposit Certificates and any other securities or certificates issued or to be issued under the Small Savings Scheme of the Central Government, shall be valued at their face value or the encashable value as on the appointed day, whichever is higher;

(iii) where the market value of any Government security such as the zamindari abolition bonds or other similar security in respect of which the principal is payable in instalments, is not ascertainable or is, for any reason, not considered as reflecting the fair value thereof or as otherwise appropriate, the security shall be valued at such an amount as is considered reasonable having regard to the instalments of principal and interest remaining to be paid, the period during which such instalments are payable, the yield of any security, issued by the Government to which the security pertains and having the same or approximately the same maturity, and other relevant factors;

(iv) where the market value of any security, share, debenture, bond or other investment is not considered reasonable by reason of its having been affected by abnormal factors, the investment may be valued on the basis of its average market value over any reasonable period;

(v) where the market value of any security, share, debenture, bond or other investment is not ascertainable, only such value, if any, shall be taken into account as is considered reasonable having regard to the financial position of the issuing concern, the dividend paid by it during the preceding five years and other relevant factors;

(d) the amount of advances (including loans, cash credits, overdrafts, bills purchased and discounted), and other debts, whether secured or unsecured, to the extent to which they are reasonably considered recoverable, having regard to the value of the security, if any, the operations on the account, the reported worth and respectability of the borrower, the prospects of realisation and other relevant considerations;

(e) the market value of any land or buildings;

(f) the total amount of the premia paid, 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;

(g) the written down value as per books, or the realisable value, as may be considered reasonable, of all furniture, fixtures and fittings;

(h) the market or realisable value, as may be appropriate, of other assets appearing on the books of the bank, no value being allowed for capitalised expenses, such as share selling commission, organisational expenses and brokerage, losses incurred and similar other items.

PART II—Liabilities

For the purposes of this paragraph, "liabilities" means the total amount of all outside liabilities existing on the appointed day and all contingent liabilities which the subsidiary bank concerned may reasonably be expected to be required to meet out of its own resources on or after the appointed day.

COMPENSATION PAYABLE TO SHAREHOLDERS

2. Every shareholder of an existing bank other than the Bank of Patiala shall be given such amount as compensation as bears to the total compensation, in respect of each of the said banks calculated in accordance with the provisions of paragraph 1, the same proportion as the amount of the paid-up capital of the shares held by the shareholder bears to the total paid-up capital of that bank.

CERTAIN DIVIDENDS NOT TO BE TAKEN INTO ACCOUNT

3. No separate compensation shall be payable for any profits or any dividend in respect of any period immediately preceding the appointed day for which, in the ordinary course, profits would have been transferred or dividend declared after the appointed day.

THE SECOND SCHEDULE

(See section 52)

DECLARATION OF FIDELITY AND SECRECY

I,, do hereby declare that I will faithfully, truly and to the best of my skill and ability execute and perform the duties required of me as..... (director, auditor, adviser, officer or employee, as the case may be) of the State

Bank of*and which properly relate to the office or position held by me in, or in relation to, the said bank.

I further declare that I will not communicate, or allow to be communicated, to any person not legally entitled thereto any information relating to the affairs of the State Bank of* or to the affairs of any person having any dealing with the said bank nor will I allow any such person to inspect or have any access to any books or documents belonging to, or in the possession of, the State Bank of* and relating to the business of the said bank or to the business of any person having any dealing with the said bank.

*Here enter the name of the subsidiary bank concerned.

THE THIRD SCHEDULE

(See section 64)

AMENDMENTS TO CERTAIN ENACTMENTS

PART I

Amendments to the Reserve Bank of India Act, 1934 (2 of 1934)

Amendments	Date on which amendments shall take effect
1. In section 17,— (a) after clause (8A), insert the following, namely:—	The date of commencement of this Act.
“ <i>(8B)</i> the keeping of deposits with the State Bank for such specific purposes as may be approved by the Central Government in this behalf;”;	
(b) omit clause (14A)	Appointed day in relation to the Hyderabad Bank.
2. For section 45, substitute the following, namely:—	
‘45. (1) Unless otherwise directed by the Central Government with reference to any place, the Bank shall appoint the State Bank as its sole agent at all places in India where it does not have an office or branch of the Banking Department and there is a branch of the State Bank or a branch of a subsidiary bank.	Date of commencement of this Act. Obligation to appoint State Bank as agent.

Amendments	Date on which amendments shall take effect
<p>(2) Notwithstanding anything contained in sub-section (1) or in any agreement between the Bank and the State Bank, the Bank may, until an arrangement under section 36 of the State Bank of India (Subsidiary Banks) Act, 1959, is made by the State Bank with the State Bank of Hyderabad or the State Bank of Mysore, employ or continue to employ as its agent, the State Bank of Hyderabad or, as the case may be, the Bank of Mysore, Limited or the State Bank of Mysore, at such places where, and for such purposes for which, the Hyderabad Bank and the Bank of Mysore, Limited were respectively acting as agents of the Bank immediately before the commencement of that Act and, with the previous approval of the Central Government, at any other place and for any purpose.</p>	Date of commencement of this Act.
<p><i>Explanation.</i>—The expression “subsidiary bank” in this section shall have the same meaning as in section 2 of the State Bank of India (Subsidiary Banks) Act, 1959.¹</p>	
<p>3. In the Second Schedule,—</p>	
<p>(a) for the words “Bank of Jaipur, Jaipur”, substitute the words “State Bank of Jaipur”;</p>	Appointed day ¹ in relation to the State Bank of Jaipur.
<p>(b) for the words “Bank of Mysore, Bangalore”, substitute the words “State Bank of Mysore”;</p>	Appointed day ¹ in relation to the State Bank of Mysore.
<p>(c) for the words “Bank of Bikaner, Ltd., Bikaner”, substitute the words “State Bank of Bikaner”;</p>	Appointed day ¹ in relation to the State Bank of Bikaner.
<p>(d) for the words “Travancore Bank, Ltd., Trivandrum Taluk”, substitute the words “State Bank of Travancore”;</p>	Appointed day ¹ in relation to the State Bank of Travancore.
<p>(e) for the words “Bank of Indore”, substitute the words “State Bank of Indore”;</p>	Appointed day ¹ in relation to the State Bank of Indore.
<p>(f) for the words “The Bank of Patiala, Patiala”, substitute the words “State Bank of Patiala.”.</p>	Appointed day ¹ in relation to the State Bank of Patiala.

¹“see footnote” on p. 251, *supra*.

PART II

Amendment to the Industrial Disputes Act, 1947 (14 of 1947)

Amendments

Date on which amendments shall take effect

In section 2, for clause (bb), substitute the following, namely:—

10 of 1949.

“(bb) “banking company” means a banking company as defined in section 5 of the Banking Companies Act, 1949, having branches or other establishments in more than one State, and includes the Reserve Bank of India, the State Bank of India and any subsidiary bank as defined in the State Bank of India (Subsidiary Banks) Act, 1959;”.

The date of commencement of this Act.

PART III

Amendment to the Banking Companies Act, 1949 (10 of 1949)

In section 51, for the proviso, substitute the following, namely:—

“Provided that—

(a) nothing contained in clause (c) of sub-section (1) of section 10 shall apply to the chairman of the State Bank of India or to a general manager of any subsidiary bank in so far as the said clause precludes him from being a director of, or holding an office in, any institution approved by the Reserve Bank;

(b) nothing contained in section 19 shall apply to the holding by the State Bank of India of shares in the capital of any such subsidiary bank; and

(c) nothing contained in section 46 shall apply to any officer of the Central Government or the Reserve Bank or the State Bank of India, nominated or appointed as director of the State Bank of India, or any such subsidiary bank or any other banking institution notified by the Central Government under this section.

The date of commencement of this Act.

Amendments

Date on which amendments shall take effect

Explanation.—The expression “subsidiary bank” in this section shall have the same meaning as in section 2 of the State Bank of India (Subsidiary Banks) Act, 1959.’

PART IV

Amendment to the Banking Companies (Legal Practitioners’ Clients’ Accounts) Act, 1949 (46 of 1949)

In section 2, for clause (a), substitute the following, namely :—

‘(a) “banking company” means any banking company as defined in section 5 of the Banking Companies Act, 1949, and includes the State Bank of India and any subsidiary bank as defined in the State Bank of India (Subsidiary Banks) Act, 1959;’

The date of commencement of this Act.

10 of 1949.

PART V

Amendments to the Saurashtra State Banks (Amalgamation) Ordinance, 1950

1. For the long title, preamble and the enacting formula, substitute :—

“An Act to regulate the working of the State Bank of Saurashtra.”

2. For section 1, substitute :—

“1. *Short title.*—This Act may be called the State Bank of Saurashtra Act, 1950.”

3. For section 1A, substitute :—

‘1A. *Definitions.*—In this Act,—

(a) “appointed day” means the date on which the amendments to this Act made by the State Bank of India (Subsidiary Banks) Act, 1959, take effect ;

(b) “Reserve Bank” means the Reserve Bank of India constituted under the Reserve Bank of India Act, 1934 ;

Amendments	Date on which amendments shall take effect
<p>(c) "Saurashtra Bank" means the State Bank of Saurashtra;</p>	
<p>(d) "State Bank" means the State Bank of India constituted under the State Bank of India Act, 1955.¹</p>	
<p>23 of 1955. 4. In section 2,—</p>	
<p>(i) in sub-section (1),—</p>	
<p>(a) for the words "from the date of publication of this Ordinance in the Local Official Gazette", substitute "from the 19th day of January, 1950"; and</p>	
<p>(b) omit the words and brackets "(hereinafter referred to as the Bank)";</p>	
<p>(ii) for sub-sections (2), (3) and (4), substitute :—</p>	
<p>"(2) The head office of the Saurashtra Bank shall be at Bhavnagar or at such other place as the Central Government may, by notification in the Official Gazette, from time to time, specify."</p>	<p>The date¹ on which the Central Government, by notification in the Official Gazette, directs that these amendments shall take effect.</p>
<p>5. In section 3,—</p>	
<p>(a) in sub-section (1),—</p>	
<p>(i) for the words "The Bank", substitute the words "The Saurashtra Bank" ;</p>	
<p>(ii) after the words "perpetual succession" add the following, namely :—</p>	
<p>"and a common seal and shall sue and be sued in its name.";</p>	

¹1st May, 1960, *vide* Notfn. No. G.S.R. 486, dt. 21-4-1960, Gazette of India, 1960, Pt. II, Sec. 3 (i), p. 728.

	Amendments	Date on which amendments shall take effect
	<p>(b) after sub-section (1), insert the following, namely :—</p> <p>“(2) With effect from the appointed day, the said corporate body shall consist of the State Bank and other shareholders, if any, for the time being of the Saurashtra Bank.</p> <p>(3) The Saurashtra Bank shall carry on the business in accordance with the provisions of the State Bank of India (Subsidiary Banks) Act, 1959, and shall have power to acquire and hold property, whether movable or immovable, for the purposes of its business and to dispose of the same.”.</p> <p>6. For sections 4 to 8, substitute the following, namely :—</p> <p>“4. The Saurashtra Bank shall not discontinue any of its branches in existence immediately before the appointed day nor shall it establish any new branch except in consultation with the State Bank and with the approval of the Reserve Bank.</p> <p>5. (1) The authorised capital of the Saurashtra Bank shall be two crores of rupees divided into shares of one hundred rupees each.</p> <p>(2) Notwithstanding anything contained in this section, the State Bank may, with the approval of the Reserve Bank, authorise the Saurashtra Bank to increase or reduce its authorised capital :</p> <p>Provided that where the authorised capital is so increased, the shares issued shall be of the denomination specified in sub-section (1).</p> <p>6. (1) The issued capital of the Saurashtra Bank shall, on the appointed</p>	<p>The date¹ on which the Central Government, by notification in the Official Gazette, directs that these amendments shall take effect.</p>
Branches of Saurashtra Bank.		
Authorised Capital.		
Issued Capital.		

¹1st May, 1960, vide Notfn. No. G.S.R. 486, dt. 21-4-1960, Gazette of India, 1960, Pt. II, Sec. 3 (i), p. 728.

Amendments	Date on which amendments shall take effect
<p>day, be such amount as the State Bank, with the approval of the Reserve Bank, may fix in this behalf, so however that the amount shall be so fixed as to consist only of fully paid-up shares of one hundred rupees each.</p>	
<p>(2) All shares in the issued capital of the Saurashtra Bank shall, on the appointed day, vest in the State Bank.</p>	
<p>(3) Without prejudice to the provisions contained in sub-section (4), the Saurashtra Bank may, with the approval of the State Bank and the Reserve Bank, increase, from time to time, its issued capital and the capital so increased shall consist of fully paid-up shares to be issued in such manner as the State Bank may, with the approval of the Reserve Bank, direct :</p>	
<p>Provided that the issued capital shall be so increased that at no time shall the State Bank hold less than fifty-five per cent. of the issued capital of the Saurashtra Bank.</p>	
<p>(4) The State Bank shall, as soon as may be, after the determination, if any, of the amount of compensation by the Tribunal under the State Bank of India (Subsidiary Banks) Act, 1959, consider whether any increase or reduction of the issued capital of the Saurashtra Bank as fixed under sub-section (1) by way of adjustment by transfer from, or to, the reserves of the Saurashtra Bank or in any other manner, is necessary, expedient or appropriate and may, thereafter, with the approval of the Reserve Bank, direct the Saurashtra Bank to increase or reduce its issued capital.</p>	<p>The date¹ on which the Central Government, by notification in the Official Gazette, directs that these amendments shall take effect.</p>

¹1st May, 1960, *vide* Notfn. No. G.S.R. 486, dt. 21-4-1960, Gazette of India, 1960, Pt II, Sec. 3 (i), p. 728.

Amendments	Date on which amendments shall take effect
<p>Reserve Fund.</p> <p>7. (1) The reserve fund of the Saurashtra Bank shall, subject to the provisions of sub-section (4) of section 6 and sub-section (2) of this section, consist of—</p> <p>(a) on the appointed day, such sum as the State Bank, with the approval of the Reserve Bank, may determine; and</p> <p>(b) after the appointed day, the sum aforesaid together with such further sums as may be transferred to the reserve fund by the Saurashtra Bank out of its annual net profits before declaring a dividend.</p> <p>(2) The State Bank shall, as soon as may be after the determination, if any, of the amount of compensation by the Tribunal, under the State Bank of India (Subsidiary Banks) Act, 1959, consider whether any increase or reduction of the reserve fund of the Saurashtra Bank is necessary by way of adjustment by transfer from or to any account or towards provision for bad and doubtful debts, depreciation in assets, or contingencies or for any other purpose and may thereafter with the approval of the Reserve Bank, direct the Saurashtra Bank to so increase or reduce its reserve fund.”</p>	<p>The date¹ on which the Central Government, by notification in the Official Gazette, directs that these amendments shall take effect.</p>

PART VI

Amendments to the State Bank of India Act, 1955 (23 of 1955)

1. In section 2, after clause (g), insert the following, namely:—
- (h) “subsidiary bank” means a subsidiary bank as defined in the
- The date of commencement of this Act.

¹Ist May, 1960, vide Notfn. No.G.S.R. 486, dt. 21-4-1960, Gazette of India, 1960, Pt II, Sec. 3 (i), p. 728.

Amendments	Date on which amendments shall take effect
State Bank of India (Subsidiary Banks) Act, 1959.	
2. In section 18, in sub-section (1), after the words "discharge of its functions", insert the words "including those relating to a subsidiary bank".	
3. In section 32,—	
(a) in sub-section (1), after the words "where it has a branch", insert the words "or where there is a branch of a subsidiary bank";	
(b) in sub-section (4), for the words "either by itself", substitute the words "by itself or through a subsidiary bank".	
4. In section 33,—	
(a) after clause (iv), insert the following, namely :—	
“(iva) the keeping or maintenance of deposits or cash accounts with any banking institution;”	The date of commencement of this Act.
(b) in clause (xix), for the words “and the forming or conducting of any such banking institution as a subsidiary of the State Bank or in any other manner”, substitute the words “the forming or conducting of any such banking institution as a subsidiary of the State Bank or in any other manner and the granting of subsidies or the advancing or lending of money to any such subsidiary”.	
5. In section 36, in sub-section (2), omit the word “and” occurring after clause (a) and thereafter, insert the following, namely :—	
“(aa) subsidies granted by the State Bank to a subsidiary bank with the approval of the Reserve Bank; and”.	

PART VII

Amendments to the State Bank of Hyderabad Act, 1956 (79 of 1956)

Amendments	Date on which amendments shall take effect
<p>1. In section 2, after clause (e), insert :—</p> <p style="padding-left: 40px;">‘(f) “State Bank” means the State Bank of India constituted under the State Bank of India Act, 1955.’</p> <p>2. In section 3,—</p> <p style="padding-left: 40px;">(a) in sub-section (1), omit “and shall, as from that day, carry on the business of banking and other business in accordance with the provisions of this Act and shall have power to acquire and hold property, whether movable or immovable for the purposes of this Act and to dispose of the same”;</p> <p style="padding-left: 40px;">(b) for sub-section (2), substitute :—</p> <p style="padding-left: 80px;">“(2) The said body corporate shall consist of the State Bank and other shareholders, if any, for the time being, of the Hyderabad Bank.</p> <p style="padding-left: 80px;">(2A) The Hyderabad Bank shall carry on the business of banking and other business in accordance with the provisions of the State Bank of India (Subsidiary Banks) Act, 1959, and shall have power to acquire and hold property, whether movable or immovable, for the purposes of its business and to dispose of the same.”</p> <p>3. In section 4, in sub-section (2), for “and shall not discontinue any such branch or agency or establish any new branch or</p>	<p style="text-align: right;">23 of 1955.</p> <p>The date¹ on which the Central Government, by notification in the Official Gazette, directs that these amendments shall take effect.</p>

¹1st October, 1959, *vide* Notfn. No. G.S.R. 1091, dt. 28-9-59, Gazette of India, Ex., Pt. II, Sec. 3 (i), p. 711.

Amendments	Date on which amendments shall take effect
<p>agency except with the previous approval of the Reserve Bank", substitute "and shall not discontinue any branch or establish any new branch except in consultation with the State Bank and with the approval of the Reserve Bank".</p>	
<p>4. For sections 9 and 10, substitute :—</p>	
<p>"9. (1) The authorised capital of the Hyderabad Bank shall be one crore of rupees, divided into shares of one hundred rupees each.</p>	<p>Authorised capital.</p>
<p>(2) Notwithstanding anything contained in this section, the State Bank may, with the approval of the Reserve Bank, authorise the Hyderabad Bank to increase or reduce its authorised capital :</p>	
<p>Provided that where the authorised capital is so increased, the shares issued shall be of the denomination specified in sub-section (1).</p>	<p>The date¹ on which the Central Government, by notification in the Official Gazette, directs that these amendments shall take effect.</p>
<p>10. (1) The issued capital of the Hyderabad Bank shall, on the day on which the amendments to this Act made by the State Bank of India (Subsidiary Banks) Act, 1959, take effect, be of such amount as the State Bank, with the approval of the Reserve Bank may fix in this behalf, so however that the amount shall be so fixed as to consist only of fully paid-up shares of one hundred rupees each.</p>	<p>Issued capital.</p>
<p>(2) All shares in the issued capital of the Hyderabad Bank shall, on that day, vest in the State Bank.</p>	
<p>(3) Without prejudice to the provisions contained in sub-section (4), the Hyderabad Bank may, with the approval of the State Bank and the Reserve Bank,</p>	

¹1st October, 1959, *vide* Notfn. No. G.S.R. 1091, dt. 28-9-59, Gazette of India, Ex., Pt. II, Sec. 3(i), p. 711.

Amendments

Date on which amendments shall take effect

increase, from time to time, its issued capital and the capital so increased shall consist of fully paid-up shares to be issued in such manner as the State Bank may, with the approval of the Reserve Bank, direct :

Provided that the issued capital shall be so increased that at no time shall the State Bank hold less than fifty-five per cent. of the issued capital of the Hyderabad Bank.

(4) The State Bank shall, as soon as may be, after the determination, if any, of the amount of compensation by the Tribunal under the State Bank of India (Subsidiary Banks) Act, 1959, consider whether any increase or reduction of the issued capital of the Hyderabad Bank as fixed under sub-section (1) by way of adjustment by transfer from, or to, the reserves of the Hyderabad Bank or in any other manner, is necessary, expedient or appropriate and may, thereafter, with the approval of the Reserve Bank, direct the Hyderabad Bank to increase or reduce its issued capital.”

The date¹ on which the Central Government, by notification in the Official Gazette, directs that these amendments shall take effect.

5. Omit sections 11 to 26 inclusive.

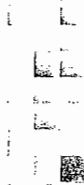
6. For section 27, substitute :—

Reserve Fund.

“27. (1) The reserve fund of the Hyderabad Bank shall, subject to the provisions of sub-section (4) of section 10, and sub-section (2) of this section, consist of—

(a) on the day on which the amendments to this Act made by the State Bank of India (Subsidiary Banks) Act, 1959, take effect, such sum as the State Bank, with the approval of the Reserve Bank, may determine; and

¹1st October, 1959, *vide* Notfn. No. G.S.R. 1091, dt. 28-9-59, Gazette of India, Ex., Pt. II, Sec. 3 (i), p. 711.

Amendments	Date on which amendments shall take effect
<p>(b) after that day, the sum aforesaid together with such further sums as may be transferred to the reserve fund by the Hyderabad Bank out of its annual net profits before declaring a dividend</p>	
<p>(2) The State Bank shall, as soon as may be after the determination, if any, of the amount of compensation by the Tribunal, under the State Bank of India (Subsidiary Banks) Act, 1959, consider whether any increase or reduction of the reserve fund of the Hyderabad Bank is necessary by way of adjustment by transfer from or to any account or towards provision for bad and doubtful debts, depreciation in assets, or contingencies or for any other purpose and may thereafter, with the approval of the Reserve Bank, direct the Hyderabad Bank to so increase or reduce its reserve fund.”.</p>	<p>The date¹ on which the Central Government, by notification in the Official Gazette, directs that these amendments shall take effect.</p>
<p>7. Omit sections 28 to 40 inclusive, sections 42, 43, 45 and 46 and the First and Second Schedules.</p>	

¹1st October, 1959, *vide* Notfn. No. G.S.R. 1091, dt. 28-5-59, Gazette of India, Ex. Pt. II, Sec. 3 (i), p. 711.

THE KERALA APPROPRIATION ACT, 1959

No. 39 OF 1959

[12th September, 1959]

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 1959-60.

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

- Short title. 1. This Act may be called the Kerala Appropriation Act, 1959.
- Issue of
Rs. 19,91,400
from and out
of the Con-
solidated
Fund of the
State of
Kerala for
the financial
year 1959-60. 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 nineteen lakhs, ninety-one thousand and four hundred rupees towards defraying the several charges which will come in course of payment during the financial year 1959-60, 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.

(See sections 2 and 3)

1	2	3		
		Sums not exceeding		
No. of Vote	Services and purposes	Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
I	Agricultural Income-tax and Sales-tax	..	24,300	24,300
VII	Taxes on Vehicles	..	1,000	1,000
XI	Elections	15,00,000	..	15,00,000
XV	Police	2,76,400	..	2,76,400
XVII	Education	9,300	..	9,300
XXV	Labour and Miscellaneous	100	..	100
XXXIV	Capital Outlay on Irrigation (Non-Commercial)	42,300	..	42,300
XXXVIII	Capital Outlay on Civil Works	35,100	..	35,100
XLII	Capital Outlay on State Schemes of Government Trading	..	2,900	2,900
XLIV	Loans and Advances by the State Government	1,00,000	..	1,00,000
	TOTAL	19,63,200	28,200	19,91,400

THE APPROPRIATION (No. 7) ACT, 1959

No. 40 OF 1959

[12th September, 1959]

An Act to provide for the authorisation of appropriation of moneys out of the Consolidated Fund of India to meet the amounts spent in respect of the former Part C States of Delhi and Himachal Pradesh on certain services during the financial year ended on the 31st day of March, 1957, in excess of the amounts granted for those services and for that year by the Legislature of each of those States.

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

Short title.

1. This Act may be called the Appropriation (No. 7) Act, 1959.

Issue of Rs. 3,63,077 out of the Consolidated Fund of India to meet certain excess expenditure for the year ended on the 31st March, 1957, in respect of the former Part C States of Delhi and Himachal Pradesh.

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 three lakhs, sixty-three thousand and seventy-seven rupees shall be deemed to have been authorised to be paid and applied to meet the amount spent in respect of the former Part C States of Delhi and Himachal Pradesh 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, 1957, in excess of the amounts granted for those services and for that year by the Legislature of each of those States.

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, 1957.

THE SCHEDULE

(See sections 2 and 3)

1	2	3		
No. of Vote	Services and purposes	Excess		
		Voted	Charged	Total
		Rs.	Rs.	Rs.
	EXCESS RELATING TO DELHI			
10	Administration of Justice . . .	1,21,921	..	1,21,921
	TOTAL . . .	1,21,921	..	1,21,921
	EXCESS RELATING TO HIMACHAL PRADESH			
	Capital Outlay on Improvement of Public Health	50,148	..	50,148
36	Capital Outlay on Electricity Schemes	1,85,018	..	1,85,018
38	Payment of Commuted Value of Pensions	5,990	..	5,990
	TOTAL . . .	2,41,156	..	2,41,156
	GRAND TOTAL . . .	3,63,077	..	3,63,077

THE CRIMINAL LAW (AMENDMENT) ACT, 1959

No. 41 OF 1959

[12th September, 1959]

An Act further to amend the Criminal Law Amendment Ordinance, 1944.

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

Short title
and com-
mencement,

1. (1) This Act may be called the Criminal Law (Amendment) Act, 1959.

(2) It shall be deemed to have come into force on the 26th day of January, 1950.

Amendment
of section 2.

2. For sub-section (2) of section 2 of the Criminal Law Amendment Ordinance, 1944, the following sub-section shall be substituted, namely:—

“(2) For the purposes of this Ordinance, the date of the termination of criminal proceedings shall be deemed to be—

(a) where such proceedings are taken to the Supreme Court in appeal, whether on the certificate of a High Court or otherwise, the date on which the Supreme Court passes its final orders in such appeal; or

(b) where such proceedings are taken to the High Court and orders are passed thereon and—

(i) no application for a certificate for leave to appeal to the Supreme Court is made to the High Court, the day immediately following the expiry of ninety days from the date on which the High Court passes its final orders;

(ii) an application for a certificate for leave to appeal to the Supreme Court has been refused by the

High Court, the day immediately following the expiry of sixty days from the date of the refusal of the certificate;

(iii) a certificate for leave to appeal to the Supreme Court has been granted by the High Court, but no appeal is lodged in the Supreme Court, the day immediately following the expiry of thirty days from the date of the order granting the certificate; or

(c) where such proceedings are not taken to the High Court, the day immediately following the expiry of sixty days from the date of the last judgment or order of a criminal court in the proceedings.”.

THE TRAVANCORE-COCHIN VEHICLES TAXATION
(AMENDMENT AND VALIDATION) ACT, 1959

No. 42 OF 1959

[12th September, 1959]

An Act further to amend the Travancore-Cochin Vehicles Taxation Act, 1950, and to provide for certain other connected matters.

Enacted by Parliament in the Tenth Year of the Republic of India as follows:—

Short title 1. This Act may be called the Travancore-Cochin Vehicles Taxation (Amendment and Validation) Act, 1959.

Amendment of Schedule I. 2. (1) In Schedule I to the Travancore-Cochin Vehicles Taxation Act, 1950 (hereinafter referred to as the principal Act),— Travancore-Cochin Act XIV of 1950.

(i) in the headings to the second and third columns, for the abbreviations "Rs. As. Ps.", the abbreviations "Rs. np." shall be substituted;

(ii) in Item No. 2, for the entry in the second column under the heading "For vehicles fitted with pneumatic tyres", the entry "7 50" shall be substituted;

(iii) in Item No. 3, in sub-items (b), (c), (d), (e), (f), (g), (h), (i) and (j), for the entries in the second column under the heading "For vehicles fitted with pneumatic tyres", the following entries shall respectively be substituted, namely:—

"134	50
200	50
227	50
267	50
307	50
360	50
427	50
504	50
544	50";

(iv) in Item No. 4, in sub-item (ii) (a), for the entry in the second column under the heading "For vehicles fitted with pneumatic tyres", the entry "40 0" shall be substituted.

(2) The amendments made by sub-section (1) shall be deemed to have come into force on the 24th day of September, 1957.

3. (1) Notification II, No. TB2-14667/57/P.W., dated the 24th September, 1957, issued under sub-section (1) of section 3 of the principal Act, enhancing the rates of tax on certain vehicles, shall be deemed to have been issued under the principal Act, as amended by this Act, and to have come into force on the 1st day of October, 1957. Validation of levy, collection, etc., of taxes on certain types of vehicles.

(2) Notwithstanding anything contained in any judgment, decree or order of any court, all taxes levied or collected or purporting to have been levied or collected in pursuance of the notification referred to in sub-section (1) shall for all purposes be deemed to be, and to have always been, validly levied or collected, and accordingly—

(a) all acts, proceedings or things done or taken by the Government or by any officer of Government or by any other authority in connection with the levy or collection of such taxes shall for all purposes be deemed to be, and to have always been, done or taken in accordance with law;

(b) no suit or other proceeding shall be maintained or continued in any court against the Government or any person or authority whatsoever for the refund of any taxes so paid; and

(c) no court shall enforce any decree or order directing the refund of any taxes so paid.

Kerala
Ordinance
of 1959.

4. The Travancore-Cochin Vehicles Taxation (Amendment and Repeal. Validation) Ordinance, 1959, is hereby repealed.

THE OIL AND NATURAL GAS COMMISSION ACT, 1959

ARRANGEMENT OF SECTIONS

CHAPTER I

PRELIMINARY

SECTIONS

1. Short title, extent and commencement.
2. Definitions.

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THE OIL AND NATURAL GAS COMMISSION

3. Establishment and incorporation of the Commission.
4. Composition of the Commission.
5. Term of office and conditions of service of members.
6. Disqualifications for being appointed, or for continuing, as member of the Commission.
7. Temporary absence of member.
8. Vacancies, etc., not to invalidate acts and proceedings of the Commission.
9. Meetings of the Commission.
10. Temporary association of persons with the Commission for particular purposes.
11. Authentication of orders and other instruments of the Commission.
12. Staff of the Commission.
13. Transfer of service of existing employees to the Commission.

CHAPTER III

POWERS AND FUNCTIONS OF THE COMMISSION

14. Functions of the Commission.
15. Powers of the Commission.

CHAPTER IV

FINANCE, ACCOUNTS, AUDIT AND REPORTS

SECTIONS

16. Capital of the Commission.
17. Vesting of property in the Commission.
18. Commission to have rights, liabilities and obligations of the Central Government in certain cases.
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20. Borrowing of money.
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22. Annual reports, accounts and audit.
23. Returns and reports.

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MISCELLANEOUS

24. Compulsory acquisition of land for the Commission.
25. Power of entry.
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27. Members and employees of the Commission to be public Servants.
28. Protection of action taken under Act.
29. Liability of Commission to pay taxes and fees.
30. Dissolution of the Commission.
31. Power of Central Government to make rules.
32. Power of Commission to make regulations.

THE OIL AND NATURAL GAS COMMISSION ACT, 1959

No. 43 OF 1959

[18th September, 1959]

An Act to provide for the establishment of a Commission for the development of petroleum resources and the production and sale of petroleum and petroleum products produced by it and for matters connected therewith.

Enacted by Parliament in the Tenth Year of the Republic of India as follows:—

CHAPTER I

PRELIMINARY

Short title,
extent and
commence-
ment.

1. (1) This Act may be called the Oil and Natural Gas Commission Act, 1959.

(2) It extends to the whole of India, except the State of Jammu and Kashmir.

(3) It shall come into force on such date¹ as the Central Government may, by notification in the Official Gazette, appoint.

Definitions.

