

Acts of the Parliament of India

For the Year 1953

TABLE OF CONTENTS

Act No.	Short Title	Date
1 of 1953	Appropriation Act, 1953	05/03/1953
2 of 1953	Indian Tariff (Amendment) Act, 1953	16/03/1953
3 of 1953	Union Duties of Excise (Distribution) Act, 1953	18/03/1953
4 of 1953	Appropriation (Vote on Account) Act, 1953	19/03/1953
5 of 1953	Appropriation (Railways) Act, 1953	19/03/1953
6 of 1953	Appropriation (Railways) No. 2 Act, 1953	19/03/1953
7 of 1953	Patiala and East Punjab States Union Appropriation Act, 1953	31/03/1953
8 of 1953	Patiala and East Punjab States Union Appropriation (Vote on Account) Act, 1953	31/03/1953
9 of 1953	Appropriation (No. 2) Act, 1953	31/03/1953
10 of 1953	Hyderabad Coinage and Paper Currency (Miscellaneous Provisions) Act, 1953	31/03/1953
11 of 1953	Administration of Evacuee Property (Amendment) Act, 1953	09/04/1953
12 of 1953	Khadi and Other Handloom Industries Development (Additional Excise Duty on Cloth) Act, 1953	14/04/1953
13 of 1953	Appropriation (No. 3) Act, 1953	23/04/1953
14 of 1953	Finance Act, 1953	25/04/1953
15 of 1953	Central Excises and Salt (Amendment) Act, 1953	25/04/1953
16 of 1953	Scheduled Areas (Assimilation of Laws) Act, 1953	06/05/1953
17 of 1953	Patiala and East Punjab States Union Appropriation (No. 2) Act, 1953	15/05/1953
18 of 1953	Indian Lighthouse (Amendment) Act, 1953	16/05/1953
19 of 1953	Cinematograph (Amendment) Act, 1953	16/05/1953
20 of 1953	Salaries and Allowances of Officers of Parliament Act, 1953	16/05/1953
21 of 1953	Comptroller and Auditor-General (Conditions of Service) Act, 1953	17/05/1953
22 of 1953	Patiala and East Punjab States Union Legislature (Delegation of Powers) Act, 1953	17/05/1953
23 of 1953	Indian Merchant Shipping (Amendment) Act, 1953	21/05/1953
24 of 1953	Delhi Road Transport Authority (Amendment) Act, 1953	22/05/1953
25 of 1953	Indian Income-Tax (Amendment) Act, 1953	24/05/1953
26 of 1953	Industries (Development and Regulation) Amendment	26/05/1953

Act No.	Short Title	Date
	Act, 1953	
27 of 1953	Air Corporations Act, 1953	28/05/1953
28 of 1953	Vindhya Pradesh Legislative Assembly (Prevention of Disqualification) Act, 1953	28/05/1953
29 of 1953	Tea Act, 1953	28/05/1953
30 of 1953	Andhra State Act, 1953	14/09/1953
31 of 1953	Central Silk Board (Amendment) Act, 1953	18/09/1953
32 of 1953	Collection of Statistics Act, 1953	18/09/1953
33 of 1953	Appropriation (No. 4) Act, 1953	29/09/1953
34 of 1953	Estate Duty Act, 1953	06/10/1953
35 of 1953	Sea Customs (Amendment) Act, 1953	05/12/1953
36 of 1953	Rehabilitation Finance Administration (Amendment) Act, 1953	10/12/1953
37 of 1953	Employees' Provident Funds (Amendment) Act, 1953	12/12/1953
38 of 1953	Travancore-Cochin High Court (Amendment) Act, 1953	15/12/1953
39 of 1953	Dhoties (Additional Excise Duty) Act, 1953	16/12/1953
40 of 1953	Live-Stock Importation (Amendment) Act, 1953	16/12/1953
41 of 1953	Calcutta High Court (Extension of Jurisdiction) Act, 1953	18/12/1953
42 of 1953	Repealing and Amending Act, 1953	23/12/1953
43 of 1953	Industrial Disputes (Amendment) Act, 1953	23/12/1953
44 of 1953	Manipur Court-Fees (Amendment and Validation) Act, 1953	23/12/1953
45 of 1953	Coir Industry Act, 1953	23/12/1953
46 of 1953	Forward Contracts (Regulation) Amendment Act, 1953	23/12/1953
47 of 1953	Indian Tariff (Second Amendment) Act, 1953	25/12/1953
48 of 1953	Indian Tariff (Third Amendment) Act, 1953	26/12/1953
49 of 1953	Salt Cess Act, 1953	26/12/1953
50 of 1953	Appropriation (No. 5) Act, 1953	26/12/1953
51 of 1953	Patiala and East Punjab States Union Appropriation (No. 3) Act, 1953	26/12/1953
52 of 1953	Banking Companies (Amendment) Act, 1953	30/12/1953
53 of 1953	Telegraph Wires (Unlawful Possession) Amendment Act, 1953	30/12/1953
	Constitution (Second Amendment) Act, 1952	01/05/1953

ORDINANCES

Ord. No.	Title	Date
1	Employees' Provident Funds (Amendment) Ordinance, 1953	14/10/1953
2	Rehabilitation Finance Administration (Amendment) Ordinance, 1953	22/10/1953
3	Sea Customs (Amendment) Ordinance, 1953	24/10/1953
4	Banking Companies (Amendment) Ordinance, 1953	24/10/1953
5	Industrial Disputes (Amendment) Ordinance, 1953	24/10/1953

6	Dhoties (Additional Excise Duty) Ordinance, 1953	26/10/1953
7	Barsi Light Railway Company (Transferred Liabilities) Ordinance, 1953	31/12/1953

PRESIDENT'S ACTS

Act No.	Title	Date
1	Patiala and East Punjab States Union Police (Incitement to Disaffection) Act, 1953	16/08/1953
2	Patiala and East Punjab States Union Abolition of Ala Malikiyat Rights Act, 1953	29/08/1953
3	Patiala and East Punjab States Union Occupancy Tenants (Vesting of Proprietary Rights) Act, 1953	29/08/1953
4	Patiala and East Punjab States Union Opium Smoking Act, 1953	01/10/1953
5	Patiala and East Punjab States Union Land Acquisition Act, 1953	06/10/1953
6	Patiala and East Punjab States Union Evacuee Interest (Separation) Supplementary Act, 1953	09/10/1953
7	Patiala and East Punjab States Union General Clauses Act, 1953	14/11/1953
8	Patiala and East Punjab States Union Tenancy and Agricultural Lands Act, 1953	18/11/1953

The Gazette  of India

EXTRAORDINARY,
PART II—Section 1
PUBLISHED BY AUTHORITY

No. 2] **NEW DELHI, FRIDAY, MARCH 6, 1953**

MINISTRY OF LAW

New Delhi, the 6th March 1953

The following Act of Parliament received the assent of the President on the 5th March, 1953 and is hereby published for general information:—

THE APPROPRIATION ACT, 1953

No. of 1953

[5th March, 1953]

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 1952-53.

BE it enacted by Parliament as follows:—

1. **Short title.**—This Act may be called the Appropriation Act, 1953.

2. **Issue of Rs. 46,69,50,000 out of the Consolidated Fund of India for the year 1952-53.**—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-six crores, sixty-nine lakhs and fifty thousand rupees towards defraying the several charges which will come in course of payment during the financial year 1952-53, in respect of the services specified in column 2 of the Schedule.

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

THE SCHEDULE
(See sections 2 and 3)

1 No. of Vote	2 Services and Purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Consoli- dated Fund	TOTAL
		Rs.	Rs.	Rs.
1	Ministry of Commerce and Industry	1,92,000	..	1,92,000
4	Miscellaneous Departments and Expenditure under the Ministry of Commerce and Industry.	1,46,000	..	1,46,000

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.
6	Indian Posts and Telegraphs Department (including working expenses).	..	8,60,000	8,60,000
9	Aviation . . . . .	..	10,000	10,000
10	Miscellaneous Expenditure under the Ministry of Communications.	26,000	..	26,000
31	Payments to other Governments, Departments, etc., on account of the administration of Agency subjects and management of Treasuries.	51,000	..	51,000
33	Currency . . . . .	..	50,000	50,000
36	Superannuation Allowances and Pensions.	14,00,000	..	14,00,000
38	Grants-in-aid to States . . . . .	..	5,65,00,000	5,65,00,000
30	Miscellaneous Adjustments between the Union and State Governments.	37,000	..	37,000
49	Miscellaneous Expenditure under the Ministry of Food and Agriculture.	6,11,00,000	..	6,11,00,000
53	Miscellaneous Expenditure under the Ministry of Health.	13,84,000	..	13,84,000
57	Police	9,94,000	..	9,94,000
60	Andaman and Nicobar Islands	2,40,000	..	2,40,000
69	Administration of Justice	57,000	..	57,000
70	Ministry of Natural Resources and Scientific Research.	35,000	..	35,000
79	Expenditure on Displaced Persons.	1,06,57,000	..	1,06,57,000
87	Relations with States	2,34,000	..	2,34,000
88	Miscellaneous Expenditure under the Ministry of States.	9,30,000	..	9,30,000
91	Lighthouses and Lightships	4,99,000	..	4,99,000

1	2	3		
No. of Vote	Services and Purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	TOTAL
		Rs.	Rs.	Rs.
96	Supplies	69,86,000	..	69,86,000
97	Salt	2,00,000	..	2,00,000
103-A	Secretariat of the Vice-President .	28,000	.. -	28,000
	CHARGED— <i>Union Public Service Commission.</i>	..	1,92,000	1,92,000
[105	Capital Outlay on Indian Posts and Telegraphs (Not met from Revenue).	1,00,00,000	..	1,00,00,000
112	Commuted Value of Pensions . .	10,77,000	..	10,77,000
114	Other Capital Outlay of the Ministry of Finance.	16,57,36,000	..	16,57,36,000
115	Loans and Advances by the Central Government.	..	13,28,00,000	13,28,00,000
123	Capital Outlay on Multipurpose River Schemes.	1,08,30,000	..	1,08,30,000
124	Other Capital Outlay of the Ministry of Natural Resources and Scientific Research.	82,000	..	82,000
126	Capital Outlay of the Ministry of States.	36,17,000	..	36,17,000
	TOTAL .	27,65,38,000	19,04,12,000	46,69,50,000

K. Y. BHANDARKAR,
Secy. to the Govt. of India.

The Gazette  of India

EXTRAORDINARY
PART II—Section 1
PUBLISHED BY AUTHORITY

No. 3] NEW DELHI, TUESDAY, MARCH 17, 1953

MINISTRY OF LAW

New Delhi, the 17th March, 1953

The following Act of Parliament received the assent of the President on the 16th March, 1953 and is hereby published for general information:—

THE INDIAN TARIFF (AMENDMENT) ACT, 1953

No. 2 of 1953

[16th March, 1953]

An Act further to amend the Indian Tariff Act, 1934.

Enacted by Parliament as follows:—

1. **Short title.**—This Act may be called the Indian Tariff (Amendment) Act, 1953.

2. **Amendment of section 3A, Act XXXII of 1934.**—In section 3A of the Indian Tariff Act, 1934 (hereinafter referred to as the principal Act),—

(a) in sub-section (1), for the words, figures, letters and brackets “the Tariff Board set up under the Resolution of the Government of India in the Department of Commerce No. 218-T(55)/45, dated the 8th November, 1945” the words, figures, letter and brackets “the Tariff Commission established under the Tariff Commission Act, 1951 (L of 1951)” shall be substituted;

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

“(3) Where a notification has been issued under sub-section (1), there shall, unless the notification is in the meantime rescinded, be introduced in Parliament, as soon as may be, but in any case during the next session of Parliament following the date of the issue of the notification, a Bill on behalf of the Central Government to give effect to the proposals in regard to the continuance of a protective duty of customs on the goods to which the notification relates, and the notification shall cease to have effect when such Bill becomes law, whether with or without modifications, but without prejudice to the validity of anything previously done thereunder.”

Provided that if the notification under sub-section (1) is issued when Parliament is in session, such a Bill shall be introduced in Parliament during that session:

Provided further that where for any reason a Bill as aforesaid does not become law within six months from the date of its introduction in Parliament, the notification shall cease to have effect on the expiration of the said period of six months.”;

(c) sub-section (4) shall be omitted.

3. Amendment of the First Schedule, Act XXXII of 1934.—In the First Schedule to the principal Act,—

(i) after Item No. 72(34), the following Items shall be inserted, namely:—

*72(35)	<p>Ball bearings of all kinds not exceeding 2" bore diameter adapted for use as parts and accessories of motor vehicles other than motor cycles and motor scooters— (a) of British manufacture. (b) not of British manufacture.</p>	<p>Protective Protective</p>	<p>9½ per cent. <i>ad valorem</i>. Preferential rate of duty actually charged for the time being for such products of United Kingdom origin plus three per cent. <i>ad valorem</i>.</p>	<p>..</p>	<p>December 31st, 1954. December 31st, 1954.</p>
72(36)	<p>Ball bearings of all kinds not exceeding 2" bore diameter not otherwise specified.</p>	Protective	<p>9½ per cent. <i>ad valorem</i>.</p>	<p>.. ..</p>	<p>December 31st, 1954.</p>
72(37)	<p>Adapter bearings not exceeding 2" bore diameter which are specially designed for use exclusively with power driven machinery.</p>	Protective	<p>10 per cent. <i>ad valorem</i>.</p>	<p>.. ..</p>	<p>December 31st, 1954.</p>
72(38)	<p>Ball and roller bearings for use with shaftings of more than 2" bore diameter and adapter bearings, not otherwise specified, which are specially designed for use exclusively with power driven machinery.</p>	Revenue	<p>10 per cent. <i>ad valorem</i>.</p>	<p>.. ..</p>	<p>.."</p>

(ii) in Item No. 75(10) (v), in the entry in the second column, the words and figures "ball bearings up to 2" bore" shall be omitted.

K. Y. BHANDARKAR,
Secy. to the Govt. of India.

The Gazette  of India

EXTRAORDINARY
PART II—Section 1
PUBLISHED BY AUTHORITY

No. 4] NEW DELHI, THURSDAY, MARCH 19, 1953

MINISTRY OF LAW

New Delhi, the 19th March, 1953

The following Act of Parliament received the assent of the President on the 18th March, 1953 and is hereby published for general information:—

THE UNION DUTIES OF EXCISE (DISTRIBUTION)
ACT, 1953

No. 3 of 1953

[18th March, 1953]

An Act to provide for the distribution of a part of the net proceeds of certain Union duties of excise among the States.

BE it enacted by Parliament as follows:—

1. **Short title.**—This Act may be called the Union Duties of Excise (Distribution) Act, 1953.

2. **Definition.**—In this Act, the expression “Distributable Union duties of excise” means forty per cent. of the net proceeds of the duties of excise levied and collected under the Central Excises and Salt Act, 1944 (I of 1944) on matches, tobacco and vegetable product as defined in Items Nos. 2, 9, and 11 respectively of the First Schedule to that Act.

3. **Distribution of a part of the Union duties of excise among the States.**—During each financial year commencing on and after the first day of April, 1952, there shall be paid out of the Consolidated Fund of India to each of the States specified in column 1 of the Table below such percentage of the distributable Union duties of excise as is set out against it in column 2:

Provided that if any Part B State is entitled to receive in any financial year any grant of financial assistance by the Government of India by virtue of an agreement under clause (1) of article 278 of the Constitution, the State shall be entitled either to the amount of the said grant or to the total amount falling to its share out of the net proceeds of the distributable Union duties of excise under this Act and the net proceeds

of the taxes on income under article 270 of the Constitution, whichever is greater.

TABLE

1	2
<i>State</i>	<i>Percentage</i>
Assam ...	2.61
Bihar ...	11.60
Bombay ...	10.87
Hyderabad ...	5.89
Madhya Bharat ...	2.29
Madhya Pradesh ...	6.18
Madras ...	16.44
Mysore ...	2.62
Orissa ...	4.22
Patiala & East Punjab States Union	1.00
Punjab ...	8.66
Rajasthan ...	4.41
Saurashtra ...	1.19
Travancore-Cochin ...	2.68
Uttar Pradesh ...	18.28
West Bengal ...	7.16

4. Expenditure to be charged on the Consolidated Fund of India.—Any expenditure under the provisions of this Act shall be expenditure charged on the Consolidated Fund of India.

5. Power to make rules.—The Central Government may, by notification in the Official Gazette, make rules providing for the time at which and the manner in which any payments under this Act are to be made, for the making of adjustments between one financial year and another and for any other incidental or ancillary matters.

K. Y. BHANDARKAR,
Secy. to the Govt. of India.

The Gazette of India



EXTRAORDINARY
PART II—Section 1
PUBLISHED BY AUTHORITY

No. 5] NEW DELHI, FRIDAY, MARCH 20, 1953

MINISTRY OF LAW

New Delhi, the 20th March, 1953

The following Acts of Parliament received the assent of the President on the 19th March, 1953 and are hereby published for general information:—

THE APPROPRIATION (VOTE ON ACCOUNT) ACT, 1953

No. 4 of 1953

[19th March, 1953]

An Act to provide for the withdrawal of certain sums from and out of the Consolidated Fund of India for the service of a part of the financial year 1953-54.

Be it enacted by Parliament as follows:—

1. **Short title.**—This Act may be called the Appropriation (Vote on Account) Act, 1953.

2. **Withdrawal of Rs. 2,47,30,17,000 from and out of the Consolidated Fund of India for the financial year 1953-54.**—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 two hundred and forty-seven crores, thirty lakhs and seventecu thousand rupees towards defraying the several charges which will come in course of payment during the financial year 1953-54.

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

THE SCHEDULE
(See sections 2 and 3)

1	2	3		
		Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
1	Ministry of Commerce and Industry	6,02,000	..	6,02,000
2	Industries	99,18,000	..	99,18,000
3	Commercial Intelligence and Statistics	4,30,000	..	4,30,000
4	Miscellaneous Departments and Expenditure under the Ministry of Commerce and Industry	3,35,000	..	3,35,000
5	Ministry of Communications	1,01,000	..	1,01,000
6	Indian Posts and Telegraphs Department (including Working Expenses)	3,60,69,000	13,73,000	3,80,42,000
7	Meteorology	9,08,000	..	9,08,000
8	Overseas Communications Service	7,58,000	34,000	7,92,000
9	Aviation	24,81,000	..	24,81,000
10	Miscellaneous Departments and Expenditure under the Ministry of Communications	69,000	..	69,000
11	Ministry of Defence	2,18,000	..	2,18,000
12	Defence Services—Effective Army	13,64,25,000	..	13,64,25,000
13	Defence Services—Effective Navy	94,32,000	..	94,32,000
14	Defence Services—Effective Air Force	2,14,94,000	..	2,14,94,000
15	Defence Services—Non-Effective Charges	1,30,57,000	1,000	1,30,58,000
16	Miscellaneous Expenditure under the Ministry of Defence	42,000	..	42,000
17	Ministry of Education	2,76,000	..	2,76,000
18	Archæology	3,60,000	..	3,60,000

1	2	3		
		Sums not exceeding		
No. of Vote	Services and purposes	Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
19	Other Scientific Departments	15,99,000	..	15,99,000
20	Education	40,67,000	..	40,67,000
21	Miscellaneous Departments and Expenditure under the Ministry of Education	2,52,000	..	2,52,000
22	Tribal Areas	31,54,000	..	31,54,000
23	External Affairs	46,93,000	..	46,93,000
24	Chandernagore	1,91,000	..	1,94,000
25	Miscellaneous Expenditure under the Ministry of External Affairs	32,000	..	32,000
26	Ministry of Finance	12,03,000	..	12,03,000
27	Customs	28,12,000	..	28,12,000
28	Union Excise Duties	45,36,000	1,37,40,000	1,82,76,000
29	Taxes on Income including Corporation Tax	28,40,000	..	28,40,000
30	Opium	2,56,13,000	..	2,56,13,000
31	Stamps	9,96,000	48,000	10,44,000
32	Payments to Other Governments, Departments, etc.	92,000	..	92,000
33	Audit	58,09,000	1,24,000	60,23,000
34	Currency	13,70,000	30,000	14,00,000
35	Mint	8,02,000	..	8,02,000
36	Territorial and Political Pensions	1,90,000	..	1,90,000
37	Superannuation Allowances and Pensions	55,24,000	1,47,000	56,71,000
38	Miscellaneous Departments and Expenditure under the Ministry of Finance	16,71,000	..	16,71,000
39	Grants-in-aid to States	3,57,47,000	3,01,25,000	6,58,72,000
40	Miscellaneous adjustments between the Union and State Governments	15,000	..	15,000

1 No. of Vote	2 Service, and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
41	Extra-ordinary payments	1,91,01,000	..	1,91,01,000
42	Pro-partition payments	16,20,000	5,000	16,25,000
	<i>Charged.</i> —Interest on Debt and other obligations and reduction or avoidance of Debt . . . . .	..	6,65,93,000	6,65,93,000
43	Ministry of Food and Agri- culture	3,90,000	..	3,90,000
44	Forest	2,80,000	..	2,80,000
45	Agriculture	30,69,000	..	30,69,000
46	Civil Veterinary Services	3,08,000	..	3,08,000
47	Miscellaneous Departments and Expenditure under the Minis- try of Food and Agri- culture	6,11,000	..	6,11,000
48	Ministry of Health	53,000	..	53,000
49	Medical Services	8,95,000	..	8,95,000
50	Public Health	9,59,000	..	9,59,000
51	Miscellaneous Expenditure un- der the Ministry of Health	6,36,000	..	6,36,000
52	Ministry of Home Affairs	10,68,000	..	10,68,000
53	Cabinet	1,99,000	..	1,99,000
54	Delhi	12,60,000	..	12,60,000
55	Police	5,76,000	..	5,76,000
56	Census	87,000	..	87,000
57	Miscellaneous Departments and Expenditure under the Minis- try of Home Affairs	92,000	..	92,000
58	Andaman and Nicobar Islands	14,66,000	..	14,66,000
59	Ministry of Information and Broadcasting	8,55,000	..	8,55,000
60	Broadcasting	19,06,000	..	19,06,000
61	Ministry of Irrigation and Power	66,000	..	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.
62	Irrigation, etc.	2,000	..	2,000
63	Multipurpose River Schemes .	3,80,000	..	3,80,000
64	Miscellaneous Departments and Expenditure under the Ministry of Irrigation and Power .	3,37,000	..	3,37,000
65	Ministry of Labour	2,44,000	..	2,44,000
66	Chief Inspector of Mines . .	74,000	..	74,000
67	Miscellaneous Departments and Expenditure under the Ministry of Labour	26,40,000	..	26,40,000
68	Employment Exchanges and Re- settlement	11,32,000	..	11,32,000
69	Civil Defence	10,000	..	10,000
70	Ministry of Law	14,62,000	..	14,62,000
71	Administration of Justice . .	16,000	73,000	89,000
72	Ministry of Natural Resources and Scientific Research . . .	60,000	..	60,000
73	Survey of India	8,69,000	..	8,69,000
74	Botanical Survey	22,000	..	22,000
75	Zoological Survey	36,000	..	36,000
76	Geological Survey	4,28,000	..	4,28,000
77	Mines	1,70,000	..	1,70,000
78	Scientific Research	26,35,000	..	26,35,000
79	Miscellaneous Departments and Expenditure under the Ministry of Natural Resources and Scientific Research . . .	1,000	..	1,000
80	Department of Parliamentary Affairs	10,000	..	10,000
81	Ministry of Production	62,000	..	62,000
82	Salt	10,49,000	25,000	10,74,000
83	Other Organisations under the Ministry of Production . . .	9,83,000	..	9,83,000

1	2	3		
		Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
84	Miscellaneous Departments and Expenditure under the Ministry of Production	15,36,000	..	15,36,000
85	Ministry of Rehabilitation	1,63,000	..	1,63,000
86	Expenditure on Displaced Persons	1,05,63,000	..	1,05,63,000
87	Miscellaneous Expenditure under the Ministry of Rehabilitation	3,000	..	3,000
88	Ministry of States	97,000	..	97,000
89	Privy purses and allowances of Indian Rulers	64,000	1,34,57,000	1,35,21,000
90	Kutch	9,20,000	..	9,20,000
91	Bilaspur	2,13,000	..	2,13,000
92	Manipur	5,20,000	..	5,20,000
93	Tripura	10,11,000	..	10,11,000
94	Relations with States	5,18,000	..	5,18,000
95	Miscellaneous expenditure under the Ministry of States	4,97,000	..	4,97,000
96	Ministry of Transport	2,59,000	..	2,59,000
97	Ports and Pilotage	5,20,000	..	5,20,000
98	Lighthouses and Lightships	6,64,000	..	6,64,000
99	Central Road Fund	40,94,000	..	40,94,000
100	Communications (including National Highways)	39,37,000	..	39,37,000
101	Miscellaneous Expenditure under the Ministry of Transport	36,000	..	36,000
102	Ministry of Works, Housing and Supply	1,82,000	..	1,82,000
103	Supplies	22,97,000	..	22,97,000
104	Other Civil Works	1,23,11,000	1,75,000	1,24,86,000
105	Stationery and Printing	41,12,000	..	41,12,000

1	2	3		
No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
106	Miscellaneous Departments and Expenditure under the Ministry of Works, Housing and Supply	3,87,000	..	3,87,000
107	Parliament	11,32,000	5,000	11,37,000
108	Miscellaneous Expenditure under the Parliament Secretariat	2,000	..	2,000
	<i>Charged.</i> —Staff, Household and Allowances of the President . . . . .	..	1,28,000	1,28,000
109	Secretariat of the Vice-President	7,000	..	7,000
	<i>Charged.</i> —Union Public Service Commission . . . . .	..	1,73,000	1,73,000
110	Capital Outlay of the Ministry of Commerce and Industry	51,90,000	..	51,90,000
111	Capital Outlay on Indian Posts and Telegraphs (not met from Revenue)	97,07,000	..	97,07,000
112	Capital Outlay on Civil Aviation	19,33,000	..	19,33,000
113	Other Capital Outlay of the Ministry of Communications	9,63,000	..	9,63,000
114	Defence Capital Outlay	1,50,00,000	..	1,50,00,000
115	Capital Outlay of the Ministry of Education	50,000	..	50,000
116	Capital Outlay on the India Security Press	65,000	..	65,000
117	Capital Outlay on Currency	20,000	..	20,000
118	Capital Outlay on Mints	4,20,000	..	4,20,000
119	Commuted Value of Pensions	8,65,000	..	8,65,000
120	Payments to Retrenched Personnel	15,000	..	15,000
121	Other Capital Outlay of the Ministry of Finance	59,25,000	..	59,25,000
122	Loans and Advances by the Central Government	2,22,09,000	10,93,30,000	13,15,99,000
	<i>Charged.</i> —Repayments of Debt . . . . .	..	1,18,00,41,000	1,18,00,41,000

1	2	3		
		Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
123	Capital Outlay on Forests	1,93,000	..	1,93,000
124	Purchases of foodgrains . . .	50,00,00,000	..	50,00,00,000
125	Other Capital Outlay of the Ministry of Food and Agriculture	1,05,62,000	1,30,000	1,06,92,000
126	Capital Outlay of the Ministry of Health	28,01,000	..	28,01,000
127	Capital Outlay of the Ministry of Home Affairs	2,39,000	..	2,39,000
128	Capital Outlay on Broadcasting	5,94,000	..	5,94,000
129	Capital Outlay on Multipurpose River Schemes	31,65,000	..	31,65,000
130	Other Capital Outlay of the Ministry of Irrigation and Power	43,34,000	..	43,34,000
131	Capital Outlay of the Ministry of Labour	38,000	..	38,000
132	Other Capital Outlay of the Ministry of Natural Resources and Scientific Research	5,92,000	..	5,92,000
133	Capital Outlay of the Ministry of Production	33,54,000	..	33,54,000
134	Capital Outlay of the Ministry of Rehabilitation	2,08,000	..	2,08,000
135	Capital Outlay of the Ministry of States	33,40,000	..	33,40,000
136	Capital Outlay on Ports	26,71,000	..	26,71,000
137	Capital Outlay on Roads	72,32,000	..	72,32,000
138	Other Capital Outlay of the Ministry of Transport	18,96,000	..	18,96,000
139	New Delhi Capital Outlay	21,56,000	4,000	21,60,000
140	Capital Outlay on Buildings	77,15,000	..	77,15,000
141	Other Capital Outlay of the Ministry of Works, Housing and Supply	74,000	..	74,000
	TOTAL	1,05,06,56,000	1,42,23,61,000	2,47,30,17,000

THE APPROPRIATION (RAILWAYS) ACT, 1953

No. 5 of 1953

[19th March, 1953]

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 1953-54 for the purposes of Railways.

Be it enacted by Parliament as follows:—

1. **Short title.**—This Act may be called the Appropriation (Railways) Act, 1953.

2. **Issue of Rs. 546,94,41,000 out of the Consolidated Fund of India for the financial year 1953-54.**—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 five hundred and forty-six crores, ninety-four lakhs and forty-one thousand rupees towards defraying the several charges which will come in course of payment during the financial year 1953-54 in respect of the services relating to railways specified in column 2 of the Schedule.

3. **Appropriation.**—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 Votes	Services and purposes	Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
1	Railway Board	34,61,000	..	34,61,000
2	Audit . . . . .	..	..	..
3	Miscellaneous Expenditure . . .	1,26,95,000	..	1,26,95,000
4	Working Expenses—Administration .	26,73,31,000	..	26,73,31,000
5	Working Expenses—Repairs and Maintenance	66,13,74,000	..	66,13,74,000
6	Working Expenses—Operating Staff	42,33,81,000	..	42,33,81,000
7	Working Expenses—Operation (Fuel)	122,78,37,000	..	22,78,37,000

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.
8	Working Expenses—Operation (other than Staff and Fuel)	14,35,13,000	..	14,35,13,000
9	Working Expenses—Miscellaneous Expenses	40,60,65,000	..	40,60,65,000
9A	Working Expenses—Labour Welfare.	4,39,48,000	..	4,39,48,000
10	Payments to Indian States and Companies	31,79,000	..	31,79,000
11	Working Expenses—Appropriation to Depreciation Reserve Fund	30,00,00,000	..	30,00,00,000
12A	Open Line Works (Revenue)—Labour Welfare	1,23,68,000	..	1,23,68,000
12B	Open Line Works (Revenue)—Other than Labour Welfare	4,45,03,000	..	4,45,03,000
13	Appropriation to Development Fund	9,31,00,000	..	9,31,00,000
14	Appropriation to Revenue Reserve Fund	..	..	..
14A	Withdrawal from Revenue Reserve Fund	..	..	..
15	Construction of New Lines	1,68,23,000	..	1,68,23,000
16	Open Line Works—Additions	1,88,54,44,000	..	1,88,54,44,000
17	Open Line Works—Replacements	43,45,36,000	..	43,45,36,000
18	Open Line Works—Development Fund.	13,78,27,000	..	13,78,27,000
19	Capital Outlay on Vizagapatam Port.	43,62,000	..	43,62,000
20	Dividend payable to General Revenues	34,76,94,000	..	34,76,94,000
	GRAND TOTAL	546,94,41,000	..	546,94,41,000

THE APPROPRIATION (RAILWAYS) No. 2 ACT, 1953

No. 6 OF 1953

[19th March, 1953]

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 1952-53 for the purposes of Railways.

BE it enacted by Parliament as follows:—

1. **Short title.**—This Act may be called the Appropriation (Railways) No. 2 Act, 1953.

2. Issue of Rs. 3,65,86,000 out of the Consolidated Fund of India for the financial year 1952-53.—From and out of the Consolidated Fund of India there may be paid and applied sums not exceeding those specified in column 3 of the Schedule amounting in the aggregate to the sum of three crores, sixty-five lakhs and eighty-six thousand rupees towards defraying the several charges which will come in course of payment during the financial year 1952-53, in respect of the services relating to railways specified in column 2 of the Schedule.

3. Appropriation.—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		
No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	TOTAL
		Rs.	Rs.	Rs.
3	Miscellaneous Expenditure. . . .	18,62,000	..	18,62,000
4	Working Expenses—Administration .	53,00,000	..	53,00,000
5	Working Expenses—Repairs and Maintenance.	1,62,20,000	..	1,62,20,000
7	Working Expenses—Operation (Fuel).	64,09,000	..	64,09,000
9A	Working Expenses—Labour Welfare.	31,73,000	..	31,73,000
15	Construction of New Lines. . . .	25,00,000	..	25,00,000
20	Dividend Payable to General Revenues.	11,22,000	..	11,22,000
	GRAND TOTAL	3,65,86,000	..	3,65,86,000

K. Y. BHANDARKAR,
Secy. the Govt. of India.

The Gazette  of India

EXTRAORDINARY
PART II—Section 1
PUBLISHED BY AUTHORITY

No. 6] NEW DELHI, TUESDAY, MARCH 31, 1953

MINISTRY OF LAW

New Delhi, the 31st March 1953

The following Acts of Parliament received the assent of the President on the 31st March, 1953 and are hereby published for general information:—

**THE PATIALA AND EAST PUNJAB STATES UNION
APPROPRIATION ACT, 1953.**

No. 7 OF 1953

[31st March, 1953]

An Act to authorise payment and appropriation of certain further sums from and out of the Consolidated Fund of the State of Patiala and East Punjab States Union for the service of the financial year 1952-53.

BE it enacted by Parliament as follows:—

1. **Short title.**—This Act may be called the Patiala and East Punjab States Union Appropriation Act, 1953.

2. **Issue of Rs. 94,56,366 out of the Consolidated Fund of the State of Patiala and East Punjab States Union for the year 1952-53.**—From and out of the Consolidated Fund of the State of Patiala and East Punjab States Union, 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 ninety-four lakhs, fifty-six thousand and three hundred sixty-six rupees towards defraying the several charges which will come in course of payment during the financial year 1952-53, in respect of the services specified in column 2 of the Schedule.

3. **Appropriation.**—The sums authorised to be paid and applied from and out of the Consolidated Fund of the State of Patiala and East Punjab States Union 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 8.)

No. of vote	Services and purposes	3		
		Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
1	Land Revenue	2,58,000	..	2,58,000
7	Other Taxes and Duties	98,900	..	98,900
11	Elections for Legislatures	2,06,600	..	2,06,600
14	Finance Department	61,000	..	61,000
15	Revenue Department	25,300	..	25,300
17	Agriculture and Forest Department	10,200	..	10,200
20	Law and Local Self Government Department	7,900	..	7,900
22	District Administration	20,400	..	20,400
24	Administration of Justice	42,500	18,100	60,600
27	Education	100	..	100
29	Public Health	100	..	100
30	Agriculture	1,84,200	..	1,84,200
31	Veterinary	100	..	100
33	Industries and Supplies	79,700	..	79,700
34	Miscellaneous Departments	1,07,800	..	1,07,800
36	Civil Works	4,48,900	..	4,48,900
38	Capital Outlay on Electricity Schemes (within the Revenue Account)	31,900	..	31,900
40	Superannuation Allowances and Pensions	2,05,000	..	2,05,000
41	Stationery and Printing	3,22,700	..	3,22,700
42	Miscellaneous	17,38,400	..	17,38,400
43	Expenditure on Displaced Persons	200	..	200
43A	Community Development Projects	4,29,400	..	4,29,400
	<i>Charged.</i> —Staff, Household and Allowances of His Highness the Rajpramukh. . . . .	..	24,666	24,666
43B	Capital Outlay on Industrial Development	3,00,000	..	3,00,000

1 No. of vote	2 Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Conso- lidated Fund	Total
		Rs.	Rs.	Rs.
44	Capital Account of Irrigation, Navigation, Embankment and Drainage Works (outside the Revenue Account)	100	..	100
44A	Capital Outlay on Multi-purpose River Schemes—Bhakra Nangal Project	28,61,600	..	28,61,600
47	Capital Outlay on Schemes of State Trading	100	..	0
48	Interest Free and Interest Bearing Advances	19,72,500	..	19,72,500
	TOTAL	94,13,600	42,766	94,56,366

**THE PATIALA AND EAST PUNJAB STATES UNION
APPROPRIATION (VOTE ON ACCOUNT) ACT, 1953**

No. 8 OF 1953

[31st March, 1953]

An Act to provide for the withdrawal of certain sums from and out of the Consolidated Fund of the State of Patiala and East Punjab States Union for the service of a part of the financial year 1953-54.

BE it enacted by Parliament as follows:—

1. Short title.—This Act may be called the Patiala and East Punjab States Union Appropriation (Vote on Account) Act, 1953.

2. Withdrawal of Rs. 8,58,07,800 from and out of the Consolidated Fund of the State of Patiala and East Punjab States Union for the year 1953-54.—From and out of the Consolidated Fund of the State of Patiala and East Punjab States Union there may be withdrawn sums not exceeding those specified in column 3 of the Schedule amounting in the aggregate to the sum of eight crores, fifty eight lakhs, seven thousand and eight hundred rupees towards defraying the several charges which will come in course of payment during the financial year 1953-54.

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

THE SCHEDULE
(See sections 2 and 8.)

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	Land Revenue	14,16,900	..	14,16,900
2	State Excise Duties	9,24,400	..	9,24,400
3	Stamps	21,200	..	21,200
4	Forest	4,70,200	..	4,70,200
5	Registration	7,500	..	7,500
6	Charges on account of Motor Vehicles Acts	28,700	..	28,700
7	Other Taxes and Duties	1,31,200	..	1,31,200
8	Irrigation	14,52,600	..	14,52,600
9	Ministers and Adviser	76,500	..	76,500
10	State Legislative Assembly	1,10,400	8,400	1,18,800
11	Elections for Legislature	84,300	..	84,300
12	Chief Minister's and Adviser's Secretariat	23,400	..	23,400
13	Home Department	1,72,800	..	1,72,800
14	Finance Department	1,10,500	..	1,10,500
15	Revenue Department	83,300	..	83,300
16	Education and Health Department	30,200	..	30,200
17	Development Department	31,800	..	31,800
18	Industries, Supplies and Labour Department	39,500	..	39,500
19	Rehabilitation Department	55,000	..	55,000
20	Law and Local Self Government Department	65,600	..	65,600
21	Commissioner	22,600	..	22,600
22	District Administration	6,04,200	..	6,04,200
23	Civil Supplies Directorate	2,35,800	..	2,35,800

1 No. of Vote	2 Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Conso- lidated Fund	Total
		Rs.	Rs.	Rs.
24	Administration of Justice	4,56,700	1,24,800	5,81,500
25	Jails and Judicial Lock-ups	5,28,000	..	5,28,000
26	Police	29,06,900	..	29,06,900
27	Education	36,72,100	..	36,72,100
28	Medical	11,94,800	..	11,94,800
29	Public Health	4,25,600	..	4,25,600
30	Agriculture	12,34,700	..	12,34,700
31	Veterinary	2,20,900	..	2,20,900
32	Co-operation	1,85,900	..	1,85,900
33	Industries and Supplies	6,23,500	..	6,23,500
34	Miscellaneous Departments	2,45,700	..	2,45,700
35	Punjabi Department	97,100	..	97,100
36	Civil Works	47,84,300	..	47,84,300
37	Electricity Schemes—Working Ex- penses	10,57,900	..	10,57,900
38	Capital Outlay on Electricity Schemes (within the Revenue Account)	87,100	..	87,100
39	Privy Purses and Allowances of Indian Rulers	4,43,400	11,20,000	15,63,400
40	Superannuation Allowances and Pensions	5,16,300	..	5,16,300
41	Stationery and Printing	6,00,000	..	6,00,000
42	Miscellaneous	3,72,400	..	3,72,400
43	Expenditure on Displaced Persons	4,87,100	..	4,87,100
44	Miscellaneous Adjustments between Central and State Governments	1,300	..	1,300
45	Community Development Projects	4,29,100	..	4,29,100
	<i>Charged.</i> —Interest on Debt and other Obligations . . . . .	..	30,400	30,400

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>Charged.</i> —Appropriation for reduction or avoidance of debt. . . . .	..	..	..
	<i>Charged.</i> —Staff, Household and Allowances of His Highness the Rajpramukh . . . . .	..	2,83,300	2,83,300
	<i>Charged.</i> —Public Service Commission . . . . .	..	35,900	35,900
46	Construction of Irrigation, Navigation, Embankment and Drainage works	17,80,300	..	17,80,300
47	Capital Outlay on Schemes of Agricultural Improvements and Research	22,00,000	..	22,00,000
48	Capital Outlay on Multipurpose River Schemes—Bhakra Nangal Project	55,33,800	..	55,33,800
49	Capital Outlay on Schemes of State Trading	4,28,63,300	..	4,28,63,300
50	Advances Bearing Interest	50,03,200	..	50,03,200
	Repayment of Debt } . . . . .	..	50,000	50,000
	TOTAL	8,41,55,000	16,52,800	8,58,07,800

THE APPROPRIATION (No. 2) ACT, 1953

No. 9 OF 1953

[1st March, 1953]

An Act to authorise payment and appropriation of a certain further sum from and out of the Consolidated Fund of India for the service of the financial year 1952-53.

Enacted by Parliament as follows:—

1. **Short title.**—This Act may be called the Appropriation (No. 2) Act, 1953.

2. **Issue of Rs. 16,42,40,000 out of the Consolidated Fund of India for the year 1952-53.**—From and out of the Consolidated Fund of India there may be paid and applied sums not exceeding the amount specified in column 3 of the Schedule amounting in the aggregate to the sum of sixteen crores, forty-two lakhs and forty thousand rupees towards defraying the charges

which will come in course of payment during the financial year 1952-53, in respect of the service specified in column 2 of the Schedule.

3. Appropriation.—The sum authorised to be paid and applied from and out of the Consolidated Fund of India by this Act shall be appropriated for the service and purpose expressed in the Schedule in relation to the said year.

THE SCHEDULE

(See sections 2 and 8.)

1	2	3		
		Sum not exceeding		
No. of Vote	Service and purpose]	Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
27	Union Excise Duties	..	16,42,40,000	16,42,40,000

THE HYDERABAD COINAGE AND PAPER CURRENCY (MISCELLANEOUS PROVISIONS) ACT, 1953

No. 10 OF 1953

[31st March, 1953]

An Act to extend the period during which Hyderabad coins and notes of the denominational value of one rupee may continue to be legal tender, to repeal the Hyderabad Paper Currency Act No. II of 1927F and to make certain other incidental provisions.

Enacted by Parliament as follows:—

1. Short title and commencement.—(1) This Act may be called the Hyderabad Coinage and Paper Currency (Miscellaneous Provisions) Act, 1953.

(2) It shall come into force on the first day of April, 1953.

2. Amendment of section 24, Act III of 1906.—In section 24 of the Indian Coinage Act, 1906 (III of 1906)—

(a) for the words and letter ‘any Part B State’ the words ‘the State of Hyderabad’ shall be substituted; and

(b) for the words ‘two years’ the words ‘four years’ shall be substituted.

3. Amendment of section 2A, Ordinance No. IV of 1940.—In section 2A of the Currency Ordinance, 1940, for the words ‘two years’ the words ‘four years’ shall be substituted.

4. Repeal of Hyderabad Paper Currency Act and saving.—(1) The Hyderabad Paper Currency Act No. II of 1927F, as in force in the State of Hyderabad immediately before the commencement of this Act, shall, on such commencement, stand repealed.

(2) Notwithstanding such repeal, currency notes of denominational values exceeding one rupee issued under the provisions of the repealed Act and in circulation as legal tender in the State of Hyderabad immediately before the commencement of this Act shall continue to be legal tender in that State for such period or periods not exceeding two years from such commencement and to such extent and subject to such conditions, if any, as the Central Government may, by notification in the Official Gazette determine.

K. Y. BHANDARKAR,

Secy. to the Govt. of India.

The Gazette of India



EXTRAORDINARY
PART II—Section 1
PUBLISHED BY AUTHORITY

No. 7] NEW DELHI, FRIDAY, APRIL 10, 1953

MINISTRY OF LAW

New Delhi, 10th April 1953

The following Act of Parliament received the assent of the President on the 9th April, 1953 and is hereby published for general information :—

THE ADMINISTRATION OF EVACUEE PROPERTY (AMENDMENT) ACT, 1953.

No. 11 OF 1953

[9th April, 1953]

An Act further to amend the Administration of Evacuee Property Act, 1950.

Be it enacted by Parliament as follows:—

1. **Short title and commencement.**—(1) This Act may be called the Administration of Evacuee Property (Amendment) Act, 1953.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

2. **Amendment of section 2, Act XXXI of 1950.**—In section 2 of the Administration of Evacuee Property Act, 1950 (hereinafter referred to as the principal Act),—

(a) in clause (d),—

(1) at the end of sub-clause (iii), the word “or” shall be inserted, and after that sub-clause and before the *Explanation* thereto, the following clauses shall be inserted, namely:—

“(iv) who has, after the 18th day of October, 1949, transferred to Pakistan, without the previous approval of the Custodian, his assets or any part of his assets situated in any part of the territories to which this Act extends; or

(v) who has, after the 18th day of October, 1949, acquired, if the acquisition has been made in person, by way of purchase or exchange, or, if the acquisition has been made by or through

a member of his family, in any manner whatsoever, any right to, interest in, or benefit from, any property which is treated as evacuee or abandoned property under any law for the time being in force in Pakistan;";

(2) the *Explanation* to sub-clause (iii) shall be numbered as *Explanation I* and after that *Explanation* as so numbered, the following further *Explanations* shall be inserted, namely:—

Explanation II.—For the purposes of sub-clause (iv), the transfer to Pakistan by any person of any reasonable sum of money in accordance with the rules made in this behalf by the Central Government for the purpose of financing any transaction in the ordinary course of his trade or for the maintenance of any member of the family of such person shall not be deemed to be a transfer of his assets within the meaning of that sub-clause.

Explanation III.—For the purposes of sub-clause (v), the acquisition of any right to, interest in, or benefit from, any such property as is referred to in that sub-clause by a firm, private limited company or trust of which any person is a partner, member or beneficiary, as the case may be, shall be deemed to be an acquisition by that person of such right, interest or benefit within the meaning of that sub-clause.";

(b) clause (e) shall be omitted;

(c) in clause (f), for the words beginning with ' "evacuee property" means' and ending with the words "to the extent of such right or interest," the following shall be substituted, namely:—

' "evacuee property" means any property of an evacuee (whether held by him as owner or as a trustee or as a beneficiary or as a tenant or in any other capacity), and includes any property which has been obtained by any person from an evacuee after the 14th day of August, 1947, by any mode of transfer which is not effective by reason of the provisions contained in section 40.'

3. Omission of section 3, Act XXXI of 1950.—Section 3 of the principal Act shall be omitted.

4. Amendment of section 10, Act XXXI of 1950.—In sub-section (2) of section 10 of the principal Act, after clause (l), the following clause shall be inserted, namely:—

"(l) in any case where the evacuee property which has vested in the Custodian consists of fifty-one per cent. or more of the shares in a company, the Custodian may take charge of the management of the whole affairs of the company and exercise, in addition to any of the powers vested in him under this Act, all or any of the powers of the directors of the company, notwithstanding that the registered office of such company is situate in any part of the territories to which this Act extends and notwithstanding anything to the contrary contained in this Act or the Indian Companies Act, 1913 (VII of 1913) or in the articles of association of the company:

Provided that the Custodian shall not take charge of such management of the Company except with the previous approval of the Central Government."

5. Amendment of section 12, Act XXXI of 1950.—In sub-section (1) of section 12 of the principal Act,—

(a) for the words “where such allotment, lease or agreement has been granted or entered into after the 14th day of August, 1947” the following shall be substituted, namely.—

“whether such allotment, lease or agreement was granted or entered into before or after the commencement of this Act.”

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

“Provided that in the case of any lease granted before the 14th day of August, 1947, the Custodian shall not exercise any of the powers conferred upon him under this sub-section unless he is satisfied that the lessee—

(a) has sublet, assigned or otherwise parted with the possession of the whole or any part of the property leased to him; or

(b) has used or is using such property for a purpose other than that for which it was leased to him.”

6. Insertion of new section 12A in Act XXXI of 1950.—After section 12 of the principal Act, the following section shall be inserted, namely:—

“12A. *Special provisions with respect to transfer of tenancy rights of evacuees.*—(1) Notwithstanding anything to the contrary contained in this Act or in any other law for the time being in force, where tenancy rights have vested in the Custodian as evacuee property and the Custodian has granted a lease in respect of such property, the Custodian may, in any case where the lessor under whom the property was held immediately before it vested in the Custodian is not an evacuee, declare, by general or special order, that with effect from such date as may be specified in the order he shall stand absolved of all responsibilities with respect to the property or the lease granted by him.

(2) On the making of any such declaration as is referred to in sub-section (1),—

(a) the lease granted by the Custodian shall be deemed to have effect as if granted by the lessor under whom the property was held immediately before the Custodian assumed possession or control thereof and shall continue to have such effect until it is determined by lapse of time or by operation of law;

(b) all sums realised by the Custodian in respect of the said lease before the date of the declaration referred to in sub-section (1) shall, subject to the deduction of fees, if any, payable to the Custodian, become payable to the lessor against whom the lease has now effect.

(3) Nothing contained in this section shall—

(a) be deemed to empower the Custodian to grant, without the consent in writing of the original lessor or his successor in interest—

(i) where the original lease is for a specified period, any lease for a period extending beyond the date on which the original lease would have expired; or

(ii) where the original lease is from year to year or month to month or on any other similar tenure, any lease on a tenure different from that of the original lease;

(b) render the Custodian liable to any person for any sum in excess of the sum payable to the lessor under clause (b) of sub-section (2), or

(c) prejudice any rights of the lessor or the lessee, to which he may be entitled under any other law for the time being in force, consistently with the terms and conditions, if any, of the lease granted by the Custodian."

7. Amendment of section 16, Act XXXI of 1950.—In section 16 of the principal Act, for sub-sections (1) and (2), the following sub-sections shall be substituted, namely:—

"16. *Restoration of evacuee property.*—(1) Subject to such rules as may be made in this behalf, the Central Government or any person authorised by it in this behalf may, on application made to it or him by an evacuee or by any person claiming to be the heir of an evacuee, and, on being satisfied that it is just or proper so to do, grant to the applicant a certificate stating that any evacuee property, which has vested in the Custodian and to which the applicant would have been entitled if this Act were not in force, shall be restored to him.

(2) If the evacuee or, as the case may be, the heir to whom a certificate has been granted under sub-section (1) applies to the Custodian in writing for the restoration of the evacuee property which has vested in the Custodian and in respect of which the certificate has been granted, the Custodian shall, on the production by the applicant of the certificate and subject to the other provisions contained in this section and in any rules that may be made in this behalf, restore the evacuee property to the applicant.

(2A) On receipt of an application under sub-section (2), the Custodian shall cause public notice thereof to be given in the prescribed manner and after holding a summary inquiry into the claim in such manner as may be prescribed shall—

(a) if he is satisfied with respect to the title of the applicant to the property, make a formal order restoring the property to the applicant; or

(b) if he is not so satisfied, reject the application, without prejudice to the right of the applicant to establish his title to the property in a civil court; or

(c) if he entertains any doubt with respect to the title of the applicant to the property, refer him to a civil court for the determination of his title thereto:

Provided that no order for the restoration of any evacuee property shall be made under this section unless provision has been made in the prescribed manner for the recovery of any amount due to the Custodian in respect of the property or the management thereof."

8. Substitution of new section for section 18, Act XXXI of 1950.—For section 18 of the principal Act, the following section shall be substituted and shall be deemed always to have been substituted, namely —

“18. Occupancy or tenancy rights not to be extinguished.—

(1) Where the rights of an evacuee in any land or in any house or other building consist or consisted of occupancy or tenancy rights, nothing contained in any law for the time being in force or in any contract or in any instrument having the force of law or in any decree or order of any court, shall extinguish or be deemed to have extinguished any such rights either on the tenant becoming an evacuee within the meaning of this Act or at any time thereafter so as to prevent such rights from vesting in the Custodian under the provisions of this Act or to prevent the Custodian from exercising all or any of the powers conferred on him by this Act in respect of any such rights, and, notwithstanding anything contained in any such law, contract, instrument, decree or order, neither the evacuee nor the Custodian, whether as an occupancy tenant or as a tenant for a certain time, monthly or otherwise, of any land, or house or other building shall be liable to be ejected or be deemed to have become so liable on any ground whatsoever for any default of—

(a) the evacuee committed after he became an evacuee or within a period of one year immediately preceding the date of his becoming an evacuee; or

(b) the Custodian.

(2) Where any person acquires or has acquired any rights under a Provincial Act or a State Act in respect of any property by reason of being in possession of that property, whether in pursuance of a grant, lease, or allotment made by the Custodian or otherwise, the acquisition of such rights shall not in any way affect or be deemed to have affected the rights and powers conferred on the Custodian under this Act in respect of that property.”

9. Omission of Chapter IV, Act XXXI of 1950.—Chapter IV of the principal Act shall be omitted.

10. Amendment of section 24, Act XXXI of 1950.—In section 24 of the principal Act, in sub-section (1),—

(a) the word and figures “section 19” shall be omitted ;

(b) in the proviso, for the words, brackets, letters and figures “sub-clause (iii) of clause (d) of section 2, or that the property is not evacuee property within the meaning of sub-clause (2) of clause (f) of section 2,” the words, brackets, letters and figure, “sub-clause (iii) or sub-clause (iv) or sub-clause (v) of clause (d) of section 2,” shall be substituted.

11. Amendment of section 25, Act XXXI of 1950.— In section 25 of the principal Act, for sub-section (1), the following sub-section shall be substituted, namely:—

“(1) Any person aggrieved by an order under section 7 declaring his property to be evacuee property on the ground that he is an

evacuee within the meaning of sub-clause (iii) or sub-clause (iv) or sub-clause (v) of clause (d) of section 2 may prefer an appeal, in such manner and within such time as may be prescribed, to the district judge nominated in this behalf by the State Government."

12. Amendment of section 26, Act XXXI of 1950.—Sub-section (3) of section 26 of the principal Act shall be omitted.

13. Substitution of new sections for sections 40 and 41 in Act XXXI of 1950.—For sections 40 and 41 of the principal Act, the following sections shall be substituted, namely:—

"40. *Validity of transfers respecting property subsequently declared to be evacuee property.*—(1) No transfer made after the 14th day of August, 1947, by or on behalf of any person in any manner whatsoever of any property belonging to him shall be effective so as to confer any rights or remedies in respect of the transfer on the parties thereto or any person claiming under them or either of them, if, at any time after the transfer, the transferor becomes an evacuee within the meaning of section 2 or the property of the transferor is declared or notified to be evacuee property within the meaning of this Act, unless the transfer is confirmed by the Custodian in accordance with the provisions of this Act.

(2) Nothing contained in sub-section (1) shall apply to the transfer for valuable consideration of any such property as is referred to therein in any of the following cases, namely:—

(a) where the transfer has been made with the previous approval of the Custodian before the commencement of the Administration of Evacuee Property (Amendment) Act, 1953;

(b) where the transferor has not left or does not leave India for Pakistan within a period of two years from the date of the transfer:

Provided that in the case of a transfer made before the commencement of the Administration of Evacuee Property (Amendment) Act, 1953, the transferor had not left India for Pakistan before such commencement, notwithstanding that a period of two years had already elapsed before such commencement;

(c) where the transfer is made after the commencement of the Administration of Evacuee Property (Amendment) Act, 1953, and—

(i) the value of the property or properties transferred in any one year is less than five thousand rupees, or

(ii) the transfer is made with the previous approval of the Custodian or in the prescribed cases with the previous approval of the Custodian General.

(3) An application under sub-section (1) for the confirmation of any transfer may be made by the transferor or the transferee or any person claiming under, or lawfully authorised by, either of them to the Custodian within two months from the date of the transfer or within two months from the date of the declaration or notification referred to in sub-section (1) whichever is later, and the provisions of section 5 of the Indian Limitation Act, 1908 (IX of 1908) shall apply to any such application.

(4) Where an application under sub-section (1) has been made to the Custodian for confirmation, he shall hold an inquiry in respect thereof in the prescribed manner and may reject the application if he is of opinion that—

(a) the transaction has not been entered into in good faith or for valuable consideration; or

(b) the transaction is prohibited under any law for the time being in force; or

(c) the transaction ought not to be confirmed for any other reason.

(5) Where, in respect of any transfer made before the commencement of the Administration of Evacuee Property (Amendment) Act, 1953, any application for confirmation thereof has been rejected solely on the ground—

(a) that although the transaction was entered into in good faith, the consideration paid was not adequate, or

(b) that the application was barred by limitation,

then, notwithstanding anything to the contrary contained in any law or contract or decree or order of a civil court or other authority, but subject to any rules that may be made by the Central Government in this behalf, the Custodian may and shall, where the application for confirmation was rejected by the Custodian General, if the Custodian General so directs exercise any of the following powers in respect of the transfer, namely:—

(i) confirm the transfer if the consideration paid for the transfer is adequate;

(ii) confirm the transfer, if the transferee agrees to pay to the Custodian the difference in value between the value of the property as assessed by the Custodian and the amount actually paid by the transferee to the transferor;

(iii) if the transferee agrees, take possession of such part of the property as, after dividing it by metes and bounds, is equivalent in value to the difference between the value of the property as assessed by the Custodian and the amount actually paid by the transferee to the transferor;

(iv) if the transferee agrees, take possession of the entire property by paying off to the transferee the amount which the Custodian finds as having been actually paid by the transferee to the transferor as consideration for the transfer; or

(v) if the transferee does not agree to any of the courses referred to in clauses (ii) to (iv) inclusive, auction the property and if the sale proceeds exceed the amount actually paid by the transferee, pay to the transferee the amount paid by him and take over the balance and if the sale proceeds are equivalent to, or fall short of, the amount actually paid by the transferee, pay the entire sale proceeds to the transferee:

Provided that where any application for confirmation of a transfer is rejected on the ground specified in clause (b) of this sub-section the powers conferred on the Custodian by this section shall not be exercised unless the Custodian finds that the transaction has been entered into in good faith.

(6) If the application is not rejected under sub-section (4), the Custodian may confirm the transfer either unconditionally or on such terms and conditions as he may think fit to impose.

(7) The Custodian may, in respect of any application for confirmation of a transfer pending before him on the commencement of the Administration of Evacuee Property (Amendment) Act, 1958, which is liable to be rejected on either of the grounds specified in clauses (a) and (b) of sub-section (5), exercise any of the powers conferred on him under that sub-section.

(8) For the removal of doubts, it is hereby declared that every property transferred in contravention of the provisions of this section which does not confer any rights or remedies in relation to the transfer on the parties thereto shall be deemed to be property declared to be evacuee property within the meaning of sub-section (1) of section 7 and to have vested in the Custodian in accordance with the provisions of section 8.

41. *Transactions relating to evacuee property void in certain circumstances.*—Subject to the other provisions contained in this Act, every transaction entered into by any person in respect of property declared or deemed to be evacuee property within the meaning of this Act, shall be void unless entered into by or with the previous approval of the Custodian."

14. Amendment of section 46, Act XXXI of 1950.—In section 46 of the principal Act, clause (b) shall be omitted.

15. Substitution of new section for section 52, Act XXXI of 1950.—For section 52 of the principal Act, the following section shall be substituted, namely:—

"52. *Power to exempt.*—The Central Government may, by notification in the Official Gazette, declare that all or any of the provisions of this Act or of the rules made thereunder shall not apply, or shall be deemed never to have applied, or shall cease to apply, or shall apply only with such modifications or subject to such conditions, restrictions or limitations as may be specified in the notification, to or in relation to any class of persons or class of property."

16. Amendment of section 56, Act XXXI of 1950.—In section 56 of the principal Act,—

(1) in sub-section (2),—

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

"(bb) the transfer by the Custodian of any case pending before any officer subordinate to him or the withdrawal to himself for disposal of any case so pending or the exercise of any similar powers by the Custodian General in respect of cases pending before any officer subordinate to him;";

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

"(q) the manner in which applications for the previous approval of the Custodian may be made under section 40

and the matters which he shall take into account in granting such approval, and the nature of cases and the circumstances in which the Custodian may confirm or refuse to confirm a transfer under that section: ”;

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

“(4) All rules made under sub-sections (1) and (2) after the commencement of the Administration of Evacuee Property (Amendment) Act, 1953 shall be laid for not less than fourteen days before Parliament as soon as possible after they are made.”

17. Effect of repeal of Chapter IV, Act XXXI of 1950.—(1) The repeal of Chapter IV of the principal Act shall not affect—

(a) any property which has vested in the Custodian under section 22 of the principal Act before the commencement of this Act, or

(b) any proceeding pending under that section on such commencement,

and any such property shall continue to so vest and any such proceeding may be continued as if this Act had not been passed.

(2) Save as aforesaid, on the repeal of Chapter IV of the principal Act, every order passed under section 19 of the principal Act declaring any person to be an intending evacuee and every attachment of property effected under that section shall cease to have effect and every proceeding pending under that section shall abate.

(3) Save to the extent to which it is otherwise provided in this section, the mention of particular matters in this section shall be without prejudice to the general application of section 6 of the General Clauses Act, 1897 (X of 1897), with respect to the effect of repeals.

K. Y. BHANDARKAR,

Secy. to the Govt. of India.

1483
CENTRAL SECRETARIAT
Government of India.
REGISTERED No. D. 221.

The Gazette  of India

EXTRAORDINARY
PART II—Section 1
PUBLISHED BY AUTHORITY

No. 8] NEW DELHI, WEDNESDAY, APRIL 15, 1953

MINISTRY OF LAW

New Delhi, the 15th April, 1953

The following Act of Parliament received the assent of the President on the 14th April, 1953 and is hereby published for general information:—

**THE KHADI AND OTHER HANDLOOM INDUSTRIES
DEVELOPMENT (ADDITIONAL EXCISE DUTY ON
CLOTH) ACT, 1953**

No. 12 OF 1953

[14th April, 1953]

An Act to provide for the levy and collection of an additional duty of excise on cloth for raising funds for the purpose of developing khadi and other handloom industries and for promoting the sale of khadi and other handloom cloth.

BE it enacted by Parliament as follows:—

1. **Short title and extent.**—(1) This Act may be called the Khadi and other Handloom Industries Development (Additional Excise Duty on Cloth) Act, 1953.

(2) It extends to the whole of India except the State of Jammu and Kashmir.

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

(a) 'appointed day' means the 15th day of February, 1953;

(b) 'cloth' has the meaning assigned to it in the First Schedule to the Central Excises and Salt Act, 1944 (I of 1944);

(c) 'handloom cloth' means any cloth woven from any material, including silk, artificial silk, staple fibre and wool, on looms worked by manual labour;

(d) 'handloom industries' means industries which manufacture khadi or other handloom cloth;

(e) 'khadi' means any handloom cloth woven from yarn hand-spun in India.

3. Levy of additional duty of excise on cloth.—(1) There shall be levied and collected on all cloth manufactured on or after the appointed day in the territories to which this Act extends, and on all cloth lying in stock on the appointed day in any factory where cloth is manufactured or in any premises appurtenant thereto, a duty of excise at the rate of three pies per yard:

Provided that no such duty shall be levied on cloth which is exported out of India.

(2) The duty of excise specified in sub-section (1) shall be in addition to the duty of excise chargeable on cloth under the Central Excises and Salt Act, 1944 (I of 1944), and shall be levied and collected in the same manner as the duty of excise on cloth is levied and collected under that Act.

4. Application of proceeds.—The Central Government may utilise the net proceeds of the duty of excise levied under this Act for meeting the costs of such measures as it considers necessary or expedient to take for developing khadi and other handloom industries, and, in particular, measures for—

(a) undertaking, assisting or encouraging khadi and other handloom industries;

(b) encouraging the adoption of improved methods of manufacturing khadi and other handloom cloth;

(c) encouraging and developing research in the technique of production of khadi and other handloom cloth and in the art of designs relating thereto;

(d) maintaining or assisting in the maintenance of institutes for the development of khadi and other handloom industries;

(e) promoting the sale and marketing of khadi and other handloom cloth;

(f) fixing the grades and standards of khadi and other handloom cloth and enforcing quality control;

(g) promoting and encouraging co-operative effort among manufacturers of khadi and other handloom cloth.

5. Power to make rules.—(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—

(a) the manner in which the proceeds of the duty of excise levied under this Act may be applied for all or any of the purposes specified in section 4;

(b) the making of grants or loans from such proceeds to State Governments for all or any of the said purposes;

(c) the allocation of the net proceeds of the duty of excise between khadi and other handloom industries;

(d) the manner in which accounts relating to the proceeds of the duty of excise shall be maintained;

(e) the exemption from the whole or any part of the duty of excise levied under this Act of any variety of cloth which is for the time being exempt from the duty of excise imposed under the Central Excises and Salt Act, 1944 (I of 1944).

K. Y. BHANDARKAR,
Secy. to the Govt. of India.

1/5/53

CENTRAL SECRETARIAT LIBRARY
Government of India.

REGISTERED No. D. 221

The Gazette  **of India**

EXTRAORDINARY

PART II—Section 1

PUBLISHED BY AUTHORITY

No. 9] NEW DELHI, FRIDAY, APRIL 24, 1953

MINISTRY OF LAW

New Delhi, the 24th April, 1953

The following Act of Parliament received the assent of the President on the 23rd April, 1953 and is hereby published for general information :—

THE APPROPRIATION (No. 3) ACT, 1953

No. 13 OF 1953

[23rd April, 1953]

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 1953-54.

BE it enacted by Parliament as follows:—

1. Short title.—This Act may be called the Appropriation (No. 3) Act, 1953.

2. Issue of Rs. 24,27,49,03,000 out of the Consolidated Fund of India for the year 1953-54.—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, 1953 (4 of 1953)] to the sums of two thousand four hundred and twenty-seven crores, forty-nine lakhs and three thousand rupees towards defraying the several charges which will come in course of payment during the financial year 1953-54 in respect of the services specified in column 2 of the Schedule.