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

(a) "chairman" means the chairman of the Commission;

(b) "Commission" means the Oil and Natural Gas Commission established under section 3;

(c) "existing organisation" means the body set up in pursuance of the resolution of the Government of India, No. 22/29/55-ONG, dated the 14th August, 1956;

(d) "Fund" means the fund referred to in section 19;

(e) "member" means a member of the Commission and includes the chairman;

¹ 15th Oct. 1959, *vide* Notfn. No. S. O. 2302, dt. 14th Oct. 1959, *see* Gazette of India, Ex., Pt., II, Sec. 3(ii), P-515.

30 of 1934.

(f) "petroleum" has the same meaning as in the Petroleum Act, 1934, and includes natural gas;

(g) "prescribed" means prescribed by rules made under this Act.

CHAPTER II

THE OIL AND NATURAL GAS COMMISSION

3. (1) With effect from such date as the Central Government may, by notification in the Official Gazette, appoint in this behalf, there shall be established a Commission to be called the Oil and Natural Gas Commission. Establishment and incorporation of the Commission.

(2) The Commission shall be a body corporate having perpetual succession and a common seal with power to acquire, hold and dispose of property and to contract and shall by the said name sue and be sued.

4. The Commission shall consist of a chairman and not less than two, and not more than eight, other members appointed by the Central Government and the members may be required to render whole time or part time service, as the Central Government may direct: Composition of the Commission.

Provided that one of the members shall be a whole-time Finance Member in charge of the financial matters relating to the Commission:

Provided further that the Central Government may, if it thinks fit, appoint one of the members as vice-chairman of the Commission.

5. (1) The term of office and conditions of service of the chairman and other members shall be such as may be prescribed: Term of office and conditions of service of members.

Provided that the Central Government may, if it thinks fit, terminate the appointment of any member before the expiry of his term of office, after giving him a reasonable opportunity of showing cause against the same.

(2) Any member may resign his office by giving notice in writing to the Central Government, and on such resignation being notified in the Official Gazette by that Government, shall be deemed to have vacated his office.

(3) A casual vacancy created by the resignation of a member under sub-section (2) or for any other reason may be filled by fresh appointment.

Disqualifications for being appointed, or for continuing, as member of the Commission.

6. A person shall be disqualified for being appointed or for continuing as a member, if he has, directly or indirectly, any interest in a subsisting contract made with, or in any work being done for, the Commission.

Temporary absence of member.

7. If any member is by infirmity or otherwise rendered temporarily incapable of carrying out his duties or is absent on leave or otherwise in circumstances not involving the vacation of his appointment, the Central Government may appoint another person to act in his place during his absence.

Vacancies, etc., not to invalidate acts and proceedings of the Commission.

8. No act or proceeding of the Commission shall be invalid by reason only of the existence of any vacancy among its members or any defect in the constitution thereof.

Meetings of the Commission.

9. (1) The Commission shall meet at such times and places and shall, subject to the provisions of sub-sections (2) and (3), observe such rules of procedure in regard to the transaction of business at its meetings (including the quorum at meetings) as may be provided by regulations made under this Act.

(2) The chairman or, in his absence, the vice-chairman, if any, or in the absence of the chairman and of the vice-chairman, if any, any member chosen by the members from among themselves, shall preside at a meeting of the Commission.

(3) All questions at a meeting of the Commission shall be decided by a majority of the votes of the members present and voting, and in the case of an equality of votes, the chairman or, in his absence, the person presiding, shall have a second or casting vote:

Provided that the person presiding may, in his discretion, reserve any matter for the consideration of the Central Government.

Temporary association of persons with the Commission for particular purposes.

10. (1) The Commission may associate with itself in such manner and for such purposes, as may be provided by regulations made under this Act, any person whose assistance or advice it may desire in performing any of its functions under this Act.

(2) A person associated with it by the Commission under sub-section (1) for any purpose shall have a right to take part in the discussions of the Commission relevant to that purpose, but shall not have a right to vote at a meeting of the Commission, and shall not be a member for any other purpose.

11. All orders and decisions of the Commission shall be authenticated by the signature of the chairman or any other member authorised by the Commission in this behalf, and all other instruments issued by the Commission shall be authenticated by the signature of an officer of the Commission authorised in like manner in this behalf.

Authentica-
tion of orders
and other
instruments
of the Com-
mission.

12. (1) Subject to the provisions of section 15, the Commission may, for the purpose of enabling it efficiently to perform its functions or exercise its powers under this Act, appoint such number of employees as it may consider necessary.

Staff of the
Commission

(2) The functions and the terms and conditions of service of such employees shall be such as may be provided by regulations made under this Act.

13. (1) Subject to the provisions of this Act, every person employed by the existing organisation immediately before the date of establishment of the Commission shall, on and from such date, become an employee of the Commission with such designation as the Commission may determine and shall hold his office or service therein by the same tenure, at the same remuneration and upon the same terms and conditions as he would have held the same on such date if the Commission had not been established and shall continue to do so unless and until his employment in the Commission is terminated or until such tenure, remuneration and terms and conditions are duly altered by the Commission:

Transfer of
service of
existing em-
ployees to
the Commis-
sion

Provided that—

(a) 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;

(b) any service rendered in the existing organization by any such person shall be deemed to be service under the Commission; and

(c) all persons employed by the Commission on the date of its establishment, who, immediately before such date, hold, in a permanent or quasi-permanent capacity, posts in connection with the affairs of the Union or of any State, but not posts in the existing organisation, shall be treated as Government servants on foreign service with the Commission.

(2) The Commission may employ any person who has become its employee under sub-section (1), in such capacity as it thinks fit, and every such employee shall be bound to discharge his functions accordingly.

CHAPTER III

POWERS AND FUNCTIONS OF THE COMMISSION

Functions of
the Com-
mission.

14. (1) Subject to the provisions of this Act, the functions of the Commission shall generally be to plan, promote, organise and implement programmes for the development of petroleum resources and the production and sale of petroleum and petroleum products produced by it and to perform such functions as the Central Government may, from time to time, assign to the Commission.

(2) In particular and without prejudice to the generality of the foregoing provision, the Commission may take such steps as it thinks fit—

(a) for the carrying out of geological and geophysical surveys for exploration of petroleum;

(b) for the carrying out of drilling and other prospecting operations to prove and estimate the reserves of petroleum;

(c) to undertake, encourage and promote such other activities as may lead to the establishment of such reserves;

(d) to undertake, assist or encourage and promote the production of petroleum from such reserves and its refining;

(e) for the transport and disposal of natural gas and refinery gases produced by the Commission:

Provided that no industry, which will use any of these gases as a raw material, shall be set up by the Commission without the previous approval of the Central Government;

(f) to undertake, encourage and promote geological, chemical and other scientific investigations whether in or outside the laboratory;

(g) to undertake, assist or encourage the collection, maintenance and publication of statistics, bulletins and monographs;

(h) to perform any other function which is supplemental, incidental or consequential to any of the functions aforesaid or which may be prescribed.

(3) In the discharge of its functions under this Act, the Commission shall be bound by such directions as the Central Government may, for reasons to be stated in writing, give to it from time to time.

Powers of
the Com-
mission.

15. The Commission may exercise all such powers as may be necessary or expedient for the purpose of carrying out its functions under this Act:

Provided that before exercising its powers in respect of the following matters, it shall obtain the previous approval of the Central Government, namely:—

(a) the creation of any post the salary or honorarium of which would be rupees two thousand a month or more or would be on a scale the maximum of which is rupees two thousand a month or more, and the appointment of any person to any such post;

(b) the implementation of any scheme or proposal which will involve a capital expenditure exceeding thirty lakhs of rupees;

(c) the disposal of any property, right or privilege, the original or book value of which exceeds ten lakhs of rupees.

CHAPTER IV

FINANCE, ACCOUNTS, AUDIT AND REPORTS

16. (1) All non-recurring expenditure incurred by the Central Government for or in connection with the existing organisation up to the date of establishment of the Commission and declared to be capital expenditure by that Government, shall be treated as capital expenditure provided by that Government to the Commission, and shall be brought into the books of the Commission. Capital of the Commission.

(2) The Central Government may, after due appropriation made by Parliament in this behalf, provide any further capital that may be required by the Commission for the carrying on of the business of the Commission or for any purpose connected therewith on such terms and conditions as that Government may determine.

17. All property acquired and all works constructed or under construction by or on behalf of the Central Government for the purposes of the existing organisation up to the date of establishment of the Commission shall, on such date, vest in the Commission and all income derived and all expenditure incurred in this behalf shall be brought into the books of the Commission. Vesting of property in the Commission.

18. All rights, liabilities and obligations of the Central Government which, whether arising out of any contract or otherwise, were acquired or incurred by it in connection with the existing organisation or for any of the purposes referred to in this Act, before the date of establishment of the Commission shall be deemed to have been acquired or incurred by the Commission and shall be the rights, liabilities and obligations respectively of the Commission. Commission to have rights, liabilities and obligations of the Central Government in certain cases.

Fund of the
Commission.

19. (1) The Commission shall have its own Fund and all receipts of the Commission, whether from grants made by the Central Government or otherwise, shall be carried thereto and all payments by the Commission made therefrom.

(2) The Commission may expend 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.

(3) All monies of the Commission shall be deposited in the Reserve Bank of India or with the agents of that Bank or where there is neither an office of that Bank, nor an agent of that Bank, in a Government Treasury, or be invested in such securities as may be approved by the Central Government.

Borrowing
of money.

20. The Commission may, with the previous approval of the Central Government, borrow money in the open market or otherwise for the purposes of carrying out its functions under this Act.

Budget

21. (1) (a) The Commission shall, by such date in each year as may be prescribed, submit to the Central Government for approval a budget in the prescribed form for the next financial year, showing the estimated receipts and expenditure, and the sums which would be required from the Central Government, during that financial year.

(b) If any sum granted by the Central Government remains wholly or partly unspent in any financial year, the unspent sum may be carried forward to the next financial year and taken into account in determining the sum to be provided by the Central Government for that year.

(2) Subject to the provisions of sub-section (3), no sum shall be expended by or on behalf of the Commission unless the expenditure is covered by provision in the budget approved by the Central Government.

(3) The Commission may sanction any re-appropriation from one head of expenditure to another or from a provision made for one scheme to that for another:

Provided that, except with the previous approval of the Central Government—

(a) no re-appropriation from the head "loan" to another head of expenditure and *vice versa* in the budget shall be sanctioned by the Commission;

(b) no re-appropriation which has the effect of augmenting the provision under any head of expenditure as approved by the Central Government by more than twenty per cent. or seven and a half lakhs of rupees, whichever is less, shall be made.

22. (1) The Commission shall maintain proper accounts and other relevant records and prepare an annual statement of accounts, including the profit and loss account and balance sheet in accordance with such general directions as may be issued, and in such form as may be prescribed, by the Central Government in consultation with the Comptroller and Auditor-General of India.

Annual
reports,
accounts
and
audit.

and

(2) The accounts of the Commission shall be audited annually by the Comptroller and Auditor-General of India and any expenditure incurred by him in connection with such audit shall be payable by the Commission to the Comptroller and Auditor-General of India.

(3) The Comptroller and Auditor-General of India and any person appointed by him in connection with the audit of the accounts of the Commission 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 Commission.

(4) The accounts of the Commission 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.

23. (1) The Commission shall furnish to the Central Government at such time and in such form and in such manner, as may be prescribed or as the Central Government may direct, such returns and statements and such particulars in regard to any proposed or existing programme for the development of petroleum resources and the production and sale of petroleum and petroleum products produced by the Commission as the Central Government may, from time to time, require.

Returns and reports

and

(2) Without prejudice to the provisions of sub-section (1), the Commission shall, as soon as possible after the commencement of each financial year, submit to the Central Government a report in such form and before such date as may be prescribed, giving a true and full account of its activities, policy and programme during the previous financial year and an account of the activities likely to be undertaken during the current financial year.

(3) A copy of the report received under sub-section (2) shall be laid before each House of Parliament.

CHAPTER V

MISCELLANEOUS

Compulsory acquisition of land for the Commission.

24. Any land required by the Commission for carrying out its functions under this Act shall be deemed to be needed for a public purpose and such land shall be acquired for the Commission as if the provisions of Part VII of the Land Acquisition Act, 1894, were applicable to it and the Commission were a company within the meaning of clause (e) of section 3 of the said Act. 1 of 1894.

Power of entry.

25. Any employee of the Commission, generally or specially authorised by it, may at all reasonable times enter upon any land or premises and there do such things as may be reasonably necessary for the purpose of lawfully carrying out any of its works or of making any survey, examination or investigation preliminary or incidental to the exercise of powers or the performance of functions by the Commission under this Act.

Delegation of powers and duties.

26. The Commission may, by general or special order in writing, direct that all or any of the powers or duties which may be exercised or discharged by it shall, in such circumstances and under such conditions, if any, as may be specified in the order, be exercised or discharged also by any person specified in this behalf in the order.

Members and employees of the Commission to be public servants.

27. All members and employees of the Commission, shall, when acting or purporting to act in pursuance of the provisions of this Act, or of any rule or regulation made thereunder, be deemed to be public servants within the meaning of section 21 of the Indian Penal Code. 45 of 1860.

Protection of action taken under Act.

28. No suit, prosecution or other legal proceeding shall lie against the Commission or any member or employee of the Commission for anything which is in good faith done or intended to be done in pursuance of this Act or of any rule or regulation made thereunder.

Liability of Commission to pay taxes and fees.

29. The Commission shall be deemed to be a company within the meaning of any enactment for the time being in force providing for the levy of any tax or fee by the Central Government or a State Government and shall be liable to pay such tax or fee accordingly.

Dissolution of the Commission.

30. (1) The Central Government may, by notification in the Official Gazette, direct that the Commission shall be dissolved from such date as may be specified in the notification and thereupon the Commission shall be deemed to be dissolved accordingly.

(2) On and from the said date—

(a) all assets, liabilities and obligations acquired or incurred by the Commission for purposes of the Commission or for any of the purposes referred to in this Act shall vest in the Central Government, and

(b) all members shall vacate their offices as members of the Commission.

31. (1) The Central Government may, by notification in the Official Gazette, make rules to give effect to the provisions of this Act. Power of Central Government to make rules.

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

(a) the term of office of, and the manner of filling casual vacancies among, the members, and their conditions of service including the salaries, remuneration and allowances to be paid to them and the travelling and daily allowances to be drawn by them when they are on tour;

(b) the disqualifications for membership of the Commission and the procedure to be followed in removing a member who is or becomes subject to any disqualification;

(c) the procedure to be followed in the discharge of functions by members;

(d) the date by which, and the form in which, the budget shall be submitted in each year under sub-section (1) of section 21;

(e) the procedure to be followed for placing the Commission in possession of funds;

(f) the procedure to be followed and the conditions to be observed in borrowing moneys or in granting loans;

(g) the conditions subject to which, and the mode in which, contracts may be entered into by or on behalf of the Commission;

(h) the form and manner in which the accounts of the Commission shall be maintained under sub-section (1) of section 22;

(i) the form and manner in which returns, reports or statements shall be submitted under section 23;

(j) any other matter which has 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.

Power of
Commission
to make
regulations.

32. (1) The Commission may, with the previous approval of the Central Government, by notification in the Official Gazette, make regulations, not inconsistent with this Act and the rules made thereunder, for enabling it to discharge its functions under this Act.

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

(a) the terms and conditions of appointment and service and the scales of pay of employees of the Commission, including payment of travelling and daily allowances in respect of journeys undertaken by such employees for the purposes of this Act;

(b) the time and place of meetings of the Commission, the procedure to be followed in regard to the transaction of business at such meetings and the quorum necessary for the transaction of business at a meeting;

(c) the maintenance of minutes of meetings of the Commission and the transmission of copies thereof to the Central Government;

(d) the persons by whom, and the manner in which payments, deposits and investments may be made on behalf of the Commission;

(e) the custody of moneys required for the current expenditure of the Commission and the investment of moneys not so required;

(f) the maintenance of accounts.

(3) The Central Government may, by notification in the Official Gazette, amend, vary or rescind any regulation which it has approved; and thereupon the regulation shall have effect accordingly but without prejudice to the exercise of the powers of the Commission under sub-section (1).

THE PUBLIC DEBT (AMENDMENT) ACT, 1959

No. 44 OF 1959

[18th September, 1959]

An Act further to amend the Public Debt Act, 1944.

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

1. (1) This Act may be called the Public Debt (Amendment) Act, 1959. Short title and commencement.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

2. After section 9 of the Public Debt Act, 1944 (hereinafter referred to as the principal Act), the following sections shall be inserted, namely:— Insertion of new sections 9A, 9B and 9C in Act 18 of 1944.

“9A. Notwithstanding anything contained in section 1A, the provisions of sections 9B and 9C and the power to make rules in relation to any of the matters referred to in sections 9B and 9C shall apply only to such classes of Government securities created and issued by the Central Government, whether before or after the commencement of the Public Debt (Amendment) Act, 1959, as that Government may, by notification in the Official Gazette, specify, and in relation to such classes of securities the provisions of sections 7 and 9 shall have effect subject to the provisions contained in sections 9B and 9C. Application of sections 9B, 9C, etc.

9B. (1) Notwithstanding anything contained in any law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of a Government security, where a nomination made in the prescribed manner purports to confer on any person the right to receive payment of the amount for the time being due on the security on the death of the holder thereof, the nominee shall, on the death of the holder of the security, become entitled to the security and to payment thereon to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner. Nominations by holders of Government securities.

(2) Any nomination referred to in sub-section (1) shall become void if the nominee predeceases, or where there are two or more nominees all the nominees predecease, the holder of the security making the nomination.

(3) A transfer of a Government security made in the prescribed manner shall automatically cancel a nomination previously made:

Provided that where a Government security is held by or on behalf of any person as a pledgee or by way of security for any purpose, such holding shall not have the effect of cancelling a nomination, but the right of the nominee shall be subject to the right of the person so holding it.

(4) Where the nominee is a minor it shall be lawful for the holder of a security to appoint in the prescribed manner any person to receive the amount for the time being due on the security in the event of his death during the minority of the nominee, and, where any such appointment has been made, the Government security shall, after the death of the holder and during the minority of the nominee, be deemed to be vested in that person as representing the minor.

Payment on
death of
holder.

9C. (1) If a person dies and he is at the time of his death the holder of a Government security and there is in force at the time of his death a nomination in favour of any person, the amount for the time being due on the security shall be paid to the nominee.

(2) Where the nominee is a minor, the amount for the time being due on the Government security shall be paid—

(a) in any case where a person has been appointed to receive it under sub-section (4) of section 9B, to that person; and

(b) where there is no such person, to the guardian of the minor for the use of the minor.

(3) Where the amount due for the time being on a Government security is payable to two or more nominees and either or any of them is dead, the title to the security shall vest in the survivor or survivors of those nominees and the amount for the time being due thereon shall be paid accordingly.

(4) Nothing contained in this section shall be deemed to require any person to accept payment of the amount due on a Government security before it has reached maturity or otherwise than in accordance with the terms of the security.

(5) Any payment made in accordance with the provisions of this section of the amount due for the time being on a Government security shall be a full discharge in respect of the security:

Provided that nothing contained in this section or in section 9B shall affect any right or claim which any person may have against the person to whom any payment is made under this section.”.

3. In section 28 of the principal Act, in sub-section (2), after clause (o), the following clauses shall be inserted, namely:—

Amendment
of section
28

“(p) the form in which and the persons in whose favour nominations may be made under section 9B, the manner in which and the conditions and restrictions subject to which such nominations may be made, the registration, variation or cancellation of such nominations and the fees that may be levied for such registration, variation or cancellation;

(q) the manner in which any person may be appointed for the purposes of sub-section (4) of section 9B.”.

THE GOVERNMENT SAVINGS BANKS (AMENDMENT)
ACT, 1959

No. 45 OF 1959

[18th September, 1959]

An Act further to amend the Government Savings Banks Act, 1873.

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

Short title. 1. This Act may be called the Government Savings Banks (Amendment) Act, 1959.

Amendment of section 3. 2. In section 3 of the Government Savings Banks Act, 1873 (hereinafter referred to as the principal Act), after the definition of "minor", the following definition shall be inserted, namely:—

"prescribed" means prescribed by rules made under this Act.

Substitution of new sections for section 4. 3. For section 4 of the principal Act, the following sections shall be substituted, namely:—

Nomination by depositor.

"4. (1) Notwithstanding anything contained in any law for the time being in force, or in any disposition, whether testamentary or otherwise, by a depositor in respect of his deposit, where any nomination made in the prescribed manner supports to confer on any person the right to receive the deposit on the death of the depositor, the nominee shall, on the death of the depositor become entitled, to the exclusion of all other persons, to be paid the deposit, unless the nomination is varied or cancelled in the prescribed manner.

(2) Any nomination referred to in sub-section (1) shall become void if the nominee predeceases, or where there are two or more nominees, all the nominees predecease, the depositor.

(3) Where the nominee is a minor it shall be lawful for the depositor to appoint in the prescribed manner any person to receive the deposit in the event of his death during the minority of the nominee.

4A. (1) If a depositor dies and there is in force at the time of the death of the depositor a nomination in favour of any person, the deposit shall be paid to the nominee. Payment on death of depositor.

(2) Where the nominee is a minor, the deposit shall be paid—

(a) in any case where a person has been appointed to receive it under sub-section (3) of section 4, to that person; and

(b) where there is no such person, to the guardian of the minor for the use of the minor.

(3) Where a deposit is payable to two or more nominees and either or any of them is dead, the deposit shall be paid to the surviving nominee or nominees.

(4) If a depositor dies and there is no nomination in force at the time of his death and probate of his will or letters of administration of his estate or a succession certificate granted under the Indian Succession Act, 1925, is not within three months of the death of the depositor produced to the Secretary of the Government Savings Bank in which the deposit is, then—

(a) if the deposit does not exceed five thousand rupees, the Secretary may pay the same to any person appearing to him to be entitled to receive it or to administer the estate of the deceased; and

(b) within the aforesaid limit of five thousand rupees, any officer employed in the management of a Government Savings Bank who is empowered in this behalf by a general or special order of the Central Government may, to the extent to which he is empowered by such order and subject to any general or special orders of the Secretary in this behalf, pay the deposit to any person appearing to him to be entitled to receive it or to administer the estate.

(5) Nothing contained in this section shall be deemed to require any person to accept payment of a deposit, which is a time deposit, before it has become due.”.

4. In section 5 of the principal Act,—

(a) for the words “Such payment”, the words “Any payment made in accordance with the foregoing provisions of this Act” shall be substituted;

Amendment
of section 5.

(b) the words and figures "or Act No. 26 of 1855" shall be omitted.

Amendment
of section 6.

5. In section 6 of the principal Act,—

(a) for the words and figure "under section 4", the words, brackets and figures "under sub-section (4) of section 4A" shall be substituted;

(b) for the words and figure "to whom he pays any money under section 4", the words, brackets, and figures "to whom he pays any money under sub-section (4) of section 4A" shall be substituted.

Amendment
of section 7.

6. In section 7 of the principal Act, for the words and figure "under section 4", the words, brackets and figures "under sub-section (4) of section 4A" shall be substituted.

Omission
of sections 9
and 11.

7. Section 9 and 11 of the principal Act shall be omitted.

Amendment
of section
13.

8. In section 13 of the principal Act, for the words and figures "the Indian Succession Act, 1865, section 4", the words and figures "section 20 of the Indian Succession Act, 1925" shall be substituted. ^{10 of 1865.} ^{39 of 1925.}

Substitution
of new
sections for
section 14.

9. For the heading "Rules" and for section 14 of the principal Act, the following heading and sections shall be substituted, namely:—

"MISCELLANEOUS

Protection of
action taken
in good
faith.

14. No suit or other legal proceeding shall lie against the Secretary or any other officer of the Government in respect of anything which is in good faith done or intended to be done under this Act.

Power to
make rules.

15. (1) The Central Government may, by notification in the Official Gazette, make rules for carrying out the purposes of this Act.

(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 persons by whom and the terms and conditions subject to which deposits may be made in a Government Savings Bank;

(b) the maximum limits of deposits and the conditions as to interest or discount relating to deposits generally, or any class of deposits in particular;

(c) the non-accrual of interest on deposits when the maximum limits are exceeded and the recovery of any interest paid in excess in the same manner as an arrear of land revenue or in any other manner;

(d) the persons to whom and the manner in which deposits may be paid;

(e) the form of nominations, the manner in which, the persons in whose favour and the conditions and restrictions subject to which, nominations may be made and the registration of nominations;

(f) the variation or cancellation of nomination;

(g) the fees that may be levied for registration of nominations and for variation or cancellation thereof;

(h) the manner in which any person may be appointed for the purpose of sub-section (3) of section 4.

(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."

THE GOVERNMENT SAVINGS CERTIFICATES
ACT, 1959

No. 46 OF 1959

[18th September, 1959]

An Act to make certain provisions in respect of Government
Savings Certificates

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

Short title,
commence-
ment and
application.

1. (1) This Act may be called the Government Savings Certifi-
cates Act, 1959.

(2) It shall come into force on such date as the Central Gov-
ernment may, by notification in the Official Gazette, appoint.

(3) It applies to such class of savings certificates as the Central
Government may, by notification in the Official Gazette, specify in
this behalf.

Definitions.

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

(a) "minor" means a person who is not deemed to have
attained his majority under the Indian Majority Act, 1875; 9 of 1875.

(b) "prescribed" means prescribed by rules made under
this Act;

(c) "savings certificate" means a savings certificate to
which this Act applies;

(d) "transfer" means a transfer *inter vivos*, and does not
include a transfer by operation of law.

Restrictions
on transfer
of savings
certificates.

3. Notwithstanding anything contained in any law for the time
being in force, no transfer of a savings certificate, whether made
before or after the commencement of this Act, shall be valid unless
it has been made with the previous consent in writing of the pres-
cribed authority.

4. Notwithstanding any provision in any law for the time being in force,—

Holdings by or on behalf of minors.

(a) a minor may apply for and hold savings certificates and any other person may apply for and hold savings certificates on behalf of a minor;

(b) where any savings certificate is held by or on behalf of a minor, the minor shall, whether the savings certificate was applied for and issued before or after the commencement of this Act, be bound by the provisions of this Act and of any rules made thereunder applicable to such savings certificate and by the terms of any declaration made by the applicant for the savings certificate in pursuance of the said rules.

5. Payment of the sum for the time being due on a savings certificate held by or on behalf of a minor may be made—

Payment where certificate is held by or on behalf of a minor.

(a) to him personally, if he himself applied for the savings certificate, or

(b) for the use of the minor, if the application for the savings certificate was made by any person other than the minor,—

(i) to any such person, being a parent of the minor or guardian of his property, as may be specified in that behalf in the form of application;

(ii) if no such person has been specified, to any guardian of the property of the minor appointed by a competent court, or where no such guardian has been so appointed, to either parent of the minor, or where neither parent is alive, to any other guardian of the minor.

6. (1) Notwithstanding anything contained in any law for the time being in force, or in any disposition, testamentary or otherwise in respect of any savings certificate, where a nomination made in the prescribed manner purports to confer on any person the right to receive payment of the sum for the time being due on the savings certificate on the death of the holder thereof and before the maturity of the certificate, or before the certificate having reached maturity has been discharged, the nominee shall, on the death of the holder of the savings certificate, become entitled to the savings certificate and to be paid the sum due thereon to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner.

Nomination by holders of savings certificates.

(2) Any nomination referred to in sub-section (1) shall become void if the nominee predeceases, or where there are two or more nominees all the nominees predecease, the holder of the savings certificate making the nomination.

(3) Where the nominee is a minor, it shall be lawful for the holder of the savings certificate making the nomination to appoint in the prescribed manner any person to receive the sum due thereon in the event of his death during the minority of the nominee.

(4) A transfer of a savings certificate made in the prescribed manner shall automatically cancel a nomination previously made:

Provided that where a savings certificate is held by or on behalf of any person as a pledgee or by way of security for any purpose, such holding shall not have the effect of cancelling a nomination but the right of the nominee shall be subject to the right of the person so holding it.

Payment on
death of
holder.

7. (1) If the holder of a savings certificate dies and there is in force at the time of his death a nomination in favour of any person, payment of the sum due thereon shall be made to the nominee.

(2) Where the nominee is a minor, payment of the sum due thereon shall be made—

(a) in any case where a person has been appointed to receive it under sub-section (3) of section 6, to that person, and

(b) where there is no such person, to any guardian of the property of the minor appointed by a competent court, or where no such guardian has been so appointed, to either parent of the minor, or where neither parent is alive, to any other guardian of the minor.

(3) Where the sum due on a savings certificate is payable to two or more nominees, and either or any of them dies, the sum shall be paid to the surviving nominee or nominees.

(4) If a person dies and is at the time of his death the holder of a savings certificate and there is no nomination in force at the time of his death and probate of his will or letters of administration of his estate or a succession certificate granted under the Indian Succession Act, 1925, is not within three months of the death of the holder produced to the prescribed authority, then, if the sum due on the savings certificate does not exceed five thousand rupees, the prescribed authority may pay the same to any person appearing to it to be entitled to receive the sum or to administer the estate of the deceased.

(5) Nothing contained in this section shall be deemed to require any person to receive payment of the sum due on a savings certificate before it has reached maturity or otherwise than in accordance with the terms of the savings certificate.

8. (1) Any payment made in accordance with the foregoing provisions of this Act to a minor or to his parent or guardian or to a nominee or to any other person shall be a full discharge from all further liability in respect of the sum so paid. Payment to be a full discharge.

(2) Nothing in sub-section (1) shall be deemed to preclude any executor or administrator or other representative of a deceased holder of a savings certificate from recovering from the person receiving the same under section 7 the amount remaining in his hands after deducting the amount of all debts or other demands lawfully paid or discharged by him in due course of administration.

(3) Any creditor or claimant against the estate of a holder of a savings certificate may recover his debt or claim out of the sum paid under this Act to any person and remaining in his hands unadministered, in the same manner and to the same extent as if the latter had obtained letters of administration to the estate of the deceased.

9. The prescribed authority may take such security as it thinks necessary from any person to whom any money is paid under sub-section (4) of section 7 for the due administration of the money so paid and may assign the said security to any person interested in such administration. Security for due administration.

10. (1) For the purpose of ascertaining the right of a person claiming to be entitled to payment under sub-section (4) of section 7, the prescribed authority may take evidence on oath or affirmation according to the law for the time being in force relating to oaths and affirmations. Power to administer oath.

45 of 1860.

(2) Any person who upon such oath or affirmation makes any statement which is false and which he either knows or believes to be false or does not believe to be true shall be deemed guilty of an offence under section 193 of the Indian Penal Code.

11. No suit or other legal proceeding shall lie against any officer of the Government or any prescribed authority in respect of anything which is in good faith done or intended to be done under this Act. Protection of action taken in good faith.

12. (1) The Central Government may, by notification in the Official Gazette, make rules to carry out the purposes 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 form of application for savings certificates and the issue and discharge of such certificates;

- (b) the maximum limits;
- (c) the conditions as to pay relating to any class of savings or any interest paid on any amount, and the limits in the same manner as an appear in any other manner;
- (d) the transfer and conversion of savings and the fees to be levied in respect thereof;
- (e) the replacement of savings certificates or destroyed and the fees payable in respect thereof;
- (f) the form of nominations, the manner in which and the conditions subject to which nominations may be made and the registration of nominations;
- (g) the manner in which any person may be appointed for the purposes of sub-section (3) of section 6;
- (h) the variation or cancellation of nominations and the registration of such variations or cancellations;
- (i) the fees that may be levied for registration, variation or cancellation of nominations;
- (j) any other matter which has 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.

Repeal and
savings.

13. (1) The Post Office National Savings Certificates Ordinance, 1944, is hereby repealed. 42 of 1944.

(2) Notwithstanding the repeal of the said Ordinance, any rules made or deemed to have been made or anything done or any action taken in exercise of any of the powers conferred by or under the said Ordinance shall be deemed to have been made, done or taken in exercise of the powers conferred by or under this Act, as if this Act were in force on the day on which such rules were made, such thing was done or such action was taken.

THE RAJASTHAN AND MADHYA PRADESH (TRANSFER OF TERRITORIES) ACT, 1959

No. 47 OF 1959

[18th September, 1959]

An Act to provide for the transfer of certain territories from the State of Rajasthan to the State of Madhya Pradesh and for matters connected therewith.

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

1. This Act may be called the Rajasthan and Madhya Pradesh Short title.
(Transfer of Territories) Act, 1959.

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

Definitions

(a) "appointed day" means the 1st day of October, 1959;

(b) "assembly constituency", "council constituency" and "parliamentary constituency" have the same meanings as in the Representation of the People Act, 1950;

43 of 1950.

(c) "sitting member", in relation to either House of Parliament or of the Legislature of a State, means a person who, immediately before the appointed day, is a member of that House;

(d) "transferred territories" means the territories specified in the First Schedule and transferred from the State of Rajasthan to the State of Madhya Pradesh by section 3.

3. (1) As from the appointed day, there shall be added to the State of Madhya Pradesh the territories specified in the First Schedule which shall thereupon cease to form part of the State of Rajasthan.

Transfer of territories from Rajasthan to Madhya Pradesh.

(2) The transferred territories shall be included in, and form part of, Bhanpura pargana of Mandsaur district in the State of Madhya Pradesh.

(3) Nothing in sub-section (2) shall be deemed to affect the power of the State Government to alter after the appointed day the name, extent or boundaries of any district in the State of Madhya Pradesh.

Amendment
of the First
Schedule to
the Consti-
tution.

4. As from the appointed day, in the First Schedule to the Constitution, under the heading "I. THE STATES",—

(a) in the entry against "6. Madhya Pradesh", after the words and figures "States Reorganisation Act, 1956", the words, brackets and figures "and the First Schedule to the Rajasthan and Madhya Pradesh (Transfer of Territories) Act, 1959" shall be inserted;

(b) in the entry against "11. Rajasthan", after the words and figures "States Reorganisation Act, 1956", the words, brackets and figures "but excluding the territories specified in the First Schedule to the Rajasthan and Madhya Pradesh (Transfer of Territories) Act, 1959" shall be inserted.

Amendments
of Delimita-
tion Orders.

5. The Delimitation of Parliamentary and Assembly Constituencies Order, 1956, and the Delimitation of Council Constituencies (Madhya Pradesh) Order, 1957, shall have effect subject to the modifications specified in the Second Schedule.

Provision as
to sitting
members.

6. (1) The sitting members of the House of the People representing Mandsaur constituency in the State of Madhya Pradesh and Kotah constituency in the State of Rajasthan shall, notwithstanding the alteration in the extent of those constituencies by virtue of the provisions of this Act, continue to be members of the House of the People.

(2) The sitting members of the Legislative Assemblies of Madhya Pradesh and Rajasthan representing Garoth constituency and Begun constituency respectively shall, notwithstanding the alteration in the extent of those constituencies by virtue of the provisions of this Act, continue to be members of the said Assemblies.

Extension of
jurisdiction
of Madhya
Pradesh
High Court.

7. (1) As from the appointed day,—

(a) the jurisdiction of the High Court of Madhya Pradesh shall extend to the transferred territories; and

(b) the High Court of Rajasthan shall have no jurisdiction in respect of the said territories.

(2) If, immediately before the appointed day, there is any proceeding relating to the transferred territories pending in the High Court of Rajasthan, then, notwithstanding anything contained in sub-section (1), such proceeding shall be heard and disposed of by that High Court.

(3) Any order made by the High Court of Rajasthan in any proceeding with respect to which that High Court exercises jurisdiction by virtue of sub-section (2), shall, for all purposes, have effect, not only as an order of the High Court of Rajasthan, but also as an order made by the High Court of Madhya Pradesh.

(4) For the purposes of this section,—

(a) proceedings shall be deemed to be pending in the High Court of Rajasthan until that Court has disposed of all issues between the parties, including any issues with respect to the taxation of the costs of the proceedings and shall include appeals, applications for leave to appeal to the Supreme Court, applications for review, petitions for revision and petitions for writs;

(b) references to a High Court shall be construed as including references to a Judge or Division Court thereof, and references to an order made by a Court or a Judge shall be construed as including references to a sentence, judgment or decree passed or made by that Court or Judge.

8. As from the appointed day, any Act passed by the Legislature of Madhya Pradesh before that day for the appropriation of any money out of the Consolidated Fund of the State to meet any expenditure in respect of any part of the financial year 1959-60 shall have effect also in relation to the transferred territories, and it shall be lawful for the State Government to spend any amount for those territories out of the amount authorised by such Act to be expended for any services in that State.

Appropriation of moneys for expenditure in transferred territories under existing Appropriation Acts.

9. (1) All land and all stores, articles and other goods in the transferred territories belonging to the State of Rajasthan shall, as from the appointed day, pass to the State of Madhya Pradesh.

Assets and liabilities.

Explanation.—In this sub-section, the expression “land” includes immovable property of every kind and any rights in or over such property and the expression “goods” does not include coins, bank notes and currency notes.

(2) All rights, liabilities and obligations, whether arising out of a contract or otherwise, of the State of Rajasthan in relation to the

transferred territories shall, as from the appointed day, be the rights, liabilities and obligations, respectively, of the State of Madhya Pradesh.

State Financial Corporations and State Electricity Boards.

10. As from the appointed day,—

(a) the Financial Corporations constituted under the State Financial Corporations Act, 1951, for the States of Rajasthan and Madhya Pradesh, and ^{63 of 1951.}

(b) the State Electricity Boards constituted under the Electricity (Supply) Act, 1948, for the said States, ^{54 of 1948.}

shall be deemed to have been constituted for those States with their areas as altered by the provisions of section 3.

Extension of laws.

11. All laws which immediately before the appointed day extend to, or are in force in, the Mandsaur district in the State of Madhya Pradesh but do not extend to, or are not in force in, the transferred territories shall, as from that day, extend to, or as the case may be, come into force in, the transferred territories; and all laws which, immediately before the appointed day, are in force in the transferred territories, but not in the Mandsaur district in the State of Madhya Pradesh, shall, on that day, cease to be in force in the transferred territories, except as respects things done or omitted to be done before that day.

Explanation.—In this section “law” includes any enactment, ordinance, regulation, order, bye-law, rule, scheme, notification or other instrument having the force of law in the whole or in any part of Madhya Pradesh or Rajasthan.

Power to construe laws.

12. Any court, tribunal or authority required or empowered to enforce any law extended to the transferred territories by section 11 may, for the purpose of facilitating its application in relation to the transferred territories, construe the law in such manner, without affecting the substance, as may be necessary or proper in regard to the matter before the court, tribunal or authority.

Legal proceedings.

13. Where, immediately before the appointed day, the State of Rajasthan is a party to any legal proceedings with respect to any property, rights or liabilities transferred to the State of Madhya Pradesh under this Act, that State shall be deemed to be substituted for the State of Rajasthan as a party to those proceedings, or added as a party thereto, as the case may be, and the proceedings may continue accordingly.

Transfer of pending proceedings.

14. (1) Every proceeding pending immediately before the appointed day before any court (other than a High Court), tribunal, authority or officer in any area which on that day falls within the State of

Rajasthan shall, if it is a proceeding relating exclusively to any part of the transferred territories, stand transferred to the corresponding court, tribunal, authority or officer in the State of Madhya Pradesh.

(2) If any question arises as to whether any proceeding should stand transferred under sub-section (1), it shall be referred to the High Court of Rajasthan and the decision of that High Court shall be final.

(3) In this section,—

(a) “proceeding” includes any suit, case or appeal; and

(b) “corresponding court, tribunal, authority or officer” in Madhya Pradesh means—

(i) the court, tribunal, authority or officer in which, or before whom, the proceeding would have lain if the proceeding had been instituted after the appointed day, or

(ii) in case of doubt, such court, tribunal, authority or officer in that State as may be determined after the appointed day by the Government of Madhya Pradesh, or before the appointed day by the Government of Rajasthan, to be the corresponding court, tribunal, authority or officer.

15. The provisions of this Act shall have effect notwithstanding anything inconsistent therewith contained in any other law.

Effect of provisions inconsistent with other laws.

16. If any difficulty arises in giving effect to the provisions of this Act (including any difficulty in relation to the transition under section 11 from one law to another law), the President may by order do anything not inconsistent with any such provision which appears to him to be necessary for the purpose of removing the difficulty.

Power to remove difficulties.

17. (1) The Central Government may, by notification in the Official Gazette, make rules to give effect to the provisions of this Act.

Power to make rules.

(2) 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.

THE FIRST SCHEDULE

[See sections 2(d) and 3]

TERRITORIES TRANSFERRED FROM THE STATE OF RAJASTHAN TO THE STATE OF
MADHYA PRADESH

The following territories comprised within the villages specified below in Bhensrorgarh
tehsil of Chittor district, namely:—

Name of village	Sheet No.	Khasara No.	Area in	
			Bighas	Biswas
1	2	3	4	
Dotada	11	361	124	10
	12	362	814	..
	13	363	173	3
	13	364	572	16
	14	365	926	14
	14	366	15	16
	14	367	200	..
	14	368	202	16
	15	369	364	15
	15	370	239	7
	13	371	14	18
TOTAL			3,648	15
Pipalda	5	220	730	..
	5	221	49	..
	6	222	535	..
	6	223	142	12
TOTAL			1,456	12
Barkheda	7	118	..	10
	7	119	248	..
	8	120	292	1
	8	121	138	2
TOTAL			678	13
GRAND TOTAL			5,784 Bighas or 3,085 Acres.	

THE SECOND SCHEDULE

(See section 5)

PART I

Modifications of the First Schedule to the Delimitation of Parliamentary and Assembly Constituencies Order, 1956

1. In Part "6—MADHYA PRADESH", the Note at the end shall be numbered as "NOTE I" and the following shall be added thereto, namely:—

"NOTE II:—Any reference to Mandsaur district in column 3 of this Part shall be taken to mean the area comprised within that district on the 1st day of October, 1959."

2. In Part "11—RAJASTHAN", the following Note shall be added at the end, namely:—

"NOTE:—Any reference in column 3 of this Part to Chittor district or Bhensrorgarh tahsil, shall be taken to mean the area comprised within that district or tahsil on the 1st day of October, 1959."

PART II

Modifications of the Second Schedule to the Delimitation of Parliamentary and Assembly Constituencies Order, 1956

1. In Part "6—MADHYA PRADESH", the Note at the end shall be numbered as "NOTE I" and the following shall be added thereto, namely:—

"NOTE II:—Any reference in column 3 of this Part to Bhanpura pargana of Mandsaur district shall be taken to mean the area comprised within that pargana on the 1st day of October, 1959."

2. In Part "11—RAJASTHAN", the following Note shall be added at the end, namely:—

"NOTE:—Any reference in column 3 of this Part to Bhensrorgarh tahsil of Chittor district shall be taken to mean the area comprised within that tahsil on the 1st day of October, 1959."

PART III

Modification of the Delimitation of Council Constituencies
(Madhya Pradesh) Order, 1957

After the Table, the following Note shall be inserted, namely:—

6
“NOTE:—Any reference in column 2 of this Table to Indore Division shall be taken to mean the area comprised within that Division on the 1st day of October, 1959.”

THE MISCELLANEOUS PERSONAL LAWS
(EXTENSION) ACT, 1959

No. 48 OF 1959

[4th December, 1959]

An Act to provide for the extension of certain personal laws to parts of India in which they are not now in force.

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

1. (1) This Act may be called the Miscellaneous Personal Laws (Extension) Act, 1959. 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.

2. In this Act, "appointed day" means the date on which this Act comes into force. Definition.

3. On and from the appointed day, the Acts specified in Schedule I shall stand amended in the manner specified therein. Extension and amendment of certain Acts.

4. (1) On and from the appointed day, the enactments specified in Schedule II and other enactments corresponding to the Acts specified in Schedule I shall stand repealed in the territories to which they respectively extended immediately before that day. Repeals and savings.

(2) Nothing in sub-section (1) shall affect—

(a) the previous operation of any enactment so repealed or anything duly done or suffered thereunder; or

(b) any right, privilege, obligation or liability acquired, accrued or incurred under any enactment so repealed; or

(c) any penalty, forfeiture or punishment incurred in respect of any offence committed against any enactment so repealed; or

(d) any investigation, legal proceeding or remedy in respect of any such right, privilege, obligation, liability, penalty, forfeiture or punishment as aforesaid;

¹ 1st February, 1960, *Vide* Notfn. No. S.O 308, dt. 29-1-60, *See* Gazette of India Ex., Pt. II, Sec. 3 (ii), p. 37

and any such investigation, legal proceeding or remedy may be instituted, continued or enforced, and any such penalty, forfeiture or punishment may be imposed as if this Act had not been passed:

Provided that anything done or any action taken under any such enactment shall be deemed to have been done or taken under the corresponding provision of the Act now extended to the territory concerned and shall continue to be in force accordingly, unless and until superseded by anything done or any action taken under the said Act.

SCHEDULE I

(See section 3)

The Converts' Marriage Dissolution Act, 1866

(21 of 1866)

Section 35.—For “except the territories which, immediately, before the 1st November, 1956, were comprised in Part B States”, substitute “except the State of Jammu and Kashmir and the Union territory of Manipur”.

The Anand Marriage Act, 1909

(7 of 1909)

Section 1.—In sub-section (2), for “except the territories which, immediately before the 1st November, 1956, were comprised in Part B States”, substitute “except the State of Jammu and Kashmir”.

The Hindu Disposition of Property Act, 1916

(15 of 1916)

Section 1.—For sub-section (2), substitute—

“(2) It extends to the whole of India except the State of Jammu and Kashmir.”.

The Hindu Inheritance (Removal of Disabilities) Act, 1928

(12 of 1928)

Section 1.—In sub-section (2), for “except the territories which, immediately before the 1st November, 1956, were comprised in Part B States”, substitute “except the State of Jammu and Kashmir”.

Section 2.—Omit “from inheritance or”.

The Hindu Gains of Learning Act, 1930
(30 of 1930)

Section 1.—In sub-section (2), for “except the territories which, immediately before the 1st November, 1956, were comprised in Part B States”, substitute “except the State of Jammu and Kashmir”.

The Muslim Personal Law (Shariat) Application Act, 1937
(26 of 1937)

Section 1.—In sub-section (2), for “except the territories which, immediately before the 1st November, 1956, were comprised in Part B States”, substitute “except the State of Jammu and Kashmir”.

The Dissolution of Muslim Marriages Act, 1939
(8 of 1939)

Section 1.—In sub-section (2), for “except the territories which, immediately before the 1st November, 1956, were comprised in Part B States”, substitute “except the State of Jammu and Kashmir”.

SCHEDULE II

[See section 4 (1)]

The Hindu Transfers and Bequests (City of Madras) Act, 1921
(8 of 1921).

The Hyderabad Hindu Gains of Learning Act, 1344-F (Hyderabad Act 5 of 1344-F).

The Hyderabad (Application of Central Acts) Act, 1952 (Hyderabad Act 48 of 1952), in so far as it relates to any of the Acts specified in Schedule I.

The Andhra Pradesh (Extension of Laws) Act, 1958 (Andhra Pradesh Act 23 of 1958), in so far as it relates to the Hindu Gains of Learning Act, 1930.

The State of Saurashtra (Application of Central and Bombay Acts) Ordinance, 1948 (Saurashtra Ordinance 25 of 1948), in so far as it relates to—

(a) the Hindu Inheritance (Removal of Disabilities) Act, 1928 (12 of 1928), and

(b) the Hindu Gains of Learning Act, 1930 (30 of 1930).

The Saurashtra Dissolution of Muslim Marriages Act, 1952 (Saurashtra Act 26 of 1952).

The Travancore Muslim Succession Act, 1108 (11 of 1108).

The Cochin Muslim Succession Act, 1108 (15 of 1108).

The Travancore Hindu Inheritance (Removal of Disabilities) Act, 1114 (18 of 1114).

The Travancore Hindu Gains of Learning Act, 1117 (3 of 1117).

The Cochin Muslim Marriages Dissolution Act, 1120 (22 of 1120).

The Madhya Bharat (Adoption of Laws) Act, Samvat 2009 (Act 1 of 1953), in so far as it relates to—

(a) the Anand Marriage Act, 1909 (7 of 1909);

(b) the Hindu Disposition of Property Act, 1916 (15 of 1916);

(c) the Hindu Inheritance (Removal of Disabilities) Act, 1928 (12 of 1928);

(d) the Hindu Gains of Learning Act, 1930 (30 of 1930);
and

(e) the Muslim Personal Law (*Shariat*) Application Act, 1937 (26 of 1937).

The Madhya Bharat Dissolution of Muslim Marriages Act, 1956 (14 of 1956).

The Madras Hindu Transfers and Bequests Act, 1914 (Madras Act 1 of 1914).

The Mysore Converts' Marriage Dissolution Act, 1866 (Mysore Act 21 of 1866), as extended to Mysore.

Section 6 of the Mysore Hindu Law (Women's Rights) Act, 1933 (Mysore Act 10 of 1933).

The Mysore Hindu Inheritance (Removal of Disabilities) Act, 1938 (Mysore Act 5 of 1938).

The Mysore Dissolution of Muslim Marriages Act, 1943 (Mysore Act 43 of 1943).

The United State of Rajasthan Muslim Personal Law (*Shariat*) Application Ordinance, 1949 (14 of 1949).

The Rajasthan (Adaptation of Central Laws) Ordinance, 1950 (4 of 1950), in so far as it relates to—

- (a) the Anand Marriage Act, 1909 (7 of 1909);
- (b) the Hindu Disposition of Property Act, 1916 (15 of 1916);
- (c) the Hindu Inheritance (Removal of Disabilities) Act, 1928 (12 of 1928);
- (d) the Hindu Gains of Learning Act, 1930 (30 of 1930);
and
- (e) the Dissolution of Muslim Marriages Act, 1939 (8 of 1939).

THE SECURITIES CONTRACTS (REGULATION)
AMENDMENT ACT, 1959

NO. 49 OF 1959

[8th December, 1959]

An Act to amend the Securities Contracts (Regulation) Act, 1956.

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

Short title

1. This Act may be called the Securities Contracts (Regulation) Amendment Act, 1959.

Insertion of
new section
7A.

2. After section 7 of the Securities Contracts (Regulation) Act, 1956 (hereinafter referred to as the principal Act), the following section shall be inserted, namely:—

Power of
recognised
stock ex-
change to
make rules
restricting
voting
rights, etc.

“7A. (1) A recognised stock exchange may make rules or amend any rules made by it to provide for all or any of the following matters, namely:—

(a) the restriction of voting rights to members only in respect of any matter placed before the stock exchange at any meeting;

(b) the regulation of voting rights in respect of any matter placed before the stock exchange at any meeting so that each member may be entitled to have one vote only, irrespective of his share of the paid-up equity capital of the stock exchange;

(c) the restriction on the right of a member to appoint another person as his proxy to attend and vote at a meeting of the stock exchange;

(d) such incidental, consequential and supplementary matters as may be necessary to give effect to any of the matters specified in clauses (a), (b) and (c).

(2) No rules of a recognised stock exchange made or amended in relation to any matter referred to in clauses (a) to (d) of sub-section (1) shall have effect until they have been approved by the Central Government and published by that Government in the Official Gazette and, in approving the rules so made or

amended, the Central Government may make such modifications therein as it thinks fit, and on such publication, the rules as approved by the Central Government shall be deemed to have been validly made, notwithstanding anything to the contrary contained in the Companies Act, 1956."

1 of 1956.

3. For section 28 of the principal Act, the following section shall be substituted, namely:—

Substitution
of new section
for
section 28.

"28. (1) The provisions of this Act shall not apply to—

Act not to
apply in cer-
tain cases.

(a) the Government, the Reserve Bank of India, any local authority or any corporation set up by a special law or any person who has effected any transaction with or through the agency of any such authority as is referred to in this clause;

(b) any convertible bond or share warrant or any option or right in relation thereto, in so far as it entitles the person in whose favour any of the foregoing has been issued to obtain at his option from the company or other body corporate issuing the same or from any of its shareholders or duly appointed agents shares of the company or other body corporate whether by conversion of the bond or warrant or otherwise, on the basis of the price agreed upon when the same was issued.

(2) Without prejudice to the provisions contained in subsection (1), if the Central Government is satisfied that in the interests of trade and commerce or the economic development of the country it is necessary or expedient so to do, it may, by notification in the Official Gazette, specify any class of contracts as contracts to which this Act or any provision contained therein shall not apply, and also the conditions, limitations or restrictions, if any, subject to which it shall not so apply."

THE KERALA STATE LEGISLATURE (DELEGATION
OF POWERS) ACT, 1959

No. 50 OF 1959

[17th December, 1959]

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 Tenth Year of the Republic of India as follows:—

Short title. 1. This Act may be called the Kerala State Legislature (Delegation of Powers) Act, 1959.

Definition. 2. In this Act, "Proclamation" means the Proclamation issued on the 31st day of July, 1959, by the President under article 356 of the Constitution.

Conferment 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 HAJ COMMITTEE ACT, 1959

NO. 51 OF 1959

[17th December, 1959]

An Act to establish a Committee in the Port of Bombay for assisting Muslim pilgrims to Saudi Arabia, Syria, Iraq, Iran and Jordan and for matters connected therewith.

Enacted by Parliament in the Tenth Year of the Republic of India as follows:—

Short title. 1. This Act may be called the Haj Committee Act, 1959.

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

(a) "Committee" means the Haj Committee constituted under this Act;

(b) "pilgrim" means a Muslim proceeding on or returning from pilgrimage to Saudi Arabia, Syria, Iraq, Iran or Jordan;

(c) "pilgrim ship" means a ship conveying or about to convey pilgrims from or to the port of Bombay to or from any port in the Red Sea other than Suez;

(d) "prescribed" means prescribed by rules made under this Act.

Incorporation of Haj Committee. 3. (1) With effect from such date as the Central Government may, by notification in the Official Gazette, appoint in this behalf, there shall be established a Committee by the name of the Haj Committee.

(2) The said Committee 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 Committee. 4. (1) The Committee shall consist of the following members, namely:—

(a) the Collector of Customs, Bombay, *ex officio*;

- (b) the Chairman, Port Trust, Bombay, *ex officio*;
- (c) the Principal Officer, Mercantile Marine Department, Bombay, *ex officio*;
- (d) the Commissioner of Police for Greater Bombay, *ex officio*;
- (e) the Municipal Commissioner, Greater Bombay, *ex officio*;
- (f) the Port Health Officer, Bombay, *ex officio*;
- (g) two members to be nominated by the Central Government;
- (h) three members of Parliament of whom two are to be nominated by the Speaker of the House of the People from among its members and one by the Chairman of the Council of States from among its members;
- (i) one member to represent the State Government of Bombay to be nominated by that Government;
- (j) two members of the Bombay State Legislative Assembly to be nominated by the Speaker of that Assembly;
- (k) two members of the Municipal Corporation of Greater Bombay to be nominated by the State Government of Bombay on the recommendation of the Muslim members of the Municipal Corporation of Greater Bombay;
- (l) three members, of whom two shall be Shia Muslims, to be co-opted by all the members of the Committee to represent such interests as, in their opinion, are directly and actively interested in the welfare of the pilgrims.

(2) Every nomination under this section shall take effect as soon as it is notified by the Central Government in the Official Gazette.

5. (1) The members of the Committee shall be nominated or co-opted in such manner as may be prescribed.

Nomination
and co-
option of
members.

(2) As soon as may be after the nomination of the members of the Committee and the co-option of the members referred to in clause (1) of sub-section (1) of section 4, the Central Government shall publish in the Official Gazette a list of the names of all members nominated and co-opted.

Provided that the failure to co-opt a member shall not prevent the Central Government from making nominations or from publishing the list of members as provided in this sub-section:

Provided further that the list of members of a new Committee shall not be published before the expiry of three years from the date of the publication of the list of members of the Committee which it is replacing.

Chairman
and Vice-
Chairmen.

6. (1) After the publication of the list of members of the Committee under sub-section (2) of section 5, the Central Government shall direct the Committee to elect one of its members to be the Chairman within such time as may be specified in the direction.

(2) If within the time so specified the Committee fails to elect a Chairman, the Central Government may appoint a member of the Committee to be the Chairman thereof.

(3) The Chairman shall exercise such powers and discharge such duties as may be prescribed.

(4) The Committee shall elect from among its members not more than two members to be Vice-Chairmen who shall exercise such powers and discharge such duties as may be determined by bye-laws made in this behalf by the Committee.

(5) The appointment or election of the Chairman and the Vice-Chairmen shall be notified by the Central Government in the Official Gazette.

Term of
office.

7. The term of office of the members of the Committee (other than the *ex officio* members and members filling casual vacancies) shall be not less than three years, commencing on the day following the publication of the list of members under sub-section (2) of section 5, and ending on the date of the publication of the list of members of the next Committee.

Constitution
of new Com-
mittees.

8. (1) At such time as the Central Government may deem to be expedient before or after the expiry of the period of three years after the publication of the list of members of a Committee under sub-section (2) of section 5, the Central Government shall take or cause to be taken all necessary steps for the nomination and co-option of members of the new Committee.

(2) No person shall be ineligible for nomination or co-option to the new Committee on the ground that he is or has been a member of the Committee.

9. (1) The duties of the Committee shall be—

(a) to collect and disseminate information useful to pilgrims;

(b) to advise and assist pilgrims during their stay in the city and the port of Bombay, while proceeding on or returning from pilgrimage, in all matters including vaccination, inoculation, medical inspection and issue of passes and passports, and to co-operate with the local authorities concerned in such matters;

(c) to give relief to indigent pilgrims;

(d) to negotiate and co-operate with railways, shipping companies, airways and travel agencies for the purpose of securing travelling facilities for pilgrims;

(e) to find suitable guides for employment by shipping companies on pilgrim ships;

(f) to bring the grievances of pilgrims and any irregularities or omissions on the part of a master or owner of a pilgrim ship in carrying out the provisions of the Indian Merchant Shipping Act, 1923, to the notice of the authorities concerned, and to suggest remedies;

(g) to appoint a pilgrim as "Amirul-Haj" on board a pilgrim ship to represent the grievances of the pilgrims to the master or owner of the ship;

(h) generally to look after the welfare of the pilgrims; and

(i) to discharge such other duties in connection with pilgrim traffic as may be prescribed.

(2) The Central Government shall afford all reasonable assistance to the Committee in the discharge of the duties imposed by this section.

10. (1) The Committee shall meet at least once in every month during the four months before the Haj Day and during the two months after the Haj Day, and at least once in three months during the rest of the year. Meetings of Committee.

(2) The number of members required to make a quorum at any meeting shall be six.

(3) All matters shall be decided by a majority of votes of the members present, and in the event of an equality of votes the Chairman or other person presiding shall have a casting vote.

Vacancies, etc., not to invalidate acts or proceedings of the Committee.

11. No act or proceeding of the Committee shall be invalid by reason only of the existence of any vacancy among its members or any defect in the constitution thereof.

Executive officer and other employees.

12. (1) The Central Government shall, in consultation with the Committee, appoint a person to be the Executive Officer thereof who shall also be the Secretary to the Committee.

(2) The Committee shall, subject to the approval of the Central Government, appoint such other employees as it may consider necessary for the efficient discharge of its duties under this Act.

Sub-committees and inspection of pilgrim ships.

13. (1) The Committee shall appoint one or more sub-committees consisting of such number of its members as it thinks fit for the inspection of pilgrim ships.

(2) Any such sub-committee when inspecting a pilgrim ship shall be accompanied by the certifying officer appointed for the port under section 151 of the Indian Merchant Shipping Act, 1923, or by the Surveyor of the ship or other person deputed by the certifying officer. ^{21 of 1923.}

(3) The Executive Officer of the Committee, or a sub-committee appointed under sub-section (1) may enter and inspect any pilgrim ship advertised or offering to sail from, or which has returned to, the port of Bombay.

(4) A master or any officer of a pilgrim ship who fails to render reasonable facilities for such inspection shall be punishable with fine which may extend to five hundred rupees.

(5) No magistrate other than a presidency magistrate or magistrate of the first class shall take cognizance of an offence punishable under sub-section (4), and such magistrate shall take cognizance of such offence only on written complaint by the Chairman of the Committee.

(6) The Committee may also appoint other sub-committees for such purposes as it may think fit and any such sub-committee shall consist of such number of members and other persons as may be determined by bye-laws made in this behalf by the Committee.

Haj Fund.

14. The Committee shall have its own Fund to be called the Haj Fund, and there shall be placed to the credit thereof the following sums, namely:—

(a) the interest on all deposits made by pilgrims under clause (b) of section 208A of the Indian Merchant Shipping Act, 1923;

21 of 1923.

(b) the fees charged for the registration of pilgrim passes in pursuance of any rule made under section 213 of the Indian Merchant Shipping Act, 1923;

(c) the sums realised from the sale of the effects of deceased pilgrims and sums of money left by deceased pilgrims, which are unclaimed and have lapsed to the Government;

(d) any fees which may be levied for the issue of visitors' passes to friends and relations of pilgrims who desire to go on board a pilgrim ship;

(e) the amount standing at the commencement of this Act to the credit of the Fund known as the Indigent Pilgrims Fund:

Provided that such amount shall be applied by the Committee solely for the relief of indigent pilgrims;

(f) any sums received by the Haj Fund from private sources; and

(g) any sums allotted by the Central Government or any State Government to the Haj Fund.

20 of 1932.

15. All property, assets and funds owned or acquired, before the establishment of the Committee under this Act, by the Port Haj Committee of Calcutta and the Port Haj Committee of Bombay constituted under the Port Haj Committees Act, 1932, shall, on such establishment, vest in the Committee and form part of the Haj Fund referred to in section 14. Vesting of property in the Committee.

16. The Haj Fund shall, subject to any rules that may be made under this Act, be under the control and management of the Committee, and shall be applied to the following purposes, namely:— Application of the Haj Fund.

(a) pay and allowances of the Executive Officer and other employees of the Committee;

(b) payment of charges and expenses incidental to the objects specified in section 9;

(c) any other object specified in the rules made under section 17.

17. (1) The Central Government may, by notification in the Official Gazette, make rules to carry out the purposes 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 all or any of the following matters, namely:—

(a) the manner of nomination and co-option of members of the Committee;

(b) the disqualifications for being chosen as, or for being, members of the Committee;

(c) the manner in which doubts and disputes relating to the co-optation of members may be determined;

(d) the filling up of casual vacancies in the office of the Chairman and other members of the Committee;

(e) the removal of the Chairman and other members of the Committee and their resignation from office;

(f) the term of office of the Chairman and his powers and duties;

(g) the duties which may be entrusted to the Committee;

(h) the powers and duties of the Executive Officer and the conditions of service of the Executive Officer and other employees of the Committee;

(i) the custody of the Haj Fund and the investment of balances therein;

(j) the objects for which the Haj Fund may be applied;

(k) the limit of expenditure which may be incurred by the Committee without sanction of the Central Government;

(l) the accounts to be kept by the Committee and the audit of such accounts;

(m) the preparation, submission and approval of the budget of the Committee;

(n) the returns, statements and reports to be submitted by the Committee;

(o) 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.

Power to
make bye-
laws.

18. (1) The Committee may make bye-laws not inconsistent with this Act or the rules made thereunder—

(a) prescribing the manner of election of the Vice-Chairmen;

(b) prescribing the term of office and the powers and duties of the Vice-Chairmen;

THE INDIAN PENAL CODE (AMENDMENT) ACT, 1959

No. 52 OF 1959

[17th December, 1959]

An Act further to amend the Indian Penal Code.

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

Short title,
extent and
commence-
ment.

1. (1) This Act may be called the Indian Penal Code (Amendment) Act, 1959.

(2) It extends to the whole of India except the State of Jammu and Kashmir.

(3) It shall come into force on such date¹ as the Central Government may, by notification in the Official Gazette, appoint.

Insertion of
new section
363A.

2. After section 363 of the Indian Penal Code, the following section shall be inserted, namely:—

Kidnapping
or maiming
a minor for
purposes of
begging.