3. Appropriation.—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	Ministry of Commerce and Industry	72,26,000	..	72,26,000
2	Industries	11,90,11,000	..	11,90,11,000
3	Commercial Intelligence and Statistics	52,26,000	..	52,26,000
4	Miscellaneous Departments and Expenditure under the Ministry of Commerce and Industry	40,25,000	..	40,25,000
5	Ministry of Communications	12,17,000	..	12,17,000
6	Indian Posts and Telegraphs Department (including Working Expenses)	44,00,23,000	1,64,72,000	45,64,95,000
7	Meteorology	1,08,97,000	..	1,08,97,000
8	Overseas Communications Service	90,98,000	4,08,000	95,06,000
9	Aviation	2,95,28,000	..	2,95,28,000
10	Miscellaneous Departments and Expenditure under the Ministry of Communications	8,25,000	..	8,25,000
11	Ministry of Defence	26,10,000	..	26,10,000
12	Defence Services—Effective Army	1,63,70,95,000	..	1,63,70,95,000
13	Defence Services—Effective Navy	11,31,88,000	..	11,31,88,000
14	Defence Services—Effective Air Force	25,79,24,000	..	25,79,24,000
15	Defence Services—Non-Effective Charges	15,66,88,000	7,000	15,66,95,000
16	Miscellaneous Expenditure under the Ministry of Defence	5,00,000	..	5,00,000
17	Ministry of Education	33,17,000	..	33,17,000
18	Archæology	44,28,000	..	44,28,000

1 No. of Vote	2 Services and purposes	3 Sum, not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
19	Other Scientific Departments	1,91,82,000	..	1,91,82,000
20	Education	4,88,06,000	..	4,88,06,000
21	Miscellaneous Departments and Expenditure under the Ministry of Education	30,23,000	..	30,23,000
22	Tribal Areas	3,78,53,000	..	3,78,53,000
23	External Affairs	5,63,19,000	..	5,63,19,000
24	Chandernagore	23,27,000	..	23,27,000
25	Miscellaneous Expenditure under the Ministry of External Affairs	3,78,000	..	3,78,000
26	Ministry of Finance	1,44,36,000	..	1,44,36,000
27	Customs	3,37,49,000	..	3,37,49,000
28	Union Excise Duties	5,44,27,000	16,48,77,000	21,93,04,000
29	Taxes on Income including Corporation Tax	3,40,83,000	..	3,40,83,000
30	Opium	2,93,47,000	..	2,93,47,000
31	Stamps	1,19,50,000	5,72,000	1,25,22,000
32	Payments to Other Governments, Departments, etc.	11,09,000	..	11,09,000
33	Audit	7,07,93,000	14,89,000	7,22,82,000
34	Currency	1,64,35,000	3,60,000	1,67,95,000
35	Mint	96,22,000	..	96,22,000
36	Territorial and Political Pensions	22,82,000	..	22,82,000
37	Superannuation Allowances and Pensions	3,31,43,000	8,82,000	3,40,25,000
38	Miscellaneous Departments and Expenditure under the Ministry of Finance	2,00,52,000	..	2,00,52,000
39	Grants-in-aid to States	14,29,89,000	12,05,00,000	26,34,89,000
40	Miscellaneous adjustments between the Union and State Governments	1,76,000	..	1,76,000

1	2	3		
		Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
No. of Vote	Services and purposes	Rs.	Rs.	Rs.
41	Extra-ordinary Payments	22,92,11,000	..	22,92,11,000
42	Pre-partition Payments	1,94,36,000	64,000	1,95,00,000
	<i>Charged.</i> —Interest on Debt and other obligations and reduction or avoidance of Debt . . . . .	..	79,91,19,000	79,91,19,000
43	Ministry of Food and Agriculture	46,81,000	..	46,81,000
44	Forest	33,64,000	..	33,64,000
45	Agriculture	3,68,23,000	..	3,68,23,000
46	Civil Veterinary Services	36,94,000	..	36,94,000
47	Miscellaneous Departments and Expenditure under the Ministry of Food and Agriculture.	73,37,000	..	73,37,000
48	Ministry of Health	6,38,000	..	6,38,000
49	Medical Services	1,07,45,000	..	1,07,45,000
50	Public Health	1,15,08,000	..	1,15,08,000
51	Miscellaneous Expenditure under the Ministry of Health	76,35,000	..	76,35,000
52	Ministry of Home Affairs	1,28,11,000	..	1,28,11,000
53	Cabinet	23,87,000	..	23,87,000
54	Delhi	1,51,18,000	..	1,51,18,000
55	Police	69,13,000	..	69,13,000
56	Census	10,49,000	..	10,49,000
57	Miscellaneous Departments and Expenditure under the Ministry of Home Affairs	11,07,000	..	11,07,000
58	Andaman and Nicobar Islands	1,75,95,000	..	1,75,95,000
59	Ministry of Information and Broadcasting	1,02,64,000	..	1,02,64,000
60	Broadcasting	2,28,73,000	..	2,28,73,000
61	Ministry of Irrigation and Power	7,94,000	..	7,94,000

1 No. of Vote	2 Services and purposes	3 Sums not exceeding		
		Vote by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
62	Irrigation, etc.	20,000	..	20,000
63	Multipurpose River Schemes	45,58,000	..	45,58,000
64	Miscellaneous Departments and Expenditure under the Ministry of Irrigation and Power	40,49,000	..	40,49,000
65	Ministry of Labour	29,22,000	..	29,22,000
66	Chief Inspector of Mines	8,90,000	..	8,90,000
67	Miscellaneous Departments and Expenditure under the Ministry of Labour	3,17,81,000	..	3,17,81,000
68	Employment Exchanges and Resettlement	1,35,82,000	..	1,35,82,000
69	Civil Defence	1,20,000	..	1,20,000
70	Ministry of Law	1,75,40,000	..	1,75,40,000
71	Administration of Justice	1,60,000	8,76,000	10,86,000
72	Ministry of Natural Resources and Scientific Research	7,25,000	..	7,25,000
73	Survey of India	1,04,27,000	..	1,04,27,000
74	Botanical Survey	2,68,000	..	2,68,000
75	Zoological Survey	4,36,000	..	4,36,000
76	Geological Survey	51,36,000	..	51,36,000
77	Mines	21,43,000	..	21,43,000
78	Scientific Research	3,16,24,000	..	3,16,24,000
79	Miscellaneous Departments and Expenditure under the Ministry of Natural Resources and Scientific Research	15,000	..	15,000
80	Department of Parliamentary Affairs	1,21,000	..	1,21,000
81	Ministry of Production	7,47,000	..	7,47,000
82	Salt	1,25,87,000	2,97,000	1,28,84,000
83	Other Organisations under the Ministry of Production	1,18,01,000	..	1,18,01,000

1	2	3		
		Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
84	Miscellaneous Departments and Expenditure under the Ministry of Production	1,84,34,000	..	1,84,34,000
85	Ministry of Rehabilitation	19,80,000	..	19,80,000
86	Expenditure on Displaced Persons	12,67,50,000	..	12,67,50,000
87	Miscellaneous Expenditure under the Ministry of Rehabilitation	39,000	..	39,000
88	Ministry of States	11,60,000	..	11,60,000
89	Privy Purses and Allowances of Indian Rulers	2,56,000	5,38,28,000	5,40,84,000
90	Kutch	1,11,09,000	..	1,11,09,000
91	Bilaspur	25,56,000	..	25,56,000
92	Manipur	63,48,000	..	63,48,000
93	Tripura	1,21,33,000	..	1,21,33,000
94	Relations with States	62,13,000	..	62,13,000
95	Miscellaneous Expenditure under the Ministry of States	59,63,000	..	59,63,000
96	Ministry of Transport	31,07,000	..	31,07,000
97	Ports and Pilotage	62,45,000	..	62,45,000
98	Lighthouses and Lightships	79,67,000	..	79,67,000
99	Central Road Fund	4,91,26,000	..	4,91,26,000
100	Communications (including National Highways)	4,72,44,000	..	4,72,44,000
101	Miscellaneous Expenditure under the Ministry of Transport	4,37,000	..	4,37,000
102	Ministry of Works, Housing and Supply	21,80,000	.	21,80,000
103	Supplies	2,75,64,000	..	2,75,64,000
104	Other Civil Works	14,77,37,000	21,05,000	14,98,42,000
105	Stationery and Printing	4,93,48,000	.	4,93,48,000

1	2	3		
		Sum ^s not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
106	Miscellaneous Departments and Expenditure under the Ministry of Works, Housing and Supply	46,41,000	..	46,41,000
107	Parliament	97,62,000	1,25,000	98,87,000
108	Miscellaneous Expenditure under the Parliament Secretariat	29,000	..	29,000
	<i>Charged.</i> —Staff, Household and Allowances of the President . . . . .	..	15,34,000	15,34,000
109	Secretariat of the Vice-President	83,000	..	83,000
	<i>Charged.</i> —Union Public Service Commission . . . . .	..	20,70,000	20,70,000
110	Capital Outlay of the Ministry of Commerce and Industry	6,22,89,000	..	6,22,89,000
111	Capital Outlay on Indian Posts and Telegraphs (not met from Revenue)	11,64,88,000	..	11,64,88,000
112	Capital Outlay on Civil Aviation	2,32,00,000	..	2,32,00,000
113	Other Capital Outlay of the Ministry of Communications	1,15,50,000	..	1,15,50,000
114	Defence Capital Outlay	18,00,00,000	..	18,00,00,000
115	Capital Outlay of the Ministry of Education	6,00,000	..	6,00,000
116	Capital Outlay on the India Security Press	7,85,000	..	7,85,000
117	Capital Outlay on Currency	2,41,000	..	2,41,000
118	Capital Outlay on Mints	50,37,000	..	50,37,000
119	Commuted Value of Pensions	1,03,80,000	..	1,03,80,000
120	Payments to Retrenched Personnel	1,83,000	..	1,83,000
121	Other Capital Outlay of the Ministry of Finance	7,11,00,000	..	7,11,00,000

1	2	3		
		Sums not exceeding		
No. of Vote	Services and purposes	Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
122	Loans and Advances by the Central Government	26,72,29,000	1,51,19,53,000	1,57,91,97,000
	Charged.—Repayment of Debt. . . . .	..	14,23,96,97,000	14,23,96,97,000
123	Capital Outlay on Forests	23,20,000	..	23,20,000
124	Purchases of Foodgrains	1,54,96,00,000	..	1,54,96,00,000
125	Other Capital Outlay of the Ministry of Food and Agriculture	19,87,98,000	15,87,000	20,03,05,000
126	Capital Outlay of the Ministry of Health	3,36,15,000	..	3,36,15,000
127	Capital Outlay of the Ministry of Home Affairs	28,67,000	..	28,67,000
128	Capital Outlay on Broadcasting	71,24,000	..	71,24,000
129	Capital Outlay on Multipurpose River Schemes	3,79,84,000	..	3,79,84,000
130	Other Capital Outlay of the Ministry of Irrigation and Power	5,20,08,000	..	5,20,08,000
131	Capital Outlay of the Ministry of Labour	4,56,000	..	4,56,000
32	Other Capital Outlay of the Ministry of Natural Resources and Scientific Research	71,00,000	..	71,00,000
133	Capital Outlay of the Ministry of Production	4,02,48,000	..	4,02,48,000
134	Capital Outlay of the Ministry of Rehabilitation	25,00,000	..	25,00,000
135	Capital Outlay of the Ministry of States	4,00,75,000	..	4,00,75,000
136	Capital Outlay on Ports	3,20,47,000	..	3,20,47,000
137	Capital Outlay on Roads	8,67,83,000	..	8,67,83,000
138	Other Capital Outlay of the Ministry of Transport	2,27,56,000	..	2,27,56,000
139	New Delhi Capital Outlay	2,58,72,000	43,000	2,59,15,000

1 No. of Vote	2 Services and purposes	3 Sum not exceeding		
		Voted by Parliament	Charged on the Consolidat- ed Fund	Total
		Rs.	Rs.	Rs.
140	Capital Outlay on Buildings .	9,25,85,000	..	9,25,85,000
141	Other Capital Outlay of the Ministry of Works, Housing and Supply	8,90,000	..	8,90,000
	GRAND TOTAL . . .	7,55,66, 3,000	16,71,88,60,000	24,27,49,03,000

K. V. BHANDARKAR,
Secy. to the Govt. of India.

The Gazette of India

EXTRAORDINARY
PART II—Section 1
PUBLISHED BY AUTHORITY

No. 10] NEW DELHI, MONDAY, APRIL 27, 1953

MINISTRY OF LAW

New Delhi, the 27th April, 1953

The following Acts of Parliament received the assent of the President on the 25th April, 1953 and are hereby published for general information :—

THE FINANCE ACT, 1953

No. 14 OF 1953

[25th April, 1953]

An Act to give effect to the financial proposals of the Central Government for the financial year 1953-54

BE it enacted by Parliament as follows :—

1. **Short title.**—This Act may be called the Finance Act, 1953.

2. **Income-tax and super-tax.**—The provisions of section 2 of, and the First Schedule to, the Finance Act, 1951 (XXIII of 1951), as originally enacted, shall apply in relation to income-tax and super-tax for the financial year 1953-54 as they apply in relation to income-tax and super-tax for the financial year 1952-53 with the modifications that—

(a) for the figures "1950", "1951" and "1952", wherever they occur, the figures "1951", "1953" and "1954" shall respectively be substituted; and

(b) in the First Schedule,—

(i) in Part I, in the limits specified in the first proviso to paragraph A, for the figures "7,200" and "3,600", the figures "8,400" and "4,200" shall respectively be substituted.

(ii) in Part II, in clause (iii) of the first proviso to paragraph D, for the words "one anna per rupee of the total income", the following shall be substituted, namely :—

"one anna and six pies per rupee on so much of the total income as consists of dividends from a subsidiary Indian company, and a rebate at the rate of six pies per rupee on any other income included in the total income".

3. Amendment of Act XI of 1922.—With effect from the 1st day of April, 1953, the following amendments shall be made in the Indian Income-tax Act, 1922, namely:—

(a) in sub-section (2) of section 9, after the first proviso, the following proviso shall be inserted, namely:—

“Provided further that where the property referred to in the preceding proviso consists of one residential house only and it cannot actually be occupied by the owner by reason of the fact that owing to his employment, business, profession or vocation carried on at any other place, he has to reside at that other place in a building not belonging to him and the residential house is not actually let and no other benefit therefrom is derived by the owner, the income of such property under this section shall, if the property was not occupied during the whole of the previous year be taken to be *nil*, and if it was occupied for a part of the previous year be computed proportionately, so however that the income in respect of such property shall in no case be a loss.”

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

“12AA. *Royalties or copyright fees for literary or artistic works.*—Where the time taken by the author of a literary or artistic work in the making thereof is—

(a) more than twelve but less than twenty-four months, or

(b) more than twenty-four months,

the amount received or receivable by him during any previous year on account of any lump sum consideration for the assignment or grant of any of his interests in the copyright of that work, or of royalties or copyright fees (whether receivable in lump sum or otherwise), in respect of that work, shall, if he so claims, be allocated for purposes of assessment as hereunder—

(i) in the case referred to in clause (a), one-half of the amount of such lump sum, royalties or fees as the income of the previous year in which the whole amount is received or receivable, and the other half as the income of the next succeeding previous year; and

(ii) in the case referred to in clause (b), one-third of the amount of such lump sum, royalties or fees as the income of the previous year in which the whole amount is received or receivable, and one-third of the said amount as the income of each of the two next succeeding previous years.

Explanation.—For the purposes of this section, the expression ‘author’ includes a joint author and the expression ‘lump sum’ in regard to royalties or copyright fees includes an advance payment on account of such royalties or copyright fees which is not returnable.”

(c) for sub-sections (1) and (2) of section 15B, the following sub-sections shall be substituted, namely:—

“(1) The tax shall not be payable by an assessee in respect of any sums paid by him on or after the 1st day of April, 1953, as donations to any institution or fund to which this section applies:

Provided that in the case of a company this exemption shall apply only in respect of income-tax, and not in respect of super-tax payable by it:

Provided further that this exemption shall not apply—

(a) if the aggregate of the sums so paid by the assessee is less than two hundred and fifty rupees,

(b) to any sums paid in excess of one-twentieth of the assessee's total income as reduced by any portion thereof exempt from tax under any other provisions of this Act, or one hundred thousand rupees, whichever is less.

(2) This section applies to any institution or fund established in the taxable territories for a charitable purpose—

(i) the income whereof is exempt under clause (i) of sub-section (3) of section 4,

(ii) which is not expressed to be for the benefit of any particular religious community,

(iii) which maintains regular accounts of its receipts and expenditure, and

(iv) which is either constituted as a public charitable trust or is registered under the Societies Registration Act, 1860 (XXI of 1860), or under section 26 of the Indian Companies Act, 1913 (VII of 1913), or is a university established by law or is any other educational institution recognised by Government or by a university or affiliated to any university, or

(v) which is an institution financed wholly or in part by the Government or a local authority.

Explanation.—An institution or fund established for the benefit of scheduled castes, backward classes, scheduled tribes or of women and children shall not be deemed to be an institution or fund expressed to be for the benefit of a religious community within the meaning of clause (ii).

(2A) For the removal of doubts, it is hereby declared that in respect of sums paid as donations on or after the 1st day of April, 1948, and before the 1st day of April, 1953, the provisions of sub-section (1) and (2) shall apply as if the amendments made by clause (c) of section 3 of the Finance Act, 1953, had not been made.”

(d) in sub-section (1) of section 24,—

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

“Provided further that in computing the profits and gains chargeable under the head ‘Profits and gains of business, profession or vocation’, any loss sustained in speculative transactions which are in the nature of a business shall not be taken into account except to the extent of the amount of profits and gains, if any, in any other business consisting of speculative transactions.”

(ii) after the last proviso, the following *Explanations* shall be inserted, namely:—

Explanation 1.—Where the speculative transactions carried on are of such a nature as to constitute a business, the business shall be deemed to be distinct and separate from any other business.

Explanation 2.—A speculative transaction means a transaction in which a contract for purchase and sale of any commodity including stocks and shares is periodically or ultimately settled otherwise than by the actual delivery or transfer of the commodity or scrips:

Provided that for the purposes of this section,—

(a) a contract in respect of raw materials or merchandise entered into by a person in the course of his manufacturing or merchanting business to guard against loss through future price fluctuations in respect of his contracts for actual delivery of goods manufactured by him or merchandise sold by him; or

(b) a contract in respect of stocks and shares entered into by a dealer or investor therein to guard against loss in his holdings of stocks and shares through price fluctuations; or

(c) a contract entered into by a member of a forward market or a stock exchange in the course of any transaction in the nature of jobbing or arbitrage to guard against loss which may arise in the ordinary course of his business as such member;

shall not be deemed to be a speculative transaction.”

(e) for sections 49A and 49AA, the following section shall be substituted, namely:—

“49A. *Agreement for granting relief in respect of double taxation or for avoidance thereof.*—The Central Government may enter into an agreement—

(a) with the Government of the State of Jammu and Kashmir or with the Government of any country outside

India for the granting of relief in respect of income on which have been paid both income-tax (including super-tax) under this Act and income-tax in that State or in that country, as the case may be, or

(b) with the Government of any country outside India for the avoidance of double taxation of income, profits and gains under this Act and under the corresponding law in force in that country;

and may, by notification in the Official Gazette, make such provisions as may be necessary for implementing the agreement."

(f) after section 56, the following section shall be inserted, namely:—

"56-A. *Exemption from super-tax of certain dividends.*—(1) No super-tax shall be payable by a company on such part of its total income as consists of dividends received from an Indian company formed and registered after the 31st day of March, 1952, where—

(i) the Central Government is satisfied that the Indian company is wholly or mainly engaged in an industry for the manufacture or production of any one or more of the following, namely:—

- (1) Coal, including coke and other derivatives;
- (2) Iron and Steel;
- (3) Motor and aviation fuel, kerosene, crude oils and synthetic oils (not being oil exploration);
- (4) Heavy chemicals including fertilizers;
- (5) Heavy machinery used in industry including ball and roller bearing and gear wheels and parts thereof, boilers and steam generating equipment;
- (6) Machinery and equipment for the generation, transmission and distribution of electric energy;
- (7) Non-ferrous metals including alloys;
- (8) Paper including newsprint and paper board;
- (9) Internal combustion engines;
- (10) Power-driven pumps;

as specified in the First Schedule to the Industries (Development and Regulation) Act, 1951 (No. LXV of 1951), and

(ii) the income of the Indian company would have been exempt under the operation of section 15-C if the provisions of that section had been applicable thereto.

(2) The exemption specified in sub-section (1) shall apply also to dividends payable to a company in respect of any fresh capital raised by an Indian company after the 28th day of February,

1953, by public subscription for the purpose of increasing the production of, or starting a separate unit of, any one or more of the items specified in clause (i) of sub-section (1).”

4. Amendments to Act XXXII of 1934.—With effect from the 28th day of February, 1953, the Indian Tariff Act, 1934 (XXXII of 1934), shall be amended in the manner specified in the First Schedule.

5. Additional duties of Customs.—When any goods chargeable with a duty of Customs under the First Schedule to the Indian Tariff Act, 1934 (XXXII of 1934), or under that Schedule read with any notification of the Central Government for the time being in force, are assessed to duty, there shall, up to the 31st day of March, 1954, be levied and collected as an addition to, and in the same manner as, the total amount so chargeable—

(a) a sum equal to 155 per cent. of such amount, in the case of goods comprised in Items Nos. 22(2) and 22(4);

(b) a sum equal to 55 per cent. of such amount, in the case of goods comprised in Items Nos. 48, 48(2), 48(6) and 51(2), and in the case of textile manufactures specified in Item No. 49 when made wholly or mainly of any of the fabrics specified in Item No. 48, 48(1), 48(4), 48(5), 48(7) or 48(10);

(c) a sum equal to 45 per cent. of such amount, in the case of goods comprised in Item No. 47(2);

(d) a sum equal to 25 per cent. of such amount, in the case of goods comprised in any of the Items of the said Schedule other than those specified in clauses (a), (b) and (c) of this section or in the Second or the Third Schedule to this Act; and

(e) a sum equal to 5 per cent. of such amount, in the case of goods comprised in any of the Items of the said Schedule specified in the Third Schedule to this Act.

6. Alteration of certain duties of central excise.—With effect from the 28th day of February, 1953, the following amendments shall be made in the First Schedule to the Central Excises and Salt Act, 1944 (1 of 1944):—

In Item No. 12, for the entries “Twenty per cent. *ad valorem*” and “Five per cent. *ad valorem*” in the last column against sub-items (1) and (2), the entries “Three annas and three pies per yard” and “One anna and three pies per yard” shall respectively be substituted.

7. Additional duties of excise.—The provisions of section 8 of the Finance Act, 1951 (XXIII of 1951) shall continue in force up to the 31st day of March, 1954, and accordingly in that section for the figures “1953” as substituted therein by section 3 of the Finance Act, 1952 (XXIX of 1952), the figures “1954” shall be substituted.

8. Discontinuance of Salt duty.—For the year beginning on the 1st day of April 1953, no duty shall be levied on salt manufactured in, or imported by sea or land into, the territory of India excluding the State of Jammu and Kashmir.

9. Inland postage rates.—The First Schedule to the Indian Post Office Act, 1898 (VI of 1898), as inserted therein by section 10 of the Finance Act, 1950 (XXV of 1950), shall be amended as follows:—

“(i) in column 2 of the entries under the heading “Book, Pattern and Sample Packets”, for the words “Nine pies” and “Three pies”, the words “One anna” and “Six pies” shall respectively be substituted; and

(ii) in column 2 of the entries under the heading “Parcels”, for the words “Six annas”, in both the places where they occur, the words “Eight annas” shall be substituted.”

THE FIRST SCHEDULE

(See section 4)

A

In the First Schedule to the Indian Tariff Act, 1934 (XXXII of 1934), for Items Nos. 1, 9(5), 19, 20, 20(1), 20(2), 20(3), 21, 28(14), 28(26), 28(27), 28(28), 30(7), 31(5), 44(7), 45(4), 45(5), 48(1), 48(3), 48(4), 48(5), 48(7), 48(8), 48(9), 48(10), 49(1), 51, 52, 54, 56, 56(1), 59(2), 59(3), 59(4), 59(5), 60, 61, 75(1), 77(2), 83, 85, 86 and 86(1), the following Items shall be substituted and such substitutions shall be inserted in their appropriate places:—

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	Animals, living, all sorts not otherwise specified.	.....	Free . . .	.....	.....
1 (1)	Horses of a value exceeding Rs. 2,000 each.	Revenue .	20 per cent. <i>ad valorem</i>.	.....	.....
9 (5)	Betel-nuts	Preferential Revenue.	10 annas per lb.	.....	9 1/2 annas per lb.	
19	Biscuits	Revenue .	66 2/3 per cent. <i>ad valorem</i>.	.....	.....
19 (1)	Milk foods for infants and invalids, canned or bottled.	Revenue .	17 1/2 per cent. <i>ad valorem</i>.	.....	.....
19 (2)	Patent foods for infants and invalids, canned or bottled [other than milk foods falling under item 19 (1), and not containing cocoa or chocolate.]	Revenue .	17 1/2 per cent. <i>ad valorem</i>.	.....	.....

19 (3)	Cakes and farinaceous and patent foods, canned or bottled, not otherwise specified.	Revenue .	31 1/4 per cent. <i>ad valorem.</i>	.....	.. ..
20	Vegetable product, pickles, chutnies, sauces, ketchups and condiments, canned or bottled.	Revenue .	66 2/3 per cent. <i>ad valorem.</i>	.....	.....
20 (1)	Fruit juices, squashes, cordials and syrups not otherwise specified :—					
	(a) manufactured in a British colony.	Revenue .	55 per cent. <i>ad valorem.</i>	.....	.....
	(b) not manufactured in a British colony.	Revenue .	65 per cent. <i>ad valorem.</i>	.....	.....
20 (2)	Vegetables, canned or bottled, the following, namely :— tomatoes, potatoes, onions and cauliflowers.	Preferential Revenue.	65 per cent. <i>ad valorem.</i>	.....	55 per cent. <i>ad valorem.</i>	
20 (3)	Fruits, canned or bottled or otherwise packed, not otherwise specified :—					
	(a) manufactured in a British colony.	Protective .	55 per cent. <i>ad valorem.</i>	.....	.....	December 31st, 1953.
	(b) not manufactured in a British colony.	Protective .	65 per cent. <i>ad valorem.</i>	.....	.....	December 31st, 1953.
21	Canned or bottled provisions not otherwise specified.	Revenue .	66 2/3 per cent. <i>ad valorem.</i>	.....	.....
28 (1)	Toilet requisites not otherwise specified.	Revenue .	66 2/3 per cent. <i>ad valorem.</i>	.....	.....
28 (26)	Penicillin in bulk	Preferential Revenue.	20 per cent. <i>ad valorem.</i>	14 per cent. <i>ad valorem.</i>	14 per cent. <i>ad valorem.</i>	
28 (26A)	Penicillin and its products not otherwise specified.	Preferential Revenue.	30 per cent. <i>ad valorem.</i>	24 per cent. <i>ad valorem.</i>	24 per cent. <i>ad valorem.</i>	

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	
28 (27)	Antibiotics such as Streptomycin, gramicidin, tyrocidine and tyrothricin.	Preferential Revenue.	20 per cent. <i>ad valorem</i> .	14 per cent. <i>ad valorem</i> .	14 per cent. <i>ad valorem</i> .	
28 (28)	Sulpha drugs and vitamin preparations other than fish-liver oil.	Preferential Revenue.	20 per cent. <i>ad valorem</i> .	14 per cent. <i>ad valorem</i> .	14 per cent. <i>ad valorem</i> .	
30 (7)	Lead pencils	Protective . .	8 annas per dozen or 66 $\frac{2}{3}$ per cent. <i>ad valorem</i> , whichever is higher.	.....	.....	December 31st, 1953.
31 (5)	Perfumery, not otherwise specified.	Revenue . .	66 $\frac{2}{3}$ per cent. <i>ad valorem</i>.	.....	.....
44 (7)	Newspapers, old, packed in bales, bags or otherwise.	Revenue . .	66 $\frac{2}{3}$ per cent. <i>ad valorem</i>.	.....	.....
45 (4)	Coloured and copying pencils . .	Protective . .	66 $\frac{2}{3}$ per cent. <i>ad valorem</i>.	.....	.....	December 31st, 1953.
45 (5)	Fountain pen ink	Protective . .	66 $\frac{2}{3}$ per cent. <i>ad valorem</i>.	.....	.....	December 31st, 1953.
48 (1)	Fabrics, not otherwise specified, containing more than 90 per cent. of artificial silk —		XXXX			
	(a) of British manufacture . .	Protective . .	80 per cent. <i>ad valorem</i> , or 7 annas per square yard, whichever is higher.	.....	.....	December 31st, 1953.

	(b) not of British manufacture	Protective	.	100 per cent. <i>ad valorem</i> or 14 annas per square yard whichever is higher.	....	....	December 31st, 1953.
48 (3)	Cotton fabrics not otherwise specified, containing more than 90 per cent. of cotton —						
	(a) Grey piecegoods (excluding bordered grey chadars, dhuties, saris and scarves) —						
	(i) of British manufacture	Revenue	.	65 per cent. <i>ad valorem.</i>	....	....
	(ii) not of British manufacture,	Revenue	.	100 per cent. <i>ad valorem.</i>	....	....
	(b) Printed piecegoods and printed fabrics —						
	(i) of British manufacture	Revenue	.	60 per cent. <i>ad valorem.</i>	....	....
	(ii) not of British manufacture,	Revenue	.	100 per cent. <i>ad valorem.</i>	....	....
	(c) Cotton piecegoods and fabrics not otherwise specified —						
	(i) of British manufacture	Revenue	.	60 per cent. <i>ad valorem.</i>	....	....
	(ii) not of British manufacture,	Revenue	.	100 per cent. <i>ad valorem.</i>	....	....

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		
48(4)	Fabrics, not otherwise specified, containing more than 10 per cent. and not more than 90 per cent. silk—						
	(a) containing more than 50 per cent. silk or artificial silk or both.	Protective	100 per cent. <i>ad valorem</i> plus Rs. 3 per lb.	....	....	December 1953.	31st.
	(b) containing not more than 50 per cent. silk or artificial silk or both :—						
	(i) containing more than 10 per cent. artificial silk	Protective	100 per cent. <i>ad valorem</i> or Rs. 3 per lb. whichever is higher.	....	....	December 1953.	31st.
	(ii) containing no artificial silk or not more than 10 per cent. artificial silk.	Protective	100 per cent. <i>ad valorem</i>.	....	....	December 1953.	31st.
48(5)	Fabrics, not otherwise specified, containing no silk or containing not more than 10 per cent. silk but more than 10 per cent. and not more than 90 per cent. artificial silk—						

(a) containing 50 per cent. or more cotton :—							
(i) of British manufacture	Protective	.	80 per cent. <i>ad valorem</i> or 5½ annas per square yard, whichever is higher.	....	....	December 31st, 1953.	
(ii) not of British manufacture	Protective	.	100 per cent. <i>ad valorem</i> or 11 annas per square yard, whichever is higher.	....	....	December 31st, 1953.	
(b) containing no cotton or containing less than 50 per cent. cotton—							
(i) of British manufacture	Protective	.	80 per cent. <i>ad valorem</i> or 7 annas per square yard, whichever is higher.	....	....	December 31st, 1953.	
(ii) not of British manufacture	Protective	.	100 per cent. <i>ad valorem</i> or 14 annas per square yard, whichever is higher.	....	....	December 31st, 1953.	
48 (7) Fabrics, not otherwise specified, containing not more than 10 per cent. silk or 10 per cent. artificial silk or 10 per cent. wool, but containing more than 50 per cent. cotton and not more than 90 per cent. cotton—		....	....	....	....	December 31st, 1953.	
(a) of British manufacture	Protective	.	70 per cent. <i>ad valorem</i>.	....	....	December 31st, 1953.	

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	
	(b) not of British manufacture	Protective	. . 100 per cent. <i>ad valorem.</i>	....	....	December 31st, 1953.
48 (8)	Fabrics, not otherwise specified, containing not more than 10 per cent. silk or 10 per cent. artificial silk or 10 per cent. wool or 50 per cent. cotton.	Revenue	. . 100 per cent. <i>ad valorem.</i>	....	....
48 (9)	The following cotton fabrics, namely, Sateens including Italians of Sateen weave, velvets and velveteens and embroidered all-overs—					
	(a) printed fabrics—					
	(i) of British manufacture	Revenue	. . 80 per cent. <i>ad valorem.</i>	....	....
	(ii) not of British manufacture.	Revenue	. . 100 per cent. <i>ad valorem.</i>	....	....
	(b) Other fabrics—					
	(i) of British manufacture	Revenue	. . 75 per cent. <i>ad valorem.</i>	....	....
	(ii) not of British manufacture.	Revenue	. . 100 per cent. <i>ad valorem.</i>	....	....
48 (10)	Fabrics containing gold or silver thread.	Revenue	. . 100 per cent. <i>ad valorem.</i>	....	....

49 (1)	Fents, being <i>bona fide</i> remnants of piecegoods or other fabrics—				
	(a) of materials liable to duty under Item 48(3), not exceeding 4 yards in length.	Preferential revenue.	. . . 75 per cent. <i>ad valorem</i> .	65 per cent. <i>ad valorem</i>.	....
	(b) of materials liable to duty under Item 48, 48(1), 48(4) or 48(5), not exceeding 2½ yards in length.	Preferential revenue.	. . . 75 per cent. <i>ad valorem</i> .	65 per cent. <i>ad valorem</i>.	....
	(c) of other materials not exceeding 4 yards in length.	Preferential revenue.	. . . 75 per cent. <i>ad valorem</i> .	65 per cent. <i>ad valorem</i>.	....
51	Socks and stockings made wholly or mainly from silk or artificial silk.	Revenue	. . . 100 per cent. <i>ad valorem</i>.	....	....
52	Apparel, hosiery, haberdashery, millinery and drapery, not otherwise specified.	Revenue	. . . 66 2/3 per cent. <i>ad valorem</i>.	....	....
54	Boots and shoes	Revenue	. . . 100 per cent. <i>ad valorem</i> or Rs. 1/8/- per pair, whichever is higher.	....	....
56	Parasols and Sunshades and fittings for umbrellas, parasols and sunshades.	Revenue	. . . 100 per cent. <i>ad valorem</i>.	....	....
56 (1)	Umbrellas	Revenue	. . . 100 per cent. <i>ad valorem</i> or Rs. 2 each, whichever is higher.	....	....
59 (2)	Earthenware, china and porcelain, all sorts not otherwise specified.	Revenue	. . . 66 2/3 per cent. <i>ad valorem</i>.	....	....

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	
59 (3)	Earthenware, pipes and sanitary ware.	Revenue .	66 $\frac{2}{3}$ per cent. <i>ad valorem</i>.	....	....
59 (4)	Tiles of earthenware and porcelain.	Revenue .	66 $\frac{2}{3}$ per cent. <i>ad valorem</i> or 8 annas per square foot whichever is higher.	....	....
59 (5)	Domestic earthenware, china and porcelain, namely tea cups, coffee cups, saucers, tea pots, sugar bowls, jugs and plates of all kinds and sizes.	Revenue .	66 $\frac{2}{3}$ per cent. <i>ad valorem</i>.	....	....
60	Glass and glassware, not otherwise specified.	Revenue .	66 $\frac{2}{3}$ per cent. <i>ad valorem</i>.	....	....
61	Precious stones, unset and imported uncut, not otherwise specified, and pearls unset.	Revenue .	20 per cent. <i>ad valorem</i>.	....	....
61(a)	Emeralds, unset and imported uncut.	....	Free.	....	....
75 (1)	Motor cars, including taxi cabs imported completely assembled.	Preferential Revenue.	75 per cent. <i>ad valorem</i> .	72 per cent. <i>ad valorem</i>.	....
77 (2)	Scientific and surgical instruments, apparatus and appliances.	Revenue .	25 per cent. <i>ad valorem</i>.	....	....

83	Brushes, all sorts	Revenue	66 $\frac{2}{3}$ per cent. <i>ad valorem.</i>	....	....
85	Buttons, studs and cuff-links—					
	(a) made of metals other than gold or silver.	Protective	66 $\frac{2}{3}$ per cent. <i>ad valorem.</i>	....	....	December 31st, 1953.
	(b) made of porcelain	Protective	66 $\frac{2}{3}$ per cent. <i>ad valorem.</i>	....	....	December 31st, 1953.
	(c) not otherwise specified, but excluding jewellery and articles made of glass or plated with gold or silver or both.	Protective	66 $\frac{2}{3}$ per cent. <i>ad valorem.</i>	....	....	December 31st, 1953.
86	Prints, engravings and pictures (including photographs and picture post cards), not otherwise specified.	Revenue	25 per cent. <i>ad valorem.</i>	....	....
86 (1)	Art, works of, not otherwise specified.	Revenue	25 per cent. <i>ad valorem.</i>	....	....

B

In the First Schedule to the Indian Tariff Act, 1934—

(i) after Item No. 28, the following Item shall be inserted, namely :—

28A	Patent or proprietary medicines as defined in clause (d) of section 3 of the Drugs Act, 1940 (XXIII of 1940), not containing spirit and not otherwise specified	Preferential Revenue.	50 per cent. <i>ad valorem.</i>	40 per cent. <i>ad valorem.</i>	40 per cent. <i>ad valorem.</i>
-----	---	-----------------------	------------------------------------	------------------------------------	------------------------------------

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	
(ii) after Item No. 70(9), the following Items shall be inserted, namely :—						
70 (10)	Door and window hinges and bolts	Revenue	66 $\frac{2}{3}$ per cent. <i>ad valorem.</i>	....	....
70 (11)	Locks, all kinds	Revenue	66 $\frac{2}{3}$ per cent. <i>ad valorem.</i>	....	....
(iii) after Item No. 85(1), the following Item shall be inserted, namely :—						
85 (2)	Suit cases, trunks and bags not otherwise specified.	Revenue	66 $\frac{2}{3}$ per cent. <i>ad valorem.</i>	....	....

THE SECOND SCHEDULE

(See section 5)

Goods on which additional duty of customs is not leviable

Goods comprised in the following Items of the First Schedule to the Indian Tariff Act, 1934, namely,—

1(1), 2, 4(1), 4(3), 4(4), 4(5), 7(1), 8(1), 8(4), 8(5), 9(5), 9(6), 9(7), 12(6), 13(8), 13(9), 15(5), 15(9), 15(10), 15(11), 15(12), 16, 16(1), 16(3), 19, 19(1), 19(2), 19(3), 20, 20(1), 20(2), 20(3), 20(6), 20(7), 21, 21(4), 21(5), 21(6), 21(7), 21(8), 21(9), 22(3), 22(5), 27(1), 27(3), 27(4), 27(9), 28A, 28(14), 28(21), 28(22), 28(23), 28(24), 28(25), 28(26), 28(26A), 28(27), 28(28), 28(29), 28(30), 30(1), 30(2), 30(7), 30(11), 30(12), 30(13), 31(4), 31(5), 40(6), 40(7), 44(1), 44(7), 45(3), 45(4), 45(5), 48(1), 48(3), 48(4), 48(5), 48(7), 48(8), 48(9), 48(10), 49(c), 49(1), 49(2), 51, 52, 52(4), 53(2), 54, 55(1), 55(2), 55(3), 56, 56(1), 59(2), 59(3), 59(4), 59(5), 60, 60(4), 60(5), 61, 61(11), 70(10), 70(11), 71(9), 71(10), 72(4), 72(5), 72(26), 72(27), 72(28), 73(4), 73(8), 73(9), 73(10), 73(11), 73(12), 74(4), 75(1), 76, 77(2), 77(4), 78(1), 79, 83, 84(1), 85, 85(2), 86 and 86(1).