'363A. (1) Whoever kidnaps any minor or, not being the lawful guardian of a minor, obtains the custody of the minor, in order that such minor may be employed or used for the purposes of begging shall be punishable with imprisonment of either description for a term which may extend to ten years, and shall also be liable to fine.

(2) Whoever maims any minor in order that such minor may be employed or used for the purposes of begging shall be punishable with imprisonment for life, and shall also be liable to fine.

(3) Where any person, not being the lawful guardian of a minor, employs or uses such minor for the purposes of begging, it shall be presumed, unless the contrary is proved, that he kidnapped or otherwise obtained the custody of that minor in order that the minor might be employed or used for the purposes of begging.

¹15th January, 1960, vide Notfn. No. G.S.R. 49, dt. 9-1-60, Gazette of India, Ex., pt. II, Sec. 3(i), p-9.

(4) In this section,—

(a) "begging" means—

(i) soliciting or receiving alms in a public place, whether under the pretence of singing, dancing, fortune-telling, performing tricks or selling articles or otherwise;

(ii) entering on any private premises for the purpose of soliciting or receiving alms;

(iii) exposing or exhibiting, with the object of obtaining or extorting alms, any sore, wound, injury, deformity or disease, whether of himself or of any other person or of an animal;

(iv) using a minor as an exhibit for the purpose of soliciting or receiving alms;

(b) "minor" means—

(i) in the case of a male, a person under sixteen years of age; and

(ii) in the case of a female, a person under eighteen years of age.

5 of 1898.
45 of 1860.

3. In the Code of Criminal Procedure, 1898, in Schedule II, after the entry relating to section 363 of the Indian Penal Code, the following entry shall be inserted, namely:—

Amendment
of Schedule
II, Act 5 of
1898.

I	2	3	4	5	6	7	8
<p>“963A Kidnapping, or obtaining the custody of, a minor, in order that such minor may be employed or used for purposes of begging.</p>	<p>May arrest without warrant.</p>	<p>Warrant</p>	<p>Not bail-able.</p>	<p>Not com-poundable.</p>	<p>Imprisonment either description for 10 years and fine.</p>	<p>of Court of Session, Presidency Magistrate, or Magistrate of the first class.</p>	<p>Court of Session”.</p>
<p>Maiming a minor in order that such minor may be employed or used for purposes of begging.</p>	<p>Ditto</p>	<p>Ditto</p>	<p>Ditto</p>	<p>Ditto</p>	<p>Imprisonment for life and fine.</p>	<p>for Court of Session”.</p>	<p>Court of Session”.</p>

THE KERALA APPROPRIATION (No. 2) ACT, 1959

No. 53 OF 1959

[18th December, 1959]

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 1959-60.

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

1. This Act may be called the Kerala Appropriation (No. 2) Act, Short title. 1959.

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 lakhs and thirty-three thousand rupees towards defraying the several charges which will come in course of payment during the financial year 1959-60, in respect of the services specified in column 2 of the Schedule.

Issue of
Rs. 20,33,000
from and out
of the Con-
solidated
Fund of the
State of
Kerala for
the financial
year 1959-60.

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)

1 No. of Vote	2 Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Consolida- ted Fund	Total
		Rs.	Rs.	Rs.
II	Land Revenue	3,99,200	..	3,99,200
IX	Heads of State, Ministers and Head Quarters' Staff . . . . .	..	51,200	51,200
XIV	Jails	6,69,000	..	6,69,000
XV	Police	1,97,100	1,400	1,98,500
XVIII	Medical	28,900	..	28,900
XIX	Public Health	99,500	..	99,500
XXVI	Civil Works	95,500	..	95,500
XXXI	Transport Schemes	10,000	..	10,000
XXXIV	Capital Outlay on Irrigation (non- commercial)	50,000	..	50,000
XXXV	Capital Outlay on Public Health	2,28,100	..	2,28,100
XXXVIII	Capital Outlay on Civil Works	1,50,000	..	1,50,000
XL	Capital Outlay on Transport Schemes outside the Revenue Account . . . . .	..	10,000	10,000
XLII	Capital Outlay on State Schemes of Government Trading . . . . .	..	43,100	43,100
	TOTAL	19,27,300	1,05,700	20,33,000



THE ARMS ACT, 1959

ARRANGEMENT OF SECTIONS

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PRELIMINARY

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2. Definitions and interpretation.

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ACQUISITION, POSSESSION, MANUFACTURE, SALE, IMPORT, EXPORT AND TRANSPORT OF ARMS AND AMMUNITION

3. Licence for acquisition and possession of firearms and ammunition.
4. Licence for acquisition and possession of arms of specified description in certain cases.
5. Licence for manufacture, sale, etc., of arms and ammunition.
6. Licence for the shortening of guns or conversion of imitation firearms into firearms.
7. Prohibition of acquisition or possession, or of manufacture or sale, of prohibited arms or prohibited ammunition.
8. Prohibition of sale or transfer of firearms not bearing identification marks.
9. Prohibition of acquisition or possession by, or of sale or transfer to, young persons and certain other persons of firearms, etc.
10. Licence for import and export of arms, etc.
11. Power to prohibit import or export of arms, etc.
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PROVISIONS RELATING TO LICENCES

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14. Refusal of licences.
15. Duration and renewal of licence.
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17. Variation, suspension and revocation of licences.
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20. Arrest of persons conveying arms, etc., under suspicious circumstances.
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22. Search and seizure by magistrate.
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OFFENCES AND PENALTIES

25. Punishment for certain offences.
26. Secret contraventions.
27. Punishment for possessing arms, etc., with intent to use them for unlawful purpose.
28. Punishment for use and possession of firearms or imitation firearms in certain cases.
29. Punishment for knowingly purchasing arms, etc., from unlicensed person or for delivering arms, etc., to person not entitled to possess the same.
30. Punishment for contravention of licence or rule.
31. Punishment for subsequent offences.
32. Power to confiscate.
33. Offences by companies.

CHAPTER VI

MISCELLANEOUS

34. Sanction of Central Government for warehousing of arms.
35. Criminal responsibility of persons in occupation of premises in certain cases.
36. Information to be given regarding certain offences.
37. Arrest and searches.
38. Offences to be cognizable.
39. Previous sanction of the district magistrate necessary in certain cases.
40. Protection of action taken in good faith.
41. Power to exempt.
42. Power to take census of firearms.
43. Power to delegate.
44. Power to make rules.
45. Act not to apply in certain cases.
46. Repeal of Act 11 of 1878.

THE ARMS ACT, 1959

No. 54 OF 1959

[23rd December, 1959]

An Act to consolidate and amend the law relating to arms and ammunition.

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

CHAPTER I

PRELIMINARY

1. (1) This Act may be called the Arms Act, 1959. Short title,
extent and
commence-
ment.
- (2) It extends to the whole of India.
- (3) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.
2. (1) In this Act, unless the context otherwise requires,— Definitions
and inter-
pretation.
 - (a) "acquisition", with its grammatical variations and cognate expressions, includes hiring, borrowing, or accepting as a gift;
 - (b) "ammunition" means ammunition for any firearm, and includes—
 - (i) rockets, bombs, grenades, shells and other like missiles,
 - (ii) articles designed for torpedo service and submarine mining,
 - (iii) other articles containing, or designed or adapted to contain, explosive, fulminating or fissionable material or noxious liquid, gas or other such thing, whether capable of use with firearms or not,
 - (iv) charges for firearms and accessories for such charges,

(v) fuses and friction tubes,

(vi) parts of, and machinery for manufacturing, ammunition, and

(vii) such ingredients of ammunition as the Central Government may, by notification in the Official Gazette, specify in this behalf;

(c) "arms" means articles of any description designed or adapted as weapons for offence or defence, and includes firearms, sharp-edged and other deadly weapons, and parts of, and machinery for manufacturing, arms, but does not include articles designed solely for domestic or agricultural uses such as a lathi or an ordinary walking stick and weapons incapable of being used otherwise than as toys or of being converted into serviceable weapons;

(d) "district magistrate", in relation to a presidency-town or the city of Hyderabad, means the Commissioner of Police thereof;

(e) "firearms" means arms of any description designed or adapted to discharge a projectile or projectiles of any kind by the action of any explosive or other forms of energy, and includes—

(i) artillery, hand-grenades, riot-pistols or weapons of any kind designed or adapted for the discharge of any noxious liquid, gas or other such thing,

(ii) accessories for any such firearm designed or adapted to diminish the noise or flash caused by the firing thereof,

(iii) parts of, and machinery for manufacturing, firearms, and

(iv) carriages, platforms and appliances for mounting, transporting and serving artillery;

(f) "licensing authority" means an officer or authority empowered to grant or renew licences under rules made under this Act, and includes the Government;

(g) "prescribed" means prescribed by rules made under this Act;

(h) "prohibited ammunition" means any ammunition containing, or designed or adapted to contain, any noxious liquid, gas or other such thing, and includes rockets, bombs, grenades,

shells, articles designed for torpedo service and submarine mining and such other articles as the Central Government may, by notification in the Official Gazette, specify to be prohibited ammunition;

(i) "prohibited arms" means—

(i) firearms so designed or adapted that, if pressure is applied to the trigger, missiles continue to be discharged until pressure is removed from the trigger or the magazine containing the missiles is empty, or

(ii) weapons of any description designed or adapted for the discharge of any noxious liquid, gas or other such thing,

and includes artillery, anti-aircraft and anti-tank firearms and such other arms as the Central Government may, by notification in the Official Gazette, specify to be prohibited arms;

(j) "public servant" has the same meaning as in section 21 of the Indian Penal Code;

45 of 1860.

(k) "transfer", with its grammatical variations and cognate expressions, includes letting on hire, lending, giving and parting with possession.

(2) For the purposes of this Act, the length of the barrel of a firearm shall be measured from the muzzle to the point at which the charge is exploded on firing.

(3) Any reference in this Act to any law which is not in force in any area shall, in relation to that area, be construed as a reference to the corresponding law, if any, in force in that area.

(4) Any reference in this Act to any officer or authority shall, in relation to any area in which there is no officer or authority with the same designation, be construed as a reference to such officer or authority as may be specified by the Central Government by notification in the Official Gazette.

CHAPTER II

ACQUISITION, POSSESSION, MANUFACTURE, SALE, IMPORT, EXPORT AND TRANSPORT OF ARMS AND AMMUNITION

3. No person shall acquire, have in his possession, or carry any firearm or ammunition unless he holds in this behalf a licence issued in accordance with the provisions of this Act and the rules made thereunder:

Licence for acquisition and possession of firearms and ammunition.

Provided that a person may, without himself holding a licence, carry any firearm or ammunition in the presence, or under the written

authority, of the holder of the licence for repair or for renewal of the licence or for use by such holder.

Licence for acquisition and possession of arms of specified description in certain cases.

4. If the Central Government is of opinion that having regard to the circumstances prevailing in any area it is necessary or expedient in the public interest that the acquisition, possession or carrying of arms other than firearms should also be regulated, it may, by notification in the Official Gazette, direct that this section shall apply to the area specified in the notification, and thereupon no person shall acquire, have in his possession or carry in that area arms of such class or description as may be specified in that notification unless he holds in this behalf a licence issued in accordance with the provisions of this Act and the rules made thereunder.

Licence for manufacture, sale, etc., of arms and ammunition.

5. No person shall—

- (a) manufacture, sell, transfer, convert, repair, test or prove, or
- (b) expose or offer for sale or transfer or have in his possession for sale, transfer, conversion, repair, test or proof,

any firearm or any other arms of such class or description as may be prescribed or any ammunition, unless he holds in this behalf a licence issued in accordance with the provisions of this Act and the rules made thereunder:

Provided that a person may, without holding a licence in this behalf, sell or transfer any arms or ammunition which he lawfully possesses for his own private use to another person who is entitled by virtue of this Act or any other law for the time being in force to have, or is not prohibited by this Act or such other law from having, in his possession, such arms or ammunition; but the person who has sold or transferred any firearm or ammunition in respect of which a licence is required under section 3 or any arms in respect of which a licence is required under section 4, shall, immediately after the sale or transfer, inform in writing the district magistrate having jurisdiction or the officer in charge of the nearest police station, of such sale or transfer and the name and address of the other person to whom the firearm, ammunition or other arms has or have been sold or transferred.

Licence for the shortening of guns or conversion of imitation firearms into firearms.

6. No person shall shorten the barrel of a firearm or convert an imitation firearm into a firearm unless he holds in this behalf a licence issued in accordance with the provisions of this Act and the rules made thereunder.

Explanation.—In this section, the expression “imitation firearm” means anything which has the appearance of being a firearm, whether it is capable of discharging any shot, bullet or other missile or not.

7. No person shall—

- (a) acquire, have in his possession or carry; or
- (b) manufacture, sell, transfer, convert, repair, test or prove; or
- (c) expose or offer for sale or transfer or have in his possession for sale, transfer, conversion, repair, test or proof;

Prohibition of acquisition or possession, or of manufacture or sale of prohibited arms or ammunition.

any prohibited arms or prohibited ammunition unless he has been specially authorised by the Central Government in this behalf.

8. (1) No person shall obliterate, remove, alter or forge any name, number or other identification mark stamped or otherwise shown on a firearm.

Prohibition of sale or transfer of firearms not bearing identification marks.

(2) No person shall sell or transfer any firearm which does not bear the name of the maker, manufacturer's number or other identification mark stamped or otherwise shown thereon in a manner approved by the Central Government.

(3) Whenever any person has in his possession any firearm without such name, number or other identification mark or on which such name, number or other identification mark has been obliterated, removed, altered or forged, it shall be presumed unless the contrary is proved, that he has obliterated, removed, altered or forged that name, number or other identification mark:

Provided that in relation to a person who has in his possession at the commencement of this Act any firearm without such name, number or other identification mark stamped or otherwise shown thereon, the provisions of this sub-section shall not take effect until after the expiration of one year from such commencement.

9. (1) Notwithstanding anything in the foregoing provisions of this Act,—

(a) no person,—

- (i) who has not completed the age of sixteen years, or
- (ii) who has been sentenced on conviction of any offence involving violence or moral turpitude to imprisonment for a term of not less than six months, at any time during a period of five years after the expiration of the sentence, or

(iii) who has been ordered to execute under Chapter VIII of the Code of Criminal Procedure, 1898, a bond for keeping the peace or for good behaviour, at any time during the term of the bond,

Prohibition of acquisition or possession by, or of sale or transfer to, young persons and certain other persons of firearms, etc.

shall acquire, have in his possession or carry any firearm or ammunition;

(b) no person shall sell or transfer any firearm or ammunition to, or convert, repair, test or prove any firearm or ammunition for, any other person whom he knows, or has reason to believe—

(i) to be prohibited under clause (a) from acquiring, having in his possession or carrying any firearm or ammunition, or

(ii) to be of unsound mind at the time of such sale or transfer, or such conversion, repair, test or proof.

(2) Notwithstanding anything in sub-clause (i) of clause (a) of sub-section (1), a person who has attained the prescribed age-limit may use under prescribed conditions such firearms as may be prescribed in the course of his training in the use of such firearms :

Provided that different age-limits may be prescribed in relation to different types of firearms.

Licence for
import and
export of
arms, etc.

10. (1) No person shall bring into, or take out of, India by sea, land or air any arms or ammunition unless he holds in this behalf a licence issued in accordance with the provisions of this Act and the rules made thereunder:

Provided that—

(a) a person who is entitled by virtue of this Act or any other law for the time being in force to have, or is not prohibited by this Act or such other law from having, in his possession any arms or ammunition, may without a licence in this behalf bring into, or take out of, India such arms or ammunition in reasonable quantities for his own private use;

(b) a person being a *bona fide* tourist belonging to any such country as the Central Government may, by notification in the Official Gazette, specify, who is not prohibited by the laws of that country from having in his possession any arms or ammunition, may, without a licence under this section but in accordance with such conditions as may be prescribed, bring with him into India arms and ammunition in reasonable quantities for use by him for purposes only of sport and for no other purpose;

Explanation.—For purposes of clause (b) of this proviso, the word “tourist” means a person who not being a citizen of India visits India for a period not exceeding six months with no other object than recreation, sight-seeing, or participation in a

representative capacity in meetings convened by the Central Government or in international conferences, associations or other bodies.

(2) Notwithstanding anything contained in the proviso to sub-section (1), where the collector of customs or any other officer empowered by the Central Government in this behalf has any doubt as to the applicability of clause (a) or clause (b) of that proviso to any person who claims that such clause is applicable to him, or as to the reasonableness of the quantities of arms or ammunition in the possession of any person referred to in such clause, or as to the use to which such arms or ammunition may be put by such person, may detain the arms or ammunition in the possession of such person until he receives the orders of the Central Government in relation thereto.

(3) Arms and ammunition taken from one part of India to another by sea or air or across any intervening territory not forming part of India, are taken out of, and brought into, India within the meaning of this section.

11. The Central Government may, by notification in the Official Gazette, prohibit the bringing into, or the taking out of, India, arms or ammunition of such classes and descriptions as may be specified in the notification.

Power to prohibit import or export of arms, etc

12. (1) The Central Government may, by notification in the Official Gazette,—

Power to restrict or prohibit transport of arms.

(a) direct that no person shall transport over India or any part thereof arms or ammunition of such classes and descriptions as may be specified in the notification unless he holds in this behalf a licence issued in accordance with the provisions of this Act and the rules made thereunder; or

(b) prohibit such transport altogether.

(2) Arms or ammunition trans-shipped at a seaport or an airport in India are transported within the meaning of this section.

CHAPTER III

PROVISIONS RELATING TO LICENCES

13. (1) An application for the grant of a licence under Chapter II shall be made to the licensing authority and shall be in such form, contain such particulars and be accompanied by such fee, if any, as may be prescribed.

Grant of licences.

(2) On receipt of an application, the licensing authority, after making such inquiry, if any, as it may consider necessary, shall, subject to the other provisions of this Chapter, by order in writing either grant the licence or refuse to grant the same.

(3) The licensing authority shall grant—

(a) a licence under section 3 where the licence is required—

(i) by a citizen of India in respect of a smooth bore gun having a barrel of not less than twenty inches in length to be used for protection or sport or in respect of a muzzle loading gun to be used for *bona fide* crop protection:

Provided that where having regard to the circumstances of any case, the licensing authority is satisfied that a muzzle loading gun will not be sufficient for crop protection, the licensing authority may grant a licence in respect of any other smooth bore gun as aforesaid for such protection, or

(ii) in respect of a point 22 bore rifle or an air rifle to be used for target practice by a member of a rifle club or rifle association licensed or recognised by the Central Government;

(b) a licence under section 3 in any other case or a licence under section 4, section 5, section 6, section 10 or section 12, if the licensing authority is satisfied that the person by whom the licence is required has a good reason for obtaining the same.

Refusal of licences.

14. (1) Notwithstanding anything in section 13, the licensing authority shall refuse to grant—

(a) a licence under section 3, section 4 or section 5 where such licence is required in respect of any prohibited arms or prohibited ammunition;

(b) a licence in any other case under Chapter II,—

(i) where such licence is required by a person whom the licensing authority has reason to believe—

(1) to be prohibited by this Act or by any other law for the time being in force from acquiring, having in his possession or carrying any arms or ammunition, or

(2) to be of unsound mind, or

(3) to be for any reason unfit for a licence under this Act; or

(ii) where the licensing authority deems it necessary for the security of the public peace or for public safety to refuse to grant such licence.

(2) The licensing authority shall not refuse to grant any licence to any person merely on the ground that such person does not own or possess sufficient property.

(3) Where the licensing authority refuses to grant a licence to any person it shall record in writing the reasons for such refusal and furnish to that person on demand a brief statement of the same unless in any case the licensing authority is of the opinion that it will not be in the public interest to furnish such statement.

15. (1) A licence under section 3 shall, unless revoked earlier, continue in force for a period of three years from the date on which it is granted: Duration
and renewal
of licence.

Provided that such a licence may be granted for a shorter period if the person by whom the licence is required so desires or if the licensing authority for reasons to be recorded in writing considers in any case that the licence should be granted for a shorter period.

(2) A licence under any other provision of Chapter II shall, unless revoked earlier, continue in force for such period from the date on which it is granted as the licensing authority may in each case determine.

(3) Every licence shall, unless the licensing authority for reasons to be recorded in writing otherwise decides in any case, be renewable for the same period for which the licence was originally granted and shall be so renewable from time to time, and the provisions of sections 13 and 14 shall apply to the renewal of a licence as they apply to the grant thereof.

16. The fees on payment of which, the conditions subject to which and the form in which a licence shall be granted or renewed shall be such as may be prescribed: Fees, etc.
for licence.

Provided that different fees, different conditions and different forms may be prescribed for different types of licences:

Provided further that a licence may contain in addition to prescribed conditions such other conditions as may be considered necessary by the licensing authority in any particular case.

Variation,
suspension
and revoca-
tion of
licences.

17. (1) The licensing authority may vary the conditions subject to which a licence has been granted except such of them as have been prescribed and may for that purpose require the licence-holder by notice in writing to deliver-up the licence to it within such time as may be specified in the notice.

(2) The licensing authority may, on the application of the holder of a licence, also vary the conditions of the licence except such of them as have been prescribed.

(3) The licensing authority may by order in writing suspend a licence for such period as it thinks fit or revoke a licence,—

(a) if the licensing authority is satisfied that the holder of the licence is prohibited by this Act or by any other law for the time being in force, from acquiring, having in his possession or carrying any arms or ammunition, or is of unsound mind, or is for any reason unfit for a licence under this Act; or

(b) if the licensing authority deems it necessary for the security of the public peace or for public safety to suspend or revoke the licence; or

(c) if the licence was obtained by the suppression of material information or on the basis of wrong information provided by the holder of the licence or any other person on his behalf at the time of applying for it; or

(d) if any of the conditions of the licence has been contravened; or

(e) if the holder of the licence has failed to comply with a notice under sub-section (1) requiring him to deliver-up the licence.

(4) The licensing authority may also revoke a licence on the application of the holder thereof.

(5) Where the licensing authority makes an order varying a licence under sub-section (1) or an order suspending or revoking a licence under sub-section (3), it shall record in writing the reasons therefor and furnish to the holder of the licence on demand a brief statement of the same unless in any case the licensing authority is of the opinion that it will not be in the public interest to furnish such statement.

(6) The authority to whom the licensing authority is subordinate may by order in writing suspend or revoke a licence on any ground on which it may be suspended or revoked by the licensing authority; and the foregoing provisions of this section shall, as far as may be, apply in relation to the suspension or revocation of a licence by such authority.

(7) A court convicting the holder of a licence of any offence under this Act or the rules made thereunder may also suspend or revoke the licence:

Provided that if the conviction is set aside on appeal or otherwise, the suspension or revocation shall become void.

(8) An order of suspension or revocation under sub-section (7) may also be made by an appellate court or by the High Court when exercising its powers of revision.

(9) The Central Government may, by order in the Official Gazette, suspend or revoke or direct any licensing authority to suspend or revoke all or any licences granted under this Act throughout India or any part thereof.

(10) On the suspension or revocation of a licence under this section the holder thereof shall without delay surrender the licence to the authority by whom it has been suspended or revoked or to such other authority as may be specified in this behalf in the order of suspension or revocation.

18. (1) Any person aggrieved by an order of the licensing authority refusing to grant a licence or varying the conditions of a licence or by an order of the licensing authority or the authority to whom the licensing authority is subordinate, suspending or revoking a licence may prefer an appeal against that order to such authority (hereinafter referred to as the appellate authority) and within such period as may be prescribed: Appeals.

Provided that no appeal shall lie against any order made by, or under the direction of, the Government.

(2) No appeal shall be admitted if it is preferred after the expiry of the period prescribed therefor:

Provided that an appeal may be admitted after the expiry of the period prescribed therefor if the appellant satisfies the appellate authority that he had sufficient cause for not preferring the appeal within that period.

(3) The period prescribed for an appeal shall be computed in accordance with the provisions of the Indian Limitation Act, 1908, with respect to the computation of periods of limitation thereunder.

(4) Every appeal under this section shall be made by a petition in writing and shall be accompanied by a brief statement of the reasons for the order appealed against where such statement has been furnished to the appellant and by such fee as may be prescribed.

(5) In disposing of an appeal the appellate authority shall follow such procedure as may be prescribed:

Provided that no appeal shall be disposed of unless the appellant has been given a reasonable opportunity of being heard.

(6) The order appealed against shall, unless the appellate authority conditionally or unconditionally directs otherwise, be in force pending the disposal of the appeal against such order.

(7) Every order of the appellate authority confirming, modifying or reversing the order appealed against shall be final.

CHAPTER IV

POWERS AND PROCEDURE

Power to demand production of licence, etc.

19. (1) Any police officer or any other officer specially empowered in this behalf by the Central Government may demand the production of his licence from any person who is carrying any arms or ammunition.

(2) If the person upon whom a demand is made refuses or fails to produce the licence or to show that he is entitled by virtue of this Act or any other law for the time being in force to carry such arms or ammunition without a licence, the officer concerned may require him to give his name and address and if such officer considers it necessary, seize from that person the arms or ammunition which he is carrying.

(3) If that person refuses to give his name and address, or if the officer concerned suspects that person of giving a false name or address or of intending to abscond, such officer may arrest him without warrant.

Arrest of persons conveying arms, etc., under suspicious circumstances.

20. Where any person is found carrying or conveying any arms or ammunition whether covered by a licence or not, in such manner or under such circumstances as to afford just grounds of suspicion that the same are or is being carried by him with intent to use them, or that the same may be used, for any unlawful purpose, any magistrate, any police officer or any other public servant or any person employed or working upon a railway, aircraft, vessel, vehicle or any other means of conveyance, may arrest him without warrant and seize from him such arms or ammunition.

Deposit of arms, etc., on possession ceasing to be lawful.

21. (1) Any person having in his possession any arms or ammunition the possession whereof has, in consequence of the expiration of the duration of a licence or of the suspension or revocation of a licence or by the issue of a notification under section 4 or by any reason whatever, ceased to be lawful, shall without unnecessary

delay deposit the same either with the officer in charge of the nearest police station or subject to such conditions as may be prescribed, with a licensed dealer or where such person is a member of the armed forces of the Union, in a unit armoury.

Explanation.—In this sub-section “unit armoury” includes an armoury in a ship or establishment of the Indian Navy.

(2) Where arms or ammunition have or has been deposited under sub-section (1), the depositor or in the case of his death, his legal representative, shall, at any time before the expiry of such period as may be prescribed, be entitled—

(a) to receive back anything so deposited on his becoming entitled by virtue of this Act or any other law for the time being in force to have the same in his possession, or

(b) to dispose, or authorise the disposal, of anything so deposited by sale or otherwise to any person entitled by virtue of this Act or any other law for the time being in force to have, or not prohibited by this Act or such other law from having, the same in his possession and to receive the proceeds of any such disposal:

Provided that nothing in this sub-section shall be deemed to authorise the return or disposal of anything of which confiscation has been directed under section 32.

(3) All things deposited and not received back or disposed of under sub-section (2) within the period therein referred to shall be forfeited to Government by order of the district magistrate:

Provided that in the case of suspension of a licence no such forfeiture shall be ordered in respect of a thing covered by the licence during the period of suspension.

(4) Before making an order under sub-section (3) the district magistrate shall, by notice in writing to be served upon the depositor or in the case of his death, upon his legal representative, in the prescribed manner, require him to show cause within thirty days from the service of the notice why the things specified in the notice should not be forfeited.

(5) After considering the cause, if any, shown by the depositor or, as the case may be, his legal representative, the district magistrate shall pass such order as he thinks fit.

(6) The Government may at any time return to the depositor or his legal representative things forfeited to it or the proceeds of disposal thereof wholly or in part.

Search and seizure by magistrate.

22. (1) Whenever any magistrate has reason to believe—

(a) that any person residing within the local limits of his jurisdiction has in his possession any arms or ammunition for any unlawful purpose, or

(b) that such person cannot be left in the possession of any arms or ammunition without danger to the public peace or safety,

the magistrate may, after having recorded the reasons for his belief, cause a search to be made of the house or premises occupied by such person or in which the magistrate has reason to believe that such arms or ammunition are or is to be found and may have such arms or ammunition, if any, seized and detain the same in safe custody for such period as he thinks necessary, although that person may be entitled by virtue of this Act or any other law for the time being in force to have the same in his possession.

(2) Every search under this section shall be conducted by or in the presence of a magistrate or by or in the presence of some officer specially empowered in this behalf by the Central Government.

Search of vessels, vehicles for arms, etc.

23. Any magistrate, any police officer or any other officer specially empowered in this behalf by the Central Government, may for the purpose of ascertaining whether any contravention of this Act or the rules made thereunder is being or is likely to be committed, stop and search any vessel, vehicle or other means of conveyance and seize any arms or ammunition that may be found therein along with such vessel, vehicle or other means of conveyance.

Seizure and detention under orders of the Central Government.

24. The Central Government may at any time order the seizure of any arms or ammunition in the possession of any person, notwithstanding that such person is entitled by virtue of this Act or any other law for the time being in force to have the same in his possession, and may detain the same for such period as it thinks necessary for the public peace and safety.

CHAPTER V

OFFENCES AND PENALTIES

Punishment for certain offences.

25. (1) Whoever—

(a) acquires, has in his possession or carries any firearm or ammunition in contravention of section 3; or

(b) acquires, has in his possession or carries in any place specified by notification under section 4 any arms of such class or description as has been specified in that notification, in contravention of that section; or

(c) manufactures, sells, transfers, converts, repairs, tests or proves, or exposes or offers for sale or transfer, or has in his possession for sale, transfer, conversion, repair, test or proof, any arms or ammunition in contravention of section 5; or

(d) shortens the barrel of a firearm or converts an imitation firearm into a firearm in contravention of section 6; or

(e) acquires, has in his possession or carries, or manufactures, sells, transfers, converts, repairs, tests or proves, or exposes or offers for sale or transfer, or has in his possession for sale, transfer, conversion, repair, test or proof, any prohibited arms or prohibited ammunition in contravention of section 7; or

(f) sells or transfers any firearm which does not bear the name of the maker, manufacturer's number or other identification mark stamped or otherwise shown thereon as required by sub-section (2) of section 8 or does any act in contravention of sub-section (1) of that section; or

(g) being a person to whom sub-clause (ii) or sub-clause (iii) of clause (a) of sub-section (1) of section 9 applies, acquires, has in his possession or carries any firearm or ammunition in contravention of that section; or

(h) sells or transfers, or converts, repairs, tests or proves any firearm or ammunition in contravention of clause (b) of sub-section (1) of section 9; or

(i) brings into, or takes out of, India, any arms or ammunition in contravention of section 10; or

(j) brings into, or takes out of, India, arms or ammunition of any class or description in contravention of section 11; or

(k) transports any arms or ammunition in contravention of section 12; or

(l) fails to deposit arms or ammunition as required by sub-section (1) of section 21; or

(m) being a manufacturer of, or dealer in, arms or ammunition, fails, on being required to do so by rules made under section 44, to maintain a record or account or to make therein all such entries as are required by such rules or intentionally makes a false entry therein or prevents or obstructs the inspection of such record or account or the making of copies of entries therefrom or prevents or obstructs the entry into any premises or other place where arms or ammunition are or is manufac-

tured or kept or intentionally fails to exhibit or conceals such arms or ammunition or refuses to point out where the same are or is manufactured or kept;

shall be punishable with imprisonment for a term which may extend to three years, or with fine, or with both.

(2) Whoever being a person to whom sub-clause (i) of clause (a) of sub-section (1) of section 9 applies, acquires, has in his possession or carries any firearm or ammunition in contravention of that section shall be punishable with imprisonment for a term which may extend to one year, or with fine, or with both.

(3) Whoever having sold or transferred any firearms or ammunition or other arms under the proviso to section 5 fails to inform the district magistrate having jurisdiction or the officer in charge of the nearest police station, of such sale or transfer shall be punishable with imprisonment for a term which may extend to six months, or with fine of an amount which may extend to five hundred rupees, or with both.