THE THIRD SCHEDULE

(See section 5)

Goods on which additional duty of customs at 5 per cent. is leviable

Goods comprised in the following Items of the First Schedule to the Indian Tariff Act, 1934, namely,—

4, 8(2), 9(3), 11(2), 11(4), 11(5), 11(6), 13(4), 15, 21(3), 24, 24(1), 24(2), 24(3), 25(1), 27(2), 27(5), 27(6), 27(7), 27(8), 28, 28(4), 28(8), 28(15), 28(16), 28(17), 28(18), 28(19), 28(20), 28(31), 29, 29(1), 30, 30(9), 30(10), 34(3), 40(4), 40(5), 43, 44, 45, 46, 46(3), 47, 55, 60(2), 60(3), 60(6), 60(7), 61(2), 61(3), 61(8), 61(9), 62(1), 62(2), 63(14), 63(30), 63(31), 63(32), 63(33), 63(34), 63(35), 64, 64(3), 64(4), 65, 66, 66(1), 67, 67(1), 67(2), 68, 68(2), 69(2), 70, 70(1), 70(2), 70(3), 70(4), 70(5), 70(6), 70(9), 71(2), 71(3), 71(7), 71(8), 71(11), 72, 72(1), 72(2), 72(3), 72(11), 72(12), 72(13), 72(14), 72(15), 72(16), 72(17), 72(18), 72(19), 72(20), 72(21), 72(22), 72(23), 72(24), 72(25), 72(33), 72(34), 73(2), 73(7), 73(14), 73(15), 73(16), 74(2), 75, 75(2), 75(3), 75(5), 75(6), 75(7), 75(8), 75(9), 75(10), 75(11), 75(12), 75(13), 77(5), 78, 82(1), 82(3), 84 and 85(1).

THE CENTRAL EXCISES AND SALT (AMENDMENT)
ACT, 1953

No. 15 OF 1953

[25th April, 1953]

An Act further to amend the Central Excises and Salt Act, 1944.

BE it enacted by Parliament as follows:—

1. Short title.—This Act may be called the Central Excises and Salt (Amendment) Act, 1953.

2. Amendment of First Schedule, Act I of 1944.—(1) In the First Schedule to the Central Excises and Salt Act, 1944, for Item 14, the following Item shall be substituted, namely:—

‘14. TEA—

“Tea” includes all varieties of the product known commercially as tea, and also includes green tea.

(1) Package tea, that is to say, tea packed in any kind of container containing not more than 50 lbs. net of tea—

(i) if, before being so packed, duty has been paid thereon under sub-item (2) of this Item. Three annas per lb. net

(ii) if, before being so packed, duty has not been paid thereon under sub-item (2) of this Item. Four annas per lb. net

(2) Tea not otherwise specified. One anna per lb. net.’

(2) The amendment made by sub-section (1) shall apply to tea as defined therein which is lying in stock on the 15th day of April, 1953, in any premises where tea is produced or manufactured or in any premises appurtenant thereto as it applies to tea produced or manufactured on or after the said date.

K. Y. BHANDARKAR,
Secy. to the Government of India.

The Gazette  of India

EXTRAORDINARY

PART II—Section 1

PUBLISHED BY AUTHORITY

No. 12] NEW DELHI, THURSDAY, MAY 7, 1953

MINISTRY OF LAW

New Delhi, the 7th May, 1953

The following Act of Parliament received the assent of the President on the 6th May, 1953 and is hereby published for general information:—

**THE SCHEDULED AREAS (ASSIMILATION OF LAWS)
ACT, 1953**

No. 16 OF 1953

[6th May, 1953]

An Act to assimilate certain laws in force in the scheduled areas to the laws in force in the districts of Nowgong and Sibsagar in the State of Assam.

Enacted by Parliament as follows:—

1. Short title and commencement.—(1) This Act may be called the Scheduled Areas (Assimilation of Laws) Act, 1953.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

2. Definitions.—In this Act,—

(a) “appointed day” means the date appointed under sub-section (2) of section 1 for the coming into force of this Act;

(b) “law” means so much of any Act, Ordinance, Regulation, rule, order or bye-law as relates to any of the matters enumerated in Lists I and III in the Seventh Schedule to the Constitution;

(c) “scheduled areas” mean the areas specified in the Schedule.

3. Assimilation of laws.—(1) All laws which immediately before the appointed day extend to, or are in force in, the scheduled areas shall on

that day cease to be in force in the scheduled areas except as respects things done or omitted to be done before that day, and for the removal of doubts, it is hereby declared that section 6 of the General Clauses Act, 1897 (X of 1897) shall apply in relation to such cesser as it applies in relation to the repeal of an enactment by a Central Act.

(2) All laws which immediately before the appointed day extend to, or are in force in, the district of Nowgong in the State of Assam shall as from that day extend to, or, as the case may be, come into force in, the areas specified in paragraph 1 of the Schedule.

(3) All laws which immediately before the appointed day extend to, or are in force in, the district of Sibsagar in the State of Assam shall as from that day extend to, or, as the case may be, come into force in, the areas specified in paragraph 2 of the Schedule.

4. Transitional provisions.—Notwithstanding anything contained in section 3, the Central Government or the Government of the State of Assam may, by order, direct that during such period, not exceeding twelve months from the appointed day, as may be specified in the order, any law which immediately before the appointed day was in force in the scheduled areas, shall be deemed to have continued to be in force therein or any specified part thereof, and may further likewise direct that any law which would have extended to, or come into force in, the scheduled areas on the appointed day, shall not be deemed to have extended thereto or come into force therein or any specified part thereof.

5. Savings.—Notwithstanding anything contained in section 3, all suits, cases and other legal proceedings between parties all of whom belong to the Scheduled Tribes specified in Item 2 of Part I—Assam, of the Schedule annexed to the Constitution (Scheduled Tribes) Order, 1950 or such other tribe or tribes, as may be specified in this behalf, shall be tried and continue to be tried under the Rules for the Administration of Justice and Police in the Sibsagar and Nowgong Mikir Hills Tracts as if this Act had not been passed.

6. Provision for removal of difficulties.—If any difficulty arises in relation to the transition under section 3 from one law or group of laws to another law or group of laws, the Central Government may, by order notified in the Official Gazette, make such provision as it considers necessary for the removal of the difficulty.

THE SCHEDULE

[See section 2(c)]

1. (a) Portion of Gobha mauza that was originally in the Mikir Hills Tracts, including Sonaikuchi Reserved Forest.

(b) Kholahat Reserved Forest.

(c) Portion of Lumding Reserved Forest falling in Lanka Mauza in original Mikir Hills Tracts.

(d) Portion of Lumding Mauza west of the line described below:—

From the point where the eastern boundary of Namati Mauza meets the Kaki Jan, the line runs up the Kaki Jan to its source; thence in a south easterly direction in a straight line across the hill

ridges to the confluence of Panpri stream with the Lanka Jan; thence up the Lanka Jan to its source; thence in a southerly direction along the eastern boundary of the Lunding Reserved Forest to the junction of Lankanasang Nadi with the Bara Langpher river, thence in a straight line due south till that line meets the southern boundary of the Lunding Mauza.

(e) Dabaka Reserved Forest.

(f) Suang Reserved Forest.

(g) Diju Valley South Reserved Forest.

(h) Bagsar Reserved Forest.

2. (a) Panbari Reserved Forest.

(b) Upper Daigurung Reserved Forest.

(c) Lower Daigurung Reserved Forest.

(d) Village lands of Ghatiani Pathar, Dokhara Pathar and Murphuloni of Mauza Marangi in original Mikir Hills Tracts.

(e) Portion of Barpathar Mauza east of Dhansiri river and north-east of Garampani Kaliani road.

(f) Portion of Ghiladhari Mauza in original Mikir Hills Tracts.

(g) Portion of Sarupathar Mauza east of Dhansiri river.

K. Y. BHANDARKAR,
Secy. to the Govt. of India.

REGISTERED No. D. 221.

The Gazette of India

EXTRAORDINARY

PART II—Section 1

PUBLISHED BY AUTHORITY

No. 13] NEW DELHI, MONDAY, MAY 18, 1953

MINISTRY OF LAW*New Delhi, the 18th May, 1953*

The following Act of Parliament received the assent of the President on the 15th May, 1953 and is hereby published for general information:—

THE PATIALA AND EAST PUNJAB STATES UNION APPROPRIATION (No. 2) ACT, 1953

No. 17 OF 1953

[15th May, 1953]

An Act to authorise payment and appropriation of certain sums from and out of the Consolidated Fund of the State of Patiala and East Punjab States Union for the service of the financial year 1953-54.

Be it enacted by Parliament as follows:—

1. Short title.—This Act may be called the Patiala and East Punjab States Union Appropriation (No. 2) Act, 1953.

2. Issue of Rs. 18,19,30,700 out of the Consolidated Fund of the State of Patiala and East Punjab States Union for the year 1953-54.—From and out of the Consolidated Fund of the State of Patiala and East Punjab States Union, 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 Patiala and East Punjab States Union Appropriation (Vote on Account) Act, 1953 (8 of 1953)] to the sum of eighteen crores, nineteen lakhs, thirty thousand and seven hundred rupees towards defraying the several charges which will come in course of payment during the financial year 1953-54, in respect of the services specified in column 2 of the Schedule.

3. Appropriation.—The sums authorised to be paid and applied from and out of the Consolidated Fund of the State of Patiala and East Punjab States Union 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	Land Revenue	42,50,700	..	42,50,700
2	State Excise Duties	21,73,300	..	21,73,300
3	Stamps	63,500	..	63,500
4	Forest	14,10,700	..	14,10,700
5	Registration	22,500	..	22,500
6	Charges on account of Motor Vehicles Acts.	86,200	..	86,200
7	Other Taxes and Duties	3,93,600	..	3,93,600
8	Irrigation	43,57,900	..	43,57,900
9	Ministers and Adviser	2,29,600	..	2,29,600
10	State Legislative Assembly	3,31,300	25,300	3,56,600
11	Elections for Legislatures	2,52,900	..	2,52,900
12	Chief Minister and Adviser's Secretariat.	70,200	..	70,200
13	Home Department	5,18,400	..	5,18,400
14	Finance Department	3,31,500	..	3,31,500
15	Revenue Department	2,50,000	..	2,50,000
16	Education and Health Department	90,600	..	90,600
17	Development Department	95,300	..	95,300
18	Industries, Supplies and Labour Department.	1,18,500	..	1,18,500
19	Rehabilitation Department	1,65,000	..	1,65,000
20	Law and Local Self Government Department.	1,96,700	..	1,96,700
21	Commissioner	67,800	..	67,800
22	District Administration	18,12,700	..	18,12,700
23	Civil Supplies Directorate	7,07,300	..	7,07,300

1	2	3		
		Sums not exceeding		
No. of Vote	Services and purposes	Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
24	Administration of Justice	13,70,200	3,74,300	17,44,500
25	Jails and Judicial Lock Ups	12,83,000	..	12,83,000
26	Police	87,20,700	..	87,20,700
27	Education	1,00,16,400	..	1,00,16,400
28	Medical	35,84,500	..	35,84,500
29	Public Health	12,76,900	..	12,76,900
30	Agriculture	37,04,100	..	37,04,100
31	Veterinary	6,62,600	..	6,62,600
32	Co-operation	5,57,600	..	5,57,600
33	Industries and Supplies	15,85,500	..	15,85,500
34	Miscellaneous Departments	7,37,000	..	7,37,000
35	Punjabi Department	2,91,400	..	2,91,400
36	Civil Works	1,43,52,800	..	1,43,52,800
37	Electricity Schemes—Working Expenses	31,73,700	..	31,73,700
38	Capital Outlay on Electricity Schemes (within the Revenue account).	87,100	..	87,100
39	Privy Purses and Allowances of Indian Rulers.	8,86,900	22,40,000	31,26,900
40	Superannuation Allowances and Pensions.	15,48,800	..	15,48,800
41	Stationery and Printing	14,04,200	..	14,04,200
42	Miscellaneous	11,17,300	..	11,17,300
43	Expenditure on Displaced Persons	14,61,200	..	14,61,200
44	Miscellaneous Adjustments between Central and State Governments.	4,000	..	4,000
45	Community Development Projects	12,87,400	..	12,87,400
	<i>Charged—</i>			
	Interest on Debt and Other obligations.	..	91,100	91,100
	Appropriation for reduction or avoidance of Debt.	..	40,00,000	40,00,000
	Staff, Household and Allowances of His Highness the Rajpramukh.	..	5,99,900	5,99,900
	Public Service Commission . . . . .	..	1,07,700	1,07,700

1	2	3		
No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
46	Construction of Irrigation, Navigation, Embankment and Drainage Works.	54,71,000	..	54,71,000
47	Capital Outlay on Schemes of Agricultural Improvements and Research.	66,00,000	..	66,00,000
48	Capital Outlay on Multipurpose River Schemes—Bhakra Nangal Project.	1,66,01,400	..	1,66,01,400
49	Capital Outlay on Schemes of State Trading.	5,71,51,000	..	5,71,51,000
50	Advances Bearing Interest	1,14,09,500	..	1,14,09,500
	Repayment of Debt . . . .	..	1,50,000	1,50,000
	GRAND TOTAL	17,43,42,400	75,88,300	18,19,30,700

K. Y. BHANDARKAR,
Secy. to the Govt. of India.

The Gazette of India



EXTRAORDINARY
PART II—Section 1
PUBLISHED BY AUTHORITY

No. 14] NEW DELHI, TUESDAY, MAY 19, 1953

MINISTRY OF LAW

New Delhi, the 19th May, 1953

The following Acts of Parliament received the assent of the President on the 16th May, 1953 and are hereby published for general information:—

THE INDIAN LIGHTHOUSE (AMENDMENT) ACT, 1953

No. 18 OF 1953

[16th May, 1953]

An Act further to amend the Indian Lighthouse Act, 1927.

BE it enacted by Parliament as follows:—

1. **Short title.**—This Act may be called the Indian Lighthouse (Amendment) Act, 1953.

2. **Amendment of section 1, Act XVII of 1927.**—In sub-section (2) of section 1 of the Indian Lighthouse Act, 1927 (hereinafter referred to as the principal Act), the words and letter 'except Part B States' shall be omitted.

3. **Amendment of section 10, Act XVII of 1927.**—In sub-section (1) of section 10 of the principal Act, for the words 'two annas' the words 'four annas' shall be substituted.

4. **Repeal.**—If immediately before the 21st day of January, 1950, there was in force in any Part B State any law corresponding to the principal Act, that law shall, with effect from that date be deemed to have been repealed, except as respects things done or omitted to be done before that date.

THE CINEMATOGRAPH (AMENDMENT) ACT, 1953

No. 19 OF 1953

[16th May, 1953]

An Act to amend the Cinematograph Act, 1952.

BE it enacted by Parliament as follows:—

1. **Short title.**—This Act may be called the Cinematograph (Amendment) Act, 1953.

2. Amendment of section 6, Act XXXVII of 1952.—In section 6 of the Cinematograph Act, 1952 (hereinafter referred to as the principal Act),—

(i) after clause (b), the following new clause shall be added, namely:—

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

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

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

3. Insertion of new section 6A in Act XXXVII of 1952.—After section 6 of the principal Act, the following section shall be inserted, namely:—

“6A. *Information and documents to be given to distributors and exhibitors with respect to certified films.*—Any person who delivers any certified film to any distributor or exhibitor shall, in such manner as may be prescribed, notify to the distributor or exhibitor, as the case may be, the title, the length of the film, the number and the nature of the certificate granted in respect thereof and the conditions, if any, subject to which it has been so granted, and any other particulars respecting the film which may be prescribed.”

4. Amendment of section 7, Act XXXVII of 1952.—For sub-section (1) of section 7 of the principal Act, the following sub-section shall be substituted, namely:—

“(1) If any person—

(a) exhibits or permits to be exhibited in any place—

(i) any film other than a film which has been certified by the Board as suitable for unrestricted public exhibition or for public exhibition restricted to adults and which, when exhibited, displays the prescribed mark of the Board and has not been altered or tampered with in any way since such mark was affixed thereto,

(ii) any film, which has been certified by the Board as suitable for public exhibition restricted to adults, to any person who is not an adult, or

(b) without lawful authority (the burden of proving which shall be on him), alters or tampers with in any way any film after it has been certified, or

(c) fails to comply with the provision contained in section 6A or with any order made by the Central Government or by the Board in the exercise of any of the powers or functions conferred on it by this Act or the rules made thereunder,

he shall be punishable with imprisonment which may extend to three months, or with fine which may extend to one thousand rupees, or with both, and in the case of a continuing offence with a further fine which may extend to one thousand rupees for each day during which the offence continues.

THE SALARIES AND ALLOWANCES OF OFFICERS OF PARLIAMENT ACT, 1953

No. 20 OF 1953

[16th May, 1953]

An Act to provide for the salaries and allowances of certain officers of Parliament.

BE it enacted by Parliament as follows:—

1. Short title and commencement.—(1) This Act may be called the Salaries and Allowances of Officers of Parliament Act, 1953.

(2) It shall be deemed to have come into force on the first day of May, 1953.

2. Definition.—In this Act "officer of Parliament" means any of the following officers, namely, the Chairman and Deputy Chairman of the Council of States and the Speaker and the Deputy Speaker of the House of the People.

3. Salaries of officers of Parliament.—There shall be paid to the Chairman and the Speaker a salary of two thousand two hundred and fifty rupees per mensem, and to the Deputy Chairman and the Deputy Speaker a salary of two thousand rupees per mensem.

4. Residence for officers of Parliament.—Each officer of Parliament shall be entitled without payment of rent to the use of a furnished residence throughout his term of office and for a period of fifteen days immediately thereafter, and no charge shall fall on the officer personally in respect of the maintenance of such residence.

Explanation.—For the purposes of this section, "residence" includes the staff quarters and other buildings appurtenant thereto and the garden thereof, and "maintenance" in relation to a residence includes the payment of local rates and taxes and the provision of electricity and water.

5. Sumptuary allowance to the Chairman and the Speaker.—There shall be paid to the Chairman and the Speaker a sumptuary allowance of five hundred rupees per mensem.

6. Travelling and daily allowances to officers of Parliament.—(1) Subject to any rules made in this behalf under section 11, an officer of Parliament shall be entitled to—

(a) travelling allowances for himself and the members of his family and for the transport of his and his family's effects—

(i) in respect of the journey to Delhi from his usual place of residence outside Delhi for assuming office, and

(ii) in respect of the journey from Delhi to his usual place of residence outside Delhi on relinquishing office; and

(b) travelling and daily allowances in respect of tours undertaken by him in the discharge of his official duties, whether by sea, land or air.

(2) Any travelling allowance under this section may be paid in cash or free official transport may be provided in lieu thereof.

7. Medical facilities to officers of Parliament.—Subject to any rules made in this behalf under section 11, an officer of Parliament and the members of his family shall be entitled free of charge to accommodation in hospitals maintained by the Government and also to medical treatment.

8. Advances to officers of Parliament for purchase of motor-cars.—There may be paid to any officer of Parliament by way of a repayable advance such sum of money as may be determined by rules made in this behalf under section 11 for the purchase of a motor-car in order that he may be able to discharge conveniently and efficiently the duties of his office.

9. Officers of Parliament not to draw salary or allowances as Members of Parliament.—No officer of Parliament in receipt of a salary or allowance under this Act shall be entitled to receive any sum out of funds provided by Parliament by way of salary or allowance in respect of his membership of either House of Parliament.

10. Notification respecting appointment, etc., of officers of Parliament to be conclusive evidence thereof.—The date on which any person became or ceased to be an officer of Parliament shall be published in the Official Gazette and any such notification shall be conclusive evidence of the fact that he became, or ceased to be, an officer of Parliament on that date for all the purposes of this Act.

11. Power to make rules.—(1) The Central Government may, in consultation with the Chairman and the Speaker, make rules for carrying out the purposes of this Act.

(2) All rules made under this Act shall be laid before both Houses of Parliament as soon as may be after they are made.

K. Y. BITANDARKAR,
Secy. to the Govt. of India.

The Gazette of India



EXTRAORDINARY
PART II—Section 1
PUBLISHED BY AUTHORITY

No. 15] NEW DELHI, WEDNESDAY, MAY 20, 1953

MINISTRY OF LAW

New Delhi, the 20th May 1953

The following Acts of Parliament received the assent of the President on the 17th May, 1953 and are hereby published for general information:—

**THE COMPTROLLER AND AUDITOR-GENERAL
(CONDITIONS OF SERVICE) ACT, 1953**

No. 21 OF 1953

[17th May, 1953]

An Act to regulate certain conditions of service of the Comptroller and Auditor General of India.

BE it enacted by Parliament as follows:—

1. **Short title.**—This Act may be called the Comptroller and Auditor-General (Conditions of Service) Act, 1953.

2. **Term of office of Comptroller and Auditor-General.**—A Comptroller and Auditor-General of India shall hold office for a term of six years from the date on which he enters upon his office:

Provided that he may at any time by writing under his hand addressed to the President resign his office.

Explanation.—For the purposes of this section, the term of six years in respect of the Comptroller and Auditor-General holding office immediately before the commencement of this Act shall be computed from the 15th day of August, 1948.

3. **Pension payable to Comptroller and Auditor-General.**—A Comptroller and Auditor-General of India shall, on his retirement, be eligible—

(a) (i) in the case of the Comptroller and Auditor-General holding office immediately before the commencement of this Act, to such pension as may be admissible to him under the rules for the time being applicable to the service to which he belonged at the date on which he became the Comptroller and Auditor-General; or

(ii) in the case of any other Comptroller and Auditor-General who was in the service of the Government at the date of his appointment, to such pension as may be admissible to him under the rules for the time being applicable to the service to which he belonged at the date of his appointment;

the service as Comptroller and Auditor-General, in either case, being reckoned for the purposes of the relevant rules as service for pension; and

(b) to an additional pension of six hundred rupees per annum in respect of each completed year of service as Comptroller and Auditor-General, such service in respect of the Comptroller and Auditor-General holding office, immediately before the commencement of this Act, being computed from the 15th day of August, 1948:

Provided that the aggregate of all pensions payable to the Comptroller and Auditor-General shall not,—

(i) in the case of a member of the Indian Civil Service, exceed one thousand pounds sterling per annum; or

(ii) in the case of a member of any other service, exceed twelve thousand rupees per annum.

4. Other conditions of service of Comptroller and Auditor-General.—Save as otherwise expressly provided in this Act, the other conditions of service of the Comptroller and Auditor-General of India shall be as specified in the Second Schedule to the Constitution.

THE PATIALA AND EAST PUNJAB STATES UNION LEGISLATURE (DELEGATION OF POWERS) ACT, 1953

No. 22 OF 1953

[17th May, 1953]

An Act to confer on the President the power of the Legislature of the State of Patiala and East Punjab States Union to make laws.

BE it enacted by Parliament as follows:—

1. Short title.—This Act may be called the Patiala and East Punjab States Union Legislature (Delegation of Powers) Act, 1953.

2. Definition.—In this Act, unless the context otherwise requires, "Proclamation" means the Proclamation issued on the 4th day of March, 1953, by the President under clause (1) of article 356 of the Constitution.

3. Conferment on the President of the power of the State Legislature.
—(1) The power of the Legislature of the State of Patiala and East Punjab States Union 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, except where it is not practicable so to do, consult a committee constituted for the purpose consisting of ten members of the House of the People nominated by the Speaker and five members of the Council of States nominated by the Chairman.

(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, 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.

K. Y. BHANDARKAR,

Secy. to the Govt. of India.

REGISTERED No. D. 221.

The Gazette  of India

EXTRAORDINARY

PART II—Section 1

PUBLISHED BY AUTHORITY

No. 16] NEW DELHI, MONDAY, MAY 25, 1953

MINISTRY OF LAW

New Delhi, the 25th May, 1953

The following Act of Parliament received the assent of the President on the 21st May, 1953 and is hereby published for general information:—

**THE INDIAN MERCHANT SHIPPING (AMENDMENT)
ACT, 1953**

No. 23 OF 1953

[21st May, 1953]

An Act to enable effect to be given to an International Convention for the Safety of Life at Sea, signed in London on the tenth day of June, nineteen hundred and forty-eight, to amend the provisions of the Indian Merchant Shipping Act, 1923 relating to life-saving appliances, wireless and radio navigational aids and to other matters affected by the said Convention.

BE it enacted by Parliament as follows:—

1. Short title and commencement—(1) This Act may be called the Indian Merchant Shipping (Amendment) Act, 1953.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

2. Substitution of certain expressions for certain other expressions in Act XXI of 1923—In the Indian Merchant Shipping Act, 1923 (hereinafter referred to as the principal Act), except as otherwise provided in this Act,—

(a) in Part V and in clause (f) of section 280, for the words 'wireless telegraphy inspectors' and 'wireless telegraphy inspector' wherever they occur, the words 'radio inspectors' and 'radio inspector' shall, respectively, be substituted;

(b) In Part V,—

(i) for the words and figures 'International Convention respecting Load Lines, 1930' wherever they occur, the words 'Load Line Convention' shall be substituted;

(ii) for the words and figures 'International Convention for the Safety of Life at Sea, 1929' or 'International Convention for the Safety of Life at Sea signed in London on the 91st day of May, 1929' wherever they occur, the words 'Safety Convention' shall be substituted;

(iii) for the word 'wireless' wherever it occurs, the word 'radio' shall be substituted;

(iv) after the words 'telegraph' and 'telegraphy' wherever they occur, the words 'or radio-telephone' and 'or radio-telephony' shall, respectively, be inserted.

3 Amendment of section 2, Act XXI of 1923.—In section 2 of the principal Act, for clause (6), the following clause shall be substituted, namely:—

“(6) 'passenger' means any person carried in a ship, except—

(a) a person employed or engaged in any capacity on board the ship on the business of the ship;

(b) a person on board the ship either in pursuance of the obligation laid upon the master to carry ship-wrecked, distressed or other persons, or by reason of any circumstances which neither the master nor the charterer, if any, could have prevented or forestalled; and

(c) a child under one year of age.”

4. Omission of section 143A, Act XXI of 1923.—Section 143A of the principal Act shall be omitted.

5. Amendment of section 145A, Act XXI of 1923.—In section 145A of the principal Act, in sub-section (2), for clauses (a) to (h), the following clauses shall be substituted, namely:—

“(a) the closing and keeping closed the openings in steamers' hulls and in water-tight bulk-heads;

(b) the securing of and keeping in place and inspecting contrivances for closing any such openings as aforesaid;

(c) the operation of mechanisms of contrivances for closing any such openings as aforesaid and the drills in connection with the operation thereof; and

(d) the entries to be made in the Official Log Book or other record to be kept of any of the matters aforesaid.”

6. Substitution of new section for section 213A in Act XXI of 1923.—For section 213A of the principal Act, the following section shall be substituted, namely:—

“213A. *Definitions.*—In this Part, unless the context otherwise requires,—

(a) 'country to which the Load Line Convention applies' means—

(i) a country the Government of which has been declared or is deemed to have been declared under section 213B to have accepted the Load Line Convention and has not been so declared to have denounced that Convention;

(ii) a country to which it has been so declared that the Load Line Convention has been applied under the provisions of article twenty-one thereof, not being a country to which it has been so declared that that Convention has ceased to apply under the provisions of that article;

(b) 'country to which the Safety Convention applies' means—

(i) a country the Government of which has been declared under section 213B to have accepted the Safety Convention and has not been so declared to have denounced that Convention;

(ii) a territory to which it has been so declared that the Safety Convention extends, not being a territory to which it has been so declared that that Convention has ceased to extend;

(c) 'Load Line Convention' means the Convention signed in London on the fifth day of July, nineteen hundred and thirty, for promoting safety of life and property at sea, as amended from time to time;

(d) 'Safety Convention' means the Convention for the Safety of Life at Sea, signed in London on the tenth day of June, nineteen hundred and forty-eight, as amended from time to time."

7. Insertion of new section 213B in Act XXI of 1923.—After section 213A of the principal Act, the following section shall be inserted, namely:—

"213B. *Countries to which Load Line Convention or Safety Convention applies.*—(1) The Central Government, if satisfied,—

(a) that the Government of any country has accepted or denounced the Load Line Convention or, as the case may be, the Safety Convention; or

(b) that the Load Line Convention or, as the case may be, the Safety Convention extends, or has ceased to extend to any territory;

may, by notification in the Official Gazette, make a declaration to that effect.

(2) Any declaration made by or on behalf of the Central Government before the commencement of the Indian Merchant Shipping (Amendment) Act, 1953, in any form whatsoever, that the Government of any country has accepted or denounced the Load Line Convention or that the said Convention extends or has ceased to extend to any territory shall be deemed to have been made under subsection (1)."

8. Amendment of sections 214 and 216, Act XXI of 1923.—In sub-section (1) of section 214 and in section 216 of the principal Act, after the word 'lights' the words 'and shapes' shall be inserted.

9. Amendment of section 216A, Act XXI of 1923.—In section 216A of the principal Act, after sub-section (1), the following sub-section shall be inserted, namely:—

“(1A) Without prejudice to the generality of the foregoing provision, such rules may provide for all or any of the following matters, namely:—

(a) the arranging of ships into classes, having regard to the services in which they are employed, to the nature and duration of the voyage and to the number of persons carried;

(b) the number, description and mode of construction of the boats, life rafts, line throwing appliances, life-jackets and life-buoys to be carried by ships according to the classes in which the ships are arranged;

(c) the equipment to be carried by any such boats and rafts and the method to be provided to get the boats and other life-saving appliances into the water, including oil for use in stormy weather;

(d) the provision in ships of a proper supply of lights inextinguishable in water and fitted for attachment to life-buoys;

(e) the quantity, quality and description of buoyant apparatus to be carried on board ships either in addition to or in substitution for boats, life rafts, life-jackets and life-buoys;

(f) the position and means of securing the boats, life rafts, life-jackets, life-buoys and buoyant apparatus;

(g) the marking of boats, life rafts, and buoyant apparatus so as to show their dimensions and the number of persons authorised to be carried on them;

(h) the manning of lifeboats and the qualifications and certificates of life-boatmen;

(i) the provision to be made for mustering the persons on board and for embarking them in the boats (including provision for the lighting of, and the means of ingress and egress from, different parts of the ship);

(j) the provision of suitable means situated outside the engine-room whereby any discharge of water into the boats can be prevented;

(k) the assignment of specific duties to each member of the crew in case of emergency;

(l) the methods to be adopted and the appliances to be carried in ships for the prevention, detection and extinction of fire;

(m) the practice in ships of boat-drills and fire-drills;

(n) the provision in ships of means of making effective distress signals by day and by night;

(o) the provision in ships, engaged on voyages in which pilots are likely to be embarked of suitable pilot ladders, and of ropes, lights and other appliances designed to make the use of such ladders safe; and

(p) the periodical examination of any appliances or equipment required by any rules made under this Act to be carried by ships."

10. Substitution of new sections for sections 225 and 226 in Act XXI of 1923.—For sections 225 and 226 and the heading thereto, the following shall be substituted, namely:—

“Dangerous Goods and Grain-Cargoes.

225. Carriage of dangerous goods.—(1) The Central Government may make rules for regulating in the interests of safety the carriage of dangerous goods in ships to which this section applies.

(2) This section applies to—

(a) Indian ships;

(b) other ships while they are within any port in India or are embarking or disembarking passengers within the territorial waters of India, or are loading or discharging cargo or fuel within those waters.

(3) If any of the rules made in pursuance of this section is not complied with in relation to any ship, the owner or master of the ship shall be liable to a fine which may extend to three thousand rupees and the ship shall be deemed for the purpose of this Part to be an unsafe ship.

226. Carriage of grain.—(1) Where grain is loaded on board any Indian ship or is loaded within any port in India on board any ship, all necessary and reasonable precautions shall be taken to prevent the grain from shifting; and if such precautions as aforesaid are not taken, the owner or the master of the ship or any agent of the owner who was charged with the loading or with sending the ship to sea laden with grain shall be guilty of an offence under this sub-section and the ship shall be deemed for the purposes of this Part to be unsafe by reason of improper loading.

(2) Where any ship which is loaded with grain outside India without all necessary and reasonable precautions having been taken to prevent the grain from shifting, enters any port in India so laden, the owner or master of the ship shall be guilty of an offence under this sub-section and the ship shall be deemed for the purposes of this Part to be unsafe by reason of improper loading:

Provided that this sub-section shall not have effect if the ship would not have entered any such port but for stress of weather or any other circumstance that neither the master nor the owner nor the charterer, if any, could have prevented or forestalled.

(3) If any person commits an offence under sub-section (1) or sub-section (2), he shall be liable to a fine which may extend to three thousand rupees.

(4) On the arrival at a port in India from a port outside India of any ship carrying a cargo of grain, the master shall cause to be delivered at the port to such customs or other officer as may be specified by the Central Government in this behalf, a notice stating—

(a) the draught of water and free-board of the said ship after the loading of the cargo was completed at the final port of loading; and

(b) the following particulars of the grain carried, namely:—

(i) the kind of grain and quantity thereof stated in cubic feet, quarters, bushels or tons weight;

(ii) the mode in which the grain is stowed; and

(iii) the precautions taken to prevent the grain from shifting;

and if the master fails to deliver any notice required by this sub-section or if in any such notice he makes any statement that he knows to be false in a material particular or recklessly makes a statement that is false in a material particular, he shall be liable to a fine which may extend to one thousand rupees.

(5) Any person authorised in this behalf by general or special order of the Central Government, may, for securing the observance of the provisions of this section, inspect a ship carrying a cargo of grain and the mode in which such cargo is stowed therein.

(6) The Central Government may, subject to the condition of previous publication, make rules in relation to the loading of ships generally or of ships of any class specifying the precautions to be taken and when such precautions have been prescribed, they shall be treated for the purposes of this section to be included in the expression "necessary and reasonable precautions".

(7) In this section, the expression 'grain' includes wheat, maize, oats, rye, barley, rice, pulses and seeds, and the expression 'ship carrying a cargo of grain' means a ship carrying a quantity of grain exceeding one-third of the ship's registered tonnage reckoning one hundred cubic feet or two tons of weight of grain as equivalent to one ton of registered tonnage."

11. Amendment of section 227, Act XXI of 1923.—In sub-section (1) of section 227 of the principal Act, after the word 'submerge' the words 'in salt water' shall be inserted.

12. Omission of section 240, Act XXI of 1923.—Section 240 of the principal Act shall be omitted and for the heading above that section, the following heading shall be substituted, namely:—

"Installation of Radio-telegraphy, Radio-telephony and Direction Finders."

13. Amendment of section 242, Act XXI of 1923.—For sub-section (1) of section 242 of the principal Act, the following sub-sections shall be substituted, namely:—

"(1) Every sea-going Indian ship, being a passenger steamer, and every other sea-going Indian ship of five hundred tons gross tonnage or upwards, shall, in accordance with the rules made under section 245,

be provided with a radio installation and shall maintain a radio telegraph service or a radio telephone service of the prescribed nature and shall be provided with such certificated operators and watchers as may be prescribed:

Provided that the Central Government may, by notification in the Official Gazette, exempt from the obligation imposed by this section any ship or class of ships if it is of the opinion that having regard to the nature of the voyage on which the ship or ships are engaged or other circumstances of the case, the provision of a radio installation is unnecessary or unreasonable.

(1A) The radio installation required under the said rules to be provided for a passenger steamer or for any other ship of sixteen hundred tons gross tonnage or upwards shall be a radio telegraph installation; and that required to be provided for a ship of less than sixteen hundred tons gross tonnage, other than a passenger steamer shall be either a radio telegraph installation or a radio telephone installation at the option of the owner."