(4) Whoever fails to deliver-up a licence when so required by the licensing authority under sub-section (1) of section 17 for the purpose of varying the conditions specified in the licence or fails to surrender a licence to the appropriate authority under sub-section (10) of that section on its suspension or revocation shall be punishable with imprisonment for a term which may extend to six months, or with fine of an amount which may extend to five hundred rupees, or with both.

(5) Whoever, when required under section 19 to give his name and address, refuses to give such name and address or gives a name or address which subsequently transpires to be false shall be punishable with imprisonment for a term which may extend to six months, or with fine of an amount which may extend to two hundred rupees, or with both.

Secret con-
traventions.

26. Whoever—

(a) does any act in contravention of any of the provisions of sections 3, 4, 5, 6, 7, 10, 11 or 12 in such manner as to indicate an intention that such act may not be known to any public servant or to any person employed or working upon a railway, aircraft, vessel, vehicle or any other means of conveyance; or

(b) on any search being made under section 22 conceals or attempts to conceal any arms or ammunition;

shall be punishable with imprisonment for a term which may extend to seven years, or with fine, or with both.

27. Whoever has in his possession any arms or ammunition with intent to use the same for any unlawful purpose or to enable any other person to use the same for any unlawful purpose shall, whether such unlawful purpose has been carried into effect or not, be punishable with imprisonment for a term which may extend to seven years, or with fine, or with both.

Punishment for possessing arms, etc., with intent to use them for unlawful purpose.

28. Whoever makes or attempts to make any use whatsoever of a firearm or an imitation firearm with intent to resist or prevent the lawful arrest or detention of himself or any other person shall be punishable with imprisonment for a term which may extend to seven years, or with fine, or with both.

Punishment for use and possession of firearms or imitation firearms in certain cases.

Explanation.—In this section the expression “imitation firearm” has the same meaning as in section 6.

29. Whoever—

(a) purchases any firearms or any other arms of such class or description as may be prescribed or any ammunition from any other person knowing that such other person is not licensed or authorised under section 5; or

Punishment for knowingly purchasing arms, etc., from unlicensed person or for delivering arms, etc., to person not entitled to possess the same.

(b) delivers any arms or ammunition into the possession of another person without previously ascertaining that such other person is entitled by virtue of this Act or any other law for the time being in force to have, and is not prohibited by this Act or such other law from having, in his possession the same;

shall be punishable with imprisonment for a term which may extend to six months, or with fine of an amount which may extend to five hundred rupees, or with both.

30. Whoever contravenes any condition of a licence or any provision of this Act or any rule made thereunder, for which no punishment is provided elsewhere in this Act shall be punishable with imprisonment for a term which may extend to three months, or with fine which may extend to five hundred rupees, or with both.

Punishment for contravention of licence or rule.

31. Whoever having been convicted of an offence under this Act is again convicted of an offence under this Act shall be punishable with double the penalty provided for the latter offence.

Punishment for subsequent offences.

32. (1) When any person is convicted under this Act of any offence committed by him in respect of any arms or ammunition, it shall be in the discretion of the convicting court further to direct that the whole or any portion of such arms or ammunition, and any vessel, vehicle or other means of conveyance and any receptacle or thing containing, or used to conceal, the arms or ammunition shall be confiscated :

Power to confiscate.

Provided that if the conviction is set aside on appeal or otherwise, the order of confiscation shall become void.

(2) An order of confiscation may also be made by the appellate court or by the High Court when exercising its powers of revision.

Offences
by com-
panies.

33. (1) Whenever 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, or 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 under this Act if he proves that the offence was committed without his knowledge and 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.

CHAPTER VI MISCELLANEOUS

Sanction of
Central Go-
vernment
for ware-
housing of
arms.

34. Notwithstanding anything contained in the Sea Customs Act, 1878, no arms or ammunition shall be deposited in any warehouse licensed under section 16 of that Act without the sanction of the Central Government. 8 of 1878.

Criminal
responsibility
of persons
in occupa-
tion of pre-
mises in cer-
tain cases.

35. Where any arms or ammunition in respect of which any offence under this Act has been or is being committed are or is found in any premises, vehicle or other place in the joint occupation or under the joint control of several persons, each of such persons in respect of whom there is reason to believe that he was aware of the existence of the arms or ammunition in the premises, vehicle or other place shall, unless the contrary is proved, be liable for that offence in the same manner as if it has been or is being committed by him alone.

36. (1) Every person aware of the commission of any offence under this Act shall, in the absence of reasonable excuse the burden of proving which shall lie upon such person, give information of the same to the officer in charge of the nearest police station or the magistrate having jurisdiction.

Information to be given regarding certain offences.

(2) Every person employed or working upon any railway, aircraft, vessel, vehicle or other means of conveyance shall, in the absence of reasonable excuse the burden of proving which shall lie upon such person, give information to the officer in charge of the nearest police station regarding any box, package or bale in transit which he may have reason to suspect contains arms or ammunition in respect of which an offence under this Act has been or is being committed.

37. Save as otherwise provided in this Act,—

Arrest and searches.

5 of 1898.

(a) all arrests and searches made under this Act or under any rules made thereunder shall be carried out in accordance with the provisions of the Code of Criminal Procedure, 1898, relating respectively to arrests and searches made under that Code;

(b) any person arrested and any arms or ammunition seized under this Act by a person not being a magistrate or a police officer shall be delivered without delay to the officer in charge of the nearest police station and that officer shall—

(i) either release that person on his executing a bond with or without sureties to appear before a magistrate and keep the things seized in his custody till the appearance of that person before the magistrate, or

(ii) should that person fail to execute the bond and to furnish, if so required, sufficient sureties, produce that person and those things without delay before the magistrate.

5 of 1898.

38. Every offence under this Act shall be cognizable within the meaning of the Code of Criminal Procedure, 1898.

Offences to be cognizable.

39. No prosecution shall be instituted against any person in respect of any offence under section 3 without the previous sanction of the district magistrate.

Previous sanction of the district magistrate necessary in certain cases.

40. No suit, prosecution or other legal proceeding shall lie against any person for anything which is in good faith done or intended to be done under this Act.

Protection of action taken in good faith.

Power to
exempt.

41. Where the Central Government is of the opinion that it is necessary or expedient in the public interest so to do, it may, by notification in the Official Gazette and subject to such conditions, if any, as it may specify in the notification,—

(a) exempt any person or class of persons, or exclude any description of arms or ammunition, or withdraw any part of India, from the operation of all or any of the provisions of this Act; and

(b) as often as may be, cancel any such notification and again subject, by a like notification, the person or class of persons or the description of arms and ammunition or the part of India to the operation of such provisions.

Power to
take census
of firearms.

42. (1) The Central Government may, by notification in the Official Gazette, direct a census to be taken of all firearms in any area and empower any officer of Government to take such census.

(2) On the issue of any such notification all persons having in their possession any firearm in that area shall furnish to the officer concerned such information as he may require in relation thereto and shall produce before him such firearms if he so requires.

Power to
delegate.

43. (1) The Central Government may, by notification in the Official Gazette, direct that any power or function which may be exercised or performed by it under this Act other than the power under section 41 or the power under section 44 may, in relation to such matters and subject to such conditions, if any, as it may specify in the notification, be exercised or performed also by—

(a) such officer or authority subordinate to the Central Government, or

(b) such State Government or such officer or authority subordinate to the State Government,

as may be specified in the notification.

(2) Any rules made by the Central Government under this Act may confer powers or impose duties or authorise the conferring of powers or imposition of duties upon any State Government or any officer or authority subordinate thereto.

Power to
make rules.

44. (1) The Central Government may, by notification in the Official Gazette, make rules for carrying out the purposes of this Act.

(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 appointment, jurisdiction, control and functions of licensing authorities;

(b) the form and particulars of application for the grant or renewal of a licence and where the application is for the renewal of a licence, the time within which it shall be made;

(c) the form in which and the conditions subject to which any licence may be granted or refused, renewed, varied, suspended or revoked;

(d) where no period has been specified in this Act, the period for which any licence shall continue to be in force;

(e) the fees payable in respect of any application for the grant or renewal of a licence and in respect of any licence granted or renewed and the manner of paying the same;

(f) the manner in which the maker's name, the manufacturer's number or other identification mark of a firearm shall be stamped or otherwise shown thereon;

(g) the procedure for the test or proof of any firearms;

(h) the firearms that may be used in the course of training, the age-limits of persons who may use them and the conditions for their use by such persons;

(i) the authority to whom appeals may be preferred under section 18, the procedure to be followed by such authority and the period within which appeals shall be preferred, the fees to be paid in respect of such appeals and the refund of such fees;

(j) the maintenance of records or accounts of anything done under a licence other than a licence under section 3 or section 4, the form of, and the entries to be made in, such records or accounts and the exhibition of such records or accounts to any police officer or to any officer of Government empowered in this behalf;

(k) the entry and inspection by any police officer or by any officer of Government empowered in this behalf of any premises or other place in which arms or ammunition are or is manufactured or in which arms or ammunition are or is kept by a

manufacturer of or dealer in such arms or ammunition and the exhibition of the same to such officer;

(l) the conditions subject to which arms or ammunition may be deposited with a licensed dealer or in a unit armoury as required by sub-section (1) of section 21 and the period on the expiry of which the things so deposited may be forfeited;

(m) 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.

Act not to
apply in cer-
tain cases.

45. Nothing in this Act shall apply to—

(a) arms or ammunition on board any sea-going vessel or any aircraft and forming part of the ordinary armament or equipment of such vessel or aircraft;

(b) the acquisition, possession or carrying, the manufacture, repair, conversion, test or proof, the sale or transfer or the import, export or transport of arms or ammunition—

(i) by or under orders of the Central Government, or

(ii) by a public servant in the course of his duty as such public servant, or

(iii) by a member of the National Cadet Corps raised and maintained under the National Cadet Corps Act, 1948, or by any officer or enrolled person of the Territorial ^{31 of 1948.} Army raised and maintained under the Territorial Army Act, 1948, or by any member of any other forces raised and maintained or that may hereafter be raised and maintained ^{56 of 1948.} under any Central Act, or by any member of such other forces as the Central Government may, by notification in the Official Gazette, specify, in the course of his duty as such member, officer or enrolled person;

(c) any weapon of an obsolete pattern or of antiquarian value or in disrepair which is not capable of being used as a Firearm either with or without repair;

(d) the acquisition, possession or carrying by a person of minor parts of arms or ammunition which are not intended to be used along with complementary parts acquired or possessed by that or any other person.

11 of 1878.

46. (1) The Indian Arms Act, 1878, is hereby repealed.

Repeal of
Act 11 of
1878.

11 of 1878.

(2) Notwithstanding the repeal of the Indian Arms Act, 1878, and without prejudice to the provisions of sections 6 and 24 of the General Clauses Act, 1897, every licence granted or renewed under the first-mentioned Act and in force immediately before the commencement of this Act shall, unless sooner revoked, continue in force after such commencement for the unexpired portion of the period for which it has been granted or renewed.

10 of 1897.

THE APPROPRIATION (No. 8) ACT, 1959

No. 55 OF 1959

[23rd December, 1959]

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 1959-60.

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

Short title.

1. This Act may be called the Appropriation (No. 8) Act, 1959.

Issue of Rs. 14,65,16,000 out of the Consolidated Fund of India for the year 1959-60.

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 fourteen crores, sixty-five lakhs and sixteen thousand rupees towards defraying the several charges which will come in course of payment during the financial year 1959-60, 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 Consoli- dated Fund	Total
		Rs.	Rs.	Rs.
9	Defence Services—Effective Army	1,92,000	..	1,92,000
25	Opium	22,92,000	..	22,92,000
73	Expenditure on Displaced Persons and Minorities . . . . .	..	6,000	6,000
108	Capital Outlay of the Ministry of Community Development and Co-operation	1,08,00,000	..	1,08,00,000
121	Other Capital Outlay of the Ministry of Food and Agricul- ture	7,76,99,000	26,000	7,77,25,000
130	Capital Outlay of the Ministry of Steel, Mines and Fuel	5,55,00,000	..	5,55,00,000
131	Capital Outlay on Posts and Telegraphs (not met from Revenue)	1,000	..	1,000
	TOTAL	14,64,84,000	32,000	14,65,16,000

THE ANDHRA PRADESH AND MADRAS (ALTERATION
OF BOUNDARIES) ACT, 1959

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THE ANDHRA PRADESH AND MADRAS (ALTERATION
OF BOUNDARIES) ACT, 1959

No. 56 OF 1959

[24th December, 1959]

An Act to provide for the alteration of boundaries of the States of Andhra Pradesh and Madras and for matters connected therewith.

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

PART I

PRELIMINARY

1. (1) This Act may be called the Andhra Pradesh and Madras (Alteration of Boundaries) Act, 1959.

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.

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

Definitions.

(a) "appointed day" means the date appointed under sub-section (2) of section 1 for the coming into force of this Act;

(b) "assembly constituency", "council constituency" and "parliamentary constituency" have the same meanings as in the Representation of the People Act, 1950;

43 of 1950.

(c) "law" includes any enactment, ordinance, regulation, order, bye-law, rule, scheme, notification or other instrument having the force of law in the whole or in any part of Andhra Pradesh or Madras;

(d) "notified order" means an order published in the Official Gazette;

¹ 1st April, 1960, *vide* Notification No. S.O. 2863, dated 29-12-1959, Gazette of India, 1959, Extraordinary, Part II, Section 3 (ii), page 711.

(e) "sitting member", in relation to either House of Parliament or of the Legislature of a State, means a person who, immediately before the appointed day, is a member of that House;

(f) "transferred territories" means—

(i) in relation to the State of Andhra Pradesh, the territories specified in the Second Schedule and transferred from that State to Madras, and

(ii) in relation to the State of Madras, the territories specified in the First Schedule and transferred from that State to Andhra Pradesh;

(g) "treasury" includes a sub-treasury;

(h) any reference to a district, taluk, firka, village or other territorial division of a State shall be construed as a reference to the area comprised within that territorial division on the 1st day of July, 1957.

PART II

TRANSFER OF TERRITORIES

3. As from the appointed day, there shall be added—

(a) to the State of Andhra Pradesh, the territories specified in the First Schedule which shall thereupon cease to form part of the State of Madras; and

(b) to the State of Madras, the territories specified in the Second Schedule which shall thereupon cease to form part of the State of Andhra Pradesh.

4. (1) The territories specified in Part I of the First Schedule shall be included in, and form part of, Chittoor district; and the said territories, together with the territories comprised in the villages of Puttur taluk specified in the Third Schedule and the territories which immediately before the appointed day were comprised in Kanakammachatram and Tiruttani firkas of Tiruttani taluk but are not transferred by virtue of section 3 to the State of Madras, shall form a taluk to be known as Sathyavedu taluk in Chittoor district.

(2) The territories which immediately before the appointed day were comprised in Pallipattu and Erumbi firkas of Tiruttani taluk but are not transferred by virtue of section 3 to the State of Madras shall be included in, and form part of, Puttur taluk.

Transfer of territories.

Changes of territorial divisions in Andhra Pradesh.

(3) The territories which immediately before the appointed day were comprised in Melpadi firka of Chittoor taluk but are not transferred by virtue of section 3 to the State of Madras shall be included in, and form part of, Chittoor firka of Chittoor taluk.

(4) The territories specified in Part II of the First Schedule shall be included in, and form part of, Kuppam West firka of Palmaner taluk in Chittoor district.

5. (1) The territories which immediately before the appointed day were comprised in Sathyavedu firka of Ponneri taluk and Uttukottai firka of Tiruvallur taluk but are not transferred by virtue of section 3 to the State of Andhra Pradesh shall be included in, and form part of, Gummidipundi firka of Ponneri taluk.

Changes of territorial divisions in Madras.

(2) The territories specified in Parts I and II of the Second Schedule shall be included in and form a separate taluk to be known as Tiruttani taluk of Chingleput district; and in that taluk, the territories specified in Part II of that Schedule shall form a separate firka to be known as Kanakammachatram firka.

(3) The territories specified in Parts III, IV, V, VI, VII and VIII of the Second Schedule shall respectively be included in, and form part of,—

- (a) Mappedu firka of Tiruvallur taluk of Chingleput district,
- (b) Parangi firka of Arkonam taluk of North Arcot district,
- (c) Arkonam firka of Arkonam taluk of North Arcot district,
- (d) Ranipet firka of Walajapet taluk of North Arcot district,
- (e) Gudiyattam East firka of Gudiyattam taluk of North Arcot district, and
- (f) Vaniyambadi firka of Tiruppattur taluk of North Arcot district.

6. As from the appointed day, in the First Schedule to the Constitution, under the heading "I. THE STATES",—

Amendment of First Schedule to the Constitution.

(a) for the entry against "1. Andhra Pradesh", the following shall be substituted, namely:—

"The territories specified in sub-section (1) of section 3 of the Andhra State Act, 1953, sub-section (1) of section 3 of the States Reorganisation Act, 1956, and the First Schedule to the Andhra Pradesh and Madras (Alteration of Boundaries) Act, 1959, but excluding the territories specified in the Second Schedule to the last mentioned Act,"; and

(b) in the entry against "7. Madras",—

(i) after the words and figures "section 4 of the States Reorganisation Act, 1956", the words, brackets and figures "and the Second Schedule to the Andhra Pradesh and Madras (Alteration of Boundaries) Act, 1959," shall be inserted; and

(ii) for the words, brackets, letters and figures "and the territories specified in clause (b) of sub-section (1) of section 5, section 6 and clause (d) of sub-section (1) of section 7 of the States Reorganisation Act, 1956", the following shall be substituted, namely:—

"the territories specified in clause (b) of sub-section (1) of section 5, section 6 and clause (d) of sub-section (1) of section 7 of the States Reorganisation Act, 1956 and the territories specified in the First Schedule to the Andhra Pradesh and Madras (Alteration of Boundaries) Act, 1959".

Saving powers of State Governments.

7. Nothing in the foregoing provisions of this Part shall be deemed to affect the power of the State Government of Andhra Pradesh or Madras to alter after the appointed day the name, extent or boundaries of any district, taluk, firka or village in the State.

PART III

REPRESENTATION IN THE LEGISLATURES

The Council of States

Amendment of Fourth Schedule to the Constitution.

8. As from the appointed day, in the Fourth Schedule to the Constitution, in the second column of the Table,—

(a) for the figures "17" against Madras, the figures "18" shall be substituted; and

(b) for the figures "220", the figures "221" shall be substituted.

Bye-election to fill the additional seat.

9. (1) As soon as may be after the appointed day, a bye-election shall be held to fill the additional seat allotted to the State of Madras in the Council of States by virtue of section 8.

(2) The term of office of the member elected to the Council of States in pursuance of this section shall expire on the 2nd day of April, 1962.

The House of the People

Amendment of First Schedule to the Delimitation Order.

10. The First Schedule to the Delimitation of Parliamentary and Assembly Constituencies Order, 1956, shall have effect subject to the modifications specified in the Fourth Schedule to this Act.

11. Every sitting member of the House of the People representing a constituency the extent of which is altered by virtue of section 10 shall be deemed to have been elected to the said House by that constituency as so altered.

Provision as to sitting members.

The Legislative Assemblies

12. The total number of seats in the Legislative Assembly of Andhra Pradesh to be filled by persons chosen by direct election shall be reduced from 301 to 300 and that in the Legislative Assembly of Madras shall be increased from 205 to 206; and, accordingly, in the Second Schedule to the Representation of the People Act, 1950, for the figures "301" against "Andhra Pradesh", the figures "300" shall be substituted, and for the figures "205" against "Madras", the figures "206" shall be substituted.

Strength of Legislative Assemblies

43 of 1959.

13. The Second Schedule to the Delimitation of Parliamentary and Assembly Constituencies Order, 1956, shall have effect subject to the modifications specified in the Fifth Schedule to this Act.

Amendment of Second Schedule to Delimitation Order.

14. The Delimitation Commission's Final Order No. 19, dated the 4th October, 1954, shall have effect subject to the modifications specified in the Sixth Schedule.

Amendment of Delimitation Commission's Final Order No. 19.

15. (1) The sitting members of the Legislative Assembly of Andhra Pradesh representing the Vadamalpet, Vepanjeri, Chittoor and Kuppam constituencies shall, notwithstanding the alteration in the extent thereof by the provisions of this Act, be deemed to have been respectively elected to the said Assembly by the said constituencies as so altered.

Provisions as to certain sitting members.

(2) The sitting members of the Legislative Assembly of Madras representing the Gummidipundi, Tiruvallur, Arkonam, Sholinghur, Ranipet, Gudiyattam, Vaniyambadi and Uddanapalli constituencies shall, notwithstanding the alteration in the extent thereof by the provisions of this Act, be deemed to have been respectively elected to the said Assembly by the said constituencies as so altered.

(3) The sitting members of the Legislative Assembly of Andhra Pradesh representing the Tiruttani constituency shall, as from the appointed day, be deemed to have been elected to that Assembly by the Sathyavedu constituency in the State of Andhra Pradesh.

(4) The sitting member of the Legislative Assembly of Andhra Pradesh representing the Ramakrishnarajupet constituency shall, as from the appointed day, cease to be a member of that Assembly and be deemed to have been elected to the Legislative Assembly of Madras from the Tiruttani constituency in the State of Madras.

The Legislative Councils

Extent of
Council
constitu-
ency.

16. (1) Any reference in the Delimitation of Council Constituencies (Andhra Pradesh) Order, 1957, to the State of Andhra Pradesh or to Chittoor district shall be construed as excluding the territories transferred from that State or district, as the case may be, to the State of Madras and as including the territories transferred to that State or district, as the case may be, from the State of Madras.

(2) Any reference in the Delimitation of Council Constituencies (Madras) Order, 1951, to the State of Madras or to Chingleput, North Arcot or Salem district shall be construed as excluding the territories transferred from that State or district, as the case may be, to the State of Andhra Pradesh, and as including the territories transferred to that State or district, as the case may be, from the State of Andhra Pradesh.

Sitting
members.

17. Every sitting member of the Legislative Council of Andhra Pradesh or of Madras representing a Council constituency the extent of which is altered by virtue of section 16 shall, as from the appointed day, be deemed to have been elected to the said Council by that constituency as so altered.

PART IV

HIGH COURTS

Extension of
jurisdiction
of, and
transfer of
proceedings
to, Andhra
Pradesh
High Court.

18. (1) Except as hereinafter provided,—

(a) the jurisdiction of the High Court of Andhra Pradesh shall, as from the appointed day, extend to the territories specified in the First Schedule; and

(b) the High Court at Madras shall, as from that day, have no jurisdiction in respect of the said territories.

(2) Such proceedings pending in the High Court at Madras immediately before the appointed day as are certified by the Chief Justice of that High Court, having regard to the place of accrual of the cause of action and other circumstances, to be proceedings which ought to be heard and decided by the High Court of Andhra Pradesh shall, as soon as may be after such certification, be transferred to the High Court of Andhra Pradesh.

(3) Notwithstanding anything contained in sub-sections (1) and (2), but save as hereinafter provided, the High Court at Madras shall have, and the High Court of Andhra Pradesh shall not have, jurisdiction to entertain, hear or dispose of appeals, applications for leave to appeal to the Supreme Court, applications for review and other proceedings, where any such proceedings seek any relief in respect

of any order passed by the High Court at Madras before the appointed day:

Provided that if, after such proceedings have been entertained by the High Court at Madras, it appears to the Chief Justice of that High Court that they ought to be transferred to the High Court of Andhra Pradesh, he shall order that they shall be so transferred, and such proceedings shall thereupon be transferred accordingly.

(4) Any order made by the High Court at Madras—

(a) before the appointed day in any proceedings transferred to the High Court of Andhra Pradesh by virtue of sub-section (2), or

(b) in any proceedings with respect to which the High Court at Madras retains jurisdiction by virtue of sub-section (3),

shall, for all purposes, have effect, not only as an order of the High Court at Madras, but also as an order made by the High Court of Andhra Pradesh.

(5) Subject to any rule made or direction given by the High Court of Andhra Pradesh, any such person who immediately before the appointed day is an advocate entitled to practise in the High Court at Madras as may be specified in this behalf by the Chief Justice of the High Court of Andhra Pradesh having regard to the transfer of territories from the State of Madras to the State of Andhra Pradesh, shall be recognised as an advocate entitled to practise in the High Court of Andhra Pradesh.

19. (1) Except as hereinafter provided,—

(a) the jurisdiction of the High Court at Madras shall, as from the appointed day, extend to the territories specified in the Second Schedule; and

(b) the High Court of Andhra Pradesh shall, as from that day, have no jurisdiction in respect of the said territories.

Extension of
jurisdiction
of, and
transfer of
proceedings
to, Madras
High Court.

(2) Such proceedings pending in the High Court of Andhra Pradesh immediately before the appointed day as are certified by the Chief Justice of that High Court, having regard to the place of accrual of the cause of action and other circumstances, to be proceedings which ought to be heard and decided by the High Court at Madras shall, as soon as may be after such certification, be transferred to the High Court at Madras.

(3) Notwithstanding anything contained in sub-sections (1) and (2), but save as hereinafter provided, the High Court of Andhra Pradesh shall have, and the High Court at Madras shall not have,

jurisdiction to entertain, hear or dispose of appeals, applications for leave to appeal to the Supreme Court, applications for review and other proceedings, where any such proceedings seek any relief in respect of any order passed by the High Court of Andhra Pradesh before the appointed day:

Provided that if, after such proceedings have been entertained by the High Court of Andhra Pradesh, it appears to the Chief Justice of that High Court that they ought to be transferred to the High Court at Madras, he shall order that they shall be so transferred, and such proceedings shall thereupon be transferred accordingly.

(4) Any order made by the High Court of Andhra Pradesh—

(a) before the appointed day in any proceedings transferred to the High Court at Madras by virtue of sub-section (2), or

(b) in any proceedings with respect to which the High Court of Andhra Pradesh retains jurisdiction by virtue of sub-section (3),

shall, for all purposes, have effect, not only as an order of the High Court of Andhra Pradesh, but also as an order made by the High Court of Madras.

(5) Subject to any rule made or direction given by the High Court at Madras, any such person who immediately before the appointed day is an advocate entitled to practise in the High Court of Andhra Pradesh as may be specified in this behalf by the Chief Justice of the High Court at Madras having regard to the transfer of territories from the State of Andhra Pradesh to the State of Madras, shall be recognised as an advocate entitled to practise in the High Court at Madras.

Right to
appear or
act in any
proceedings
transferred
under sec-
tion 18 or
section 19.

20. Any person who immediately before the appointed day is an advocate entitled to practise, or an attorney entitled to act, in the High Court of Andhra Pradesh or the High Court at Madras and was authorised to appear or to act in any proceedings transferred under section 18 or section 19 shall have the right to appear, or to act, as the case may be, in the High Court to which the proceedings have been transferred, in relation to those proceedings.

Interpreta-
tion.

21. For the purposes of sections 18 and 19,—

(a) proceedings shall be deemed to be pending in the High Court of Andhra Pradesh or the High Court at Madras until that Court has disposed of all issues between the parties, including any issue with respect to the taxation of the costs of the proceedings and shall include appeals, applications for leave to appeal to the Supreme Court, applications for review, petitions for revision and petitions for writs;

(b) references to the High Court of Andhra Pradesh or the High Court at Madras shall be construed as including references to a Judge or division court thereof, and references to an order made by a court or a Judge shall be construed as including references to a sentence, judgment or decree passed or made by that court or Judge.

PART V

AUTHORISATION OF EXPENDITURE

22. (1) As from the appointed day, any Act passed by the Legislature of the State of Andhra Pradesh or Madras before that day for the appropriation of any moneys out of the Consolidated Fund of the State to meet any expenditure in respect of any part of the financial year 1959-60 shall have effect also in relation to the territories transferred to that State by the provisions of Part II and it shall be lawful for the State Government to spend any amount in those territories out of the amount authorised by such Act to be expended for any service in that State.

Appropriation of moneys for expenditure in transferred territories under existing appropriation Acts.

(2) The Governor of Andhra Pradesh or of Madras may, after the appointed day, authorise such expenditure from the Consolidated Fund of the State as he deems necessary for any purpose or service in the territories transferred to that State for a period of not more than three months beginning with the appointed day pending the sanction of such expenditure by the Legislature of the State.

23. The reports of the Comptroller and Auditor-General of India referred to in clause (2) of article 151 of the Constitution relating to the accounts of the State of Andhra Pradesh or Madras in respect of any period prior to the appointed day shall be submitted to the Governor of each of the States of Andhra Pradesh and Madras who shall cause them to be laid before the Legislature of the State.

Reports relating to the accounts of Andhra Pradesh and Madras.

55 of 1957. 24. Section 3 of the Union Duties of Excise (Distribution) Act, 1957, sections 3 and 5 of the Estate Duty and Tax on Railway Passenger Fares (Distribution) Act, 1957, section 4 of and the Second Schedule to the Additional Duties of Excise (Goods of Special Importance) Act, 1957 and paragraphs 3 and 5 of the Constitution (Distribution of Revenues) No. 2 Order, 1957, shall, as from the appointed day, have effect subject to such modifications as the President may, by order published in the Official Gazette, specify having regard to the transfer of territories effected by the provisions of Part II of this Act.

Distribution of revenues.

PART VI

APPORTIONMENT OF ASSETS AND LIABILITIES

Land and
goods.

25. (1) Subject to the other provisions of this Part, all land and all stores, articles and other goods, including cash balances in all treasuries in the territories specified in the First Schedule or the Second Schedule shall, as from the appointed day, pass to the State to which the territories are transferred.

(2) In this section, the expression "land" includes immovable property of every kind and any rights in or over such property.

Arrears of
taxes.

26. The right of Andhra Pradesh or Madras to recover arrears of any tax or duty on property situate in the transferred territories, including land revenue, or to recover arrears of any other tax or duty in any case where the place of assessment of that tax or duty is in the transferred territories shall belong to the State to which the territories are transferred.

Right to
recover
loans and
advances.

27. The right to recover any loans or advances made before the appointed day by Andhra Pradesh or Madras to any local body, society, agriculturist or other person in the transferred territories shall belong to the State to which the territories are transferred.

Refund of
taxes col-
lected in
excess.

28. The liability of Andhra Pradesh or Madras to refund any tax or duty on property situate in the transferred territories, including land revenue, collected in excess shall be the liability of the State to which the territories are transferred, and the liability of Andhra Pradesh or Madras to refund any other tax or duty collected in excess in any case where the place of assessment of that tax or duty is in the transferred territories shall also be the liability of the State to which those territories are transferred.

Deposits.

29. The liability of Andhra Pradesh or Madras in respect of any civil deposit or local fund deposit made in the transferred territories shall, as from the appointed day, be the liability of the State to which the territories are transferred.

Provident
funds.

30. The liability of Andhra Pradesh or Madras in respect of the provident fund account of a Government servant in service on the appointed day shall, as from that day, be the liability of the State to which the Government servant is permanently allotted.

Pensions.

31. The liability of Andhra Pradesh or Madras in respect of pensions shall be apportioned between those States in such manner as may be agreed upon between them or, in default of such agreement, in such manner as the President may, by notified order, specify

37 of 1956. having regard to the transfer of territories effected by this Act and the principles underlying the provisions of the Fifth Schedule to the States Reorganisation Act, 1956.

32. (1) Where, before the appointed day, the State of Andhra Pradesh or Madras has made any contract in the exercise of its executive power for any purposes of the State, that contract shall be deemed to have been made in the exercise of the executive power,— Contracts.

(a) if such purposes are, as from that day, purposes relatable exclusively to the transferred territories, of the State to which the territories are transferred; and

(b) in any other case, of the State which made the contract; and all rights and liabilities which have accrued, or may accrue, under any such contract shall, to the extent to which they are rights or liabilities of the State which made the contract, be rights or liabilities of the State specified in clause (a) or clause (b) above.

(2) For the purposes of this section, there shall be deemed to be included in the liabilities which have accrued or may accrue under any contract—

(a) any liability to satisfy an order or award made by any court or other tribunal in proceedings relating to the contract; and

(b) any liability in respect of expenses incurred in or in connection with any such proceedings.

(3) This section shall have effect subject to the other provisions of this Part relating to the apportionment of liabilities in respect of loans, guarantees and other financial obligations; and bank balances and securities shall, notwithstanding that they partake of the nature of contractual rights, be dealt with under those provisions.

33. Where, immediately before the appointed day, the State of Andhra Pradesh or Madras is subject to any liability in respect of an actionable wrong, other than breach of contract, that liability shall,— Liability in respect of actionable wrong.

(a) if the cause of action arose wholly within the transferred territories, be a liability of the State to which they are transferred; and

(b) in any other case, continue to be a liability of the State which, immediately before that day, was subject to such liability.

Liability as guarantor of co-operative societies.

34. Where, immediately before the appointed day, the State of Andhra Pradesh or Madras is liable as guarantor in respect of any liability of a registered co-operative society, that liability shall,—

(a) if the area of the society's operations is limited to the transferred territories, be a liability of the State to which the territories are transferred; and

(b) in any other case, continue to be a liability of the State which, immediately before that day, was subject to such liability.

Items in suspense.

35. If any item in suspense is ultimately found to affect an asset or liability of the nature referred to in any of the foregoing provisions of this Part, it shall be dealt with in accordance with that provision.

Power of Central Government to order allocation or adjustment in certain cases.

36. Where either Andhra Pradesh or Madras becomes entitled to any property or obtains any benefits or becomes subject to any liability, and the Central Government, on a reference made within a period of three years from the appointed day by either of the States, is of opinion that it is just and equitable that that property or those benefits should be transferred to, or shared with, the other State or that a contribution towards that liability should be made by the other State, the said property or benefits shall be allocated in such manner between the two States, or the other State shall make to the State subject to the liability such contribution in respect thereof, as the Central Government may, after consultation with the two State Governments, by order determine.

Certain expenditure to be charged on the Consolidated Fund.

37. All sums payable by either Andhra Pradesh or Madras to the other State by virtue of the provisions of this Part shall be charged on the Consolidated Fund of the State by which such sums are payable.

PART VII

ADMINISTRATIVE PROVISIONS

Provision as to certain financial Corporations.

38. (1) As from the appointed day, the Financial Corporation constituted under the State Financial Corporations Act, 1951, for the State of Andhra Pradesh shall be deemed to have been constituted for that State with its area as altered by the provisions of Part II of this Act.

(2) As from the appointed day, the Madras Industrial Investment Corporation constituted for the State of Madras shall be deemed to have been constituted for that State with its area as altered by the provisions of Part II of this Act.

Amendment of Act 6 of 1942.

39. In the Multi-Unit Co-operative Societies Act, 1942, in section 5A, in sub-section (1), for the words and figures "any co-operative,

society which, immediately before the 1st day of November, 1956", the words "or any other enactment relating to reorganisation of States, any co-operative society which, immediately before the day on which the reorganisation takes place" shall be substituted.

54 of 1948.

40. (1) As from the appointed day, the State Electricity Boards constituted under the Electricity (Supply) Act, 1948, for the States of Andhra Pradesh and Madras shall be deemed to have been constituted for those States with their areas as altered by the provisions of Part II of this Act.

Provision as to State Electricity Boards and apportionment of their assets and liabilities.

(2) The undertakings and assets of a State Electricity Board referred to in sub-section (1), situated in the territories specified in the First Schedule or, as the case may be, the Second Schedule shall, as from the appointed day, pass to the State to which the territories are transferred.

(3) Subject to the provisions of sub-section (2), the assets and liabilities of the State Electricity Boards referred to in sub-section (1) shall be apportioned between them in such manner as may be agreed upon between the Governments of Andhra Pradesh and Madras within one year from the appointed day, or in default of such agreement, as the Central Government may by order determine.

(4) Notwithstanding anything contained in sub-section (2), the arrangement which, immediately before the appointed day, was in force in regard to the generation or supply of electric power for the territories specified in the First Schedule or the Second Schedule shall continue to be in force after the appointed day on such terms and conditions and for such period as may be agreed upon between the Governments of Andhra Pradesh and Madras, or, in default of such agreement, as the Central Government may by order direct.

41. (1) Notwithstanding anything contained in this Act, all rights and liabilities of the State of Madras in relation to the Araniar Project or the administration thereof shall, on the appointed day, be the rights and liabilities of the States of Andhra Pradesh and Madras, subject to such adjustments as may be made by agreement entered into by the said States or, if no such agreement is entered into within a period of one year from the appointed day, as the Central Government may by order determine having regard to the purposes of the Project, and any such order may provide for the management of the Project jointly by the said States or otherwise:

Special provisions with regard to Araniar project.

Provided that the order so made by the Central Government may be varied by any subsequent agreement entered into by the States of Andhra Pradesh and Madras.

(2) An agreement or order referred to in sub-section (1) shall provide also for the rights and liabilities of the States of Andhra

Pradesh and Madras in relation to any extension or further development of the Project after the appointed day.

(3) The rights and liabilities referred to in sub-sections (1) and (2) shall include—

(a) the rights to receive and to utilise water which may be available for distribution as a result of the Project; and

(b) the rights and liabilities in respect of the administration of the Project and the construction, maintenance and operation thereof,

but shall not include the rights and liabilities under any contract entered into before the appointed day by the Government of Madras.

(4) The Central Government may, from time to time, give such directions as may appear to it necessary generally in regard to any of the matters specified in the foregoing provisions of this section and, in particular, for the completion of the Project and its operation and maintenance thereafter:

Provided that no such direction shall be issued or have effect after an agreement has been entered into by the States of Andhra Pradesh and Madras under sub-section (1) or after an order has been made by the Central Government under that sub-section, whichever is earlier.

Temporary provisions as to the continuance of certain existing road transport permits.

42. Notwithstanding anything contained in section 63 of the Motor Vehicles Act, 1939, a permit granted by the State Transport Authority of Andhra Pradesh or Madras or by any Regional Transport Authority in such State shall, if such permit was immediately before the appointed day valid and effective in any area within the transferred territories, be deemed to continue to be valid and effective in that area after that day subject to the provisions of that Act as for the time being in force in that area; and it shall not be necessary for any such permit to be countersigned by the State Transport Authority or any Regional Transport Authority in the State to which the territories are transferred for the purpose of validating it for use in such area:

Provided that the Central Government may, after consultation with the State Governments, add to, amend or vary the conditions attached to the permit by the authority by which the permit was granted.

Provisions relating to services.

43. (1) Every person who, immediately before the appointed day, is serving in connection with the affairs of Andhra Pradesh or Madras shall, as from that day, continue so to serve, unless he is required by general or special order of the Central Government to serve provisionally in connection with the affairs of the other State.

(2) As soon as may be after the appointed day, the Central Government shall, by general or special order, determine the State to which every person provisionally allotted to Andhra Pradesh or Madras shall be finally allotted for service and the date from which such allotment shall take effect or be deemed to have taken effect.

(3) Every person who is finally allotted under the provisions of sub-section (2) to Andhra Pradesh or Madras shall, if he is not already serving therein, be made available for serving in that State from such date as may be agreed upon between the two State Governments or in default of such agreement, as may be determined by the Central Government.

(4) Nothing in this section shall be deemed to affect, after the appointed day, the operation of the provisions of Chapter I of Part XIV of the Constitution in relation to the determination of the conditions of service of persons serving in connection with the affairs of Andhra Pradesh or Madras:

Provided that the conditions of service applicable immediately before the appointed day to the case of any person provisionally or finally allotted to Andhra Pradesh or Madras under this section shall not be varied to his disadvantage except with the previous approval of the Central Government.

(5) The Central Government may at any time before or after the appointed day give such directions to either State Government as may appear to it to be necessary for the purpose of giving effect to the foregoing provisions of this section and the State Government shall comply with such directions.

44. Every person who, immediately before the appointed day, is holding or discharging the duties of any post or office in connection with the affairs of Andhra Pradesh or Madras in any area which on that day falls within the other State shall continue to hold the same post or office in the State in which such area is included on that day and shall be deemed as from that day to have been duly appointed to that post or office by the Government of, or other appropriate authority in, such State:

Provisions
as to the
continuance
of officers in
the same
posts.

Provided that nothing in this section shall be deemed to prevent the competent authority, after the appointed day, from passing in relation to such person any order affecting his continuance in such post or office.

PART VIII

LEGAL AND MISCELLANEOUS PROVISIONS

45. The provisions of section 3 shall not be deemed to have effected any change in the territories to which any law in force

Territorial
extent of
laws.

immediately before the appointed day extends or applies, and territorial references in any such law to Andhra Pradesh or Madras shall, until otherwise provided by a competent legislature or other competent authority, be construed as meaning the territories within that State immediately before the appointed day.

Power to
adapt laws.

46. For the purpose of facilitating the application of any law in relation to Andhra Pradesh or Madras, the appropriate Government may, before the expiration of one year from the appointed day, by order make such adaptations and modifications of the law, whether by way of repeal or amendment, as may be necessary or expedient, and thereupon every such law shall have effect subject to the adaptations and modifications so made until altered, repealed or amended by a competent authority or competent legislature.

Explanation.—In this section, the expression “appropriate Government” means, as respects any law relating to a matter enumerated in the Union List, the Central Government, and as respects any other law, the State Government.

Power to
construe
laws.

47. Notwithstanding that no provision or insufficient provision has been made for the adaptation of a law made before the appointed day, any court, tribunal or authority, required or empowered to enforce such law may, for the purpose of facilitating its application in relation to Andhra Pradesh or Madras, construe the law in such manner, without affecting the substance, as may be necessary or proper in regard to the matter before the court, tribunal or authority.

Power to
name authori-
ties, etc.,
for exercis-
ing statutory
functions.

48. The Government of the State of Andhra Pradesh or Madras, as respects any territory transferred to that State by the provisions of Part II, may, by notification in the Official Gazette, specify the authority, officer or person who, as from the appointed day, shall be competent to exercise such functions exercisable under any law in force on that day as may be mentioned in that notification, and such law shall have effect accordingly.

Legal pro-
ceedings.

49. Where, immediately before the appointed day, the State of Andhra Pradesh or Madras is a party to any legal proceedings with respect to any property, rights or liabilities transferred to the other State under this Act, the other State shall be deemed to be substituted for the State from which such property, rights or liabilities are transferred as a party to those proceedings, or added as a party thereto, as the case may be, and the proceedings may continue accordingly.

Transfer of
pending
proceeding.

50. (1) Every proceeding pending immediately before the appointed day before a court (other than a High Court), tribunal, authority or officer in any area which on that day falls within the

State of Andhra Pradesh or Madras shall, if it is a proceeding relating exclusively to any part of the territories which as from that day are the territories of the other State, stand transferred to the corresponding court, tribunal, authority or officer in the other State.

(2) If any question arises as to whether any proceeding should stand transferred under sub-section (1), it shall be referred to the High Court having jurisdiction in respect of the area in which the court, tribunal, authority or officer before which, or before whom, such proceeding is pending on the appointed day, is functioning and the decision of that High Court shall be final.

(3) In this section,—

(a) "proceeding" includes any suit, case or appeal; and

(b) "corresponding court, tribunal, authority or officer" in a State means—

(i) the court, tribunal, authority or officer in which, or before whom, the proceeding would have lain if the proceeding had been instituted after the appointed day, or

(ii) in case of doubt, such court, tribunal, authority or officer in that State as may be determined after the appointed day by the Government of that State, or before the appointed day by the Government of the other State, to be the corresponding court, tribunal, authority or officer.

51. Any person who, immediately before the appointed day, is enrolled as a pleader entitled to practise in any subordinate courts in the transferred territories shall, for a period of six months from that day, continue to be entitled to practise in those courts, notwithstanding that the whole or any part of the territories within the jurisdiction of those courts has been transferred to another State.

Right of pleaders to practise in certain courts.

52. The provisions of this Act shall have effect notwithstanding anything inconsistent therewith contained in any other law.

Effect of provisions inconsistent with other laws.

53. If any difficulty arises in giving effect to the provisions of this Act, the President may by order do anything not inconsistent with such provisions which appears to him to be necessary or expedient for the purpose of removing the difficulty.

Power to remove difficulties.

54. (1) The Central Government may, by notification in the Official Gazette, make rules to give effect to the provisions of this Act.

Power to make rules.

(2) 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.

THE FIRST SCHEDULE

[See sections 3(a) and 4]

Territories transferred from the State of Madras to the State of Andhra Pradesh

(Any reference in this Schedule to a census code number in relation to a village means the code number assigned to that village in the census of 1951.)

PART I

1. The following villages in Ponneri taluk of Chingleput district :—

	Census Code No.
Santhavelur	1
Ayyavaripalayam	2
Ambur	3
Nelvoy	4
Marudavada	5
Kalathur	6
Gudalavaripalayam	7
Narasingapura Agraharam	8
Karipakkam	9
Pulivallam.	10
Kadur	11
Bangaruthimma Boopalapuram	12
Vittayapalayam	13
Varadayapalayam	14
Kambakkam	15
Arudur	16
Bathalavallam	17
Kummarapeddavenkatapuram	18
Chedulapakkam	19
Vidiakadu	20
Shola Agraharam	21

	Census Code No.
Silamathur	22
Matterimitta	23
Thondur Agraharam	24
Chintamani Thangal	25
Chinnapudi Agraharam	26
Enadivettu	27
Racherla	28
Kovurpadu	29
Mopurpalli	30
Chengambakkam	31
Chiddama Agraharam	32
Ramachandrapuram	33
Thondambattu	34
Ambikapuram	35
Pandur	36
Padirikuppam	37
Chinnapandur	38
Madanapalayam	39
Gollavaripalayam	40
Chervi	41
Appayapalayam	44
Mallavarpalayam	46
Samurthikandigai	53
Repallavada	54
Rajagopalapuram	55
Balagopalapuram	56
Ranganathapuram	57
Dwarakapuram	58

	Census Code No.
Rallakuppam	59
Kolladam	60
Pravalaverneswarapuram	61
Mettupalayam	62
Govindapuram	63
Vanalur	64
Lakshmpuram	65
Peddaittivakkam	66
Chinnaittivakkam	67
Irugalam	68
Arur	69
Alamelumangapuram	130
Venkataraḷukandigai	131
Kadirvedu	135
Sirunambudur	136
Peradam	137
Ambakkam	138
Pudukuppam	139
Madanambedu	140
Sathiavedu	141
Kothamarikuppam	142
Madanancheri	144
Thondukuli	145

2. The entire forest areas situated in Ponneri taluk of Chingleput district and lying to the west of any of the villages specified in item 1.

3. The following villages in Tiruvallur taluk of Chingleput district :—

	Census Code No.
Mudiyur	1
Rappalpattu	2

Census Code No.

Sadasivasankarapuram	3
Jamoukesavapuram	4
Vengalampattu	5
Vellur	6
Beerakuppam	7
Lakshmikanthapuram	8
Kadivedu	9
Janakipuram	10
Rajulukandigai	11
Anamathukandigai	12
Vajjarvarikandigai	13
Kannavaram	14
Tirupuranthakapuramkottai	15
Chinthalakunta	16
Raghunathapuram <i>alias</i> Chengalvarayakandigai	17
Naidugunta	18
Bhoopathiswarapuram	19
Pisatoor	20
Appambattu	21
Ramagiri	22
Krishnapuram	23
Kalancheri	24
Nagalapuram	25
Vembakkam	26
Kottakkadu	27
Nandanam	28
Baitakodiyambedu	29

Census Code No.

Balijakandigai	30
Mavettimolakandigai	31
Neervoy	32
Velur	33
Rajanagaram	34
Alapakkam	35
Alappakkamkandigai	36
Urur	37
Agaram	38
Devadarikodiyambedu	39
Vengalathur	40
Kuppamkandigai	41
Pillarikandigai	42
Kottur	43
Sidderajulkandigai	44
Pulipedu <i>alias</i> Govardhanagiri	45
Mithilapuram	46
Obularajukandigai	47
Narayanarajukandigai	48
Karur <i>alias</i> Krishnagiri	49
Adivikodiyambedu	50
Pulikundram	51
Adivisankarapuram	52
Krishnapuramkandigai	53
Silamathur <i>alias</i> Bangala	54
Nallappanaidu Kandigai	55
Yalur Ravannavaradanne Kandigai	56

	Census Code No
Chinapattu	57
Subbanaidukandigai	58
Achama Kandigai	59
Karanai	60
Pallampattadai	61
Krishnapuram Agraharam	62
Surattupalli	63
Ururpet	64
Thinmanambakkam	65
Athur	66
Sivagiri	67
Hanumanthapuram	73
Alagirikandigai	74
Shamshedbahadhurpet	75
Sriramapuram	76
Siddavinayapuram	77
Chengalarayapuram	78
Polichettigunta	80
Desikuppam	84
Senneri	85

4. The entire forest area lying to the north of the villages specified in Item 3 and the forest area lying to the north of the village Desikuppam (Census Code No. 84.)

PART II

The following villages in Krishnagiri taluk of Salem district :—

	Census Code No.
Onnappanaikenkothur	18
Thaliagraram	23
Kotamaganapalli	24

THE SECOND SCHEDULE

[See sections 3(b) and 5]

*Territories transferred from the State of Andhra Pradesh to the State of
Madras*

(Any reference in this Schedule to a census code number in relation to a village means the code number assigned to that village in the census of 1951.)

PART I

1. The following village in Puttur taluk of Chittoor district :—

	Census Code No.
Gopalakrishnapuram	134

2. The following villages in Tiruttani taluk of Chittoor district :—

Veligaram	5
Melkalpatteda	6
Pallipat	7
Surarajupatteda	8
Rangepalle	9
Kolathur	10
Kolathur-Ramiahkandriga	11
Nediyam	12
Aravasipatteda	13
Samanthavada	14
Karimbedu	15
Kesavarajupuram	16
Ramachandrapuram	17
Chinnatimmarajupatteda	18
Venkatarajukuppam	19
Sangeethakuppam	20

	Census Code No.
Thirumalrajupet	21
Tirunadharajupuram	22
Kumararajupeta	23
Melapudi	24
Reddipalli Subbaraokhandriga	25
Puranam Sanjeevirayunikhandriga	26
Punyam	27
Patnam Seshayyakhandriga	28
Kadapanthangal	29
Kaverirajupeta <i>alias</i> Sri Kaverirajulingaripet	30
Bommarajupeta	31
Gollalakuppam	32
Chandrappanaidukhandriga	33
Chinnamudipalli	34
Kesavarajukuppam	35
Nallattur	45
Chivvada	46
Siddanthipuram	47
Kondapuram	48
Proddatturpet (Non-City Urban).	49
Ragimanukhandrigai	50
Pandravedu'	51
Gantavarikuppam	52
Sitaramapuram'	53
Vadakuppam	54
Karlambakkam	55
Konasamudram	56

	Census Code No.
Kakalur	57
Vengalrajukuppam'	58
Ramapuram	59
Poonimangadu	60
Venkatapura Agraharam	61
Kodivalasa	63
Athimanjeri	64
Venkatapuram	65
Kothakuppam	66
Petakandriga	67
Jangalapalli	68
Nedigallu	69
Ponbadi Gollakuppam	70
Kodanda Ramapuram	71
Nemali	72
Madduru	74
Chinna Athimanjeri	79
Nochili	81
Keechalam	82
Ramasamudram	83
Ulchiguruvarajukhandriga	84
Konugarikuppam	85
Gownipuram Badrarajukhandriga	86
Alimelumangapuram	87
Singarapuram	88
Thayamambapuram	89
Pompadi <i>alias</i> Pommadi	90

	Census Code No.
Korakuppam	97
Narasampeta	99
Rajanagaram Santhayatham	100
Kannikambapuram	101
Balakrishnapuram	102
Dwarakapuram	103
Krishnamarajukuppam	104
Venugopalapuram	105
Royasam Venkatakrishnayya Khandriga	106
Krishnasamudram	107
Tiruvengalanadharajapuram	109
Ramachandrapuram	110
Talavedu	111
Narayanasamudram Agraharam'	112
Balakrishnapuram	120
Murukambattu	121
Sūbramanyapuram	123
Ramachandrapuram	124
Sathrunjayapuram	125
Medinipuram	126
Srinivasapuram	127
Srinivasayya Khandriga	128
Gownipuram Chinnasubbaraju Khandriga	135
Siddayyagunta Khandriga	136
Madirajuperumalraju Khandriga	137
Elavarthimummalraju Khandriga	138
Chiralagurrappa Khandriga	139
Nallur Perumalraju Khandriga	140

Census Code No.

Ulchirangaraju Khandriga	141
Chinthalangunta Khandriga	142
Nalluru Venkataraju Khandriga	143
Sirugumi	144
Veeranaidupalem	145
Rajakallarapuram	146
Suryanagaram	147
Shotriam Bommarajapuram	148
Tekkukur	149
Singasamudram	161
Perumkanchi Narasimhuni Khandriga	162
Veerakaverirajapuram	163
Brramasetti Narasimhuni Khandriga	164
Kumara Bommarajapuram	165
Chengalvapuram Agraharam	166
Dharanivarahapuram	167
Velanjeri	168
Srinivasapuram	169
Sandayatham Anjaneyapuram	175
Anjaneyapuram	176
Pakala Narayana Reddikhandriga	178
Rajanagram (included in village No. 100)	179
Thaduru	180
Talari Thangal	181
Brrappanaidukhandriga	182
Veerakanellore	183
Netterikhandriga	184

Makambapuram	185
Narayana Puram	186
Kasinadhapuram	187
Pattabiramapuram	188
Velayudakuppam	189
Vinayapuram	190
Kadananagaram	192
Yagnapuram	193
Janakarajakuppam	194
Anandhavallipuram	196
Tyagapuram	197
Mohinipuram	198
Appukondayyakhandriga	199
Mutyalavaripalle	200
Lakshmipuram	201
Raghavanaidukuppam	202
Ayyavarinaidu Khandriga	203
Kondapuram	204
Ammavarikuppam	205
Narayanapuram	206
Mosur	207
Vanganur	208
Krishnakuppam	209
Chengalvarayudukhandriga	210
Sirigirirajubadrarajukhandriga	211
Madurapuram	212
Changareddi Narayanareddikhandriga	213

	Census Code No.
Santhana Venugopalapuram	214
Koramangalam	215
Pratapa Uddandamakurapuram	216
Agoor	217
Amruthapuram	218
Tiruttani (Non-City Urban)	219
Tiruttani (Rural)	220
Meldevadhanam	221
Keeldevadhanam	222
Kaveripuram	226
Khandapuram	227
Ramakrishnarajupet	228
Bhadrarajukhandriga	229
Srikrishnapuram	230
Thummalcheruvukhandriga	231
Maharajapuram	232
Akkachikuppam	233
Beerakuppam	234
Perumalmanyamkhandriga	235
Vecrakaverirajapuram	236
Kanchiguruvarajakhandriga	237
Devasenapuram	240
Mahankalipuram	242
Ramajosyulukhandriga	243
Balapuram	244
Sreekalikapuram	245
Chandravilasapuram	246

	Census Code No.
Ramapura Agraharam	247
Govatsapuram	248
Srikrishnapuram	249
Velurukrishnamanaidukhandriga	250
Lakshminarasimhapuram	251
Thondamanatinarayanareddikhandriga	252
Senagalathur Agraharam	253
Cherukunur	254
Perumathangal	255
Kannikapuram	256
Valliyampapuram	257
Padmapuram	258
Karthikeyapuram	259
Perumalthangal	260
Damaneri	266
Swehavarahapuram	267
Vellatur	268
Ammaneri	269
Kondapuram	270
Venkataperumalrajapuram	272
Tirunadharajapuram	275
Veeramangalam	277
Audivarahapuram	278
Mambakkam	279
Peddakadambur	280
Peddaganapudi	281

	Census Code No.
Devakipuram	282
Kasavarajupet	283
Bikkasanivengamanaidukhandriga	284
Chinnakadambur	285
Nayudu Thopu	289
Vediyangadu	291
Devalambapuram Makarajapuram	292
Chinnanagapudi	293
Eerumbi <i>alias</i> Aswarevanthapuram	294
Viranathur	295
Ayyaneri	296
Singarajapuram	300
Gopalapuram	301
Chinnaramapuram	302
Peddaramapuram	303
Chanurmallavaram	304
Koleri <i>alias</i> Sahasrapadanapuram	305
Mylarwada	311
Makamambapuram	312
Tirumalambapuram	313
Parabhayankarapuram	314
Meesaragantapuram	315
Makamambapuram	316
Nilotpalapuram	317
Padmapuram	318
Paivalasa	319
Katarikuppam	320

PART II

The following villages in Tiruttani taluk of Chittoor district:—

	Census Code No.
Arumbakkam	75
Arungolam	91
Thirukkolamkhandriga	92
Mamandur	113
Nekkiniagraharam	115
Nekkinipeta	116
Venugopalakrishnapuram	117
Nedambaram	129
Raghunadhapuram	130
Sithapuram	131
Patramthangal	132
Panapakkam	133
Arcotkuppam	150
Gulur	151
Kanjipadi	152
Rangapuram	153
Nabaloor	170
Kunnathur	171
Illupur	172
Muddukondapuram	173
Ramapuram	223
Kaverirajuputam	238
Kurmavilasapuram	239
Ramalingapuram	261
Parasapuram	262

	Census Code No.
Venugopalapuram	263
Veeraraghavapuram	286
Tiruvelangadu	287
Narthavada	288
Dhanushayapuram	290
Palayanur	297
Bhagavatha Pattabhirampuram	298
Pulavanalluru	299
Banapuram	306
Vyasapuram	307/1 and 307/2
Rajapadmapuram	308
Rajaratnapuram	309
Jagirmangalam	310
Shrotriam Pattabhirampuram <i>alias</i> Chinnamapet	324
Tholudavoor	325
Marudavallipuram	326
Manoor	327
Kuppam Khandriga	328
Harischandrapuram	329
Lakshmilvilasapuram	330
Saunakapuram	331
Orathur	332
Paakasala	333
Japti Shrotrium Ramapuram	334
Peddakalakattur	335
Chinnamandali	336
Kalambakam	338

PART III

The following village in Tiruttani taluk of Chittoor district—

	Census Code No.
Chitrabakkam	337

PART IV

The following villages in Tiruttani taluk of Chittoor district—

	Census Code No.
Perumarajupeta	321/1 and 321/2
Thandlam	322
Nandhimangalam	323

PART V

The following hamlets in Tiruttani taluk of Chittoor district—

	Census Code No.
Ambarishapuram	307/3
Sukapuram	307/4

PART VI

I. The following villages in Chittoor taluk of Chittoor district—

	Census Code No.
Avularangaihpalle	248
Gollavaripalle	277
Thengal	279
Balekuppam	280
Ammavaripalle	337
Kondamanayanipalem	351
Paramasattu	352
Madandakuppam	353
Gollapalle	354
Mahimandalam	363
Perumallakuppam	364
Erukambat	365

	Census Code No.
Vellimalai	366
Mutharasikuppam	368
Vennampalle	369
Kodukkanthangal	370
Elayanellore	371
Thempalle	372
Sripadanellore	373
Veppalai	374
Melpadi	375

2. The entire forest area lying to the north and south of the village of Mahimandalam (Census Code No. 363).

PART VII

1. The following villages in Chittoor taluk of Chittoor district :—

	Census Code No.
Dakshinapathapalle	290
Putta varipalle	295
Rangasamudram	297
Vidyasankarapuram	298
Viludonapoliem	299
Varadareddipalle	300
Veerisettipalle	301
Paradarami	302

2. The forest area lying between the above villages and Gudiyattam taluk,

PART VIII

The following areas in Palmaner taluk of Chittoor district :—

(a) the area surrounding the Javvajiramasamudram tank bounded—

(i) on the east, by the existing boundary between Javvajiramasamudram village included in Alasandapuram village (Census Code No. 33) of Tiruppattur taluk of North Arcot district of Madras State and the State of Andhra Pradesh,

(ii) on the south, by the existing boundary between the said Javvajiramasamudram village and the State of Andhra Pradesh and its continuation directly westwards to the top of the adjoining hill,

(iii) on the west, by a line running along the top of the two hills lying to the west of the said tank, and

(iv) on the north, by a line running along the peaks of the four hills lying to the north of the said tank and joined up to the north-west corner of the said Javvajiramasamudram village;

(b) the area surrounding the Gollapalle tank bounded—

(i) on the east and the south, by the existing boundary between Gollapalle village included in Alasandapuram village (Census Code No. 33) of Tiruppattur taluk of North Arcot district of Madras State and the State of Andhra Pradesh,

(ii) on the west, by a line running along the bottom of the hill situated to the west of the said tank, and

(iii) on the north, by a line running along the bottom of the hill situated to the north of the said tank.

THE THIRD SCHEDULE

[See section 4(1)]

(Any reference in this Schedule to a census code number in relation to a village means the code number assigned to that village in the census of 1951.)

The following villages of Nagari firka in Puttur taluk :—

	Census Code No.
Padiri	147
Aroor	150
Kunamarajupaliem	} 151
Ellasamudram	
Kaipakam	

	Census Code No.
Kalikapuram	152
Buchivanatham	
Samireddikandigai	
Ishtakameswarapuram	153
Seetharamapuram Agraharam	
Gangamambapuram	
Amimagunta	
Pannur	154
Jagannadhapuram	155
Kaliambakam	
Madhavaram	156
Chavarambakam	157
Kachervedu	158
Elakatoor	
Mathusri Venkatamambapuram	
Thippapuram	159
Illupururamiah Khandriga	
Sriramapuram	
Paddapatteda	173
Sadasivapuram	
Kayanur	
Palukuru Subbarayudu Khandriga	174
Koppedu Acharyulu Khandriga	
Koppedu Kapulu Khandriga	175
Keelapudi	
Gajasingarajapuram	176
Akkagaripeta	
Nindra	
Samayapuram	177
Netteri	178

THE FOURTH SCHEDULE

(See section 10)

*Modifications of the First Schedule to the Delimitation of Parli-
amentary and Assembly Constituencies Order, 1956.*

1. The Note at the end of the Part "1—ANDHRA PRADESH" shall be numbered as "NOTE 1" and the following shall be added thereto, namely:—

"NOTE 2:—Any reference to Chittoor district in column 3 of this Part shall be taken to mean the area comprised within that district on the appointed day as defined in the Andhra Pradesh and Madras (Alteration of Boundaries) Act, 1959."

2. In the Part "7—MADRAS",—

(a) in the entry in column 3 against serial No. 194, for the words "Gummidipundi and Sathyavedu firkas in Ponneri taluk" the words "Gummidipundi firka in Ponneri taluk" shall be substituted;

(b) in the entry in column 3 against serial No. 195, for the words "Tiruvallur taluk, and Gummidipundi and Sathyavedu firkas", the words "Tiruvallur and Tiruttani taluks and Gummidipundi firka" shall be substituted;

(c) the Note at the end shall be numbered as "NOTE 1" and the following shall be added thereto, namely:—

"NOTE 2:—Any reference in column 3 of this Part to a district, taluk or firka the extent of which has been altered by the Andhra Pradesh and Madras (Alteration of Boundaries) Act, 1959, shall be taken to mean the area comprised within that district, taluk or firka on the appointed day as defined in that Act."

THE FIFTH SCHEDULE

(See section 13)

*Modifications of the Second Schedule to the Delimitation of Parli-
amentary and Assembly Constituencies Order, 1956.*

1. In the Part "1—ANDHRA PRADESH",—

(a) for the entries in columns 2 and 3 against serial No. 118, the entries "Sathyavedu" and "Sathyavedu taluk; and Nagari firka in Puttur taluk." shall, respectively, be substituted;

(b) the whole of serial No. 119 shall be omitted;

(c) the Note at the end shall be numbered as "NOTE 1" and the following shall be added thereto, namely:—

"NOTE 2:—Any reference in column 3 of this Part to a district, taluk or firka the extent of which has been altered by the Andhra Pradesh and Madras (Alteration of Boundaries) Act, 1959, shall be taken to mean the area comprised within that district, taluk or firka on the appointed day as defined in that Act.";

(d) in the Annexure, the whole of parts (63) and (64) shall be omitted and for part (62), the following shall be substituted, namely:—

"(62)

Villages comprising the firka of Nagari in Puttur Taluk

1. Satravada.
2. Mittapalem.
3. Mudipalle.
4. Saraswathivilapuram.
5. Melapattu.
6. Therani.
7. Ekambarakuppam.
8. Salvapatteda.
9. Nagari.
10. Taduku.
11. Tadukupet.
12. Veerakaverirajapuram.
13. Keelapattu.
14. Nettamkhandigai.
15. Sri Venkataperumalarajapuram.
16. Nagarajakuppam.
17. Dharmavaram Venkatramiah Khandriga.
18. Kannikapuram.
19. Tirumalraj Kandigai.
20. Sriranganagara Agraharam.
21. Velavadi.
22. Mangadu.