14. Amendment of section 242A, Act XXI of 1923.—For sub-section (1) of section 242A of the principal Act, the following sub-section shall be substituted, namely:—

"(1) On and after such date as the Central Government may, by notification in the Official Gazette, appoint in this behalf every Indian ship of sixteen hundred tons gross tonnage or upwards shall be provided with a radio direction finder of the prescribed description."

15. Amendment of section 242B, Act XXI of 1923.—In section 242B, for the words 'wireless telegraph log' wherever they occur, the words 'radio log' shall be substituted.

16. Substitution of new section for section 244 in Act XXI of 1923—For section 244 of the principal Act, the following section shall be substituted, namely:—

"244. *Application of this Part to ships other than Indian ships.*—The provisions of this Part relating to radio-telegraphy, radio-telephony and direction finders shall apply to ships other than Indian ships while they are within any port in India in like manner as they apply to Indian ships."

17. Insertion of new section 245AA in Act XXI of 1923.—After section 245A of the principal Act, the following shall be inserted, namely:—

"Stability Information"

245AA. *Information about ship's stability.*—(1) There shall be carried on board every Indian ship whose keel is laid after the commencement of the Indian Merchant Shipping (Amendment) Act, 1953, such information in writing about the ship's stability as is necessary for the guidance of the master in loading and ballasting the ship.

(2) The said information shall be in such form as may be approved by the Central Government (which may approve the provision of the information in the form of a diagram or drawing only) and shall be

based on the determination of the ship's stability by means of an inclining test of the ship

Provided that the Central Government may allow the information to be based on a similar determination of the stability of a sister ship.

(3) When any information under this section is provided for any ship, the owner shall send a copy thereof to the Director-General of Shipping.

(4) If any such ship proceeds or attempts to proceed to sea without such information as aforesaid on board, the owner or master of the ship shall be liable to a fine which may extend to one thousand rupees.

(5) It is hereby declared that for the purpose of section 118 (which requires documents relating to navigation to be delivered by the master of a ship to his successor) information under this section shall be deemed to be a document relating to the navigation of the ship."

18. Omission of section 245B, Act XXI of 1923.—Section 245B of the principal Act shall be omitted and for the heading above that section, the following heading shall be substituted, namely:—

"Safety Certificates, Safety Equipment Certificates, Safety Radio-telegraphy Certificates, Safety Radio-telephony Certificates and Exemption Certificates."

19. Insertion of new section 245CC in Act XXI of 1923.—After section 245C of the principal Act, the following section shall be inserted, namely:—

"245CC. Safety Equipment Certificates for ships not being passenger ships.—If the Central Government is satisfied in respect of any Indian ship, not being a passenger ship, that it complies with the rules for life-saving and fire extinguishing appliances applicable to the ship and that she is properly provided with the lights, shapes and means of making fog signals required by the collision regulations issued under the Merchant Shipping Acts or any other similar law for the time being in force, the Central Government shall, on the application of the owner, issue in respect of the ship a certificate showing that the ship complies with such of the requirements of the Safety Convention relating to those matters as are applicable as aforesaid; and any certificate issued under this section is hereafter in this part of this Act referred to as a Safety Equipment Certificate."

20 Amendment of section 245D, Act XXI of 1923.—In section 245D of the principal Act—

(a) in sub-section (1), after the words "Safety Radio-telegraphy Certificate" the words "or as the case may be, a Safety Radio-telephony Certificate" shall be inserted;

(b) in sub-section (2), after the words "Safety Radio-telegraphy Certificate" the words "and the Safety Radio-telephony Certificate" shall be inserted.

21. Amendment of section 245F, Act XXI of 1923.—For sub-sections (1) and (2) of section 245F of the principal Act, the following sub-sections

shall be substituted, namely:—

“(1) A Safety Certificate, Qualified Safety Certificate, Safety Radio-telegraphy Certificate, Safety Radio-telephony Certificate or an Exemption Certificate issued under section 245C, section 245D or section 245E, as the case may be, shall be in force for one year, and a Safety Equipment Certificate issued under section 245CC shall be in force for twenty-four months, from the date of its issue, or for such shorter period as may be specified in the Certificate:

Provided that no such certificate shall remain in force after notice is given by the authority issuing the Certificate to the owner or master of the ship in respect of which it has been issued that that authority has cancelled the certificate.

(2) The Central Government or any person authorised by it in this behalf may grant an extension of any certificate issued under this Part in respect of an Indian ship for a period not exceeding one month from the date when the certificate would but for the extension, have expired, or, if the ship is absent from India on that date, for a period not exceeding five months from that date.”

22. Amendment of section 245G, Act XXI of 1923.—In section 245G of the principal Act, in sub-section (1), for the words “or Safety Radio-telegraphy Certificate” the words “Safety Equipment Certificate, Safety Radio-telegraphy Certificate or Safety Radio-telephony Certificate” shall be substituted.

23. Amendment of section 245H, Act XXI of 1923.—In section 245H of the principal Act, in sub-section (2)—

(i) for the figures ‘1600’ the figures ‘500’ shall be substituted;

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

“(b) a Safety Equipment Certificate issued under section 245CC and a Safety Radio-telegraphy Certificate or, as the case may be, a Safety Radio-telephony Certificate issued under section 245D;”.

24. Amendment of section 245-I, Act XXI of 1923.—In section 245-I of the principal Act—

(a) in sub-section (2), for the figures ‘1600’ the figures ‘500’ shall be substituted; and

(b) in sub-section (3), for the words, ‘passenger steamer’ or ‘steamer’ wherever they occur, the word ‘steamship’ shall be substituted.

25. Amendment of section 245J, Act XXI of 1923.—In section 245J of the principal Act—

(a) in sub-section (1) for the words “Safety Radio-telegraphy Certificates” the words “Safety Equipment Certificates, Safety Radio-telegraphy Certificates, Safety Radio-telephony Certificates” shall be substituted;

(b) in sub-section (2), after the figures and letter ‘245C’ the word, figures and letters “section 245CC” shall be inserted;

(c) in sub-section (3)—

(i) after the figures and letter "245C" the figures and letters "245CC" shall be inserted; and

(ii) for the words "or a Safety Radio-telegraphy Certificate" the words "a Safety Equipment Certificate, a Safety Radio-telegraphy Certificate, or a Safety Radio-telephony Certificate" shall be substituted.

26. Amendment of section 245K, Act XXI of 1923.—In section 245K of the principal Act, after the figures and letter "245C" the figures and letters "245CC" shall be inserted.

27. Amendment of section 245L, Act XXI of 1923.—In section 245L of the principal Act, for the words "or a Safety Radio-telegraphy Certificate" the words "a Safety Equipment Certificate, a Safety Radio-telegraphy Certificate, or a Safety Radio-telephony Certificate" shall be substituted.

28. Insertion of new section 245MM in Act XXI of 1923.—In Part V of the principal Act, after section 245M, the following section shall be inserted, namely:—

"245MM. *Exemption of certain ships from certain provisions of this Act.*—(1) Nothing in this Act,—

(a) prohibiting a ship from proceeding to sea unless there are in force in relation to the ship, or are produced, the appropriate certificates issued under this Part or the appropriate accepted Safety Convention Certificates;

(b) requiring information about a ship's stability to be carried on board;

(c) imposing a penalty for the contravention of any rules relating to openings in ship's hulls and watertight bulkheads;

shall, unless in the case of information about a ship's stability, the Central Government otherwise orders, apply to any troopship, pleasure yacht or fishing vessel, or to any ship of less than five hundred tons gross tonnage other than a passenger steamer or to any ship not propelled by mechanical means.

(2) Nothing in the preceding sub-section shall affect the exemption conferred by section 4 of this Act.

(3) Notwithstanding that any provision of this Act is expressed to apply to ships not registered in India while they are within any port in India, that provision shall not apply to a ship that would not be within any such port but for stress of weather or any other circumstance that neither the master nor the owner nor the charterer, if any, of the ship could have prevented or forestalled."

29. Substitution of new section for section 245P in Act XXI of 1923.—For section 245P of the principal Act, the following section shall be substituted, namely:—

“245P. *Obligation to render assistance on receiving signal of distress.*—(1) The master of an Indian ship on receiving at sea a signal of distress or information from any source that a vessel or aircraft is in distress shall proceed with all speed to the assistance of the persons in distress (informing them if possible that he is doing so) unless he is unable or in the special circumstances of the case considers it unreasonable or unnecessary to do so or unless he is released from such obligation under the provisions of sub-section (3) or sub-section (4) of this section.

(2) Where the master of any ship in distress has requisitioned any Indian ship that has answered his call, it shall be the duty of the master of the requisitioned ship to comply with the requisition by continuing to proceed with all speed to the assistance of the persons in distress.

(3) The master shall be released from the obligation imposed by sub-section (1) of this section as soon as he is informed of the requisition of one or more ships other than his own and that the requisition is being complied with by the ship or ships requisitioned.

(4) The master shall be released from the obligation imposed by sub-section (1) and if his ship has been requisitioned, from the obligation imposed by sub-section (2), if he is informed by the persons in distress or by the master of any ship that has reached the persons in distress that assistance is no longer required.

(5) If the master of an Indian ship on receiving at sea a signal of distress or information from any source that a vessel or aircraft is in distress is unable or in the special circumstances of the case considers it unreasonable or unnecessary to go to the assistance of the persons in distress, he shall forthwith cause a statement to be entered in the official log book or, if there is no official log book, cause other record to be kept of his reasons for not going to the assistance of those persons and if he fails to do so, he shall be liable to a fine which may extend to one thousand rupees.

(6) The master of every Indian ship for which an official log is required shall enter or cause to be entered in the official log book every signal of distress or message that a vessel, aircraft or person is in distress at sea.

(7) Any master failing to comply with the provisions of sub-section (1) or sub-section (2) shall be liable to imprisonment for a term which may extend to six months, or to a fine which may extend to one thousand rupees, or to both.”

30. Amendment of section 289C, Act XXI of 1923.—In section 289C of the principal Act, after the word ‘unnecessary’ the words ‘or ought to be dispensed with’ shall be inserted.

31. Transitional provisions.—Without prejudice to the provisions of section 24 of the General Clauses Act, 1897 (X of 1897)—

(a) any rules made under any provision of Part V of the principal Act shall, until revoked, have effect as if they had been made under the corresponding provisions of that Part as amended by this Act;

(b) any certificate in force in respect of any ship at the commencement of this Act shall continue in force until the date shown on the certificate subject, however, to the cancellation of the certificate under the principal Act and section 245H of the principal Act shall have effect, accordingly;

(c) nothing in section 245H of the principal Act shall prohibit a ship from proceeding to sea without a Safety Equipment Certificate until after expiration of twenty-four months from the 19th day of November, 1952, nor a ship of less than sixteen hundred tons gross tonnage from proceeding in sea without a Safety Radio-telegraphy Certificate or, a Safety Radio-telephony Certificate or an Exemption Certificate, until after the expiration of one year from that date;

(d) sub-section (2) of section 245F of the principal Act as amended by this Act shall apply to any such certificate as is mentioned in clause (b) issued before the commencement of this Act as it applies to any such certificate issued after the commencement of this Act.

The following Act of Parliament received the assent of the President on the 22nd May, 1953 and is hereby published for general information:—

THE DELHI ROAD TRANSPORT AUTHORITY (AMENDMENT) ACT, 1953

No. 24 of 1953

[22nd May, 1953]

An Act to amend the Delhi Road Transport authority Act, 1950.

Enacted by Parliament as follows:—

1. Short title.—This Act may be called the Delhi Road Transport Authority (Amendment) Act, 1953.

2. Amendment of section 1, Act XIII of 1950.—For sub-section (3) of section 1 of the Delhi Road Transport Authority Act, 1950 (hereinafter referred to as the principal Act), the following sub-section shall be substituted, namely:—

“(3) It shall be deemed to have come into force on the 27th day of March, 1950.”.

3. Validation of certain acts.—For the removal of doubts, it is hereby declared that anything done or any action taken under the principal Act, including any notification issued or order, rule or appointment made during the period between the 27th day of March, 1950, and the commencement of this Act shall, for all purposes, be deemed to be as valid and operative

as if such thing had been done or action had been taken in accordance with law, and no suit or other legal proceeding shall be maintained or continued against any person or authority whatsoever on the ground that such thing or action was not done or taken in accordance with law.

K. Y. BHANDARKAR,
Secy. to the Govt. of India.

The Gazette of India



EXTRAORDINARY
PART II—Section 1
PUBLISHED BY AUTHORITY

No. 17] NEW DELHI, TUESDAY, MAY 26, 1953

MINISTRY OF LAW

New Delhi, the 26th May, 1953

The following Act of Parliament received the assent of the President on the 24th May, 1953 and is hereby published for general information:—

THE INDIAN INCOME-TAX (AMENDMENT) ACT, 1953

No. 25 OF 1953

[24th May, 1953.]

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

BE it enacted by Parliament as follows:—

1. **Short title and commencement.**—(1) This Act may be called the Indian Income-tax (Amendment) Act, 1953.

(2) Subject to any special provision made in this behalf in this Act, it shall be deemed to have come into force on the 1st day of April, 1952.

2. **Amendment of section 2, Act XI of 1922.**—In section 2 of the Indian Income-tax Act, 1922 (hereinafter referred to as the principal Act),—

(a) for clause (2), the following clause shall be substituted, namely:—

“(2) ‘assessee’ means a person by whom income-tax or any other sum of money is payable under this Act, and includes every person in respect of whom any proceeding under this Act has been taken for the assessment of his income or of the loss sustained by him or of the amount of refund due to him;”;

(b) clause (6) shall be renumbered as clause (5A), and after clause (5A) as so renumbered, the following clause shall be inserted, namely:—

“(6) ‘Director of Inspection’ means a person appointed to be a Director of Inspection under section 5, and includes a person appointed to be an Additional Director of Inspection, a Deputy Director of Inspection or an Assistant Director of Inspection;”;

(c) after clause (6D), the following clause shall be inserted namely:—

“(6E) ‘Inspector of Income-tax’ means a person appointed to be an Inspector of Income-tax under section 5;”;

(d) for clause (11), the following clause shall be substituted, namely:—

“(11) ‘previous year’ means—

(i) in respect of any separate source of income, profits and gains—

(a) the twelve months ending on the 31st day of March next preceding the year for which the assessment is to be made, or, if the accounts of the assessee have been made up to a date within the said twelve months in respect of a year ending on any date other than the said 31st day of March, then, at the option of the assessee, the year ending on the date to which his accounts have been so made up :

Provided that where in respect of a particular source of income, profits and gains an assessee has once been assessed, or where in respect of a business, profession or vocation newly set up an assessee has exercised the option under sub-clause (c), he shall not, in respect of that source or, as the case may be, business, profession or vocation, exercise the option given by this sub-clause so as to vary the meaning of the expression ‘previous year’ as then applicable to him except with the consent of the Income-tax Officer and upon such conditions as the Income-tax Officer may think fit to impose; or

(b) in the case of any person, business or company or class of person, business or company, such period as may be determined by the Central Board of Revenue or by such authority as the Board may authorise in this behalf; or

(c) where a business, profession or vocation has been newly set up in the financial year preceding the year for which assessment is to be made, the period from the date of the setting up of the business, profession or vocation to the 31st day of March next following or to the last day of the period determined under sub-clause (b), or, if the accounts of the assessee are made up in respect of a period not exceeding twelve months from the date of the setting up of the business, profession or vocation and the case is not one for which a period has been determined under sub-clause (b), then, at the option of the assessee, the period from the date of the setting up of the business, profession or vocation to the date to which his accounts have been so made up :

Provided that when the date to which the accounts have been so made up does not fall between the setting up of the business, profession or vocation and the next

following 31st day of March inclusive, it shall be deemed that there is no previous year for the said assessment year and the previous year which would otherwise have been determined according to the option exercised by the assessee shall be deemed to be the previous year for the next succeeding assessment year;

(ii) in respect of the share of the income, profits and gains of a firm where the assessee is a partner in the firm and the firm has been assessed as such, the period as determined for the assessment of the income, profits and gains of the firm;”.

3. Amendment of section 4, Act XI of 1922.—(1) In section 4 of the principal Act,—

(a) in sub-section (1),—

(i) after the third proviso, the following further provisos shall be inserted, namely:—

“Provided further that, in the case of a person who was not resident in the taxable territories in two out of the three years immediately preceding the previous year, so much of the income, profits and gains referred to in sub-clause (iii) of clause (b) as accrued or arose to him without India, shall not be included in his total income chargeable in any year subsequent to the year ending on the 31st day of March, 1951, whether his assessment for that year has or has not been completed before the commencement of the Indian Income-tax (Amendment) Act, 1953:

Provided further that, in the case of a person resident in the taxable territories to whom the preceding proviso or paragraph 8 of the Part B States (Taxation Concessions) Order, 1950, does not apply, so much of the income, profits and gains referred to in sub-clause (iii) of clause (b) as accrued or arose to him without India and were not chargeable under this Act, unless brought into or received in the taxable territories, shall not be included in his total income if—

(i) such income, profits and gains are brought into or received in the taxable territories after the 2nd day of September, 1951, and before the 1st day of April, 1954;

(ii) half of the amount of such income, profits and gains is invested, within three months of the receipt thereof in the taxable territories, in securities of the Central Government or of a State Government purchased through the Reserve Bank of India and kept with the said Bank for custody for a minimum period of two years; and

(iii) the amount of any income-tax, interest or penalty or any other sum due from such person under this Act on the date of receipt of such income, profits and gains in the taxable territories is paid within the said three months.”;

(ii) in *Explanation 2*, the following words shall be added at the end, namely:—

“but any pension payable outside India to a person residing permanently outside India shall not be deemed to accrue or arise in the taxable territories, if the pension is payable to a person referred to in article 314 of the Constitution or to a person, who, having been appointed before the 15th August, 1947, to be a Judge of the Federal Court or of a High Court within the meaning of the Government of India Act, 1935, continues to serve on or after the commencement of the Constitution as a Judge in India.”;

(b) in sub-section (3),—

(i) for clauses (i) and (ia), the following clause shall be substituted, namely:—

“(i) Subject to the provisions of clause (c) of sub-section (1) of section 16, any income derived from property held under trust or other legal obligation wholly for religious or charitable purposes, in so far as such income is applied or accumulated for application to such religious or charitable purposes as relate to anything done within the taxable territories, and in the case of property so held in part only for such purposes, the income applied or finally set apart for application thereto:

Provided that such income shall be included in the total income—

(a) if it is applied to religious or charitable purposes without the taxable territories, but the Central Board of Revenue may, in the case of property held under trust or other legal obligation created before the commencement of the Indian Income-tax (Amendment) Act, 1958, the income wherefrom is so applied, by general or special order, direct that it shall not be included in the total income;

(b) in the case of income derived from business carried on on behalf of a religious or charitable institution, unless the income is applied wholly for the purposes of the institution and either—

(i) the business is carried on in the course of the actual carrying out of a primary purpose of the institution, or

(ii) the work in connection with the business is mainly carried on by beneficiaries of the institution;

(c) if it is applied to purposes other than religious or charitable purposes or ceases to be accumulated or set apart for application thereto in which case it shall be deemed to be the income of the year in which it is so applied or ceases to be so accumulated or set apart”;

(ii) in clause (xii), for the figures “1952” the figures “1954” shall be substituted;

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

“(xiv) Any income received by an employee of a foreign enterprise, not engaged in any trade or business in the taxable territories, as remuneration for services rendered by him during the course of his stay in the taxable territories, where such stay does not exceed in the aggregate a period of ninety days in any year and where such remuneration is not liable to be deducted from the income, profits and gains chargeable under this Act.

(xv) Any income received as remuneration, whether directly or indirectly, from the Government of a foreign State by any person who is assigned to duties in India in connection with any co-operative technical assistance programmes and projects in accordance with an agreement entered into by the Central Government and the Government of that foreign State (the terms whereof provide for the exemption given by this clause) and any other income of such person or of the members of his family accompanying him to India, which accrues or arises without the taxable territories, and is not deemed to accrue or arise in the taxable territories, upon which such person or the members of his family are required to pay any income or social security tax to the Government of that foreign State.

(xvi) Any income from interest on, or from premium on the redemption of, any bonds issued by the Central Government under a loan agreement between the Central Government and the International Bank for Reconstruction and Development, or by any industrial undertaking or financial corporation in India under a loan agreement with the said Bank which is guaranteed by the Central Government, except where the holder of such bond is a person resident in the taxable territories.

(xvii) Interest on the 8½ per cent. Ten Year Treasury Savings Deposit Certificates issued by or under the authority of the Central Government for an amount not exceeding the maximum amount which an assessee is entitled to deposit in such certificates.

(xviii) Interest on securities held by the Issue Department of the Central Bank of Ceylon constituted under the Ceylon Monetary Law Act, 1949.

(xix) Any daily allowance received by any person, by reason of his membership of the Dominion Legislature or of the Constituent Assembly or of Parliament or of any Provincial or State Legislature or of any Committee thereof.”;

(c) in the last paragraph, in the definition of “charitable purpose”, the word, letters and brackets “clause (ia)” shall be omitted. and for the words “income of a private religious trust” the words “income from property held under a trust or other legal obligation for private religious purposes” shall be substituted.

(2) The amendments made by sub-clause (iii) of clause (b) of sub-section (1) shall be deemed to be operative in relation to all assessments for any year whether such assessments have or have not been completed before the commencement of the Indian Income-tax (Amendment) Act, 1958.

4. Amendment of section 5, Act XI of 1922.—In section 5 of the principal Act,—

(a) in sub-section (1),—

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

“(aa) Directors of Inspection.”;

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

“(e) Inspectors of Income-tax.”;

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

“(1A) The Central Government may appoint as many Directors of Inspection as it thinks fit, and Directors of Inspection shall, subject to the control of the Central Board of Revenue, perform such functions of any other Income-tax authority as may be assigned to them by the Central Government.”;

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

“(2) The Central Government may appoint as many Commissioners of Income-tax as it thinks fit and they shall perform their functions in respect of such areas or of such persons or classes of persons or of such incomes or classes of incomes or of such cases or classes of cases as the Central Board of Revenue may direct, and where such directions have assigned to two or more Commissioners of Income-tax the same area or the same persons or classes of persons or the same income or classes of incomes or the same cases or classes of cases, they shall have concurrent jurisdiction subject to any orders which the Central Board of Revenue may make for the distribution and allocation of work to be performed.”;

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

“(3) The Central Government may appoint as many Appellate or Inspecting Assistant Commissioners of Income-tax and Income-tax Officers of Class I service as it thinks fit, and the Commissioner may, subject to the rules and orders of the Central Government regulating the conditions of service of persons in public services and posts, appoint as many Income-tax Officers of Class II service and Inspectors of Income-tax as may, from time to time, be sanctioned by the Central Government.

(3A) Subject to the rules and orders of the Central Government regulating the conditions of service of persons in public services and posts, an income-tax authority may appoint such executive or ministerial staff as may be necessary to assist it in the execution of its functions.”

(e) in the second sentence of sub-section (5), the words "with the previous approval of the Central Board of Revenue" shall be omitted;

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

"(5A) Inspectors of Income-tax shall perform such functions in the execution of this Act as are assigned to them by the Income-tax Officer or other income-tax authority under whom they are appointed to work, and shall be subordinate to such officer or authority.";

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

"(7) For the purposes of this Act,—

(i) Inspecting Assistant Commissioners shall be subordinate to the Director of Inspection and to the Commissioner of Income-tax within whose jurisdiction they perform their functions;

(ii) Income-tax Officers shall be subordinate to the Director of Inspection, the Commissioner of Income-tax and the Inspecting Assistant Commissioner of Income-tax within whose jurisdiction they perform their functions.";

(h) after sub-section (7A), the following sub-sections shall be inserted, namely:—

"(7B) The Director of Inspection, the Commissioner or the Inspecting Assistant Commissioner as the case may be, may issue such instructions as he thinks fit for the guidance of any Income-tax Officer subordinate to him in the matter of any assessment, and for the purposes of making any inquiry under this Act (which he is hereby empowered to do), the Director of Inspection, the Commissioner and the Inspecting Assistant Commissioner shall have all the powers that an Income-tax Officer has under this Act in relation to the making of inquiries.

(7C) Whenever in respect of any proceeding under this Act an Income-tax authority ceases to exercise jurisdiction and is succeeded by another who has and exercises jurisdiction, the Income-tax authority so succeeding may continue the proceeding from the stage at which the proceeding was left by his predecessor:

Provided that the assessee concerned may demand that before the proceeding is so continued the previous proceeding or any part thereof be re-opened or that before any order for assessment is passed against him he be re-heard:

Provided further that in computing the period of limitation for the purposes of sub-section (3) of section 34, the time taken in re-opening the whole or any part of the proceeding or in giving an opportunity to the assessee to be re-heard under the preceding proviso shall be excluded."

5. Amendment of section 5A, Act XI of 1922.—In section 5A of the principal Act,—

(a) in sub-section (2), the proviso shall be omitted;

(b) in sub-section (3), for the words beginning with "A judicial member shall be" and ending with the words and figures "the Auditors Certificates Rules, 1932:", the following shall be substituted, namely:—

"A judicial member shall be a person who has for at least ten years either held a civil judicial post or been in practice as an advocate of a High Court, and an accountant member shall be a person who has for at least ten years been in the practice of accountancy as a chartered accountant under the Chartered Accountants Act, 1949 (XXXVIII of 1949) or as a registered accountant under any law formerly in force or partly as a registered accountant and partly as a chartered accountant:";

(c) in sub-section (4), after the word "shall" the word "ordinarily" shall be inserted.

6. Amendment of section 7, Act XI of 1922.—In sub-section (1) of section 7 of the principal Act, in the proviso to *Explanation 2*, after the words "liable to income-tax any payment" the words "of death *cum* retirement gratuity received after the 16th day of April, 1950, under the revised Pension Rules of the Central Government or under any similar scheme of a State Government or any payment" shall be inserted.

7. Amendment of section 9, Act XI of 1922.—(1) In section 9 of the principal Act,—

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

"Provided that for the purposes of making any assessment for the year ending on the 31st day of March, 1952, in respect of the property situated in an area affected by the Assam earthquake of 1950, the allowance on account of repairs referred to in clauses (i) and (ii) shall be increased up to a maximum of one half of the annual value thereof or the amount of expenditure proved to have been actually incurred for repairs, whichever is the less";

(b) for the first proviso to sub-section (2), the following proviso shall be substituted, namely:—

"Provided that, where the property is in the occupation of the owner for the purposes of his own residence, the annual value shall be determined in the same manner as if the property had been let to a tenant, so however that, where the sum so determined exceeds ten per cent. of the total income of the owner, the annual value of the property shall be deemed to be ten per cent. of such total income".

(2) The amendments made by clause (a) of sub-section (1) shall be deemed to be operative for any assessment for the year ending on the 31st day of March, 1952, whether made before or after the commencement of this Act, and where any such assessment has been made before such commencement the Income-tax Officer concerned shall revise it, wherever necessary, to give effect to this amendment.

8. Amendment of section 10, Act XI of 1922.—In section 10 of the principal Act,—

(a) in sub-section (2),—

(i) in sub-clause (a) of clause (vi), for the figures “1952”, the figures “1954” shall be substituted, and in clause (b) of the proviso to that clause, for the words “where full” the words “where, in the assessment of the assessee or if the assessee is a registered firm, in the assessment of its partners, full” shall be substituted;

(ii) in clause (vii), for the words and figures “in the assessments for each of the five years commencing on the 1st day of April, 1949, and ending with the 31st day of March, 1954”, the words and figures “in not more than five successive assessments for the financial years next following the previous year in which such buildings are erected and such machinery and plant installed and falling within the period commencing on the 1st day of April, 1949, and ending on the 31st day of March, 1959” shall be substituted, and in the proviso to that clause, for the words and figures “on the 31st day of March, 1953” the words “on the 31st day of March immediately preceding the last financial year in which the further sum referred to in this clause is admissible” and for the words “in the assessment for the year commencing next after that date”, the words “in the assessment for such last financial year” shall respectively be substituted;

(iii) in clause (viii), for the words and brackets “(not being in the nature of capital expenditure or personal expenses of the assessee)” the words and brackets “(not being an allowance of the nature described in any of the clauses (i) to (xv) inclusive, and not being in the nature of capital expenditure or personal expenses of the assessee)” shall be substituted;

(b) in sub-section (5),—

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

“(c) in the case of assets acquired by the assessee by way of gift or inheritance, the ‘written-down-value’ as in the case of the previous owner or the market value thereof whichever is the less:” and

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

“*Explanation.*—For the purposes of this sub-section, the expression “actual cost” means the actual cost of the assets to the assessee reduced by that portion of the cost thereof, if any, as has been met directly or indirectly by Government or by any public or local authority, and any allowance in respect of any depreciation carried forward under clause (b) of the proviso to clause (vi) of sub-section (2) shall be deemed to be depreciation ‘actually allowed’;”.

9. Amendment of section 14, Act XI of 1922.—In section 14 of the principal Act, in clause (c) of sub-section (2), for the words and letter “Part B State” the words “the State of Jammu and Kashmir” shall be substituted and shall be deemed to have been substituted with effect from the 1st day of April, 1950.

10. Amendment of section 15C, Act XI of 1922.—In section 15C of the principal Act,—

(a) in sub-section (2),—

(i) in clause (ii), for the word “three” the word “six” shall be substituted;

(ii) for clauses (iii) and (iv) beginning with the word “employs” and ending with the words “by human agency”, the following shall be substituted, namely:—

“(iii) employs ten or more workers in a manufacturing process carried on with the aid of power, or employs twenty or more workers in a manufacturing process carried on without the aid of power.”;

(b) for sub-section (6), the following sub-section shall be substituted, namely:—

“(6) The provisions of this section shall apply to the assessment for the financial year next following the previous year in which the assessee begins to manufacture or produce articles and for the four assessments immediately succeeding.”

11. Amendment of section 17, Act XI of 1922.—In sub-section (1) of section 17, after the first proviso, the following further proviso shall be inserted, namely:—

“Provided further that where any such person satisfies the Income-tax Officer that he was prevented by sufficient cause from making such declaration on the first occasion on which he became assessable and his failure to make such declaration has not resulted in reducing his liability to tax for any year, the Income-tax Officer may, with the previous approval of the Inspecting Assistant Commissioner, allow such person to make the declaration at any time after the expiry of the period specified, and such declaration shall have effect in relation to the assessment for the year in which the declaration is made (if such assessment had not been completed before such declaration) and all assessments thereafter.”

12. Amendment of section 18, Act XI of 1922.—In section 18 of the principal Act,—

(a) in sub-section (2B), for the words “at the rate or rates applicable to the estimated income of the assessee under this head”, the following shall be substituted, namely:—

“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:

Provided that where—

(i) the person not so resident has obtained a certificate in writing from the Income-tax Officer (which certificate the Income-tax Officer shall be bound to give in every proper case on the application of the assessee) stating that income-tax and super-tax may be deducted at the rates specified therein, or

(ii) the Income-tax Officer has, by an order in writing, required the person responsible for making payment to deduct income-tax and super-tax at the rates specified in that order,

the person responsible for making payment shall, until such certificate or order is cancelled by the Income-tax Officer, deduct income-tax and super-tax at the rates specified in such certificate or order, as the case may be.”;

(b) for sub-sections (3A), (3B), (3C), (3D) and (3E), the following sub-sections shall be substituted, namely:—

(3A) The person responsible for paying any income chargeable under the head “Interest on securities” to a person whom he has no reason to believe to be resident in the taxable territories, shall, at the time of payment, deduct super-tax on the amount of such interest—

(i) if such person is a company, at the rate applicable to a company,

(ii) if such person is not a company, in accordance with the provisions of clause (b) of sub-section (1) of section 17:

Provided that where such person 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).

(3B) Any person responsible for paying to a person not resident in the territories any interest not being “Interest on securities” or any other sum 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 at the maximum rate and super-tax at the rate applicable to a company or in accordance with the provisions of sub-clause (b) of sub-section (1) of section 17, as the case may be:

Provided that where the person not resident 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 section shall apply to any payment made in the course of transactions in respect of which a person responsible for the payment is deemed under the first proviso to section 43 not to be an agent of the payee.

(3C) Where the person responsible for paying any sum chargeable under this Act other than interest, to a person not resident in the taxable territories, considers that the whole of such sum would not be income chargeable in the case of the recipient, he may make an application to the Income-tax Officer to determine, by general or special order, the appropriate proportion of such sum so chargeable and upon such determination tax shall be deducted therefrom by the person responsible for making such payment in accordance with the provisions of sub-section (3B).

(3D) The principal officer of an Indian company or a company which has made such effective arrangements as may be prescribed for the deduction of super-tax from dividends shall, at the time of paying any dividend to a shareholder whom the principal officer has no reason to believe to be resident in the taxable territories, deduct super-tax on the amount of such divi-

dividend as increased in accordance with the provisions of sub-section (2) of section 16—

(i) if the shareholder is a company, at the rate applicable to a company,

(ii) if the shareholder is a person other than a company, in accordance with the provisions of clause (b) of sub-section (1) of section 17:

Provided that in the case of a shareholder other than 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).";

(c) in sub-section (5), after the words "Any deduction made" the words "and paid to the account of the Central Government" shall be inserted; after the words "given to him therefor" the words "on the production of the certificate furnished under sub-section (9) or section 20, as the case may be." shall be inserted, and after the second proviso, the following further proviso shall be inserted, namely:—

"Provided further that where any security or share in a company is owned jointly by two or more persons not constituting a partnership, credit in respect of the tax deducted or in respect of any sum by which the dividend has been increased under sub-section (2) of section 16, may be given to each such person in the same proportion in which the interest on such security or dividend on such share has been included in his total income.";

(d) in sub-section (7), for the words, brackets, figures and letters "sub-sections (3D) and (3E)" the word, brackets, figure and letter "sub-section (3D)" shall be substituted;

(e) in sub-section (9), for the brackets, figures, letters and word "(3C), (3D) or (3E)", the word, brackets, figure and letter "(3D)" shall be substituted;

(f) after sub-section (9), the following *Explanation* shall be inserted, namely:—

"*Explanation.*—For the purposes of this section and section 20A, the expression 'person responsible for paying' means—

(i) in the case of payments of income chargeable under the head 'Salaries' other than payments by the Central Government or the Government of a State, the employer himself or if the employer is a company, the company itself including the principal officer thereof;

(ii) in the case of payments of income chargeable under the head 'Interest on securities', other than payments made by or on behalf of the Central Government or the Government of a State, the local authority or company including the principal officer thereof;

(iii) in the case of payment of interest not being 'Interest on securities', the payer himself or if the payer is a company, the company itself including the principal officer thereof."

18. Amendment of section 18A, Act XI of 1922.—In section 18A of the principal Act,—

(a) in sub-section (1) (a), for the words "if that total income exceeded six thousand rupees", the words "if that total income exceeded the maximum amount not chargeable to tax in his case by two thousand five hundred rupees" shall be substituted;

(b) in sub-section (3), for the words "is likely to exceed six thousand rupees," the words "is likely to exceed the maximum amount not chargeable to tax in his case by two thousand five hundred rupees." shall be substituted;

(c) to sub-section (5), the following further proviso shall be added, namely:—

"Provided further that for any period beginning with the 1st day of April, 1952, interest shall be payable only on the amount by which the aggregate sum of any instalments paid during any financial year in which they are payable under this section exceeds the amount of the tax determined on regular assessment calculated as hereunder—

(i) in respect of such instalments paid in any financial year before the said date, from the said date to the date of the regular assessment;

(ii) in respect of such instalments paid after the said date, from the beginning of the financial year next following to the date of the regular assessment.";

(d) in sub-section (6),—

(i) in the first proviso after the word "Provided", the word "further" shall be inserted and before that proviso, the following proviso shall be inserted, namely:—

"Provided that for any period after the 31st day of March, 1952, interest shall be payable at the rate of four per cent. per annum:";

(ii) after the last proviso, the following further proviso shall be inserted, namely:—

"Provided further that in such cases and under such circumstances as may be prescribed, the Income-tax Officer may reduce or waive the interest payable by the assessee."