23. Bugga Agraharam.
24. Damarapakam.
25. Ayanambakam.
26. Thirupathi Venkatacharyulu Khandriga.
27. Agaram.
28. Iruguvoii.
29. Thumbur.
30. Nainaru.
31. Palamangalam Dakshinapu Khandriga.
32. Palamangalam Uttarapu Khandriga."

2. In the Part "7—MADRAS"—

(a) in the entry in column 3 against serial No. 13, for the words "Gummidipundi and Sathyavedu firkas", the words "Gummidipundi firka" shall be substituted;

(b) for the entry in column 3 against serial No. 14, the following entry shall be substituted, namely:—

"Gummidipundi firka in Ponneri taluk and Kannigaipper firka [excluding the villages specified in item (1) of the Appendix] in Tiruvallur taluk";

(c) for the entry in column 3 against serial No. 15, the following entry shall be substituted, namely:—

"Tiruvallur taluk [excluding Kannigaipper firka including the villages specified in item (1) of the Appendix] and Kanakammachatram firka in Tiruttani taluk"

(d) after serial No. 15, the following entry shall be substituted, namely:—

"15A	Tirut- tani	Tiruttani taluk (exclud Kana mach fir
------	----------------	--

(e) in the entry in column 3 against serial No. 34, for the brackets a. and b. the letter "(1A)" shall be substituted.

(f) the Note at the end shall be numbered as "NOTE 1" and the following shall be added thereto, namely:—

"NOTE 2:—Any reference in column 3 of this Part to a district, taluk or firka the extent of which has been altered by the Andhra Pradesh and Madras (Alteration of Boundaries) Act, 1959, shall be taken to mean the area comprised within that district, taluk or firka on the appointed day as defined in that Act.";

(g) in the Appendix, the heading "NORTH ARCOT DISTRICT" which bears the number "(1)" shall be re-numbered as "(1A)" and before that heading as so re-numbered, the following shall be inserted, namely:—

"CHINGLEPUT DISTRICT

(1)

*Villages in Kannigaippper firka in Tiruvallur taluk included in
Tiruvallur constituency*

1. Sembedu.
2. Vengal.
3. Avanambakkam.
4. Agaram.
5. Magaral.
6. Sethupakkam.
7. Guruvayal.
8. Arkampattu.
9. Damarapakkam.
10. Komakambedu.
11. Karani.
12. Koduvali.
13. Singilicuppam.
14. Ayalacheri.
15. Puducuppam."

THE SIXTH SCHEDULE

(See section 14)

Modifications of the Delimitation Commission's Final Order No. 18
dated the 4th October, 1954

1. In Table B,—

(a) for the entries in columns 2 and 3 against serial No. 121, the entries "Sathyavedu" and "Sathyavedu taluk; and Nagari firka in Puttur taluk." shall, respectively, be substituted;

(b) the whole of serial No. 122 shall be omitted;

(c) the Note at the end shall be numbered as "NOTE 1" and the following shall be added thereto, namely:—

"NOTE 2:—Any reference in column 3 of this Part to a district, taluk or firka the extent of which has been altered by the Andhra Pradesh and Madras (Alteration of Boundaries) Act, 1959, shall be taken to mean the area comprised within that district, taluk or firka on the appointed day as defined in that Act."

2. In the Schedule, the whole of parts (63) and (64) shall be omitted and for part (62), the following shall be substituted, namely:—

"(62)

Villages comprising the firka of Nagari in Puttur Taluk

1. Satravada.
2. Mittapalem.
3. Mudipalle.
4. Saraswathivilasapuram.
5. Melapattu.
6. Therani.
7. Ekambarakuppam.
8. Salvapatteda.
9. Nagari.
10. Taduku.
11. Tadukupet.
12. Veerakaverirajapuram.
13. Keelapattu.
14. Nettamkhandigai.
15. Sri Venkataperumalarajapuram.

16. Nagarajakuppam.
 17. Dharmavaram Venkatramiah Khandrigas.
 18. Kannikapuram.
 19. Tirumalraj Kandigai.
 20. Sriranganagara Agraharam.
 21. Velavadi.
 22. Mangadu.
 23. Bugga Agraharam.
 24. Damarapakam.
 25. Ayanambakam.
 26. Thirupathi Venkatacharyulu Khandriga.
 27. Agaram.
 28. Iruguvoii.
 29. Thumbur.
 30. Nainaru.
 31. Palamangalam Dakshinapu Khandiga.
 32. Palamangalam Uttarapu Khandriga".
-

Sh. Sharma

THE INDIAN STATISTICAL INSTITUTE ACT, 1959

No. 57 OF 1959

[24th December, 1959.]

An Act to declare the institution known as the Indian Statistical Institute having at present its registered office in Calcutta to be an institution of national importance and to provide for certain matters connected therewith.

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

Short title and commencement.

1. (1) This Act may be called the Indian Statistical Institute Act, 1959.

(2) It shall come into force on such date¹ as the Central Government may, by notification in the Official Gazette, appoint.

Definitions.

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

(a) "Institute" means the Indian Statistical Institute registered under the Societies Registration Act, 1860; 21 of 1860.

(b) "memorandum" means the memorandum of association of the Institute filed with the Registrar of Joint-Stock Companies under the Societies Registration Act, 1860; 21 of 1860.

(c) "rules and regulations" includes any rule or regulation (by whatever name called) which the Institute is competent to make in the exercise of the powers conferred on it under the Societies Registration Act, 1860, but shall not include any bye-laws or standing orders made under the rules and regulations for the conduct of its day-to-day administration. 21 of 1860.

Declaration of the Indian Statistical Institute as an institution of national importance.

3. Whereas the objects of the institution known as the Indian Statistical Institute are such as to make it an institution of national importance, it is hereby declared that the Indian Statistical Institute is an institution of national importance.

¹1st April, 1960, *vide* Notification No. S. O. 584, dated 2-3-1960, *see* Gazette of India, Part II, Section 3 (ii), Extraordinary, page 905.

3 of 1956. 4. Notwithstanding anything contained in the University Grants Commission Act, 1956, or in any other law for the time being in force, the Institute may hold such examinations and grant such degrees and diplomas in statistics as may be determined by the Institute from time to time.

Grant of degrees and diplomas by Institute.

5. For the purpose of enabling the Institute to discharge efficiently its functions, including research, education, training, project activities and statistical work relating to planning for national development, the Central Government may, after due appropriation made by Parliament by law in this behalf, pay to the Institute in each financial year such sums of money as that Government considers necessary by way of grant, loan or otherwise.

Grants, loans, etc., by Central Government to the Institute.

1 of 1956. 6. (1) The accounts of the Institute shall be audited by auditors duly qualified to act as auditors of companies under the Companies Act, 1956, and the Institute shall appoint such auditors as the Central Government may, after consultation with the Comptroller and Auditor-General of India and the Institute, select.

Audit of accounts of the Institute.

(2) The Central Government may issue such directions to the auditors in the performance of their duties as it thinks fit.

(3) Every such auditor in the performance of his duties shall have at all reasonable times access to the registers, books of account, records and other documents of the Institute.

(4) The auditors shall submit their report to the Institute and shall also forward a copy thereof to the Central Government for its information.

21 of 1860. 7. Notwithstanding anything contained in the Societies Registration Act, 1860, or in the memorandum or rules and regulations, the Institute shall not, except with the previous approval of the Central Government,—

Prior approval of Central Government necessary for certain action by Institute.

(a) alter, extend or abridge any of the purposes for which it has been established or for which it is being used immediately before the commencement of this Act, or amalgamate itself either wholly or partially with any other institution or society; or

(b) alter or amend in any manner the memorandum or rules and regulations; or

(c) sell or otherwise dispose of any property acquired by the Institute with money specifically provided for such acquisition by the Central Government;

Provided that no such approval shall be necessary in the case of any such movable property or class of movable property as may be specified by the Central Government in this behalf by general or special order; or

(d) be dissolved.

Constitution of Committees by Central Government for preparing programme of work by the Institute, etc.

8. (1) The Central Government may constitute as many Committees as and when it considers necessary consisting of such number of persons as it thinks fit to appoint thereto and assign to each such Committee all or any of the following duties, namely:—

(a) the preparation and submission to the Central Government as far as possible before the commencement of each financial year, of statements showing programmes of work agreed to be undertaken by the Institute during that year for which the Central Government may provide funds, as well as general financial estimates in respect of such work; and

(b) the settlement on broad lines of the programme of such work.

(2) Where the Institute does not agree to undertake any work suggested by any Committee referred to in sub-section (1), it shall give to the Central Government its reasons for not so agreeing.

Review of work done, inspection of assets, etc.

9. (1) The Central Government may constitute a Committee consisting of such number of persons as it thinks fit to appoint thereto for the purpose of—

(a) reviewing the work done by the Institute and the progress made by it;

(b) inspecting its buildings, equipment and other assets;

(c) evaluating the work done by the Institute; and

(d) advising Government generally on any matter which in the opinion of the Central Government is of importance in connection with the work of the Institute;

and the Committee shall submit its reports thereon in such manner as the Central Government may direct.

(2) Notice shall be given in every case to the Institute of the intention to cause a review, inspection or evaluation to be made, and the Institute shall be entitled to appoint a representative who

shall have the right to be present and be heard at such review, inspection or evaluation.

(3) The Central Government may address the Chairman of the Institute with reference to the result of such review, inspection or evaluation as disclosed in any report of the Committee referred to in sub-section (1), and the Chairman shall communicate to the Central Government the action, if any, taken thereon.

(4) When the Central Government has, in pursuance of sub-section (3), addressed the Chairman of the Institute in connection with any matter, and the Chairman does not within a reasonable time take action to the satisfaction of the Central Government in respect thereof, the Central Government may, after considering any explanations furnished or representations made on behalf of the Institute, issue such directions as it considers necessary in respect of any of the matters dealt with in the report.

10. The Institute shall be bound to afford all necessary facilities to any Committee constituted under section 8 or section 9 for the purpose of enabling it to carry out its duties.

Institute to afford facilities to Committees.

11. (1) The Central Government may, if it is satisfied that it is necessary so to do in the public interest, issue, for reasons to be recorded and communicated to the Institute, such directions as it thinks fit to the Institute, and such directions may include directions requiring the Institute—

Power to issue directions to Institute.

(a) to amend the memorandum or to make or amend any rule or regulation within such period as may be specified in the directions;

(b) to give priorities to the work undertaken or to be undertaken by the Institute in such manner as the Central Government may think fit to specify in this behalf.

(2) Any directions issued under this section shall have effect, notwithstanding anything contained in any law for the time being in force or in the memorandum or rules and regulations of the Institute.

12. (1) If, in the opinion of the Central Government,—

(i) the Institute without just or reasonable cause has made default in giving effect to any direction issued under sub-section (4) of section 9 or section 11; or

(ii) the Council of the Institute has exceeded or abused its powers in relation to the Institute or any part thereof;

Power of Central Government to assume functions of control.

the Central Government may, by written order, direct the Institute within a period to be specified in the order to show cause to the satisfaction of the Central Government against the making of any appointment referred to in sub-section (2).

(2) If, within the period fixed by any order issued under sub-section (1), cause is not shown to the satisfaction of the Central Government, the Central Government may, by order published in the Official Gazette and stating the reasons therefor, appoint one or more persons to take charge of the Institute or any part thereof for such period not exceeding two years as may be specified in the order.

(3) Notwithstanding anything contained in any law for the time being in force or in the memorandum or rules and regulations of the Institute, on the issue of an order under sub-section (2), during the period specified in that order,—

(a) where the order provides for any person or persons being in charge of the Institute—

(i) all persons holding office as Members of the Council, including the Chairman, shall be deemed to have vacated their offices as such;

(ii) the person or persons appointed under sub-section (2) to be in charge of the Institute shall exercise all the powers and perform all the duties of the Chairman or Council of the Institute, whether at a meeting or otherwise, in respect of the Institute;

(b) where the order provides for any person or persons being in charge of any part of the Institute, the person or persons so appointed shall alone be entitled to exercise all the powers and perform all the duties of the Chairman or Council in relation to that part.

THE SUGAR (SPECIAL EXCISE DUTY) ACT, 1959

No. 58 OF 1959

[24th December, 1959]

An Act to provide for the imposition of a special duty of excise on certain sugar.

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

1. (1) This Act may be called the Sugar (Special Excise Duty) Act, 1959. Short title
and com-
mencement.

(2) It shall be deemed to have come into force on the 25th day of October, 1959.

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

(a) "Central Excises Act" means the Central Excises and Salt Act, 1944;

(b) "factory" means any premises, including the precincts thereof, wherein or in any part of which sugar is being manufactured, or, wherein or in any part of which, any manufacturing process connected with the production of sugar is being carried on or is ordinarily carried on, and includes any premises wherein sugar in respect of which the duty of excise payable under the Central Excises Act or the Additional Duties of Excise (Goods of Special Importance) Act, 1957, has not been paid, is stored;

(c) "sugar" means any form of sugar, whether wholly or partially manufactured, but does not include—

(i) khandsari sugar, that is to say sugar in the manufacture of which neither a vacuum pan nor a vacuum evaporator is employed; or

(ii) palmyra sugar, that is to say sugar manufactured from jaggery obtained by boiling the juice of the palmyra palm.

Imposition
of special
additional
excise duty
on certain
sugar.

3. (1) There shall be levied and collected in respect of that quantity of sugar removed from any factory on or after the commencement of this Act as is equivalent to the quantity of sugar lying in stock on such commencement within the precincts of the factory, a special duty of excise at the rate of rupees two and fifty-two *naye paise* per cwt.

(2) The duty of excise referred to in sub-section (1) shall be in addition to the duties of excise chargeable on sugar under the Central Excises Act or any other law for the time being in force.

(3) The provisions of the Central Excises Act and the rules thereunder, including those relating to refunds and exemptions from duty shall, so far as may be, apply in relation to the levy and collection of the special duty of excise referred to in sub-section (1) as they apply in relation to the levy and collection of the duties of excise on sugar under the Central Excises Act.

Effect of
levy of duty
on certain
transactions.

4. Where, in compliance with an order made with reference to clause (f) of sub-section (2) of section 3 of the Essential Commodities Act, 1955, a person is required to sell any sugar, the price of the sugar so required to be sold shall, if he has paid the special duty of excise leviable under section 3 on such sugar, include an amount equivalent to the duty so paid, and he shall be entitled to be paid such amount by the buyer. 10 of 1955.

Repeal.

5. The Sugar (Special Excise Duty) Ordinance, 1959, is hereby 3 of 1959. repealed.

**THE MINERAL OILS (ADDITIONAL DUTIES OF EXCISE
AND CUSTOMS) AMENDMENT ACT, 1959**

No. 59 OF 1959

[24th December, 1959]

An Act to amend the Mineral Oils (Additional Duties of Excise
and Customs) Act, 1958.

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

1. This Act may be called the Mineral Oils (Additional Duties of Short title,
Excise and Customs) Amendment Act, 1959.

27 of 1958. 2. In section 3 of the Mineral Oils (Additional Duties of Excise Amendment
and Customs) Act, 1958 (hereinafter referred to as the principal of section 3.
Act),—

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

‘(1A) The provisions of sub-section (1) shall be deemed
to have had effect in respect of the period commencing on
the 1st day of April, 1959, and ending on the 31st day of
October, 1959, as if from the words “at such rates” occurring
in that sub-section up to the end thereof, the following had
been substituted, namely:—

“at the rates specified in relation thereto in column 2 of
the said Table—

TABLE

Description of goods 1	Rate of additional duty 2
1. Kerosene	Twelve <i>naye paise</i> per imperial gallon.
2. Motor spirit	Fourteen <i>naye paise</i> per imperial gallon.
3. Refined diesel oil	Twelve <i>naye paise</i> per imperial gallon.
4. Vaporizing oil	Five <i>naye paise</i> per imperial gallon.
5. Diesel oil, not otherwise specified	Rupees twenty per ton.
6. Furnace oil	Rupees twenty per ton.”’;

(ii) in sub-sections (2) and (3), for the word, brackets
and figure “sub-section (1)”, the words “this section” shall be
substituted;

448 *Oils (Additional Duties of Excise and Customs) Amendment* [ACT 59 OF 1959]

(iii) in sub-section (4), after the figures, letters and words "29th day of June, 1958", the words, figures and letters "or commencing on the 1st day of April, 1959, and ending on the 31st day of October, 1959, as the case may be" shall be inserted.

Amendment
of section 5.

3. In section 5 of the principal Act, the words, brackets and figure "sub-section (1) of" shall be omitted in both the places where they occur.

Power to
alter coun-
tervaluing
duties on
imported
goods in cer-
tain cases.

4. Where any duty of customs on any of the goods specified in section 2 of the principal Act became leviable under the Indian Tariff Act, 1934, for the period commencing on the 1st day of April, 1959, and ending on the 31st day of October, 1959, by reason of the fact that under that Act such duty, being the excise duty for the time being leviable on like goods if produced or manufactured in India, has to be added to, or levied as, the duty of customs, the Central Government may, by notification in the Official Gazette, direct that the duty of customs on any of the said goods for the said period shall be such as may be specified in the notification. ^{32 of 1934.}

THE INDIAN TARIFF (AMENDMENT) ACT, 1959

No. 60 OF 1959

[24th December, 1959]

An Act further to amend the Indian Tariff Act, 1934.

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

1. (1) This Act may be called the Indian Tariff (Amendment) Act, 1959. Short title
and com-
mencement.

(2) The provisions of clauses (i), (iv), (vi), (ix), (x) and (xi) of section 2 [relating to Items Nos. 11(6), 28(32), 50(3), 63(33)(b), 64(5), 67(1), 67(4), 70A, 71(8), 75(15) and 85 (c)] shall come into force on the first day of January, 1960, and the remaining provisions shall come into force at once

32 of 1934.

2. In the First Schedule to the Indian Tariff Act, 1934,—

Amendment
of First
Schedule.

(i) for Item No. 11(6), the following Item shall be substituted, namely:—

“ 11(6)	Sago globules and tapioca pearls.	Preferential Revenue	40 per cent. <i>ad valorem</i> .	..	30 per cent. <i>ad valorem</i> .	.. ”;
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(ii) in Item No. 28(8), in the second column headed “Name of article”, for the words “sulphuric, tartaric and acids not otherwise specified”, the words “sulphuric and tartaric acids and acids not otherwise specified” shall be substituted;

(iii) in Items Nos. 28(20), 64(3), 67(2), 68(2), 68(4), 70(5) and 82(3), in the last column headed “Duration of protective rates of duty”, for the word, figures and letters “December 31st, 1959”, wherever they occur, the word, figures and letters “December 31st, 1962” shall be substituted;

(iv) for Item No. 28(32), the following Item shall be substituted, namely:—

"28(32)	Hydroquinone.	Preferential Revenue	40 per cent. <i>ad valorem</i> .	30 per cent. <i>ad valorem</i> .	30 per cent. <i>ad valorem</i> .	..";
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(v) after Item No. 43, the following Item shall be inserted, namely:—

"43(1)	Pulp (other than wood pulp) from vegetable fibres such as bamboo, grasses, reeds and agricultural residues, including pulp of rags, and mixtures of such pulps.	Revenue	20 per cent. <i>ad valorem</i>";
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(vi) in Items Nos. 50(3), 67(1), 67(4), 71(8), 75(15) and 85(c),—

(a) in the third column headed "Nature of duty", for the word "Protective", wherever it occurs, the word "Revenue" shall be substituted, and

(b) in the last column headed "Duration of protective rates of duty", the existing entries shall be omitted;

(vii) in Item No. 53(1), for the existing entry in the second column headed "Name of article", the following entry shall be substituted, namely:—

"Rags and other paper-making materials, excluding pulps thereof and pulps of wood and other vegetable fibres.";

(viii) in Item No. 63(30), in the second column headed "Name of article", for the words "Rods or bars of alloy, tool or special steel", the words "Rods or bars or flats of alloy, tool or special steel" shall be substituted;

(ix) in Item No. 63(33)(b),—

(a) in the third column headed "Nature of duty", for the word "Protective", the word "Revenue" shall be substituted,

(b) in the fourth column headed "Standard rate of duty" for the figures and words "50 per cent. *ad valorem* or 60 naye paise per gross, whichever is higher", the figures and words "50 per cent. *ad valorem*" shall be substituted, and

(c) in the last column headed "Duration of protective rates of duty", the existing entry shall be omitted;

(x) for Item No. 64(5), the following Item shall be substituted namely:—

"64(5)	Copper pipes and tubes—					
	(a) of British manufacture.	Protective	30 per cent. <i>ad valorem</i>.	..	..	December 31st, 1962
	(b) not of British manufacture.	Protective	40 per cent. <i>ad valorem</i>.	..	..	December 31st, 1962";

(xi) for Item No. 70A, the following Item shall be substituted, namely:—

"70A	Brass pipes and tubes.	Protective	35 per cent. <i>ad valorem</i>	December 31st, 1962";
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(xii) in each of the Items Nos. 75(18)(a) and 75(18)(b),—

(a) in the fourth column headed "Standard rate of duty", for the figures and words "60 per cent. *ad valorem*", the figures and words "25 per cent. *ad valorem*" shall be substituted, and

(b) in the last column headed "Duration of protective rates of duty", for the word, figures and letters "December 31st, 1959", the word, figures and letters "December 31st 1963" shall be substituted.

THE MARRIED WOMEN'S PROPERTY (EXTENSION)
ACT, 1959

No. 61 OF 1959

[24th December, 1959.]

An Act to provide for the extension of the Married Women's Property Act, 1874, to parts of India in which it is not now in force.

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

Short title
and com-
mencement.

1. (1) This Act may be called the Married Women's Property (Extension) Act, 1959.

(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 Married Women's Property Act, 1874 (hereinafter referred to as the principal Act), for the sentence "It extends to the whole of India except the territories which, immediately before the 1st November, 1956, were comprised in Part B States.", the sentence "It extends to the whole of India except the State of Jammu and Kashmir." shall be substituted.

3 of 1874

Amendment
of section 6.

3. For sub-section (2) of section 6 of the principal Act, the following sub-section shall be substituted, namely:—

"(2) Notwithstanding anything contained in section 2, the provisions of sub-section (1) shall apply in the case of any policy of insurance such as is referred to therein which is effected—

(a) by any Hindu, Muhammadan, Sikh or Jain—

(i) in Madras, after the thirty-first day of December, 1913, or

(ii) in any other territory to which this Act extended immediately before the commencement of the Married Women's Property (Extension) Act, 1959, after the first day of April, 1923, or

¹1st March, 1960, *vide* Notification No. S.O. 528, dated 29-2-1960, *see* Gazette of India, Extraordinary, Part II, Section 3 (ii), page 77.

(iii) in any territory to which this Act extends on and from the commencement of the Married Women's Property (Extension) Act, 1959, on or after such commencement;

(b) by a Buddhist in any territory to which this Act extends, on or after the commencement of the Married Women's Property (Extension) Act, 1959:

Provided that nothing herein contained shall affect any right or liability which has accrued or been incurred under any decree of a competent court passed—

(i) before the first day of April, 1923, in any case to which sub-clause (i) or sub-clause (ii) of clause (a) applies; or

(ii) before the commencement of the Married Women's Property (Extension) Act, 1959, in any case to which sub-clause (iii) of clause (a) or clause (b) applies.”

4. In Part A of the Schedule to the Union Territories (Laws) Act, 1950, the entry relating to the Married Women's Property Act, 1874, shall be omitted. Amendment of Act 30 of 1950.

5. If immediately before the commencement of this Act, there is in force in any territory to which the principal Act is now extended any law corresponding to the principal Act, that law shall, save as otherwise expressly provided in this Act, stand repealed on such commencement. Repeals and savings.

Provided that the repeal shall not affect—

(a) the previous operation of any law so repealed or anything duly done or suffered thereunder,

(b) any right, privilege, obligation or liability acquired, accrued or incurred under any law so repealed,

(c) any penalty, forfeiture or punishment incurred in respect of any offence committed against any law so repealed, or

(d) any investigation, legal proceeding or remedy in respect of any such right, privilege, obligation, liability, penalty, forfeiture or punishment as aforesaid,

and any such investigation, legal proceeding or remedy may be instituted, continued or enforced, and any such penalty, forfeiture or punishment may be imposed as if this Act had not been passed:

§4 *Married Women's Property (Extension)* [ACT 61 OF 1959]

Provided further that, subject to the preceding proviso, anything done or any action taken under any such law shall be deemed to have been done or taken under the corresponding provision of the principal Act, and shall continue to be in force accordingly unless and until superseded by anything done or any action taken under the principal Act.

THE MINES (AMENDMENT) ACT, 1959

No. 62 OF 1959

[27th December, 1959]

An Act further to amend the Mines Act, 1952.

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

1. (1) This Act may be called the Mines (Amendment) Act, 1959. 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.

35 of 1952.

2. Section 2 of the Mines Act, 1952 (hereinafter referred to as Amendment of section 2. the principal Act) shall be re-numbered as sub-section (1) thereof and,—

(i) in sub-section (1) as so re-numbered,—

(1) for clause (c), the following clause shall be substituted, namely:—

(c) "agent", when used in relation to a mine, means any individual, whether appointed as such or not, who acts as the representative of the owner in respect of the management, control and direction of the mine or of any part thereof and as such superior to a manager under this Act;'

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

'(ii) "managing agent" has the meaning assigned to it in the Companies Act, 1956;'

1 of 1956.

(3) for clause (j), the following clauses shall be substituted, namely:—

(j) "mine" means any excavation where any operation for the purpose of searching for or obtaining minerals has been or is being carried on, and includes—

(i) all borings, bore holes and oil wells;

¹ 16th January, 1960, vide notification No. S.O. 151 dated 9-1-1960, Gazette of India, Part II, Section (ii), page 252.

(ii) all shafts, in or adjacent to and belonging to a mine, whether in the course of being sunk or not;

(iii) all levels and inclined planes in the course of being driven;

(iv) all open cast workings;

(v) all conveyors or aerial ropeways provided for the bringing into or removal from a mine of minerals 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 mine;

(vii) all workshops situated within the precincts of a mine and under the same management and used solely for purposes connected with that mine or a number of mines under the same management;

(viii) all power stations for supplying electricity solely for the purpose of working the mine or a number of mines under the same management;

(ix) any premises for the time being used for depositing refuse from a mine, or in which any operation in connection with such refuse is being carried on, being premises exclusively occupied by the owner of the mine;

(x) unless exempted by the Central Government by notification in the Official Gazette, any premises or part thereof, in or adjacent to and belonging to a mine, on which any process ancillary to the getting, dressing or preparation for sale of minerals or of coke is being carried on;

(jj) "minerals" means all substances which can be obtained from the earth by mining, digging, drilling, dredging, hydraulicing, quarrying or by any other operation and includes mineral oils (which in turn include natural gas and petroleum);

(jjj) "month" means the period from the first day of any month reckoned according to the British calendar to the last day of the same month;

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

‘(kk) “open cast working” means a quarry, that is to say, an excavation where any operation for the purpose of searching for or obtaining minerals has been or is being carried on, not being a shaft or an excavation which extends below superjacent ground;’;

(5) in clause (l), after the words “such liquidator or receiver”, the words “and in the case of a mine owned by a company, the business whereof is being carried on by a managing agent, such managing agent” shall be inserted;

(6) in clause (p), the words ‘and each of such periods is called a “shift”’ shall be added at the end;

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

‘(2) A person working or employed in or in connection with a mine is said to be working or employed—

(a) “below ground” if he is working or employed—

(i) in a shaft which has been or is in the course of being sunk; or

(ii) in any excavation which extends below superjacent ground; and

(b) “above ground” if he is working in an open cast working or in any other manner not specified in clause (a).’.

3. For section 3 of the principal Act, the following section shall be substituted, namely:—

Substitution of new section for section 3.

“3. (1) The provisions of this Act, except those contained in sections 7, 8, 9, 44, 45 and 46, shall not apply to—

Act not to apply in certain cases.

(a) any mine or part thereof in which excavation is being made for prospecting purposes only and not for the purpose of obtaining minerals for use or sale:

Provided that—

(i) not more than twenty persons are employed on any one day in connection with any such excavation;

(ii) the depth of the excavation measured from its highest to its lowest point nowhere exceeds six metres or, in the case of an excavation for coal, fifteen metres; and

(iii) no part of such excavation extends below superjacent ground; or

(b) any mine engaged in the extraction of kankar, murrum, laterite, boulder, gravel, shingle, ordinary sand (excluding moulding sand, glass sand and other mineral sands), ordinary clay (excluding kaolin, china clay, white clay or fire clay), building stone, road metal, earth, fullers earth and lime stone:

Provided that—

(i) the workings do not extend below superjacent ground; or

(ii) where it is an open cast working—

(a) the depth of the excavation measured from its highest to its lowest point nowhere exceeds six metres;

(b) the number of persons employed on any one day does not exceed fifty; and

(c) explosives are not used in connection with the excavation.

(2) Notwithstanding anything contained in sub-section (1), the Central Government may, if it is satisfied that, having regard to the circumstances obtaining in relation to a mine or part thereof or group or class of mines, it is necessary or desirable so to do, by notification in the Official Gazette, declare that any of the provisions of this Act, not set out in sub-section (1), shall apply to any such mine or part thereof or group or class of mines or any class of persons employed therein.

(3) Without prejudice to the provisions contained in sub-section (2), if at any time any of the conditions specified in the proviso to clause (a) or clause (b) of sub-section (1) is not fulfilled in relation to any mine referred to in that sub-section, the provisions of this Act not set out in sub-section (1), shall become immediately applicable, and it shall be the duty of the

owner, agent or manager of the mine to inform the prescribed authority in the prescribed manner and within the prescribed time about the non-fulfilment.”.

4. For section 6 of the principal Act, the following section shall be substituted, namely:—

Substitution
of new section for section 6

“6. (1) The Chief Inspector may, with the approval of the Central Government and subject to such restrictions or conditions as he may think fit to impose, by order in writing, authorise any Inspector named or any class of Inspectors specified in the order to exercise such of the powers of the Chief Inspector under this Act (other than those relating to appeals) as he may specify.

Functions of Inspectors.

(2) The Chief Inspector may, by order in writing, prohibit or restrict the exercise by any Inspector named or any class of Inspectors specified in the order of any power conferred on Inspectors under this Act.

(3) Subject to the other provisions contained in this section, the Chief Inspector shall declare the local area or areas within which or the group or class of mines with respect to which Inspectors shall exercise their respective powers.”.

5. In section 7 of the principal Act, in sub-section (2), for the words “of any register or other record”, the words “of any material or any plan, section, register or other record” shall be substituted.

Amendment of section 7.

6. In section 12 of the principal Act, in clause (a), clause (b) and clause (c) of sub-section (1), for the word “nominated”, the word “appointed” shall be substituted.

Amendment of section 12.

7. In section 14 of the principal Act, in sub-section (2), the words and figures beginning with “, and every person” and ending with “Indian Penal Code” shall be omitted.

Amendment of section 14.

45 of 1860.

8. In section 17 of the principal Act, after the word “management”, the word “, supervision” shall be inserted.

Amendment of section 17.

9. In section 18 of the principal Act,—

Amendment of section 18.

(i) the proviso to sub-section (2) shall be omitted: and

(ii) in sub-section (3), the words “Save as hereinbefore provided,” shall be omitted.

Amendment
of section
19.