14. Amendment of section 22, Act XI of 1922.—In section 22 of the principal Act,—

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

"(2A) If any person, who has not been served with a notice under sub-section (2) has sustained a loss of profits or gains in any year under the head 'Profits and gains of business, profession or vocation', and such loss or any part thereof would ordinarily have been carried forward under sub-section (2) of section 24, he shall, if he is to be entitled to the benefit of the carry forward of loss in any subsequent assessment, furnish within the time specified in the general notice given under sub-section (1) or within such further time as the Income-tax Officer in any case may allow, all the particulars required under the prescribed form of return of total income and total world income in the same manner as he would have furnished a return under sub-section (1) had his income exceeded the maximum amount not liable to income-tax in his case, and all the provisions of this Act shall apply as if it were a return under sub-section (1).";

(b) in sub-section (4), after the words "such accounts or documents as the Income-tax Officer may require" the following shall be inserted, namely:—

"or to furnish in writing and verified in the prescribed manner information in such form and on such points or matters (including, with the previous approval of the Commissioner, a statement of all assets and liabilities not included in the accounts) as the Income-tax Officer may require for the purposes of this section:"

15. Amendment of section 24, Act XI of 1922.—In section 24 of the principal Act,—

(a) in sub-section (1), for the first proviso, the following proviso shall be substituted, namely:—

"Provided that in computing the income, profits and gains chargeable under any head or the loss of profits and gains falling under any head, so much of any loss of profits and gains as would but for the loss have accrued or arisen within the State of Jammu and Kashmir, shall not be taken into account except to the extent of the amount of income, profits and gains, if any, which would be exempt under the provisions of clause (c) of sub-section (2) of section 11;"

(b) in sub-section (2).—

(i) for the words "under the head 'Profits and gains of business, profession or vocation'," the words "in any business, profession or vocation" shall be substituted and for the words "the portion not so set off" the words "so much of the loss as is not so set off or the whole loss where the assessee had no other head of income" shall be substituted;

(ii) for clause (a) of the proviso, the following clause shall be substituted, namely:—

"(a) where the loss sustained is in any business, profession or vocation, so much of such loss as is referred to in the first proviso to sub-section (1) shall not be set off except against the profits and gains accruing or arising in the State of Jammu and Kashmir from the same business, profession or vocation and exempt from tax under the provisions of clause (c) of sub-section (2) of section 14."

16. Amendment of section 30, Act XI of 1922.—In section 30 of the principal Act, in sub-section (1A), the brackets, figures, letters and word "(3A)" and "or (3C)" shall be omitted.

17. Amendment of section 33A, Act XI of 1922.—In section 33A of the principal Act,—

(i) in sub-section (2), after the words "made within one year from the date of the order" the words and brackets "(or within such further period, as the Commissioner may think fit to allow on being satisfied that the assessee was prevented by sufficient cause from making the application within that period)" shall be inserted; and

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

"*Explanation.*—For the purposes of sub-sections (1) and (2), the Appellate Assistant Commissioner shall be deemed to be an authority subordinate to the Commissioner."

18. Amendment of section 34, Act XI of 1922.—In section 34 of the principal Act,—

(a) in the proviso to sub-section (2), the words “of the High Court or of the Privy Council” shall be omitted and for the figures and word “66 and” the figures and word “66 or” shall be substituted;

(b) in the second proviso to sub-section (3) for the word “sub-section”, the words “section limiting the time within which any action may be taken or any order, assessment or re-assessment may be made” shall be substituted, and for the words “in pursuance of”, the words “to an assessment or re-assessment made on the assessee or any person in consequence of or to give effect to any finding or direction contained in” shall be substituted.

19. Amendment of section 35, Act XI of 1922.—In section 35 of the principal Act, after sub-section (4), the following sub-sections shall be inserted, namely:—

“(5) Where in respect of any completed assessment of a partner in a firm it is found on the assessment or re-assessment of the firm or on any reduction or enhancement made in the income of the firm under section 31, section 33, section 33A, section 33B, section 66 or section 66A that the share of the partner in the profit or loss of the firm has not been included in the assessment of the partner or, if included, is not correct, the inclusion of the share in the assessment or the correction thereof, as the case may be, shall be deemed to be a rectification of a mistake apparent from the record within the meaning of this section, and the provisions of sub-section (1) shall apply thereto accordingly, the period of four years referred to in that sub-section being computed from the date of the final order passed in the case of the firm.

(6) Where the excess profits tax or the business profits tax payable by an assessee has been modified in appeal, revision or any other proceeding, or where any excess profits tax or business profits tax has been assessed after the completion of the corresponding assessment for income-tax [whether before or after the commencement of the Indian Income-tax (Amendment) Act, 1953], and in consequence thereof it is necessary to re-compute the total income of the assessee chargeable to income-tax, such recomputation shall be deemed to be a rectification of a mistake apparent from the record within the meaning of this section, and the provisions of sub-section (1) shall apply accordingly, the period of four years referred to in that sub-section being computed from the date of the order making or modifying the assessment of such excess profits tax or business profits tax.

Explanation.—For the purposes of sub-section (6), where the assessee is a firm, the provisions of sub-section (5) shall also apply as they apply to the rectification of the assessment of the partners of the firm.

(7) Where the assessment of a company in whose case an order under section 23A has been made is modified in appeal, revision or any other proceeding or the order under section 23A is cancelled, or varied, and in consequence thereof it is necessary to re-compute the total income of the shareholders, such recomputation shall be deemed to be a rectification of a mistake apparent from the record within the meaning of this section, and the provisions of sub-section (1) shall apply thereto accordingly, the period of four years referred to in that sub-section

being computed from the date of the final order passed in the case of the company."

20. Amendment of section 37, Act XI of 1922.—Section 37 of the principal Act shall be numbered as sub-section (1) of that section, and after sub-section (1) as so 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 proceeding under this Act:

Provided that an Income-tax Officer 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 fifteen days (exclusive of holidays) without obtaining the approval of the Commissioner therefor."

21. Amendment of section 46, Act XI of 1922.—In sub-section (7) of section 46 of the principal Act, for the proviso, the following provisos and *Explanation* shall be substituted, namely :—

"Provided that the period of one year herein referred to shall—

(i) where an assessee has been treated as not being in default under section 45 as long as his appeal is undisposed of, be reckoned from the date on which the appeal is disposed of;

(ii) where recovery proceedings in any case have been stayed by any order of a court, be reckoned from the date from which the order is withdrawn;

(iii) where the date of payment of tax has been extended by an income-tax authority, be reckoned from the date up to which the time for payment had been extended;

(iv) where the sum payable is allowed to be paid by instalments, from the date on which the last of such instalments was due:

Provided further that nothing in the foregoing proviso shall have the effect of reducing the period within which proceedings for recovery can be commenced, namely, after the expiration of one year from the last day of the financial year in which the demand is made.

Explanation.—A proceeding for the recovery of any sum shall be deemed to have commenced within the meaning of this section, if some action is taken to recover the whole or any part of the sum within the period hereinbefore referred to, and for the removal of doubts it is hereby declared that the several modes of recovery specified in this section are neither mutually exclusive, nor affect in any way any other law for the time being in force relating to the recovery of debts due to Government, and it shall be lawful for the Income-tax Officer, if for any special reasons to be recorded he so thinks fit, to have recourse to any such mode of recovery notwithstanding that the tax due is being recovered from an assessee by any other mode."

22. Insertion of new section 46A in Act XI of 1922.—After section 46 of the principal Act, the following section shall be inserted, namely:—

‘46A. Persons leaving India to obtain tax clearance certificates.---

(1) Subject to such exceptions as may be made by the Central Government, no person who is not domiciled in India, or who, even if domiciled in India at the time of his departure, has, in the opinion of an Income-tax authority, no intention of returning to India, shall leave the territory of India by land, sea or air unless he first obtains from such authority as may be appointed by the Central Government in this behalf (hereinafter in this section referred to as the “competent authority”) a certificate stating that he has no liabilities under this Act, the Excess Profits Tax Act, 1940 (XV of 1940), or the Business Profits Tax Act, 1947 (XXI of 1947), or that satisfactory arrangements have been made for the payment of all or any of such taxes which are or may become payable by that person:

Provided that if the competent authority is satisfied that such person intends to return to India, he may issue an exemption certificate either in respect of a single journey or in respect of all journeys to be undertaken by that person within such period as may be specified in the certificate.

(2) If the owner or charterer of any ship or aircraft carrying persons from any place in the territory of India to any place outside the territory allows any person to whom sub-section (1) applies, to travel by such ship or aircraft without first satisfying himself that such person is in possession of a certificate as required by that sub-section, he shall be personally liable to pay the whole or any part of the amount of tax, if any, payable by such person as the Income-tax Officer may, having regard to the circumstances of the case, determine.

Explanation.—For the purposes of this sub-section the expressions “owner” and “charterer” include any representative, agent or employee empowered by the owner or charterer to allow persons to travel by the ship or aircraft.

(3) In respect of any sum payable by the owner or charterer of any ship or aircraft under sub-section (2), the owner or charterer, as the case may be, shall be deemed to be an assessee in default within the meaning of sub-section (1) of section 46.

(4) The Central Government may make rules for regulating any matter necessary for, or incidental to, the purpose of carrying out the provisions of this section.’

23. Amendment of section 49B, Act XI of 1922.—Section 49B of the principal Act shall be numbered as sub-section (1) thereof, and after sub-section (1) as so numbered, the following sub-section shall be inserted, namely:—

“(2) For the purposes of sub-section (1), income-tax shall be deemed to include agricultural income-tax assessed on a company by any State Government other than the Government of Jammu and Kashmir, and where any shareholder proves that the company has been so assessed to agricultural income-tax, he shall be entitled to

the reduction from the tax payable by him under this Act of a sum equal to—

(a) the appropriate agricultural income-tax (reduced by the amount of refund, if any, allowed to him by the State Government), or

(b) the appropriate Indian income-tax on the amount of the dividend which has not been increased under sub-section (2) of section 16,

whichever is the less.

Explanation.—In this sub-section,—

(a) 'appropriate agricultural income-tax' means such proportion of the agricultural income-tax as the amount of dividend which has not been increased under sub-section (2) of section 16 bears to the total profits of the company assessed to agricultural income-tax; and

(b) 'appropriate Indian income-tax' means such proportion of the income-tax payable by the shareholder under this Act as the amount of dividend which has not been increased under sub-section (2) of section 16 bears to the total income of the shareholder."

24. Amendment of section 49D, Act XI of 1922.—For section 49D of the principal Act, the following section shall be substituted, namely:—

49D. Relief in respect of incomes accruing or arising outside the taxable territories.—(1) If any person who is resident in the taxable territories in any year proves that, in respect of his income which accrues or arises during that year without the taxable territories (and which is not deemed to accrue or arise in the taxable territories), he has paid in any country, with which there is no reciprocal arrangement for relief or avoidance of double taxation, income-tax, by deduction or otherwise, under the law in force in that country, he shall be entitled to the deduction from the Indian income-tax payable by him or a sum calculated on such doubly taxed income at the Indian rate of tax or the rate of tax of the said country, whichever is the lower.

(2) The Central Government may, by notification in the Official Gazette, declare that the provisions of sub-section (1) shall also apply in relation to any such income accruing or arising in the United Kingdom and chargeable under this Act for the year ending on the 31st day of March, 1950, or for the year ending on the 31st day of March, 1951 or for the year ending on the 31st day of March, 1952.

Explanation.—In this section,—

(i) the expression "Indian income-tax" means income-tax and super-tax charged in accordance with the provisions of this Act;

(ii) the expression "Indian rate of tax" means the rate determined by dividing the amount of Indian income-tax after deduction of any relief due under the other provisions of this Act but before deduction of any relief due under this section, by the total income;

(iii) the expression "rate of tax of the said country" means income-tax and super-tax actually paid in the said country in accordance with the corresponding laws of the said country after deduction of all reliefs due, but before deduction of any relief due

in the said country in respect of double taxation, divided by the whole amount of the income assessed in the said country ;

(iv) the expression "income-tax in relation to any country" includes any excess profits tax or business profits tax charged on the profits by the Government of that country and not by the Government of any part of that country or a local authority in that country.'

25. Amendment of section 49E, Act XI of 1922.—In section 49E of the principal Act, for the words "against the tax" the words "against the tax, interest or penalty" shall be substituted.

26. Amendment of section 54, Act XI of 1922.—In sub-section (3) of section 54 of the principal Act,—

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

"(b) of any such particulars to any person acting in the execution of this Act or of the Taxation on Income (Investigation Commission) Act, 1947 (XXX of 1947), where it is necessary or desirable to disclose the same to him for the purposes of either this Act or the Taxation on Income (Investigation Commission) Act, 1947,"; or

(ii) in clause (d), after the word "Government" the words "or any Income-tax authority" shall be inserted and after the words "under this Act", the words "or under any other law for the time being in force authorising any Income-tax authority to exercise any powers thereunder" shall be inserted;

(iii) in clause (gg), for the words "registered accountant" the words "chartered accountant" shall be substituted.

27. Amendment of section 58C, Act XI of 1922.—In sub-section (1) of section 58C of the principal Act,—

(i) to clause (d), the following proviso shall be added, namely :—

"Provided that the fund may consist also of the accumulated balance due to an employee who has ceased to be an employee, and of interest (simple and compound) in respect thereof where such balance is retained in the fund in accordance with the provisions of clause (g).";

(ii) in clause (g), after the words "maintaining the fund" the words "unless at the request of the employee made in writing, the trustees of the fund consent to retain the whole or any part of the accumulated balance due to the employee in the fund to be drawn by him at any time on demand" shall be inserted.

28. Amendment of section 59, Act XI of 1922.—In sub-section (2) of section 59 of the principal Act, for clauses (c) and (d), the following clause shall be substituted, namely :—

"(c) prescribe the procedure for giving effect to the terms of any agreement for the avoidance of double taxation on income which may be entered into by the Central Government under section 49AA,".

29. Amendment of section 66A, Act XI of 1922.—In sub-section (1) of section 66A of the principal Act, for the words, brackets and figures "and in respect of such case the provisions of section 98 of the Code of Civil Procedure, 1908 (Act V of 1908) shall, so far as may be, apply notwithstanding anything contained in the Letters Patent of any High Court

established by Letters Patent or in any other law for the time being in force", the following shall be substituted, namely:—

"and shall be decided in accordance with the opinion of such Judges or of the majority (if any) of such Judges:

Provided that where there is no such majority, the Judges shall state the point of law upon which they differ, and the case shall then be heard upon that point only by one or more of the other Judges of the High Court, and such point shall be decided according to the opinion of the majority of the Judges who have heard the case, including those who first heard it."

30. Amendment of the Schedule, Act XI of 1922.—(1) In the Schedule to the principal Act,—

(a) for the words "Superintendent of Insurance", wherever they occur, the words "Controller of Insurance" shall be substituted;

(b) in rule 2,—

(i) in clause (b), for the words "actuarial valuation made for the last inter-valuation period" the words "actuarial valuation made in accordance with the Insurance Act, 1938 (IV of 1938), in respect of the last inter-valuation period" shall be substituted;

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

"(d) in respect of all renewal premiums received during the preceding year an amount calculated at such percentage thereof as is permissible under sub-section (2) of section 40B of the Insurance Act, 1938 (IV of 1938) as reduced by any expenditure which is not admissible under section 10 of this Act";

(c) in clause (a) of rule 8, for the words "one-half" the words "four-fifths" shall be substituted, and in the second proviso for the words "one-half of such amount" the words and brackets "that proportion of such amount (one-half or four-fifths, as the case may be)" shall be substituted;

(d) for rule 8, the following rule shall be substituted, namely:—

"8. The profits and gains of the branches in the taxable territories of a person not resident in the taxable territories and carrying on any business of insurance, may, in the absence of more reliable data be deemed to be that proportion of the world income of such person which corresponds to the proportion which his premium income derived from the taxable territories bears to his total premium income.

For the purposes of this rule, the world income in relation to life insurance business of a person not resident in the taxable territories shall be computed in the manner laid down in these rules for the computation of the profits and gains of life insurance business carried on in the taxable territories."

(2) The amendments made by sub-section (1) shall be deemed to be operative in relation to any assessment subsequent to the assessment for the year ending on the 31st day of March, 1951, whether such assessment has or has not been made before the commencement of this Act and where any such assessment has been made before such commencement it shall be lawful for the Income-tax Officer to revise it, wherever necessary, to give effect to such amendments.

31. Validity of certain notices and assessments.—For the removal of doubts it is hereby declared that the provisions of sub-sections (1), (2) and (3) of section 34 of the principal Act shall apply and shall be deemed always to have applied to any assessment or re-assessment for any year ending before the 1st day of April, 1948, in any case where proceedings in respect of such assessment or re-assessment were commenced under the said sub-sections after the 8th day of September, 1948, and any notice issued in accordance with sub-section (1) or any assessment completed in pursuance of such notice within the time specified in sub-section (3), whether before or after the commencement of the Indian Income-tax (Amendment) Act, 1958, shall, notwithstanding any judgment or order of any court, Appellate Tribunal or Income-tax authority to the contrary, be deemed to have been validly issued or completed, as the case may be, and no such notice, assessment or re-assessment shall be called in question on the ground merely that the provisions of section 34 did not apply or purport to apply in respect of an assessment or re-assessment for any year prior to the 1st day of April, 1948.

K. Y. BHANDARKAR,
Secy. to the Govt. of India.

The Gazette  of India

EXTRAORDINARY
PART II—Section 1
PUBLISHED BY AUTHORITY

No. 18] NEW DELHI, THURSDAY, MAY 28, 1953

MINISTRY OF LAW

New Delhi, the 28th May, 1953

The following Act of Parliament received the assent of the President on the 26th May, 1953 and is hereby published for general information:—

**THE INDUSTRIES (DEVELOPMENT AND REGULATION)
AMENDMENT ACT, 1953**

No. 26 OF 1953

[26th May, 1953.]

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

Enacted by Parliament as follows:—

1. Short title and commencement.—(1) This Act may be called the Industries (Development and Regulation) Amendment Act, 1953.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

2. Amendment of section 3, Act LXV of 1951.—In section 3 of the Industries (Development and Regulation) Act, 1951 (hereinafter referred to as the principal Act),—

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

“(bb) ‘existing industrial undertaking’ means—

(a) in the case of an industrial undertaking pertaining to any of the industries specified in the First Schedule as originally enacted, an industrial undertaking which was in existence on the commencement of this Act or for the establishment of which effective steps had been taken before such commencement, and

(b) in the case of an industrial undertaking pertaining to any of the industries added to the First Schedule by an amendment thereof, an industrial undertaking which is in existence on the coming into force of such amendment or for the establishment of which effective steps had been taken before the coming into force of such amendment;”;

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

“(dd) ‘new article’, in relation to an industrial undertaking which is registered or in respect of which a licence or permission has been issued under this Act, means—

(a) any article which falls under an item in the First Schedule other than the item under which articles ordinarily manufactured or produced in the industrial undertaking at the date of registration or issue of the licence or permission, as the case may be, fall;

(b) any article which bears a mark as defined in the Trade Marks Act, 1940 (V of 1940), or which is the subject of a patent, if at the date of registration or issue of the licence or permission, as the case may be, the industrial undertaking was not manufacturing or producing such article bearing that mark or which is the subject of that patent.”.

3. Omission of section 4, Act LXV of 1951.—Section 4 of the principal Act shall be omitted.

4. Amendment of section 5, Act LXV of 1951.—In sub-section (4) of section 5 of the principal Act, clause (b) shall be omitted.

5. Amendment of section 10, Act LXV of 1951.—In section 10 of the principal Act,—

(a) for sub-section (1), the following sub-section shall be substituted, namely:—

“(1) The owner of every existing industrial undertaking, not being the Central Government, shall, within such period as the Central Government may, by notification in the Official Gazette, fix in this behalf with respect to industrial undertakings generally or with respect to any class of them, register the undertaking in the prescribed manner.”;

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

“(3) Where an industrial undertaking is registered under this section, there shall be issued to the owner of the undertaking or the Central Government, as the case may be, a certificate of registration containing such particulars as may be prescribed.”.

6. Insertion of new section 10A in Act LXV of 1951.—After section 10 of the principal Act, the following section shall be inserted, namely:—

“10A. *Revocation of registration in certain cases.*—If the Central Government is satisfied that the registration of any industrial undertaking has been obtained by misrepresentation as to an essential fact or that any industrial undertaking has ceased to be registrable under this Act by reason of any exemption granted under this Act becoming applicable thereto or that for any other reason the registration has become useless or ineffective and therefore requires to be revoked, the Central Government may after giving an opportunity to the owner of the undertaking to be heard revoke the registration.”

7. Insertion of new section 11A in Act LXV of 1951.—After section 11 of the principal Act, the following section shall be inserted, namely:—

“11A. *Licence for producing or manufacturing new articles.*—The owner of an industrial undertaking not being the Central Government which is registered under section 10 or in respect of which a licence or permission has been issued under section 11 shall not produce or manufacture any new article unless—

(a) in the case of an industrial undertaking registered under section 10, he has obtained a licence for producing or manufacturing such new article; and

(b) in the case of an industrial undertaking in respect of which a licence or permission has been issued under section 11, he has had the existing licence or permission amended in the prescribed manner.”

8. Amendment of section 12, Act LXV of 1951.—In section 12 of the principal Act, after sub-section (2), the following sub-section shall be inserted, namely:—

“(3) The provisions of this section shall apply in relation to a licence issued under section 11A or where a licence has been amended under that section, to the amendment thereof, as they apply in relation to a licence issued under section 11.”

9. Substitution of new section for section 13 in Act LXV of 1951.—For section 13 of the principal Act, the following section shall be substituted, namely:—

“13. *Further provision for licensing of industrial undertakings in special cases.*—(1) No owner of an industrial undertaking, other than the Central Government, shall—

(a) in the case of an industrial undertaking required to be registered under section 10, but which has not been registered within the time fixed for the purpose under that section, carry on the business of that undertaking after the expiry of such period, or

(b) in the case of an industrial undertaking the registration in respect of which has been revoked under section 10A on the ground that it had been obtained by misrepresentation as to an essential fact, carry on the business of the undertaking after the revocation, or

(c) in the case of an industrial undertaking to which the provisions of this Act did not originally apply but became applicable after the commencement of this Act for any reason, carry on the business of the undertaking after the expiry of three months from the date on which the provisions of this Act became so applicable, or

(d) effect any substantial expansion of an industrial undertaking which has been registered, or

(e) change the location of the whole or any part of an industrial undertaking which has been registered,

except under, and in accordance with, a licence issued in that behalf by the Central Government, and, in the case of a State Government, except under and in accordance with the previous permission of the Central Government.

(2) The provisions of sub-section (2) of section 11 and of section 12 shall apply, so far as may be, in relation to the issue of licences or permissions to any industrial undertaking referred to in this section as they apply in relation to the issue of licences or permissions to a new industrial undertaking.

Explanation.—For the purposes of this section, ‘substantial expansion’ means the expansion of an existing industrial undertaking which substantially increases the productive capacity of the undertaking, or which is of such a nature as to amount virtually to a new industrial undertaking, but does not include any such expansion as is normal to the undertaking having regard to its nature and the circumstances relating to such expansion.”.

10. Amendment of section 14, Act LXV of 1951.—In section 14 of the principal Act, for the words and figures ‘section 11 or section 13’ the words, figures and letter ‘section 11, section 11A or section 13’ shall be substituted.

11. Amendment of section 15, Act LXV of 1951.—In section 15 of the principal Act, for clause (b), the following clause shall be substituted, namely:—

“(b) any industrial undertaking is being managed in a manner highly detrimental to the scheduled industry concerned or to public interest;”.

12. Omission of section 17, Act LXV of 1951.—Section 17 of the principal Act shall be omitted.

13. Insertion of Chapters IIIA and IIIB in Act LXV of 1951.—After Chapter III of the principal Act, the following Chapters shall be inserted, namely:—

“CHAPTER IIIA

DIRECT MANAGEMENT OR CONTROL OF INDUSTRIAL UNDERTAKINGS BY CENTRAL GOVERNMENT IN CERTAIN CASES

18A. Power of Central Government to assume management or control of an industrial undertaking in certain cases.—(1) If the Central Government is of opinion that—

(a) an industrial undertaking to which directions have been issued in pursuance of section 16 has failed to comply with such directions, or

(b) an industrial undertaking in respect of which an investigation has been made under section 15 (whether or not any directions have been issued to the undertaking in pursuance of section 16), is being managed in a manner highly detrimental to the scheduled industry concerned or to public interest,

the Central Government may, by notified order, authorise any person or body of persons to take over the management of the whole or any part of

the undertaking or to exercise in respect of the whole or any part of the undertaking such functions of control as may be specified in the order.

(2) Any notified order issued under sub-section (1) shall have effect for such period not exceeding five years as may be specified in the order:

Provided that the Central Government, if it is of opinion that it is expedient in public interest so to do, may direct that any such notified order shall continue to have effect after the expiry of the period of five years aforesaid for such further period as may be specified in the direction and where any such direction is issued, a copy thereof shall be laid, as soon as may be, before both Houses of Parliament.

Explanation.—The power to authorise a body of persons under this section to take over the management of an industrial undertaking which is a company includes also a power to appoint any individual, firm or company to be the managing agent of the industrial undertaking on such terms and conditions as the Central Government may think fit.

18B. *Effect of notified order under section 18A.*—(1) On the issue of a notified order under section 18A authorising the taking over of the management of an industrial undertaking,—

(a) all persons in charge of the management, including persons holding office as managers or directors of the industrial undertaking immediately before the issue of the notified order, shall be deemed to have vacated their offices as such;

(b) any contract of management between the industrial undertaking and any managing agent or any director thereof holding office as such immediately before the issue of the notified order shall be deemed to have been terminated;

(c) the managing agent, if any, appointed under section 18A shall be deemed to have been duly appointed as the managing agent in pursuance of the Indian Companies Act, 1913 (VII of 1913), and the memorandum and articles of association of the industrial undertaking, and the provisions of the said Act and of the memorandum and articles shall, subject to the other provisions contained in this Act, apply accordingly, but no such managing agent shall be removed from office except with the previous consent of the Central Government;

(d) the person or body of persons authorised under section 18A to take over the management shall take all such steps as may be necessary to take into his or their custody or control all the property, effects and actionable claims to which the industrial undertaking is or appears to be entitled, and all the property and effects of the industrial undertaking shall be deemed to be in the custody of the person or, as the case may be, the body of persons as from the date of the notified order; and

(e) the persons, if any, authorised under section 18A to take over the management of an industrial undertaking which is a company shall be for all purposes the directors of the industrial undertaking duly constituted under the Indian Companies Act,

1913 (VII of 1913) and shall alone be entitled to exercise all the powers of the directors of the industrial undertaking, whether such powers are derived from the said Act or from the memorandum or articles of association of the industrial undertaking or from any other source.

(2) Subject to the other provisions contained in this Act and to the control of the Central Government, the person or body of persons authorised to take over the management of an industrial undertaking, shall take such steps as may be necessary for the purpose of efficiently managing the business of the industrial undertaking and shall exercise such other powers and have such other duties as may be prescribed.

(3) Where any person or body of persons has been authorised to exercise any functions of control in relation to an industrial undertaking, the undertaking shall be carried on pursuant to any directions given by the authorised person in accordance with the provisions of the notified order, and any person having any functions of management in relation to the undertaking or part thereof shall comply with all such directions.

(4) The person or body of persons authorised under section 18 shall, notwithstanding anything contained in the memorandum or articles of association of the industrial undertaking, exercise his or their functions in accordance with such directions as may be given by the Central Government so, however, that he or they shall not have any power to give any other person any directions under this section inconsistent with the provisions of any Act or instrument determining the functions of the authority carrying on the undertaking except in so far as may be specifically provided by the notified order.

18C. *Contracts in bad faith, etc., may be cancelled or varied.*—Without prejudice to the provisions contained in section 18B, the person or body of persons authorised under section 18A to take over the management of an industrial undertaking may, with the previous approval of the Central Government, make an application to any court having jurisdiction in this behalf for the purpose of cancelling or varying any contract or agreement entered into, at any time before the issue of the notified order under section 18A, between the industrial undertaking and any other person and the court may, if satisfied after due inquiry that such contract or agreement had been entered into in bad faith and is detrimental to the interests of the industrial undertaking, make an order cancelling or varying (either unconditionally or subject to such conditions as it may think fit to impose) that contract or agreement, and the contract or agreement shall have effect accordingly.

18D. *No right to compensation for termination of office or contract.*—Notwithstanding anything contained in any law for the time being in force, no person who ceases to hold any office by reason of the provisions contained in clause (a) of section 18B, or whose contract of management is terminated by reason of the provisions contained in clause (b) of that section, shall be entitled to any compensation for the loss of office or for the premature termination of his contract of management:

Provided that nothing contained in this section shall affect the right of any such person to recover from the industrial undertaking moneys recoverable otherwise than by way of such compensation.

18E. *Application of Act VII of 1913.*—(1) Where the management of an industrial undertaking, being a company as defined in the Indian Companies Act, 1913 (VII of 1913), is taken over by the Central Government, then, notwithstanding anything contained in the said Act or in the memorandum or articles of association of such undertaking,—

(a) it shall not be lawful for the shareholders of such undertaking or any other person to nominate or appoint any person to be a director of the undertaking;

(b) no resolution passed at any meeting of the shareholders of such undertaking shall be given effect to unless approved by the Central Government;

(c) no proceeding for the winding up of such undertaking or for the appointment of a receiver in respect thereof shall lie in any court except with the consent of the Central Government.

(2) Subject to the provisions contained in sub-section (1), and to the other provisions contained in this Act and subject to such other exceptions, restrictions and limitations, if any, as the Central Government may, by notification in the Official Gazette, specify in this behalf, the Indian Companies Act, 1913 (VII of 1913), shall continue to apply to such undertaking in the same manner as it applied thereto before the issue of the notified order under section 18A.

18F. *Power of Central Government to cancel notified order under section 18A.*—If at any time it appears to the Central Government on the application of the owner of the industrial undertaking or otherwise that the purpose of the order made under section 18A has been fulfilled or that for any other reason it is not necessary that the order should remain in force, the Central Government may, by notified order, cancel such order and on the cancellation of any such order the management or the control, as the case may be, of the industrial undertaking shall vest in the owner of the undertaking.

CHAPTER III-B

CONTROL OF SUPPLY, DISTRIBUTION, PRICE, ETC., OF CERTAIN ARTICLES

18G. *Power to control supply, distribution, price, etc., of certain articles.*—(1) The Central Government, so far as it appears to it to be necessary or expedient for securing the equitable distribution and availability at fair prices of any article or class of articles relating to any scheduled industry, may, notwithstanding anything contained in any other provision of this Act, by notified order, provide for regulating the supply and distribution thereof and trade and commerce therein.

(2) Without prejudice to the generality of the powers conferred by sub-section (1), a notified order made thereunder may provide—

(a) for controlling the prices at which any such article or class thereof may be bought or sold;

(b) for regulating by licences, permits or otherwise the distribution, transport, disposal, acquisition, possession, use or consumption of any such article or class thereof;

(c) for prohibiting the withholding from sale of any such article or class thereof ordinarily kept for sale;

(d) for requiring any person manufacturing, producing or holding in stock any such article or class thereof to sell the whole or part of the articles so manufactured or produced during a specified period or to sell the whole or a part of the articles so held in stock to such person or class of persons and in such circumstances as may be specified in the order;

(e) for regulating or prohibiting any class of commercial or financial transactions relating to such article or class thereof which in the opinion of the authority making the order are, or if unregulated are likely to be, detrimental to public interest;

(f) for requiring persons engaged in the distribution and trade and commerce in any such article or class thereof to mark the articles exposed or intended for sale with the sale price or to exhibit at some easily accessible place on the premises the price-lists of articles held for sale and also to similarly exhibit on the first day of every month, or at such other time as may be prescribed, a statement of the total quantities of any such articles in stock;

(g) for collecting any information or statistics with a view to regulating or prohibiting any of the aforesaid matters; and

(h) for any incidental or supplementary matters, including, in particular, the grant or issue of licences, permits or other documents and the charging of fees therefor.

(3) Where, in pursuance of any order made with reference to clause (d) of sub-section (2), any person sells any article, there shall be paid to him the price therefor—

(a) where the price can consistently with the controlled price, if any, be fixed by agreement, the price so agreed upon;

(b) where no such agreement can be reached, the price calculated with reference to the controlled price, if any, fixed under this section;

(c) where neither clause (a) nor clause (b) applies, the price calculated at the market rate prevailing in the locality at the date of sale.

(4) No order made in exercise of any power conferred by this section shall be called in question in any court.

(5) Where an order purports to have been made and signed by an authority in exercise of any power conferred by this section, a court shall, within the meaning of the Indian Evidence Act, 1872 (1 of 1872), presume that such order was so made by that authority.

Explanation.—In this section, the expression 'article or class of articles' relatable to any scheduled industry includes any article or class of articles imported into India which is of the same nature or description as the article or class of articles manufactured or produced in the scheduled industry."

14. Substitution of new section for section 23 in Act LXV of 1951.—For section 23 of the principal Act, the following section shall be substituted, namely:—

“23. *Decision of Central Government final respecting certain matters.*—If, for the purposes of this Act, any question arises as to whether—

(a) there has been a substantial expansion of an industrial undertaking, or

(b) an industrial undertaking is producing or manufacturing any new article,

the decision of the Central Government thereon shall be final.”.

15. Amendment of section 24, Act LXV of 1951.—For sub-section (1) of section 24 of the principal Act, the following sub-section shall be substituted, namely:—

“(1) If any person contravenes or attempts to contravene or abets the contravention of—

(i) the provisions of sub-section (1) of section 10 or of sub-section (1) of section 11 or of section 11A or of sub-section (1) of section 13, or

(ii) any direction issued under section 16 or sub-section (3) of section 18B, or

(iii) any order made under section 18G, or

(iv) any rule the contravention of which is made punishable under this section,

he shall be punishable with imprisonment which may extend to six months, or with fine which may extend to five thousand rupees, or with both, and, in the case of a continuing contravention, with an additional fine which may extend to five hundred rupees for every day during which such contravention continues after conviction for the first such contravention.”.

16. Insertion of new section 24A in Act LXV of 1951.—After section 24 of the principal Act, the following section shall be inserted, namely:—

“24A. *Penalty for false statements.*—If any person,—

(a) when required by this Act or by any order under this Act to make any statement or furnish any information, makes any statement or furnishes any information which is false in any material particular and which he knows or has reasonable cause to believe to be false or does not believe to be true; or

(b) makes any such statement as aforesaid in any book, account, record, declaration, return or other document which he is required by any order made under this Act to maintain or furnish;

he shall be punishable with imprisonment which may extend to three months, or with fine which may extend to two thousand rupees, or with both.”.

17. Substitution of new sections for sections 25, 26, 27, 28 and 29 in Act LXV of 1951.—For sections 25, 26, 27, 28 and 29 of the principal Act, the following sections shall be substituted, namely:—

“25. Delegation of powers.—(1) The Central Government may, by notified order, direct that any power exercisable by it under this Act (other than the power given to it by sections 16 and 18A) shall, in relation to such matters and subject to such conditions, if any, as may be specified in the direction, be exercisable also by such officer or authority (including in the said expressions any Development Council, State Government or officer or authority subordinate to the Central Government) as may be specified in the direction.

(2) Any power exercisable by a State Government by virtue of a direction under sub-section (1) may, unless otherwise provided in such direction, be exercised also by such officer or authority subordinate to that State Government as it may, by notified order, specify in this behalf.

26. Power to issue directions.—The Central Government may give directions to any State Government as to the carrying into execution in the State of any of the provisions of this Act or of any order or direction made thereunder.

27. Cognizance of offences.—No court shall take cognizance of any offence punishable under this Act except on a report in writing of the facts constituting such offence made by a person who is a public servant as defined in section 21 of the Indian Penal Code (Act LXV of 1860).

28. Burden of proof in certain cases.—Where any person is prosecuted for contravening any order made under section 18G which prohibits him from doing an act or being in possession of a thing without lawful authority or without a permit, licence or other document, the burden of proving that he has such authority, permit, licence or other document shall be on him.

29. Jurisdiction of courts.—(1) Subject to the provisions of sub-section (2), no court inferior to that of a presidency magistrate or a magistrate of the first class shall try any offence punishable under this Act.

(2) Any magistrate or bench of magistrates empowered, for the time being, to try in a summary way the offences specified in sub-section (1) of section 260 of the Code of Criminal Procedure, 1898 (V of 1898), may, on application in this behalf being made by the prosecution, try, in accordance with the provisions contained in sections 262 to 265 of the said Code any offence which consists of a contravention of an order made under section 18G.

29A. Special provision regarding fines.—Notwithstanding anything contained in section 32 of the Code of Criminal Procedure, 1898 (V of 1898), it shall be lawful for any magistrate of the first class and for any presidency magistrate to pass a sentence of fine exceeding one thousand rupees on any person convicted of any offence under this Act.

29B. Power to exempt in special cases.—If the Central Government is of opinion, having regard to the smallness of the number of workers employed or to the amount invested in any industrial undertaking or to the desirability of encouraging small undertakings generally or to the stage of development of any scheduled

industry, that it would not be in public interest to apply all or any of the provisions of this Act thereto, it may, by notification in the Official Gazette, exempt, subject to such conditions as it may think fit to impose, any industrial undertaking or class of industrial undertakings or any scheduled industry or class of scheduled industries as it may specify in the notification from the operation of all or any of the provisions of this Act or of any rule or order made thereunder.

29C. Protection of action taken under the Act.—(1) 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 or any rule or order made thereunder.

(2) No suit or other legal proceeding shall lie against the Government 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 or any rule or order made thereunder."

18. Amendment of section 30, Act LXV of 1951.—In section 30 of the principal Act, in sub-section (2), in clause (i) for the words and figures 'section 11 or section 13', the words, letter and figures 'section 11, section 11A or section 13' shall be substituted.

19. Amendment of First Schedule, Act LXV of 1951.—In the First Schedule to the principal Act,—

(a) (i) for item (5), the following items shall be substituted, namely:—

“(5) Mathematical, surveying, and drawing instruments;
(5A) Scientific instruments.”;

(ii) for item (10), the following item shall be substituted, namely:—

“(10) textiles—

(a) made wholly or in part of cotton, including cotton yarn, hosiery and rope,

(b) made wholly or in part of jute, including jute yarn, twine and rope.

(c) made of wool, including woollen yarn, hosiery, carpets and druggets,

(d) made of silk,

(e) made of artificial silk, including artificial silk yarn,

(f) made wholly or in part of staple fibre.”;

(iii) for item (11), the following items shall be substituted, namely:—

“(11) Automobiles.

(11A) Tractors.”;

(iv) for item (13), the following items shall be substituted, namely:—

“(13) Electric lamps.

(13A) Electric fans.”;

(v) for items (16) and (17), the following items shall be substituted, namely:—

“(16) Machinery used in industries including boilers and steam generating equipment.

(16A) Ball, roller and tapered bearings.

(17) Locomotives.

(17A) Rolling stock.”;

(vi) to item (20), the following words shall be added at the end, namely:—

“and semi-manufactures thereof”;

(vii) in item (21), for the words ‘and paper board’, the words ‘paper board and straw board’ shall be substituted;

(viii) for items (25), (26) and (27), the following items shall be substituted, namely:—

“(25) Leather, leather goods and pickers.

(26) Glue and gelatine;

(27) Vanaspati;

(27A) Vegetable oils.”;

(ix) in item (30), the words ‘and parts thereof’ shall be omitted;

(x) for items (35) and (36), the following items shall be substituted, namely:—

“(35) Sewing machines.

(35A) Knitting machines.

(36) Small tools.

(36A) Hand tools.”;

(xi) after item (37), the following items shall be inserted, namely:—

“(38) Dye-stuffs.

(39) Soap.

(40) Other toilet requisites.

(41) Plywood.

(42) Ferro-manganese.”;

(b) the following "*Explanations*" shall be added at the end namely:—

Explanation 1.—In item (4), 'Iron and steel' shall include any manufactured product of iron and steel.

Explanation 2.—In items (1), (7), (9), (11), (11A), (13) (13A), (17), (17A), (29), (30), (32), (33), (34), (35), (35A) (36) and (36A), the articles specified therein shall include each of their component parts and accessories also."

The following Act of Parliament received the assent of the President on the 28th May, 1953 and is hereby published for general information:—

THE AIR CORPORATIONS ACT, 1953

No. 27 OF 1953

[28th May, 1953]

An Act to provide for the establishment of Air Corporations, to facilitate the acquisition by the Air Corporations of undertakings belonging to certain existing air companies and generally to made further and better provisions for the operation of air transport services.

BE it enacted by Parliament as follows:—

CHAPTER I

PRELIMINARY

1. Short title and commencement.—(1) This Act may be called the Air Corporations Act, 1953.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

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

(i) "aircraft" means any machine which can derive support in the atmosphere from reactions of the air and includes balloons, whether fixed or free, airships, kites, gliders and flying machines;

(ii) "air transport service" means a service for the transport by air of persons, mails or any other thing, animate or inanimate, for any kind of remuneration whatsoever, whether such service consists of a single flight or a series of flights;

(iii) "associate" in relation to either of the corporations means any subsidiary of the corporation or any person with whom the corporation has made an agreement in accordance with clause (h) of sub-section (2) of section 7;

(iv) "Corporations" means "Indian Airlines" and "Air-India international" established under section 3, and "Corporation" means either of the Corporations;

(v) the expression "existing air companies" means the Air India Ltd., the Air Services of India Ltd., the Airways (India) Ltd., the Bharat Airways Ltd., the Deccan Airways Ltd., the Himalayan Aviation Ltd., the Indian National Airways Ltd., the Kalinga Airlines and the Air India International Ltd., and "existing air company" means any of the existing air companies;

(vi) "prescribed" means prescribed by rules made under this Act;

(vii) "regulations" means regulations made by either of the corporations under section 45;

(viii) "Scheduled air transport service" means an air transport service undertaken between the same two or more places and operated according to a published time table or with flights so regular or frequent that they constitute a recognisably systematic series, each flight being open to use by members of the public;

(ix) "Tribunal" means the Tribunal constituted under section 25

CHAPTER II

CONSTITUTION AND FUNCTIONS OF THE CORPORATIONS

3. Incorporation of the Corporations.—(1) With effect from such date as the Central Government may, by notification in the Official Gazette, appoint, there shall be established two Corporations to be known as "Indian Airlines" and "Air-India International".

(2) Each of the Corporations aforesaid shall be a body corporate having perpetual succession and a common seal with power, subject to the provisions of this Act, to acquire and hold property, and may by its name sue and be sued.

4. Constitution of the Corporations.—(1) Each of the Corporations shall consist of not less than five but not more than nine members appointed by the Central Government and one of the members shall be appointed by the Central Government to be the Chairman of the Corporation:

Provided that—

(a) the same person may be appointed to be the Chairman of both the Corporations or Chairman of one and member of the other;

(b) the same persons may be appointed to be members of both the Corporations.

(2) Before appointing a person to be a member of either of the Corporations, the Central Government shall satisfy itself that that person will have no such financial or other interest as is likely to affect prejudicially the exercise or performance by him of his functions as a member of the Corporation and the Central Government shall also satisfy itself from time to time with respect to every member of the Corporation that he has no such interest; and any person who is, or whom the Central Government proposes to appoint and who has consented to be a member of the Corporation shall, whenever required by the Central Government so to do, furnish to it such information as the Central Government considers necessary for the performance of its duties under this sub-section.

(3) A member of either of the Corporations who is in any way directly or indirectly interested in a contract made or proposed to be made by the Corporation, or in any contract made or proposed to be made by an

associate of the Corporation which is brought up for consideration by the Corporation, shall, as soon as possible after the relevant circumstances have come to his knowledge, disclose the nature of his interest at a meeting of the Corporation; and the disclosure shall be recorded in the minutes of the Corporation, and the member shall not take any part after the disclosure in any deliberation or decision of the Corporation with respect to that contract.

(4) During the temporary absence of the Chairman of either of the Corporations, the Central Government may appoint another person, whether a member of the Corporation or not, to act as the Chairman.

(5) Save as otherwise provided in this section, nothing contained in this Act shall be deemed to disqualify the General Manager of either of the Corporations from being appointed to be a member thereof.

5. Conditions of service of members.—(1) The Chairman and other members of each of the Corporations shall ordinarily be entitled to hold office for the period specified in the order of appointment, unless the appointment is terminated earlier by the Central Government;

Provided that any member may at any time by notice in writing addressed to the Central Government resign his office.

(2) Subject to the previous approval of the Central Government, each of the Corporations shall pay to every member thereof in respect of his office as such, such remuneration by way of allowances, fees or otherwise as may be determined by the Corporation, and to the Chairman in respect of his office as such, such remuneration, whether in addition to the remuneration to which he may be entitled in respect of his office as a member or otherwise, as it may similarly determine.

6. Vacancy in Corporation not to invalidate proceedings.—No act or proceeding of either of the Corporations shall be deemed to be invalid by reason merely of any vacancy in, or any defect in the constitution of, the Corporation.

7. Functions of the Corporations.—(1) Subject to the rules, if any, made by the Central Government in this behalf, it shall be the function of each of the Corporations to provide safe, efficient, adequate, economical and properly co-ordinated air transport services, whether internal or international or both, and the Corporations shall so exercise their powers as to secure that the air transport services are developed to the best advantage and, in particular, so exercise those powers as to secure that the services are provided at reasonable charges.

(2) Without prejudice to the generality of the powers conferred by subsection (1), each of the Corporations shall, in particular, have power—

(a) to operate any air transport service, or any flight by aircraft for a commercial or other purpose, and to carry out all forms of aerial work;

(b) to provide for the instruction and training in matters connected with aircraft or flight by aircraft of persons employed, or desirous of being employed, either by the Corporation or by any other person;

(c) with the previous approval of the Central Government, to promote any organization outside India for the purpose of engaging in any activity of a kind which the Corporation has power to carry on;

(d) to acquire, hold or dispose of any property, whether movable or immovable, or any air transport undertaking;

(e) to repair, overhaul, reconstruct, assemble or recondition aircraft, vehicles or other machines and parts, accessories and instruments thereof or therefor and also to manufacture such parts, accessories and instruments, whether the aircraft, vehicles or other machines are owned by the Corporation or by any other person;

(f) to enter into and perform all such contracts as are calculated to further the efficient performance of its duties and the exercise of its powers under this Act;

(g) to perform any functions as agent or contractor in relation to an air transport service operated by any other person;

(h) with the previous approval of the Central Government, to enter into agreements with any person engaged in air transportation with a view to enabling such person to provide air transport services on behalf of or in association with the Corporation;

(i) with the previous approval of the Central Government, to determine and levy fares and freight rates and other charges for or in respect of the carriage of passengers and goods on air transport services operated by it;

(j) to take such steps as are calculated to extend the air transport services provided by the Corporation, whether within or without India, including the development of feeder services and the improvement of the types of aircraft used in air transport services;

(k) to take such steps as are calculated to promote the interests of the Corporation or to improve the services the Corporation may provide, including provision of catering, rest-rooms, goods-sheds, warehouses and transport by land or water in connection with any air transport service or any other amenity or facility;

(l) to take all such steps as may be necessary or convenient for, or may be incidental to, the exercise of any power, or the discharge of any function or duty conferred or imposed on it by this Act.

(3) Nothing contained in this section shall be construed as—

(a) authorising the disregard by the Corporation of any law for the time being in force, or

(b) authorising any person to institute any proceeding in respect of a duty or liability to which either of the Corporations or its employees would not otherwise be subject.

8. Appointment of officers and other employees of the Corporations.—(1) For the purpose of enabling it efficiently to discharge its functions under this Act, each of the Corporations shall appoint a General Manager and, subject to such rules as may be prescribed in this behalf, may also appoint such number of other officers and employees as it may think necessary:

Provided that the appointment of the General Manager and such other categories of officers as may be specified after consultation with the Chairman in such rules shall be subject to the approval of the Central Government.

(2) Subject to the provisions of section 20, every person employed by each of the Corporations shall be subject to such conditions of service and shall be entitled to such remuneration and privileges as may be determined by regulations made by the Corporation by which he is employed.

(3) Neither the General Manager nor such other employee of either of the Corporations as may be specified in this behalf by the Central Government shall, during his service in the Corporation, be employed in any capacity whatsoever or directly or indirectly have any interest in any air transport undertaking other than an undertaking of either of the Corporations, or in any other undertaking which is interested in any contract with either of the Corporations.

9. Corporations to act on business principles.—In carrying out any of the duties vested in it by this Act, each of the Corporations shall act so far as may be on business principles.

CHAPTER III

FINANCE, ACCOUNTS AND AUDIT

10. Capital of the Corporations.—(1) All non-recurring expenditure incurred by the Central Government for, or in connection with, each of the Corporations up to the date of establishment of that Corporation and declared to be capital expenditure by that Government, shall be treated as capital provided by the Central Government to that Corporation.

(2) The Central Government may provide any further capital that may be required by either of the Corporations for the carrying on of the business of the Corporation or for any purpose connected therewith on such terms and conditions as the Central Government may determine.

(3) Each of the Corporations may, with the consent of the Central Government, or in accordance with the terms of any general authority given to it by the Central Government—

(a) borrow money for all or any of the purposes of the Corporation, and

(b) secure the payment of any money borrowed by it or any interest thereon by the issue of bonds, debentures, debenture-stock or any mortgage or charge or other security on the undertaking of the Corporation or any part of it or on any of its properties.

11. Vesting of properties in the Corporations.—All properties, assets and funds owned or acquired by the Central Government for the purpose of Indian Airlines or, as the case may be, Air India International before the establishment of those Corporations shall, on such establishment, vest in the Corporation concerned.

12. Funds of the Corporations.—(1) Each of the Corporations shall have its own funds and all receipts of the Corporation shall be carried thereto and all payments for the Corporation shall be made therefrom.

(2) Each of the Corporations may keep in current account with any scheduled bank as defined in section 2 of the Reserve Bank of India Act, 1934 (II of 1934) or in any other bank approved by the Central Government in this behalf a sum of money not exceeding such amount as may be prescribed, but any moneys in excess of the said sum shall be deposited in the Reserve Bank of India or with the agents of the Reserve Bank of India or invested in such manner as may be approved by the Central Government.

13. Powers of the Corporations in regard to expenditure.—Each of the Corporations shall have power, subject to the provisions of this Act, to spend such sums as it thinks fit on objects or for purposes authorised by this Act and such sum shall be treated as expenditure out of the funds of that Corporation.

14. Corporation to assume obligations of Central Government in respect of certain matters.—All obligations incurred, all contracts entered into and all matters and things engaged to be done by, with, or for the Central Government for any of the purposes of this Act before the establishment of either of the Corporations shall be deemed to have been incurred, entered into or engaged to be done by, with or for Indian Airlines or, as the case may be, Air India International according as the obligations, contracts, matters and things relate to the purposes of the former Corporation or the latter.

15. Accounts and audit.—(1) The Corporations shall maintain proper accounts and other relevant records and prepare an annual statement of accounts, including the profit and loss account and the balance sheet in such form as may be prescribed by the Central Government in consultation with the Comptroller and Auditor General of India.

(2) The accounts of the Corporations 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 Corporations 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 Corporations 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 Corporations.

(4) The accounts of the Corporations 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 both Houses of Parliament.

CHAPTER IV

ACQUISITION OF UNDERTAKINGS OF EXISTING AIR COMPANIES

16. Undertakings of existing air companies to vest in the Corporation.—On such date as the Central Government may, by notification in the

Official Gazette, appoint (hereinafter referred to as "the appointed date"), there shall be transferred to and vest in—

(a) Indian Airlines, the undertakings of all the existing air companies (other than Air India International Ltd.), and

(b) Air India International, the undertaking of the Air India International Ltd.

17. General effect of vesting of undertakings in the Corporations.—

(1) The undertaking of each of the existing air companies which is transferred to and which vests in either of the Corporations under section 16 shall, subject to the provisions of section 22, be deemed to include all assets, rights, powers, authorities and privileges and all property, movable and immovable, including lands, works, workshops, aircraft, cash balances, reserve funds, investments and book debts and all other rights and interests arising out of such property as were immediately before the appointed date in the ownership, possession or power of the existing air company in relation to the undertaking, whether within or without India, and all books of account and documents relating thereto, and, subject to the provisions contained in section 22, shall also be deemed to include all borrowings, liabilities and obligations of whatever kind then subsisting of the existing air company in relation to the undertaking.

(2) Any lands, works, aircraft, assets or other property vesting in the Corporation under sub-section (1) shall by force of such vesting be freed and discharged from all trusts, obligations, mortgages, charges, liens and other encumbrances affecting it, and any attachment, injunction or any other order of a court restricting the use of such property in any manner shall be deemed to have been withdrawn.

(3) Subject to the other provisions contained in this Act, all contracts and working arrangements which are subsisting immediately before the appointed date and affecting any of the existing air companies shall, in so far as they relate to the undertaking of that company, cease to have effect or be enforceable against that company or any person who was surety or had guaranteed the performance thereof, and shall be of as full force and effect against or in favour of the Corporation in which the undertaking has vested by virtue of this Act and enforceable as fully and effectually as if, instead of the company, the Corporation had been named therein or had been a party thereto.

(4) Subject to the other provisions contained in this Act, any proceeding or cause of action pending or existing immediately before the appointed date by or against any of the existing air companies in relation to its undertaking may as from that date be continued and enforced by or against the Corporation in which it has vested by virtue of this Act as it might have been enforced by or against that company if this Act had not been passed, and shall cease to be enforceable by or against that company, its surety or guarantor.

18. Reservation of scheduled air transport services to the Corporations.—(1) After the appointed date, it shall not be lawful for any person other than the Corporations or their associates to operate any scheduled air transport service from, to, in or across India:

Provided that nothing in this section shall restrict the right of any person,—

(a) for the purpose of any air transport undertaking of which the principal place of business is in any country outside India, to operate an air transport service in accordance with the terms of any agreement for the time being in force between the Government of India and the Government of that country; or

(b) to carry passengers for the sole purpose of instructing them in flying or on duties of aircrews; or

(c) to carry passengers or goods for the sole purpose of providing an air ambulance service or a rescue or relief service during any natural calamity; or

(d) to carry passengers or goods for the sole purpose of providing joy rides consisting of flights operated from and to the same aerodrome or place without any intermediate landing or for the purpose of aerial survey, fire fighting, crop-dusting, locust control or any other aerial work of a similar nature.

(2) Any person who operates a scheduled air transport service in contravention of the provisions of this section shall be liable in respect of each offence to a fine which may extend to one thousand rupees, or to imprisonment which may extend to three months, or to both.

Explanation.—The operation of each flight shall constitute a separate offence for the purposes of this section.

19. Licences to cease to be valid.—With effect from the appointed date, all licences granted under the Indian Aircraft Act, 1934 (XXII of 1934) or under the rules made thereunder for the operation of scheduled air transport services shall cease to be valid.

20. Provisions respecting officers and employees of existing air companies.—(1) Every officer or other employee of an existing air company (except a director, managing agent, manager or any other person entitled to manage the whole or a substantial part of the business and affairs of the company under a special agreement) employed by that company prior to the first day of July, 1952, and still in its employment immediately before the appointed date shall, in so far as such officer or other employee is employed in connection with the undertaking which has vested in either of the Corporations by virtue of this Act, become as from the appointed date an officer or other employee, as the case may be, of the Corporation in which the undertaking has vested 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 and gratuity and other matters as he would have held the same under the existing air company if its undertaking had not vested in the Corporation and shall continue to do so unless and until his employment in the Corporation is terminated or until his remuneration, terms or conditions are duly altered by the Corporation:

Provided that nothing contained in this section shall apply to any officer or other employee who has, by notice in writing given to the Corporation concerned prior to such date as may be fixed by the Central Government by notification in the Official Gazette, intimated his intention of not becoming an officer or other employee of the Corporation.

(2) Notwithstanding anything contained in sub-section (1), the Central Government may direct either of the Corporations in which the undertaking of any existing air company has vested to take into its employment any officer or other employee who was employed by the existing air company prior to the first day of July, 1952, and who has been discharged from service in that company on or after the said date for reasons which, in the opinion of the Central Government, appear to be inadequate for the purpose, and where the Central Government issues any such direction, the provisions of sub-section (1) shall apply to such officer or other employee as they apply to any officer or other employee referred to therein.

(3) As from the appointed date the trustees of the provident funds and pension funds or pension schemes of each of the existing air companies shall transfer to the Corporation concerned the balances lying to the credit of each of the employees whose services have been transferred to that Corporation by virtue of this Act and also all other balances of the funds or schemes as shall remain after satisfying all demands and liabilities, and thereupon the trustees shall be discharged of the trusts by virtue of this Act.

(4) Notwithstanding anything contained in this Act or in the Indian Companies Act, 1913 (VII of 1913) or in any other law for the time being in force or in any agreement entered into by an existing air company or in the articles of association of any such company, no director, managing agent, manager or any other person entitled to manage the whole or a substantial part of the business and affairs of the company shall be entitled to any compensation against any existing air company or against either of the Corporations for the loss of office or for the premature termination of any contract of management entered into by him with any existing air company and where any existing air company has, after the first day of July, 1952, and before the commencement of this Act, paid to any such person as is referred to in this sub-section any sum by way of compensation to which the person receiving such compensation would not have been entitled if this sub-section were in force at the time of such payment, the existing air company shall be entitled to claim refund of any sum so paid.

21. Duty to deliver up possession of property acquired and documents relating thereto.—(1) Where any property has vested in either of the Corporations under section 16, every person in whose possession or custody or under whose control the property may be, shall deliver up the property to the Corporation concerned forthwith.

(2) Any person who on the appointed date has in his possession or under his control any books, documents or papers relating to any undertaking which has vested in either of the Corporations under this Act and which belong to an existing air company or would have so belonged if its undertaking had not so vested shall be liable to account for the said books, documents and papers to the Corporation in which the undertaking has vested and shall deliver them up to the Corporation or to such person as the Corporation may direct:

Provided that the Corporation shall produce for inspection by such companies or their authorized representatives the books of account and documents as relate to the affairs of the company for any period prior to the appointed date.

(3) Without prejudice to the other provisions contained in this section, it shall be lawful for the Corporation and the Central Government to take all necessary steps for securing possession of all properties which have vested in the Corporation under section 18.

22. Duty of existing air companies to supply particulars.—(1) Where the undertaking of an existing air company vests in either of the Corporations under this Act, the existing air company shall, within thirty days from the appointed date or within such further time as the Corporation concerned may allow in any case, supply to the Corporation particulars of book debts and investments belonging to and all liabilities and obligations of the company subsisting immediately before the appointed date, and also of all agreements entered into by the existing air company and in force on the appointed date, including agreements, whether express or implied, relating to leave, pension, gratuity and other terms of service of any officer or other employee of the existing air company, under which by virtue of this Act the Corporations have or will or may have liabilities except such agreements as the Corporation may exclude either generally or in any particular case from the operation of this sub-section.

(2) If any existing air company fails to supply to the Corporation concerned particulars of such book debts, liabilities and agreements within the time allowed to it for the purpose under sub-section (1), nothing contained in this Act shall have effect so as to transfer any such book debts, liabilities and agreements to or to vest the same in the Corporation.

(3) Either Corporation may by notice in writing within a period of ninety days after submission of the particulars referred to in sub-section (1) intimate to the existing air company submitting the particulars that such of the book debts and investments as are specified in the notice are not included in the properties vesting in the Corporation whereupon the compensation provided by section 25 of this Act and the Schedule thereto shall be reduced by the amount of such excluded book debts and investments but the right of such existing air company to recover and retain such excluded book debts shall remain unaffected by this Act.

23. Right of Corporations to disclaim certain agreements.—(1) Where it appears to either of the Corporations that the making of any such agreements as is referred to in section 22 under which the Corporation has or will have or may have liabilities was not reasonably necessary for the purposes of the activities of the existing air company or has not been entered into in good faith, the Corporation may, within six months from the appointed date, apply to the Tribunal for relief from such agreement, and the Tribunal, if satisfied after making such inquiry into the matter as it thinks fit that the agreement was not reasonably necessary for the purposes of the activities of the existing air company or has not been entered into in good faith, may make an order cancelling or varying the agreement on such terms as it may think fit to impose and the agreement shall thereupon have effect accordingly.

(2) All the parties to the agreement which is sought to be cancelled or varied under this section shall be made parties to the proceeding.

24. Transactions resulting in dissipation of assets.—(1) This section shall apply where any existing air company has, after the first day of July, 1952, and before the appointed date,—

(a) made any payment to any person without consideration or for an inadequate consideration;

(b) sold or disposed of any of its properties or rights without consideration or for an inadequate consideration;

(c) acquired any property or rights for an excessive consideration;

(d) entered into or varied any agreement so as to require an excessive consideration to be paid or given by the company;

(e) entered into any other transaction of such an onerous nature as to cause a loss to or impose a liability on the company exceeding any benefit accruing to the company; or

(f) sold or otherwise transferred any aircraft, equipment, machinery or other property of book value exceeding rupees ten thousand;

and the payment, sale, disposal, acquisition, agreement or variation thereof, or other transaction or transfer, was not reasonably necessary for the purposes of the company or was made with an unreasonable lack of prudence on the part of the company, regard being had in either case to the circumstances at the time.

(2) Either of the Corporations may, in the case of any such existing air company as is referred to in sub-section (1) the undertaking of which has vested in the Corporation under this Act, at any time within six months from the appointed date, apply for relief to the Tribunal in respect of any transaction to which in the opinion of the Corporation this section applies, and all parties to the transaction shall, unless the Tribunal otherwise directs, be made parties to the application.

(3) Where the Tribunal is satisfied that a transaction in respect of which an application is made is a transaction to which this section applies, then, unless the Tribunal is also satisfied that the transaction was a proper transaction made in the ordinary course of business regard being had to the circumstances at the time and was not in any way connected with any provision made by this Act or with any anticipation of the making of any such provision, the Tribunal shall make such order against any of the parties to the application as the Tribunal thinks just having regard to the extent to which those parties were respectively responsible for the transaction or benefited from it and all the circumstances of the case.

(4) Where an application is made to the Tribunal under this section in respect of any transaction and the application is determined in favour of the Corporation, the Tribunal shall have exclusive jurisdiction to determine any claims outstanding in respect of the transaction.

25. Compensation to be given for compulsory acquisition of undertaking.—(1) Where the undertaking of any of the existing air companies has vested in either of the Corporations under this Act, compensation shall be given by the Corporation to that company in the manner specified in section 27 and the amount of such compensation shall be determined in accordance with the principles specified in the Schedule to this Act.

(2) Notwithstanding that separate valuations are calculated under the principles specified in the Schedule in respect of the several matters referred to therein, the amount of compensation to be given shall be deemed to be a single compensation to be given for the undertaking as a whole.

(3) The amount of the compensation to be given in accordance with the aforesaid principles shall be determined by the Corporation and if the amount so determined is approved by the Central Government, it shall be offered to the existing air company in full satisfaction of the compensation payable under this Act, and if the amount so offered is not acceptable to the existing air company, it may within such time as may be prescribed for the purpose have the matter referred to a Tribunal constituted for this purpose by the Central Government for decision.

26. Constitution of special Tribunal to determine compensation.—(1) The Tribunal to be constituted under section 25 shall consist of three members appointed by the Central Government, one of whom shall be a person who is or has been a Judge of a High Court or has been a Judge of the Supreme Court.

(2) The Tribunal may for the purpose of deciding any matter under this Act choose one or more persons possessing special knowledge of any matter relating to the case under inquiry to assist it in determining any compensation which is to be given under this Act.

(3) The Tribunal shall have the powers of a civil court while trying a suit under the Code of Civil Procedure, 1908 (Act V of 1908) in respect of the following matters:—

- (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;
- (d) issuing commissions for the examination of witnesses or documents.

(4) The Tribunal shall by a majority of its number regulate its own procedure and decide any matter within its competence and may review its decision in the event of there being a mistake on the face of the record or correct any arithmetical or clerical error therein but subject thereto the decision of the Tribunal on any matter within its jurisdiction shall be final and shall not be called in question in any court.

27. Mode of giving compensation.—(1) When the amount of compensation to be given under this Act to an existing air company has been determined under section 25, the Corporation shall give to the company one or more bonds of the face value of the amount of compensation so determined less such portion thereof as is payable in cash under this section.

(2) Out of the compensation to be given to each of the existing air companies under this Act, there shall be paid in cash—

(a) ten per cent. of the amount of compensation payable to each of such companies (which percentage shall be uniformly applicable to all existing air companies); or

(b) the amount borrowed by any such company from any bank and outstanding on the 31st day of December, 1952, or on the appointed date, whichever amount is less; or

(c) an amount equal to the cash of any such company, including cash in deposit with a bank, which has vested in the Corporation under this Act;

whichever of the amount specified in clauses (a), (b) and (c) is the greatest.

(3) The bonds aforesaid shall be issued by the Corporation with the previous approval of the Central Government and shall be negotiable and shall be redeemed at their face value by the Corporation concerned on the demand of the holder within one hundred and eighty days after the expiry of five years from the date of their issue and the redemption of the bonds and payment of all interest thereon shall be guaranteed by the Central Government.

(4) If within the expiry of the said period of one hundred and eighty days, the holder of any bond fails to require payment of its face value from the Corporation concerned, the bond shall cease to be redeemable at the option of the holder:

Provided that in any case the Corporation may by notice require the holder of the bond to accept its face value in cash at any time whether before or after the expiry of the period of five years aforementioned.

(5) The holder of the bond shall be entitled to receive from the Corporation interest on the bond at three-and-a-half *per cent.* per annum at such intervals as may be prescribed, with effect from the appointed date and until the bond is duly redeemed.

(6) Bonds issued under this section shall, for the purpose of redemption and of computing interest, be deemed to have been issued on the appointed date.

(7) Any bond issued under the provisions of this section shall be deemed to be a security in which a trustee may invest trust monies within the meaning of section 20 of the Indian Trusts Act, 1882 (II of 1882).

28. Winding up of existing company whose undertaking has been acquired.—(1) The Central Government may, on the application of any existing air company or on the application of a majority in number representing three-fourths in value of its members holding ordinary shares, by order in writing, authorise the existing air company the undertaking of which has vested in either of the Corporations, to be wound up voluntarily in accordance with the provisions of the Indian Companies Act, 1913 (VII of 1913) relating to voluntary winding up:

Provided that—

(a) the winding up of the company shall commence on the day on which the Central Government authorises the winding up without the passing by the company of any special or other resolution for winding up; and

(b) the directors of the existing company shall not be under an obligation to make any such statutory declaration as is required by section 207 of the Indian Companies Act, 1913 (VII of 1913); and

(c) the winding up of the company shall be continued by the directors of the existing company in office at the time the Central Government authorises its winding up and they shall be deemed to be joint liquidators for the purpose of the said winding up with power to act by a majority of their number.

(2) For the purposes of winding up the affairs of any existing air company or for any other purpose necessary for enabling it to give effect to the provisions of this Act, the Central Government may, notwithstanding anything contained in this Act, permit the existing air company to occupy, keep in its custody or utilise, as the case may be, for such period as it may allow any office, books, accounts and other documents and the services of any officers or other employees, which have been transferred to either of the Corporations under this Act, on such terms and conditions as may be agreed between the Corporation in which the undertaking has vested and the existing air company, or failing agreement, as may be determined by the Central Government.

29. Authorisation under section 28 may contain certain directions.—Any authorisation granted under section 28 may include a direction requiring an existing air company the voluntary winding up of which has been authorised under that section to distribute its net assets among the various classes of members of the company in such proportion as the Central Government may, having regard to the amount subscribed by each class of such members or having regard to the circumstances relating to the issue of the shares to the various classes of members, specify in the direction, and any such direction shall have effect notwithstanding anything contained in the Indian Companies Act, 1913 (VII of 1913) or in the articles of association or resolution of the company or in any agreement, and every such company shall be bound to comply with any such direction.

CHAPTER V

AIR TRANSPORT COUNCIL

30. Constitution of Air Transport Council.—As soon as may be after the commencement of this Act, the Central Government may cause to be constituted an Air Transport Council consisting of a Chairman and such other number of members not exceeding eleven as the Central Government may appoint thereto:

Provided that amongst the members to be so appointed there shall at least be one person with experience in financial matters and one person who is an employee of either of the Corporations with experience in labour matters.

31. Functions of the Air Transport Council.—(1) It shall be the duty of the Air Transport Council to consider—

(a) at the request of either of the Corporations any matter of the kind referred to in section 38; and

(b) any matter of importance which may be referred to it by the Director General of Civil Aviation or the Director General of Posts and Telegraphs relating to matters of common interest, between either of the Corporations and the Director General of Civil Aviation, or as the case may be, the Director General of Posts and Telegraphs, including rates for the carriage of postal articles by air, and to make recommendations thereon to the Central Government.

(2) At the request of the Central Government, the Air Transport Council shall investigate any matter relating to the fares, freight rates or other

charges levied by either Corporation in respect of any service or facility provided by the Corporation and of the adequacy or efficiency of such service or facility and shall make recommendations thereon to the Central Government.

(3) The Council shall, if so required by the Central Government, tender advice to that Government in regard to financial and economic analysis, accounting, costing and statistical techniques and financial reporting relating to air transport and, in particular, advise in regard to the matters specified in the proviso to sub-section (2) of section 34.

(4) The Central Government, after taking any recommendation made by the Air Transport Council under this section into consideration, may issue such directions in the matter as it thinks fit and such directions shall be binding on the Corporation concerned.

32. Staff of the Council.—The Council shall have a Secretary and such other employees as the Central Government may appoint, and the expenditure on the staff and other charges of the Council shall be borne by the Central Government.

33. Proceedings of the Council.—(1) The Council shall regulate its own procedure.

(2) No proceeding of the Council shall be deemed to be invalid by reason merely of any vacancy in, or any defect in the constitution of, the Council.