10. In section 19 of the principal Act, for sub-section (1), the following sub-section shall be substituted, namely:—

“(1) In every mine effective arrangements shall be made to provide and maintain at suitable points conveniently situated a sufficient supply of cool and wholesome drinking water for all persons employed therein:

Provided that in the case of persons employed below ground the Chief Inspector may, in lieu of drinking water being provided and maintained at suitable points, permit any other effective arrangements to be made for such supply.”.

Substitution
of new sections
for sections 21 and
22.

11. For sections 21 and 22 of the principal Act, the following sections shall be substituted, namely:—

Medical
appliances.

“21. (1) In every mine there shall be provided and maintained so as to be readily accessible during all working hours such number of first-aid boxes or cupboards equipped with such contents as may be prescribed.

(2) Nothing except the prescribed contents shall be kept in a first-aid box or cupboard or room.

(3) Every first-aid box or cupboard shall be kept in the charge of a responsible person who is trained in such first-aid treatment as may be prescribed and who shall always be readily available during the working hours of the mine.

(4) In every mine there shall be made so as to be readily available such arrangements as may be prescribed for the conveyance to hospitals or dispensaries of persons who, while employed in the mine, suffer bodily injury or become ill.

(5) In every mine wherein more than one hundred and fifty persons are employed, there shall be provided and maintained a first-aid room of such size with such equipment and in the charge of such medical and nursing staff as may be prescribed.

Powers of
Inspectors
when causes
of danger not
expressly
provided
against exist
or when
employment
of persons is
dangerous.

22. (1) If, in respect of any matter for which no express provision is made by or under this Act, it appears to the Chief Inspector or an Inspector that any mine or part thereof or any matter, thing or practice in or connected with the mine, or with the control, supervision, management or direction thereof, is dangerous to human life or safety or defective so as to threaten, or tend to, the bodily injury of any person, he may give notice in writing thereof to the owner, agent or manager of the mine and shall state in the notice the particulars in respect of which

he considers the mine or part thereof or the matter, thing or practice to be dangerous or defective and require the same to be remedied within such time and in such manner as he may specify in the notice.

(1A) Where the owner, agent or manager of a mine fails to comply with the terms of a notice given under sub-section (1) within the period specified therein, the Chief Inspector or the Inspector, as the case may be, may, by order in writing, prohibit the employment in or about the mine or any part thereof of any person whose employment is not in his opinion reasonably necessary for securing compliance with the terms of the notice.

(2) Without prejudice to the provisions contained in sub-section (1), the Chief Inspector or the Inspector, as the case may be, may, by order in writing addressed to the owner, agent or manager of a mine, prohibit the extraction or reduction of pillars or blocks of minerals in any mine or part thereof, if, in his opinion, such operation is likely to cause the crushing of pillars or blocks of minerals or the premature collapse of any part of the workings or otherwise endanger the mine or the life or safety of persons employed therein or if, in his opinion, adequate provision against the outbreak of fire or flooding has not been made by providing for the sealing off and isolation of the part of the mine in which such operation is contemplated and for restricting the area that might be affected by fire or flooding.

(3) If the Chief Inspector, or an Inspector authorised in this behalf by general or special order in writing by the Chief Inspector, is of opinion that there is urgent and immediate danger to the life or safety of any person employed in any mine or part thereof, he may, by order in writing containing a statement of the grounds of his opinion, prohibit, until the danger is removed, the employment in or about the mine or any part thereof of any person whose employment is not in his opinion reasonably necessary for the purpose of removing the danger.

(4) Where a notice has been given under sub-section (1) or an order made under sub-section (1A), sub-section (2) or sub-section (3) by an Inspector, the owner, agent or manager of the mine may, within ten days after the receipt of the notice or order, as the case may be, appeal against the same to the Chief Inspector who may confirm, modify or cancel the notice or order.

(5) The Chief Inspector or the Inspector sending a notice under sub-section (1) or making an order under sub-section

(1A), sub-section (2) or sub-section (3) and the Chief Inspector making an order (other than an order of cancellation in appeal) under sub-section (4) shall forthwith report the same to the Central Government.

(6) If the owner, agent or manager of the mine objects to a notice sent under sub-section (1) by the Chief Inspector or to an order made by the Chief Inspector under sub-section (1A) or sub-section (2) or sub-section (3) or sub-section (4), he may, within twenty days after the receipt of the notice containing the requisition or of the order or after the date of the decision on appeal, as the case may be, send his objection in writing stating the grounds thereof to the Central Government which shall refer the same to a Committee.

(7) Every notice under sub-section (1), or order under sub-section (1A), sub-section (2), sub-section (3) or sub-section (4), to which objection is made under sub-section (6), shall be complied with, pending the receipt at the mine of the decision of the Committee:

Provided that the Committee may, on the application of the owner, agent or manager, suspend the operation of a requisition under sub-section (1), pending its decision on the objection.

(8) Nothing in this section shall affect the powers of a magistrate under section 144 of the Code of Criminal Procedure, 1898."

5 of 1898.

A nendment
of section
23.

12. In section 23 of the principal Act,—

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

“(1) Whenever there occurs in or about a mine—

(a) an accident causing loss of life or serious bodily injury, or

(b) an explosion, ignition, spontaneous heating, outbreak of fire or irruption or inrush of water or other liquid matter, or

(c) an influx of inflammable or noxious gases, or

(d) a breakage of ropes, chains or other gear by which persons or materials are lowered or raised in a shaft or an incline, or

(e) an overwinding of cages or other means of conveyance in any shaft while persons or materials are being lowered or raised, or

(f) a premature collapse of any part of the workings,
or

(g) any other accident which may be prescribed, the owner, agent or manager of the mine shall give notice of the occurrence to such authority in such form and within such time as may be prescribed, and he shall simultaneously post one copy of the notice on a special notice board in the prescribed manner at a place where it may be inspected by trade union officials, and shall ensure that the notice is kept on the board for not less than fourteen days from the date of such posting.”; and

(ii) in sub-section (4), for the words and figures “within fourteen days after the 30th day of June and the 31st day of December in each year”, the words and figures “on or before the 20th day of January in the year following that to which the entries relate” shall be substituted.

13. In section 24 of the principal Act,—

Amendment
of section

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

24.

“(1) When any accident of the nature referred to in any of the clauses of sub-section (1) of section 23 occurs in or about a mine, the Central Government may, if it is of opinion that a formal inquiry into the causes of and circumstances attending the accident ought to be held, appoint a competent person to hold such inquiry and may also appoint one or more persons possessing legal or special knowledge to act as assessor or assessors in holding the inquiry.”;

(ii) in sub-section (2), the words and figures beginning with “; and every person required” and ending with “Indian Penal Code” shall be omitted.

45 of 1860.

14. In section 30 of the principal Act,—

Amendment
of section

(i) to sub-section (1), the following proviso shall be added, namely:—

30.

“Provided that, subject to the previous approval of the Chief Inspector, the daily maximum hours specified in this sub-section may be exceeded in order to facilitate the change of shifts.”;

(ii) for the proviso to sub-section (2), the following proviso shall be substituted, namely:—

“Provided that the Chief Inspector may, for reasons to be recorded in writing and subject to such conditions as he may deem fit to impose, permit the spread-over to extend over a period not exceeding fourteen hours in any day.”; and

(iii) for sub-section (3), the following sub-section shall be substituted, namely:—

“(3) Persons belonging to two or more shifts shall not be allowed to do work of the same kind above ground at the same time:

Provided that, for the purposes of this sub-section, persons shall not be deemed to belong to separate shifts by reason only of the fact that they receive their intervals for rest at different times.”.

Substitution
of new sec-
tion for sec-
tion 31.

Hours of
work below
ground.

15. For section 31 of the principal Act, the following section shall be substituted, namely:—

“31. (1) No adult employed below ground in a mine shall be allowed to work for more than forty-eight hours in any week or for more than eight hours in any day:

Provided that, subject to the previous approval of the Chief Inspector, the daily maximum hours specified in this sub-section may be exceeded in order to facilitate the change of shifts.

(2) No work shall be carried on below ground in any mine except by a system of shifts so arranged that the period of work for each shift is not spread over more than the daily maximum hours stipulated in sub-section (1).

(3) No person employed in a mine shall be allowed to be present in any part of a mine below ground except during the periods of work shown in respect of him in the register maintained under sub-section (4) of section 48.”.

Substitution
of new sec-
tion for sec-
tion 32.

Night shift.

16. For section 32 of the principal Act, the following section shall be substituted, namely:—

“32. Where a person employed in a mine works on a shift which extends beyond midnight—

(a) for the purposes of sections 28 and 29, a weekly day of rest shall mean in his case a period of twenty-four consecutive hours beginning when his shift ends;

(b) the following day for him shall be deemed to be the period of twenty-four hours beginning when such shift ends,

and the hours he has worked after midnight shall be counted in the previous day."

17. In section 33 of the principal Act,—

Amendment
of section
33.

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

"(1) Where in a mine a person works above ground for more than nine hours in any day, or works below ground for more than eight hours in any day or works for more than forty-eight hours in any week whether above ground or below ground, he shall in respect of such overtime work be entitled to wages at the rate of twice his ordinary rate of wages, the period of overtime work being calculated on a daily basis or weekly basis, whichever is more favourable to him."; and

(ii) in sub-section (3), for the words "such allowances including the cash equivalent of the advantage accruing through the sale on a concessional basis of foodgrains", the words "any dearness allowance and compensation in cash including such compensation, if any, accruing through the free issue of foodgrains" shall be substituted.

18. For section 34 of the principal Act, the following section shall be substituted, namely:—

Substitution
of new sec-
tion for sec-
tion 34.

"34. No person shall be required or allowed to work in a mine if he has already been working in any other mine within the preceding twelve hours."

Prohibition
of employ-
ment of cer-
tain persons.

19. For section 35 of the principal Act, the following section shall be substituted, namely:—

Substitution
of new sec-
tion for sec-
tion 35.

"35. Save in respect of cases falling within clause (a) and clause (e) of section 39, no person employed in a mine shall be required or allowed to work in the mine for more than ten hours in any day inclusive of overtime."

Limitation
of daily
hours of
work inclu-
ding over-
time work.

20. In section 38 of the principal Act, in the proviso to sub-section (1), for the word "coal", the word "mineral" shall be substituted.

Amendment
of section
38.

Substitution
of new section
for section 39.

21. For section 39 of the principal Act, the following section shall be substituted, namely:—

Power to
make ex-
empting
rules.

“39. Save in respect of adolescents, the Central Government may make rules providing for the exemption to such extent, in such circumstances and subject to such conditions as may be specified, from the provisions of sections 28, 30, 31, 34 or sub-section (5) of section 36—

(a) of all or any of the persons employed in a mine, where an emergency involving serious risk to the safety of the mine or of the persons employed therein is apprehended;

(b) of all or any of the persons so employed, in case of an accident, actual or apprehended;

(c) of all or any of the persons engaged in work of a preparatory or complementary nature, which must necessarily be carried on for the purpose of avoiding serious interference with the ordinary working of the mine;

(d) of all or any of the persons engaged in urgent repairs; and

(e) of all or any of the persons employed in any work which for technical reasons must be carried on continuously.”

Amendment
of section
40.

22. In section 40 of the principal Act, in sub-section (1), clause (a) shall be re-lettered as clause (aa) thereof and before clause (aa) as so re-lettered, the following clause shall be inserted as clause (a), namely:—

“(a) he has completed his sixteenth year;”

Amendment
of section

23. In section 42 of the principal Act, after the word “shall”, the words “, subject to the conditions referred to in that section,” shall be inserted.

Substitution
of new section
for section
43.

24. For section 43 of the principal Act, the following section shall be substituted, namely:—

Power to
require
medical
examination.

“43: (1) Where an Inspector is of opinion that any person employed in a mine is a child or is an adolescent without a certificate of fitness or is an adolescent with a certificate of fitness but no longer fit to work in the capacity stated in the certificate, he may serve on the manager of the mine a notice requiring that such person shall be examined by a certifying surgeon and such person shall not, if the Inspector so directs, be

employed or permitted to work in any mine until he has been so examined and has been certified that he is an adult or, if an adolescent, he has been granted a certificate of fitness, or, as the case may be, a fresh certificate of fitness under section 40.

(2) Every certificate as to the age of a person which has been granted in the prescribed manner and any certificate granted by a certifying surgeon on a reference under sub-section (1) shall, for the purposes of this Act, be conclusive evidence of the matters stated therein."

25. For section 44 of the principal Act, the following section shall be substituted, namely:—

Substitution of new section for section 44.

"44. (1) No adolescent who has not been granted a medical certificate certifying that he is fit for work as an adult shall be employed or permitted to be employed above ground in a mine—

Working hours for adolescents not certified to be fit for work as adults.

(a) for more than four-and-a-half hours in any day, and

(b) between the hours of 6 P.M. and 6 A.M.

(2) The period of work of all such adolescents employed in a mine shall be limited to two shifts which shall not spread over more than five hours each, and there shall be no change of shifts except once in a period of thirty days and with the previous permission in writing of the Chief Inspector."

26. In section 45 of the principal Act, in sub-section (1), for the words "open excavation", the words "open cast working" shall be substituted.

Amendment of section 45.

27. For section 46 of the principal Act, the following section shall be substituted, namely:—

Substitution of new section for section 46.

"46. (1) No woman shall, notwithstanding anything contained in any other law, be employed—

Employment of women.

(a) in any part of a mine which is below ground;

(b) in any mine above ground except between the hours of 6 A.M. and 7 P.M.

(2) Every woman employed in a mine above ground shall be allowed an interval of not less than eleven hours between the termination of employment on any one day and the commencement of the next period of employment.

(3) Notwithstanding anything contained in sub-section (1), the Central Government may, by notification in the Official Gazette, vary the hours of employment above ground of women

in respect of any mine or class or description of mine, so however that no employment of any woman between the hours of 10 P.M. and 5 A.M. is permitted thereby.”.

Omission of section 47.

28. Section 47 of the principal Act shall be omitted.

Amendment of section 48.

29. In section 48 of the principal Act,—

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

“(1) For every mine there shall be kept in the prescribed form and place a register of all persons employed in the mine showing in respect of each such person—

(a) the name of the employee with the name of his father or, of her husband, as the case may be, and such other particulars as may be necessary for purposes of identification;

(b) the age and sex of the employee;

(c) the nature of employment (whether above ground or below ground, and if above ground, whether in open cast workings or otherwise) and the date of commencement thereof;

(d) in the case of an adolescent, reference to the certificate of fitness granted under section 40;

(e) such other particulars as may be prescribed;

and the relevant entries shall be authenticated by the signature or the thumb impression of the person concerned.”;

(ii) for sub-section (4), the following sub-section shall be substituted, namely:—

“(4) For every mine other than a mine which, for any special reason to be recorded, is exempted by the Central Government by general or special order, there shall be kept in the prescribed form and place separate registers showing in respect of each person employed in the mine—

(a) below ground;

(b) above ground in open cast workings; and

(c) above ground in other cases—

(i) the name of the employee;

(ii) the class or kind of his employment;

(iii) where work is carried on by a system of relays the shift to which he belongs and the hours of the shift.”; and

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

“(6) No person shall enter any open cast working or any working below ground unless he has been permitted by the manager or is authorised under this Act or any other law to do so.”.

30. For sections 49 to 56 of the principal Act, the following sections shall be substituted, namely:— Substitution of new sections for sections 49 to 56.

“49. The provisions of this Chapter shall not operate to the prejudice of any right to which a person employed in a mine may be entitled under any other law or under the terms of any award, agreement or contract of service: Application of Chapter.

Provided that when such award, agreement or contract of service provides for a longer leave with wages than provided in this Chapter, such person shall be entitled only to such longer leave.

50. For the purposes of this Chapter, leave shall not include weekly days of rest or holidays for festivals or other similar occasions whether occurring during or at either end of the period of leave. Leave defined.

51. For the purposes of this Chapter, a calendar year shall mean the period of twelve months beginning with the first day of January in any year. Calendar year defined.

52. (1) Every person employed in a mine who has completed a calendar year's service therein shall be allowed, during the subsequent calendar year, leave with wages, calculated,— Annual leave with wages.

(a) in the case of a person employed below ground, at the rate of one day for every sixteen days of work performed by him, and

(b) in any other case, at the rate of one day for every twenty days of work performed by him.

(2) A calendar year's service referred to in sub-section (1) shall be deemed to have been completed,—

(a) in the case of a person employed below ground in a mine, if he has during the calendar year put in not less than one hundred and ninety attendances at the mine; and

(b) in the case of any other person, if he has during the calendar year put in not less than two hundred and forty attendances at the mine.

Explanation.—For the purpose of this sub-section,—

(a) any days of lay-off by agreement or contract or as permissible under the standing order;

(b) in the case of a female employee, maternity leave for any number of days not exceeding twelve weeks; and

(c) the leave earned in the year prior to that in which the leave is enjoyed;

shall be deemed to be the days on which the employee has worked in a mine for the purpose of computation of the attendances, but he shall not earn leave for these days.

(3) A person whose service commences otherwise than on the first day of January shall be entitled to leave with wages in the subsequent calendar year at the rates specified in sub-section (1), if—

(a) in the case of a person employed below ground in a mine, he has put in attendances for not less than one-half of the total number of days during the remainder of the calendar year; and

(b) in any other case, he has put in attendances for not less than two-thirds of the total number of days during the remainder of the calendar year.

(4) Any leave not taken by a person to which he is entitled in any one calendar year under sub-section (1) or sub-section (3) shall be added to the leave to be allowed to him under sub-section (1) during the succeeding calendar year:

Provided that the total number of days of leave which may be accumulated by any such person shall not at any one time exceed thirty days in all:

Provided further that any such person who has applied for leave with wages but has not been given such leave in accordance with sub-section (6) shall be entitled to carry forward the unavailed leave without any limit.

(5) Any such person may apply in writing to the manager of the mine not less than fifteen days before the day on which he wishes his leave to begin, for all leave or any portion thereof then allowable to him under sub-sections (1), (3) and (4):

Provided that the number of times in which leave may be taken during any one calendar year shall not exceed three.

(6) An application for such leave made in accordance with sub-section (5) shall not be refused unless the authority empowered to grant the leave is of opinion that owing to the exigencies of the situation the leave should be refused.

(7) If a person employed in a mine wants to avail himself of the leave with wages due to him to cover a period of illness, he shall be granted such leave even if the application for leave is not made within the time specified in sub-section (5).

(8) If the employment of a person employed in a mine is terminated by the owner, agent or manager of the mine before he has taken the entire leave to which he is entitled up to the day of termination of his employment, or if such person having applied for and having not been granted such leave, quits his employment before he has taken the leave, the owner, agent or manager of the mine shall pay him the amount payable under section 53, in respect of the leave not taken, and such payment shall be made, where the employment of the person is terminated by the owner, agent or manager, before the expiry of the second working day after such termination, and where a person himself quits his employment on or before the next pay day.

(9) The unavailed leave of a person employed in a mine shall not be taken into consideration in computing the period of any notice required to be given before the termination of his employment.

Explanation.—For the purposes of sub-sections (1) and (3), any fraction of leave of half a day or more shall be treated as one full day and fraction of less than half a day shall be omitted.

53. For the leave allowed to a person employed in a mine under section 52, he shall be paid at a rate equal to the daily average of his total full-time earnings for the days on which he was employed during the month immediately preceding his

Wages
during leave
period.

leave, exclusive of any overtime wages and bonus but inclusive of any dearness allowance and compensation in cash including such compensation, if any, accruing through the free issue of foodgrains and other articles as persons employed in the mine may, for the time being, be entitled to :

Provided that if no such average earnings are available, then the average shall be computed on the basis of the daily average of the total full-time earnings of all persons similarly employed for the same month.

Payment in advance in certain cases.

54. Any person employed in a mine who has been allowed leave for not less than four days, shall, before his leave begins, be paid the wages due for the period of the leave allowed.

Mode of recovery of unpaid wages.

55. Any sum required to be paid by the owner, agent or manager of a mine under this Chapter but not paid by him shall be recoverable as delayed wages under the provisions of the Payment of Wages Act, 1936.

4 of 1936.

Power to exempt mines.

56. Where the Central Government is satisfied that the leave rules applicable to persons employed in any mine provide benefits which in its opinion are not less favourable than those provided for in this Chapter, it may, by order in writing and subject to such conditions as may be specified therein, exempt the mine from all or any of the provisions of this Chapter."

Amendment of section 57.

31. In section 57 of the principal Act,—

(i) in clause (c), for the words "qualifications of managers", the words and brackets "qualifications (including age) of agents and managers" shall be substituted;

(ii) for clause (h), the following clause shall be substituted, namely :—

"(h) for providing for inquiries to be made under this Act, including any inquiry relating to misconduct or incompetence on the part of any person holding a certificate under this Act and for the suspension or cancellation of any such certificate and for providing, wherever necessary, that the person appointed to hold an inquiry shall have all the powers of a civil court under the Code of Civil Procedure, 1908, for the purpose of enforcing the attendance of witnesses and compelling the production of documents and material objects;"

5 of 1908.

(iii) for clause (j), the following clause shall be substituted, namely :—

“(j) for prohibiting, restricting or regulating the employment of adolescents and women in mines or in any class of mines or on particular kinds of labour which are attended by danger to the life, safety or health of such persons and for limiting the weight of any single load that may be carried by any such person;”;

(iv) for clauses (m) and (n), the following clauses shall be substituted, namely :—

“(m) for providing for the safety of the roads and working places in mines, including the siting, maintenance and extraction or reduction of pillars or blocks of minerals and the maintenance of sufficient barriers between mine and mine;

(n) for the inspection of workings and sealed off fire-areas in a mine, and for the restriction of workings in the vicinity of the sea or any lake or river or any other body of surface water, whether natural or artificial, or of any public road or building, and for requiring due precaution to be taken against the irruption or inrush of water or other liquid matter into, outbreak of fire in or premature collapse of, any workings;”;

(v) for clause (p), the following clause shall be substituted, namely :—

“(p) for regulating, subject to the provisions of the Indian Electricity Act, 1910, and of any rules made thereunder, the generation, storage, transformation, transmission and use of electricity in mines and for providing for the care and the regulation of the use of all electrical apparatus and electrical cables in mines and of all other machinery and plant therein;”;

(vi) in clause (s),—

(a) after the words “explosions or ignitions”, the words “of inflammable gas or dust” shall be inserted;

(b) after the words “collapse of” wherever they occur, the word “workings” shall be inserted;

(vii) in clause (t), for the words "for prescribing the notices", the words, brackets, letter and figures "for prescribing under clause (g) of sub-section (1) of section 23, the types of accidents and for prescribing the notices" shall be substituted;

(viii) for clause (u), the following clause shall be substituted, namely :—

"(u) for prescribing the plans, and sections and field notes connected therewith, to be kept by owners, agents and managers of mines and the manner and places in which such plans, sections and field notes are to be kept for purposes of record and for the submission of copies thereof to the Chief Inspector; and for requiring the making of fresh surveys and plans by them, and in the event of non-compliance, for having the survey made and plans prepared through any other agency and for the recovery of expenses thereof in the same manner as an arrear of land revenue;"

(ix) in clause (x), for the words "public work or classes of public works which the Central Government may, by general or special order, specify in this behalf", the words "public roads or other works, as the case may be, which are maintained by the Government or any local authority" shall be substituted;

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

"(yy) for requiring protective works to be constructed by the owner, agent or manager of a mine before the mine is closed, and in the event of non-compliance, for getting such works executed by any other agency and for recovering the expenses thereof from such owner in the same manner as an arrear of land revenue;"

Amendment
of section
58.

32. In section 58 of the principal Act,—

(i) in clause (c), after the words "for the recovery of the expenses of such Courts", the words "including any other expenses connected with the inquiry" shall be inserted;

(ii) in clause (f), the words, " , the supply and maintenance of medical appliances and comforts, and the training of men in ambulance work" shall be omitted;

(iii) after clause (f), the following clauses shall be inserted, namely:—

“(ff) for providing for the supply and maintenance of medical appliances and comforts and for prescribing the contents and number of first-aid boxes and cupboards, the training in first-aid work, the size and equipment of first-aid rooms and staff in charge thereof and the arrangements for conveyance of injured persons to hospitals or dispensaries;

(fff) for requiring the imparting of practical instruction to, or the training of, persons employed or to be employed in mines otherwise than in a position of supervision or management and for prescribing schemes for such instruction and training;”;

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

(kk) for requiring persons employed or seeking employment at mines to submit themselves for medical examination and for prohibiting on medical grounds the employment of any person at a mine either absolutely or in a particular capacity or in particular work;”;

(v) for clause (l), the following clause shall be substituted, namely:—

“(l) for prescribing the form of registers required by section 48 and the maintenance and form of registers for the purposes of Chapter VII;”;

(vi) in clause (o), the words “one hundred and” shall be omitted;

(vii) in clause (s), for the word “miners”, the word “persons” shall be substituted; and

(viii) in clause (v), after the words “rescue brigades”, the following words shall be inserted, namely:—

“and for the terms and conditions of service of persons trained in rescue work employed in mines”.

33. In section 59 of the principal Act,—

(i) sub-section (3) shall be omitted; and

(ii) in sub-section (4), for the word “rule” in both the places where it occurs, the words “regulation or rule” shall be substituted.

Amendment
of section
59.

Amendment
of section
60.

34. In section 60 of the principal Act,—

(i) for the brackets and figure “(3)”, the brackets and figure “(4)” shall be substituted;

(ii) the words, brackets and letters “clause (i) and clauses (k) to (s) excluding clause (l) of” and the word “previous” occurring after the words “and without” shall be omitted; and

(iii) for the words “two years”, the words “one year” shall be substituted.

Amendment
of section
54.

35. In section 64 of the principal Act,—

(i) for clause (d), the following clause shall be substituted, namely :—

“(d) falsifies any plan, section, register or record, the maintenance of which is required by or under this Act or produces before any authority such false plan, section, register or record, knowing the same to be false, or”; and

(ii) for the words “five hundred rupees”, the words “one thousand rupees” shall be substituted.

Amendment
of section
65.

36. In section 65 of the principal Act, for the word “fifty”, the words “two hundred” shall be substituted.

Amendment
of section
66.

37. In section 66 of the principal Act, after the word “plan,”, the word “section,” shall be inserted and for the words “two hundred”, the words “one thousand” shall be substituted.

Amendment
of section
67.

38. In section 67 of the principal Act,—

(i) for the words “five hundred”, the words “one thousand” shall be substituted; and

(ii) the words “, and, if the contravention is continued after conviction, with a further fine which may extend to seventy-five rupees for each day on which the contravention is so continued” shall be omitted.

Amendment
of section
69.

39. In section 69 of the principal Act,—

(i) for the words “five hundred”, the words “two thousand and five hundred” shall be substituted; and

(ii) the words “, and, if the contravention is continued after conviction, with a further fine which may extend to one hundred rupees for each day on which the contravention is so continued” shall be omitted.

40. For sections 73 and 74 of the principal Act, the following sections shall be substituted, namely :—

Substitution
of new sec-
tions for
sections 73
and 74.

72A. Whoever contravenes any provision of any regulation or of any bye-law or of any order made thereunder, relating to matters specified in clauses (d), (i), (m), (n), (o), (p), (r), (s) and (u) of section 57 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.

Special pro-
vision for
contraven-
tion of cer-
tain regula-
tions. t/

72B. Whoever continues to work a mine in contravention of any order issued under sub-section (1A), sub-section (2) or sub-section (3) of section 22 shall be punishable with imprisonment for a term which may extend to two years, and shall also be liable to fine which may extend to five thousand rupees.

Special pro-
vision for
contraven-
tion of
orders under
section 22.

72C. (1) Whoever contravenes any provision of this Act or of any regulation, rule or bye-law or of any order made thereunder [other than an order made under sub-section (1A) or sub-section (2) or sub-section (3) of section 22], shall be punishable—

Special pro-
vision for
contraven-
tion of law
with danger-
ous results.

(a) if such contravention results in loss of life, with imprisonment which may extend to two years, or with fine which may extend to five thousand rupees, or with both; or

(b) if such contravention results in serious bodily injury, with imprisonment which may extend to one year, or with fine which may extend to three thousand rupees, or with both; or

(c) if such contravention otherwise causes injury or danger to persons employed in the mine or other persons in or about the mine, with imprisonment which may extend to three months, or with fine which may extend to one thousand rupees, or with both.

(2) Where a person having been convicted under this section is again convicted thereunder, he shall be punishable with double the punishment provided by sub-section (1).

(3) Any court imposing or confirming in appeal, revision or otherwise a sentence of fine passed under this section may, when passing judgment, order the whole or any part of the fine recovered to be paid as compensation to the person injured or, in the case of his death, to his legal representative:

Provided that if the fine is imposed in a case which is subject to appeal, no such payment shall be made before the period allowed for presenting the appeal has elapsed, or, if an appeal has been presented, before the decision of the appeal.

General provision for disobedience of orders.

73. Whoever contravenes any provision of this Act or of any regulation, rule or bye-law or of any order made thereunder for the contravention of which no penalty is hereinbefore provided, shall be punishable with imprisonment for a term which may extend to three months, or with fine which may extend to one thousand rupees, or with both.

Enhanced penalty after previous conviction.

74. If any person who has been convicted for an offence punishable under any of the foregoing provisions (other than sections 72B and 72C) is again convicted for an offence committed within two years of the previous conviction and involving a contravention of the same provision, he shall be punishable for each subsequent conviction with double the punishment to which he would have been liable for the first contravention of such provisions."

Substitution of new section for section 76.

Determination of owner in certain cases.

41. For section 76 of the principal Act, the following section shall be substituted, namely :—

"76. Where the owner of a mine is a firm or other association of individuals, all, or any of the partners or members thereof or where the owner of a mine is a company, all or any of the directors thereof or where the owner of a mine 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 mine, may be prosecuted and punished under this Act for any offence for which the owner of a mine is punishable :

Provided that where a firm, association or company has given notice in writing to the Chief Inspector that it has 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 owner of the mine for the purposes of this Act, 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 owner of the mine for the purposes of this Act 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 Chief Inspector."

42. In section 77 of the principal Act, after the words "upon complaint made by him in this behalf", the words "and on his furnishing the known address of the actual offender" shall be inserted.

Amendment of section 77.

43. To section 79 of the principal Act, the following *Explanation* shall be added, namely:—

Amendment of section 79.

"*Explanation*.—For the purposes of this section,—

(a) in the case of a continuing offence, the period of limitation shall be computed with reference to every point of time during which the offence continues;

(b) where for the performance of any act time has been extended under this Act, the period of limitation shall be computed from the expiry of the extended period."

44. After section 80 of the principal Act, the following section shall be inserted, namely:—

Insertion of new section 80A.

5 of 1898.

"80A. Notwithstanding anything contained in section 32 of the Code of Criminal Procedure, 1898, it shall be lawful for a presidency magistrate or a magistrate of the first class to pass a sentence of fine exceeding two thousand rupees authorised by this Act on any person convicted of an offence thereunder."

Special provision regarding fine.

45. In section 82 of the principal Act, after the words "excavation or working", the words "or premises in or adjacent to and belonging to a mine, on which any process ancillary to the getting, dressing or preparation for sale of minerals or of coke is being carried on" shall be inserted.

Amendment of section 82.

46. Section 83 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:—

Amendment of section 83.

"(2) The Central Government may, by general or special order and subject to such restrictions as it may think fit to impose, authorise the Chief Inspector or any other authority to

exempt, subject to any specified conditions, any mine or part thereof from the operation of any of the provisions of the regulations or rules under this Act if the Chief Inspector or such authority is of opinion that the conditions in any mine or part thereof are such as to render compliance with such provision unnecessary or impracticable."

Amendment of section 85. 47. In section 85 of the principal Act, after the word "shall", the word "also" shall be inserted.

Insertion of new section 85 A. 48. After section 85 of the principal Act, the following section shall be inserted, namely:—

persons required to give notice, etc., legally bound to do so.

"85A. Every person required to give any notice or to furnish any information to any authority under this Act shall be legally bound to do so within the meaning of section 176 of the Indian Penal Code." 45 of 1861.

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