CHAPTER VI

CONTROL OF CENTRAL GOVERNMENT

34. Power of Central Government to give directions.—(1) The Central Government may give to either of the Corporations directions as to the exercise and performance by the Corporation of its functions, and the Corporation shall be bound to give effect to any such directions.

(2) The Central Government may, if it is of opinion that it is expedient in the national interest so to do, after consultation with the Corporation concerned, direct either of the Corporations—

(a) to undertake any air transport service or other activity which the Corporation has power to undertake;

(b) to discontinue or make any change in any scheduled air transport service or other activity which it is operating or carrying on;

(c) not to undertake any activity which it proposes to do:

Provided that, if, at the direction of the Central Government, the Corporation establishes, alters or continues to maintain an air transport service or other activity and satisfies the Central Government that during the relevant financial year the Corporation has suffered an over-all loss in respect of the operation of all its air transport services and of all its other activities and also that the service or activity so established, altered or continued to be maintained in compliance with the directions of the Central Government as aforesaid has been operated at a loss in any financial year, then the Central Government shall reimburse the Corporation to the extent of the loss attributable to the operation of that particular service or activity.

35. Prior approval of Central Government necessary in certain cases.—Neither Corporation shall, without the previous approval of the Central Government—

(a) undertake any capital expenditure for the purchase or acquisition of any immovable property or aircraft or any other thing at a cost exceeding rupees fifteen lakhs;

(b) enter into a lease of any immovable property for a period exceeding five years; or

(c) in any manner dispose of any property, right or privilege having an original or book value exceeding rupees ten lakhs.

36. Submission of programme of work for each year.—(1) Each of the Corporations shall prepare and submit to the Central Government, not less than three months before the commencement of the financial year of the Corporation a statement showing the programme of operation and development of air transport services to be operated by the Corporation and its associates during the forthcoming financial year and its other activities as well as its financial estimates in respect thereof, including any proposed investment of capital and increase in the strength of its total staff.

(2) If, during any financial year, either of the Corporations engages or proposes to engage in any air transport service or ancillary activity in addition to those specified in the programme previously submitted under sub-section (1) and a substantial alteration of the financial estimates is likely to be involved thereby, the Corporation shall submit to the Central Government for approval a supplementary programme of such service or activity and a supplementary estimate of the expenditure and revenue to be incurred and received by the Corporation in respect thereof during the remainder of that period:

Provided that, to meet any unexpected traffic demand or other special situation, either of the Corporations may undertake any additional service or other ancillary activity not specified in the programme submitted under sub-section (1) or sub-section (2) and subsequently submit a report on the matter to the Central Government in the prescribed manner.

37. Submission of Annual Reports to Parliament.—(1) Each of the Corporations shall, as soon as may be after the end of each financial year, prepare and submit to the Central Government in such form as may be prescribed a report giving an account of its activities during the previous financial year, and the report shall also give an account of the activities, if any, which are likely to be undertaken by the Corporation during the next financial year.

(2) The Central Government shall cause every such report to be laid before both Houses of Parliament as soon as may be after it is submitted.

CHAPTER VII

MISCELLANEOUS

38. Corporations to act in mutual consultation.—It shall be the duty of each of the Corporations to enter into consultations with the other in matters of common interest to the two Corporations including, in particular, the operation of scheduled air transport services, the routes on which such services should be operated by each of the Corporations, the frequency of such

services, the passenger fares and freight rates to be charged, the measures of economy to be adopted, the provision of any services in regard to overhaul and maintenance of aircraft or any other matter falling within the scope of the functions of either of the Corporations, and, generally, in regard to ensuring the fullest co-operation and co-ordination in respect of all such matters.

39. Transfer of scheduled air transport services or assets from one Corporation to the other.—The Central Government may, for the purpose of improving the air transport services provided by either of the Corporations or for effecting better co-ordination in respect of such services, direct that with effect from such date as may be specified in the direction and subject to such conditions as may be similarly specified,—

(a) any scheduled air transport service operated by one Corporation shall no longer be operated by that Corporation but shall be operated by the other Corporation, and

(b) any property belonging to one Corporation shall be transferred to the other Corporation.

40. Corporations may delegate their powers.—(1) Each of the Corporations may appoint a Committee or Committees consisting of some or any of its members with or without the addition of any officer or employee of the Corporation and delegate any of the functions and powers of the Corporation to such Committee or Committees and may limit the exercise of such delegated authority to any specified area.

(2) Either of the Corporations may, in relation to any particular matter or class of matters or to any particular area, by general or special order, direct that any of its officers or other employees may also exercise all or any of its powers under this Act (except the powers given to it by this section) to the extent to which the Corporation deems it necessary for the efficient running of its day to day administration.

41. Advisory and Labour Relations Committees.—(1) The Central Government, in consultation with the Corporation concerned, may appoint an Advisory Committee consisting of such number of persons as it may think fit for the purpose of advising the Corporation in respect of such matters as may be referred to it by the Corporation or as may be prescribed.

(2) Each of the Corporations shall constitute in the prescribed manner a Labour Relations Committee consisting of representatives of the Corporation and of its employees, so however, that the number of representatives of the employees on the Committee shall not be less than the number of representatives of the Corporation, and it shall be the duty of the Labour Relations Committee to advise the Corporation on matters which relate to the welfare of the employees or which are likely to promote and secure amity and good relations between the two.

42. Meetings of the Corporation.—(1) Meetings of the Corporation shall be held at such times and places and, subject to sub-sections (2) and (3), the proceedings of the Corporation shall be conducted in such manner as may be provided by the regulations.

(2) The Chairman or in his absence any person chosen by the members present from amongst themselves shall preside at the meeting.

(3) At a meeting of the Corporation all questions shall be decided by a majority of votes of the members present, and for this purpose, each member shall have one vote and in the case of equality of votes the Chairman or, in his absence, the person presiding at the meeting shall have a second or casting vote.

43. Penalty for wrongful withholding of property.—If a director, managing agent, manager or other officer or employee of an existing air company who wilfully withholds or fails to deliver to the Corporation as required by sub-section (2) of section 21 any books, documents or papers which may be in his possession or who wrongfully obtains possession of any property of any such company which has vested in either of the Corporations under this Act or having any such property in his possession wrongfully withholds it from the Corporation or wilfully applies it to purposes other than those expressed in, or authorised by, this Act shall, on the complaint of the Corporation concerned, be punishable with fine which may extend to one thousand rupees and may be ordered by the Court trying the offence to deliver up or refund within a time to be fixed by the Court any such property improperly obtained or wrongfully withheld or wilfully misapplied or in default to suffer imprisonment which may extend to one year.

44. Power to make rules.—(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 all or any of the following matters, namely:—

(a) the terms and conditions of service of the General Managers of the two Corporations; and such other categories of officers as may be specified from time to time under sub-section (1) of section 8.

(b) the form in which the budget of the two Corporations shall be prepared and submitted to the Central Government; and the form and the manner in which the accounts of the two Corporations shall be maintained and in which any returns or statistics shall be furnished or submitted;

(c) the reports which should be submitted by the Corporations and the intervals within which they should be so submitted;

(d) the maintenance of books of account;

(e) the establishment and maintenance of a fund by each of the Corporations for meeting any liability arising out of any act or omission in respect of which the Corporation may incur any liability to any third party;

(f) the provision of depreciation, reserve and other funds;

(g) the prohibition of persons who are directly or indirectly interested in any subsisting contract with either of the Corporations from becoming or being employees of the Corporation;

(h) the powers which may be exercised by either of the Corporations to facilitate the acquisition of any undertaking;

(i) the issue of bonds by either of the Corporations to meet any compensation payable by it under this Act;

(j) the training of the employees of either of the Corporations or other persons and the fees which may in its discretion be charged therefor;

(k) the term of office and other conditions of service of members of the Air Transport Council constituted under section 30;

(l) the prohibition of any interference with any air transport service or with any property of the Corporation or of any interference with or obstruction of any officer or employee of the Corporation in the performance of his duty;

(m) the punishment which shall not exceed imprisonment for three months or fine of rupees one thousand but which may consist of both such imprisonment and fine, in respect of any contravention of the provisions of any rules made under this section.

(3) All rules made under this section shall be laid before both Houses of Parliament as soon as may be after they are made.

45. Power of Corporations to make regulations.—(1) Each of the Corporations may, with the previous approval of the Central Government, by notification in the Official Gazette, make regulations not inconsistent with this Act or the rules made thereunder for the administration of the affairs of the Corporation and for carrying out its functions.

(2) In particular and without prejudice to the generality of the foregoing power, any such regulations may provide for all or any of the following matters, namely:—

(a) the time and place of the meetings of the Corporation and the procedure to be followed for the transaction of business at such meetings;

(b) the terms and conditions of service of officers and other employees of the Corporation other than the General Manager and officers of any other categories referred to in section 44;

(c) the issue of passes by the Corporation to its officers and other employees either free of cost or at concessional rates for travel on its air services and the conditions relating thereto;

(d) the authentication of orders and decisions of the Corporation and the instruments executed by it;

(e) the grant of refund in respect of any unused tickets and the issue of concessional passes;

(f) the period after the expiry of which unclaimed goods may be disposed of and the manner of their disposal;

(g) the conditions governing the carriage of persons or goods on its services.

THE SCHEDULE

(See section 25)

PRINCIPLES FOR DETERMINING COMPENSATION UNDER THIS ACT

Paragraph I.—The compensation which shall be given by Indian Airlines or Air India International, as the case may be, to any existing air company in respect of the vesting, in accordance with the provisions of this Act, of the undertaking of such company in that Corporation shall be the sum of the amounts computed in accordance with the provisions of paragraph II, less the sum of the amounts computed in accordance with the provisions of paragraph III.

Paragraph II.—(a) The aggregate written down value of all airframes of aircraft in respect of which there are certificates of airworthiness in force or which can be rendered fit for certificates of airworthiness if the Corporation concerned were to incur expenditure within the normal rates for rendering the airframes airworthy, plus—

A sum of Rs. 12,000/- in respect of each airframe of a Dakota aircraft and a sum of Rs. 24,000/- in respect of each airframe of a Viking aircraft in any case where the existing air company had obtained a certificate of airworthiness in respect of it within ninety days immediately preceding the appointed date or if a certificate of airworthiness had not actually been obtained within that period but the existing air company had incurred expenditure within that period for the purpose of rendering that airframe airworthy, the value of the spare parts used for the purpose subject to a maximum of Rs. 12,000/- in the case of each airframe of a Dakota aircraft and Rs. 24,000/- in the case of each airframe of a Viking aircraft.

Notes.—In this Schedule, the expression "airframe" includes also the equipment of the aircraft, whether fixed or removable.

(b) the aggregate written down value of all such power plants, aero-engines, air screws, spare aero-engines, and spare air screws (all of which are in this Schedule collectively referred to as power plants) as are suitable for use in the airframes mentioned in sub-clause (a) and as are of an approved standard or can be rendered fit to be of an approved standard if the Corporation concerned were to incur expenditure within the normal rates for such purposes, plus the following, namely:—

(i) a sum of Rs. 6,000/- in respect of each engine of a Dakota aircraft and a sum of Rs. 12,000/- in respect of each engine of a Viking aircraft in any case where the existing air company had made it an approved engine within a period of ninety days immediately preceding the appointed date or if the engine had not been made completely fit to be an approved engine within that period but the existing air company had incurred expenditure within the said period for the purpose of making that engine an approved engine, then, the value of the spare parts used for that purpose subject to a maximum of Rs. 6,000/- in the case of each engine of a Dakota aircraft and Rs. 12,000/- in the case of each engine of a Viking aircraft; and

(ii) a sum of Rs. 2,000/- in respect of the air screws and accessories of the power plant of a Dakota aircraft and a sum of Rs. 4,000/- in respect of the air screws and accessories of the power plant of a Viking aircraft in any case where the air screws and accessories had been rendered completely fit for the approved standard within a period of ninety days immediately preceding the appointed date or if the same had not been rendered completely fit for that standard within that period but the existing air company had incurred expenditure within that period for the purpose of rendering the same fit for the approved standard, then, the value of the spare parts used for that purpose subject to a maximum of Rs. 2,000/- in the case of air screws and accessories of a Dakota aircraft and Rs. 4,000/- in the case of air screws and accessories of a Viking aircraft.

Note.—In this Schedule, the expression “approved standard” means such condition of efficiency of the power plant as satisfies the requirements laid down in Section E of Schedule III to the Indian Aircraft Rules, 1937.

(c) the cost of purchase of all serviceable general stores and all such other serviceable stores and spare parts (all of which are in this Schedule collectively referred to as stores and spare parts) belonging to the existing air company as are suitable for use in respect of the aircraft or power plants referred to in sub-clauses (a) and (b), reduced in each case by 20 per cent. of such cost of purchase:

Provided that the reduction shall be 10 per cent. in the case of stores and spare parts pertaining to Constellation and Skymaster aircraft.

Note.—In this Schedule—

(a) stores shall be deemed to be serviceable if they are such as to satisfy the requirements laid down in Section E of Schedule III to the Indian Aircraft Rules, 1937;

(b) without prejudice to the clause immediately preceding, stores (other than general stores) and spare parts shall also be deemed to be serviceable if by incurring expenditure of an amount not exceeding half the cost of purchase of such stores and spare parts, they can be rendered suitable for use in respect of the aircraft or power plants;

(d) the aggregate actual cost to the existing air company of all lands other than lease-holds;

(e) the total amount of the premiums paid by the company in respect of all lease-holds reduced in the case of each such premium by an amount which bears to such premium the same proportion as the expired term on the appointed date of the lease in respect of which such premium shall have been paid bears to the total term of the lease;

(f) the scrap value of all such aircraft, power plants, propellers and other accessories, spare parts and stores, not falling within any of the preceding sub-clauses, and all properties as have become obsolete on the appointed date, the scrap value for the purposes of this Act being one per cent. of the book value of the relevant item of property;

(g) the price paid by the existing air company for any trustee security held by it;

(h) the value of any shares held by any existing air company in any other existing air company, the value being calculated on the basis of the valuation of the air transport undertaking of that other company in accordance with the provisions of this Schedule;

(i) the market value on the appointed date or the purchase price, whichever is less, of any other investments held by any existing air company in any concern other than another existing air company which, subject to the provisions of section 22, have vested in the Corporation;

(j) the amount of cash held by any existing air company on the appointed date whether in deposit with a bank or otherwise;

(k) the amount of debts other than bad debts due to any existing air company, to the extent to which they are reasonably considered to be recoverable, less the amount of the debts, if any, excluded from the transfer to the Corporation concerned under the provisions of section 22;

(l) the aggregate cost of all licence fees paid by the company under clause (c) of sub-rule (1) of Rule 154 of the Indian Aircraft Rules, 1937, in respect of the licences granted to it for the operation of any scheduled air transport services and held by it on the appointed date and which but for the provisions of section 19 would continue to remain valid plus a sum of Rs 100/- for each such licence: provided that the fees paid for each such licence shall be reduced by an amount which bears to such fees the same proportion as the period of the licence which shall have expired on the appointed date bears to the total period of the licence;

(m) the aggregate written down value of all tangible assets other than those falling within the preceding clauses:

(n) an aggregate amount not exceeding ten thousand rupees as may be agreed upon between the Corporation and the existing air company concerned or, failing agreement, which may be assessed by the Tribunal, in respect of all such assets, intangible or otherwise, as do not fall within any of the preceding sub-clauses and in respect of the loss of any future profits which the existing air company might have earned but for the passing of this Act:

Provided that in assessing any amount under this clause regard shall be had to the following circumstances, namely:—

(i) the profits, if any, earned by it annually during the six years immediately preceding the appointed date on which income-tax has been paid,

(ii) the subsidies, if any, given to that company by the Central Government during such period, and

(iii) the probability or otherwise of the company earning future profits if it were allowed to continue its scheduled air transport services for the remaining period of the licence held by it after having due regard to the fact that the licences held by it did not confer any monopoly upon it in respect of the routes concerned and the fact that no subsidy would have been payable by the Central Government after the 31st day of December, 1952.

Explanation A.—For the purposes of this Schedule, the written down value in respect of each class of assets means the actual cost to the existing

air company of such assets respectively, *less* the total depreciation calculated at the rates and in the manner following, namely:—

(i) in respect of each airframe, depreciation shall be calculated at 15 *per cent.* per annum for Constellation and Skymaster aircraft and 18 *per cent.* per annum for other aircraft from the date on which the aircraft concerned was first used in revenue operations by the company till the 31st day of December, 1952, the rates being applied as follows:—

for the first year, on the actual cost of acquisition;

for the second year, on an amount obtained by reducing from the actual cost of acquisition the amount of depreciation calculated as aforesaid for the first year;

for the third year, on an amount obtained by reducing from the actual cost of acquisition the aggregate amount of depreciation calculated as aforesaid for the preceding two years;

and so on;

(ii) in respect of power plants, the depreciation shall be calculated at 20 *per cent.* per annum for Constellation and Skymaster aircraft and at 24 *per cent.* per annum for other aircraft from the date on which the power plant concerned was first used in revenue operations by the company till the 31st day of December, 1952, the rates being applied as follows:—

for the first year, on the actual cost of acquisition;

for the second year, on an amount obtained by reducing from the actual cost of acquisition the amount of depreciation calculated as aforesaid for the first year;

for the third year, on an amount obtained by reducing from the actual cost of acquisition the aggregate amount of depreciation calculated as aforesaid for the preceding two years;

and so on;

(iii) in respect of all tangible assets falling within clause (m) of Paragraph II, depreciation shall be calculated at the normal annual rates for which provision is made in the Indian Income-tax Act, 1922 (XI of 1922) and in the manner provided therein, but excluding initial or other special depreciation, from the date such assets were acquired or created by the existing air company until the 31st day of December, 1952:

Provided that in respect of any such asset for which no provision has been made in the Indian Income-tax Act, 1922, the rate of depreciation shall be 10 *per cent.* per annum:

Provided further that in respect of any such asset situate on leasehold land other than land rented from Government, the depreciation shall be either—

(a) as provided in the preceding provisions of this clause, or

(b) equivalent to an amount which bears the same ratio to the total cost of acquisition or creation of the asset (situate on leasehold land) as the expired portion of the lease on the appointed date bears to the total period of the lease currently running, whichever is greater.

Explanation B.—For the purposes of this Schedule, the actual cost shall include, in the case of airframes, in addition to the cost of purchase or acquisition,—

(i) the actual expenditure, if any, incurred by the existing air company for reconversion or reconstruction of the airframe in order to render it fit for civil air transport before it was first used in revenue operations by the company, *plus*

(ii) the actual expenditure incurred in making the airframe air-worthy before its first use in revenue operations.

Explanation C.—In the case of power plants, the actual cost shall include, in addition to the cost of purchase or acquisition, the cost incurred by the company for conversion or reconditioning, repairing or overhauling the power plant, in order to render it fit for the purposes of a certificate under paragraph 4 of Section E of Schedule III to the Indian Aircraft Rules, 1937, before the date of its first use in revenue operations.

Paragraph III.—Subject to the provisions of sections 22 and 23, all such liabilities as have been declared by the existing air company under the provisions of section 22:

Provided that if any liability so declared has been under-stated, the Corporation may recover the additional amount from the company.

K. Y. BHANDARKAR,

Secy. to the Govt. of India.

The Gazette of India



EXTRAORDINARY

PART II—Section 1

PUBLISHED BY AUTHORITY

No. 19] NEW DELHI, SATURDAY, MAY 30, 1953

MINISTRY OF LAW

New Delhi, the 30th May, 1953

The following Acts of Parliament received the assent of the President on the 28th May, 1953 and are hereby published for general information:—

THE VINDHYA PRADESH LEGISLATIVE ASSEMBLY (PREVENTION OF DISQUALIFICATION) ACT, 1953

NO. 28 OF 1953

[28th May, 1953]

An Act to declare certain offices of profit not to disqualify their holders for being chosen as, or for being, members of the Legislative Assembly of the State of Vindhya Pradesh.

BE it enacted by Parliament as follows:—

1. **Short title and commencement.**—(1) This Act may be called the Vindhya Pradesh Legislative Assembly (Prevention of Disqualification) Act, 1953.

(2) It shall be deemed to have come into force on the 26th day of April, 1952.

2. **Definition.**—In this Act, “District Advisory Council” means any District Advisory Council appointed under the order of the Government of Vindhya Pradesh in the General Administration Department No. 47, dated the 26th April, 1952.

3. **Prevention of disqualification for membership of the Legislative Assembly of Vindhya Pradesh in certain cases.**—It is hereby declared that the offices of members of any District Advisory Council shall not disqualify, and shall be deemed never to have disqualified, the holders thereof for being chosen as, or for being, members of the Legislative Assembly of the State of Vindhya Pradesh.

4. **Indemnity for and removal of disqualification of certain members.**—For the removal of doubts it is hereby declared that the members of the

Legislative Assembly of the State of Vindhya Pradesh mentioned in the Schedule shall be deemed never to have become disqualified for being members of the said Assembly by reason only of their having held offices of members of any District Advisory Council notwithstanding any law or decision to the contrary, and their seats shall be deemed never to have become vacant on such account and they shall be, and are hereby, freed and discharged and indemnified from all penal consequences incurred by them by sitting or voting as members of the said Assembly while holding offices of members of any District Advisory Council at any time before the passing of this Act.

THE SCHEDULE

(See section 4)

- (1) Shri Brajraj Singh Tiwari.
- (2) Shri Chandra Pratap Tiwari.
- (3) Shri Narendra Singh.
- (4) Shri Lal Mohammad.
- (5) Shri Panna Lal.
- (6) Shri Govinda Das.
- (7) Shri Pyare Lal.
- (8) Shri Shyam Sunder Das "Shyam"
- (9) Shri Laxmi Narain.
- (10) Shri Ramdas Chowdhury.
- (11) Shri Rilli Charmakar.
- (12) Shri Thakur Das Mishra.

THE TEA ACT, 1953

No. 29 OF 1953

[28th May, 1953]

An Act to provide for the control by the Union of the tea industry, including the control, in pursuance of the International Agreement now in force, of the cultivation of tea in, and of the export of tea from, India and for that purpose to establish a Tea Board and levy a customs duty on tea exported from India.

Enacted by Parliament as follows:—

CHAPTER I

PRELIMINARY

1. Short title, extent and commencement.—(1) This Act may be called the Tea Act, 1953.

(2) It extends to the whole of India:

Provided that it shall not apply to the State of Jammu and Kashmir except to the extent to which the provisions of this Act relate to the control of the export of tea from, and the cultivation of tea in, India.

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

2. Declaration as to expediency of control by the Union.—It is hereby declared that it is expedient in the public interest that the Union should take under its control the tea industry.

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

- (a) "Board" means the Tea Board constituted under section 4;
- (b) "broker" means a broker of tea;
- (c) "cess" means the customs-duty imposed by section 25;
- (d) "Customs-collector" means a Customs-collector as defined in clause (c) of section 3 of the Sea Customs Act, 1878 (VIII of 1878) for the purposes of that Act, or of that Act as applied to the import and export of goods by air, or a Collector of Land Customs as defined in clause (c) of section 2 of the Land Customs Act, 1924 (XIX of 1924), as the case may be;
- (e) "dealer" means a dealer in tea;
- (f) "export" means to take out of India by land, sea or air to any place outside India other than a country or territory notified in this behalf by the Central Government by notification in the Official Gazette;
- (g) "export allotment" means the total quantity of tea which may be exported during any one financial year;
- (h) "Fund" means the Tea Fund referred to in section 27;
- (i) "manufacturer" means a manufacturer of tea;
- (j) "member" means a member of the Board;
- (k) "owner"—
 - (i) with reference to a tea estate or garden or a sub-division thereof the possession of which has been transferred by lease, mortgage or otherwise, means the transferee so long as his right to possession subsists; and
 - (ii) with reference to a tea estate or a garden or a sub-division for which an agent is employed, means the agent if, and in so far as, he has been duly authorised by the owner in that behalf;
- (l) "prescribed" means prescribed by rules made under this Act;
- (m) "standard export figure" means such quantity as the Central Government may, by notification in the Official Gazette, specify pursuant to any international agreement in this behalf;
- (n) "tea" means the plant *Camellia Sinensis* (L) O. Kuntze as well as all varieties of the product known commercially as tea made from the leaves of the plant *Camellia Sinensis* (L) O. Kuntze including green tea;
- (o) "tea seed" includes seeds, roots, stumps, cuttings, buds, and any living portion of the plant *Camellia Sinensis* (L) O. Kuntze which may be used to propagate that plant.

CHAPTER, II

THE TEA BOARD

4. Establishment and constitution of the Tea Board.—(1) With effect from such date as the Central Government may, by notification in the Official Gazette, specify in this behalf, there shall be established for the purposes of this Act a Board to be called the Tea Board.

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

(3) The Board shall consist of a Chairman and such number of other members not exceeding forty as the Central Government may think expedient, to be appointed by that Government by notification in the Official Gazette from among persons who are in its opinion capable of representing,—

- (a) owners of tea estates and gardens and growers of tea;
- (b) persons employed in tea estates and gardens;
- (c) manufacturers of tea;
- (d) dealers including both exporters and internal traders of tea;
- (e) consumers;
- (f) Parliament;
- (g) the Governments of the principal tea growing States;
- (h) such other persons or class of persons, who, in the opinion of the Central Government, ought to be represented on the Board.

(4) The number of persons to be appointed as members from each of the categories specified in sub-section (3), the term of office of, the procedure to be followed in the discharge of their functions by, and the manner of filling vacancies among, the members of the Board shall be such as may be prescribed.

(5) Any officer of the Central Government when deputed by that Government in this behalf shall have the right to attend meetings of the Board and take part in the proceedings thereof but shall not be entitled to vote.

5. Vacancies, etc., not to invalidate acts and proceedings.—No act done or proceeding taken by the Board under this Act shall be questioned on the ground merely of the existence of any vacancy in, or defect in the constitution of, the Board.

6. Salary and allowances of Chairman.—The Chairman shall be entitled to such salary and allowances and such conditions of service in respect of leave, pension, provident fund and other matters as may from time to time be fixed by the Central Government.

7. Vice-Chairman.—The Board shall elect from among its members a Vice-Chairman who shall exercise such of the powers and discharge such of the duties of the Chairman as may be prescribed or as may be delegated to him by the Chairman.

8. Executive and other Committees.—(1) There shall be an Executive Committee of the Board constituted in the manner prescribed.

(2) The Executive Committee shall exercise such of the powers and perform such of the duties of the Board as may be prescribed, or as the Board may delegate to it.

(3) Subject to such control and restrictions as may be prescribed the Board may constitute other Standing Committees or *ad hoc* Committees for exercising any power or discharging any duty of the Board or for enquiring into or reporting and advising on any matter which the Board may refer to them.

(4) A Standing Committee shall consist exclusively of members of the Board.

(5) An *ad hoc* Committee may include persons who are not members of the Board, but their number shall not exceed one half of its strength.

9. Secretary and staff.—(1) The Central Government shall appoint—

(a) a Secretary to the Board who shall exercise such powers and perform such duties as may be prescribed or as may be delegated to him by the Board or the Chairman;

(b) all other officers of the Board drawing a salary of rupees one thousand or more per month.

(2) Subject to such control and restrictions as may be prescribed, the Board may appoint such other officers and employees as may be necessary for the efficient performance of its functions and pay them such salaries and allowances as it may determine from time to time.

(3) The Chairman, Secretary and other employees of the Board shall not undertake any work unconnected with their duties under this Act except with the permission of the Central Government.

10. Functions of the Board.—(1) It shall be the duty of the Board to promote, by such measures as it thinks fit, the development under the control of the Central Government of the tea industry.

(2) Without prejudice to the generality of the provisions of sub-section (1), the measures referred to therein may provide for—

(a) regulating the production and extent of cultivation of tea;

(b) improving the quality of tea;

(c) promoting co-operative efforts among growers and manufacturers of tea;

(d) undertaking, assisting or encouraging scientific, technological and economic research and maintaining or assisting in the maintenance of demonstration farms and manufacturing stations;

(e) assisting in the control of insects and other pests and diseases affecting tea;

(f) regulating the sale and export of tea;

(g) training in tea tasting and fixing grade standards of tea;

(h) increasing the consumption in India and elsewhere of tea and carrying on propaganda for that purpose;

(i) registering and licensing of manufacturers, brokers, tea waste dealers and persons engaged in the business of blending tea;

(j) improving the marketing of tea in India and elsewhere;

(k) collecting statistics from growers, manufacturers, dealers and such other persons as may be prescribed on any matter relating to the tea industry; the publication of statistics so collected or portions thereof or extracts therefrom;

(l) securing better working conditions and the provisions and improvement of amenities and incentives for workers;

(m) such other matters as may be prescribed.

(3) The Board shall perform its functions under this section in accordance with and subject to such rules as may be made by the Central Government.

11. Dissolution of the Board.—(1) The Central Government may, by notification in the Official Gazette, direct that the Board shall be dissolved from such date and for such period as may be specified in the notification.

(2) When the Board is dissolved under the provisions of sub-section (1)—

(a) all members shall, from the date of dissolution, vacate their offices as such members;

(b) all powers and duties of the Board shall, during the period of dissolution, be exercised and performed by such person or persons as the Central Government may appoint in this behalf;

(c) all funds and other property vested in the Board shall, during the period of dissolution, vest in the Central Government; and

(d) as soon as the period of dissolution expires, the Board shall be reconstituted in accordance with the provisions of this Act.

CHAPTER III

CONTROL OVER THE EXTENSION OF TEA CULTIVATION

12. Method of control of extension of tea cultivation.—(1) No one shall plant tea on any land not planted with tea on the date of commencement of this Act unless permission has been granted to him in writing by or on behalf of the Board.

(2) No tea area shall be replaced by planting tea on area not planted with tea unless permission has been granted in writing by or on behalf of the Board.

(3) Nothing in this section shall prohibit the infilling or supplying of vacancies on land planted with tea on the date of commencement of this Act or the replanting of tea upon—

(i) land planted with tea on the 31st day of March, 1950, from which original bushes have been uprooted, or

(ii) land planted with tea on the 31st day of March, 1948, from which the original bushes have been uprooted.

13. Limitations to the extension of tea cultivation.—(1) Subject to the provisions contained in sections 15 and 16, the total area of land in respect of which the permission referred to in section 12 may be granted, shall not exceed such area as may be determined by the Board under the general instructions of the Central Government.

(2) The total area of land in any State in respect of which such permission may be granted shall be such as may be determined by the Board:

Provided that the Board may vary the total area so determined for any State in order to increase or diminish for another State the area in respect of which such permission may be granted by an amount corresponding to the extent to which the area in the first mentioned State has been diminished or increased.

(3) The Board shall publish the total area determined for India as well as the total areas determined for the various States by notification in the Official Gazette of the Central Government as soon as may be after the commencement of this Act and shall in like manner publish any subsequent variation of such total areas.

14. Grant of permission to plant tea.—(1) Applications for permission to plant tea on any land not planted with tea on the date of commencement of this Act shall be made to the Board and shall contain a clear statement of all special circumstances justifying the application.

(2) The Board may require an applicant to supply such information as it thinks necessary to enable the Board to deal with the application.

(3) Subject to such conditions and restrictions as may be prescribed, the Board may by order grant or refuse the permission applied for, or may in like manner grant it in part only or may call for further information from the applicant.

(4) No order by the Board under sub-section (3) shall be called in question by any court.

15. Grant of permission to plant tea in special circumstances.—(1) Where any land which was on the 31st day of March, 1933, planted with tea (including land planted with tea on the 31st day of March, 1931 from which the original bushes had been uprooted and which had not been replanted with tea on the said 31st day of March, 1933), or where any land planted with tea after the 31st day of March, 1933—

(a) has since become wholly incapable of carrying tea through circumstances due to war, or through subsidence, flood, erosion, earthquake or other irresistible superhuman cause, or

(b) has since been compulsorily acquired under the provisions of the Land Acquisition Act, 1894 (I of 1894), or of any other law for the time being in force and no longer carries tea, or

(c) has since been transferred to the Central or a State Government or to a local authority and no longer carries tea, or

(d) has since been resumed by the lessor under the terms of any lease and no longer carries tea,

the owner of the tea estate in which such land is situated may apply to the Board for permission to plant tea on land not planted with tea.

Explanation.—Land taken for purposes connected with the prosecution of war on which tea bushes have been allowed to remain for protective purposes though no longer cultivated shall be deemed for the purposes of this section to be incapable of carrying or no longer to carry tea.

(2) Upon such application being made and upon proof to the satisfaction of the Board that the applicant is entitled to the benefit of sub-section (1) the Board may by order grant permission to plant tea on land not planted with tea:

Provided that the area of land in respect of which such permission is granted shall be within the same or an adjacent district and shall belong to the same or an adjacent tea estate and shall not exceed in extent the area of the land incapable of carrying tea or compulsorily acquired, transferred or resumed, as the case may be.

(3) All areas of land in respect of which permission to plant tea is granted under this section shall be excluded when computing for the purpose of section 13 the total area of land in respect of which the permission referred to in section 12 may be granted.

(4) If any land falling within the *Explanation* to sub-section (1) is subsequently restored to the tea estate from which it was subtracted, the owner of the estate shall either uproot the tea planted thereon, or uproot any tea planted by him in pursuance of a permission granted under sub-section (2).

16. Tea nurseries.—(1) The owner of a tea estate may establish nurseries on land not previously planted with tea for the growing of plants intended for infilling or supplying vacancies or for replanting land planted with tea within the area of the estate or for any other purpose approved by the Board.

(2) All areas of land utilised for nurseries in accordance with this section shall be excluded when computing for the purpose of section 13 the total area of land in respect of which the permissions referred to in section 12 may be granted.

CHAPTER IV

CONTROL OVER THE EXPORT OF TEA AND TEA SEED

17. Control of export of tea and tea seed.—(1) No tea shall be exported unless covered by a licence issued by or on behalf of the Board.

(2) No tea seed shall be exported unless covered by a permit issued by or on behalf of the Central Government.

(3) No tea or tea seed shall be taken by land, sea or air out of any State to any of the French or Portuguese Settlements bounded by India, unless covered by a permit issued by or on behalf of the Board.

18. Tea or tea seed for export to be covered by licence or permit.—(1) No consignment of tea or tea seed shall be shipped or waterborne to be shipped for export or shall be exported until the owner has delivered to the Customs-collector a valid export licence or special export licence or a valid permit issued by or on behalf of the Board or the Central Government, as the case may be, covering the quantity to be shipped.

(2) No consignment of tea or tea seed shall be shipped or waterborne to be shipped for carriage (or shall be taken by land or air) to any of the French or Portuguese Settlements bounded by India until the owner has delivered to the Customs-collector a permit issued by or on behalf of the Board covering the quantity to be shipped.

(3) No permit for the passage of any tea or tea seed by land into any of the French or Portuguese Settlements bounded by India shall be granted under sub-section (1) of section 5 of the Land Customs Act, 1924 (XIX of 1924), unless the application for such permit is accompanied by a permit granted in this behalf by the Board covering the quantity to be passed.

19. Export allotment.—The Central Government shall, after consulting the Board and paying due regard to all interests concerned and

to the standard export figure, declare, by notification in the Official Gazette, the export allotment for each financial year:

Provided that the Central Government may by subsequent notification at any time during the financial year alter the export allotment and thereupon the export allotment as so altered shall be the export allotment for that year.

20. Export quotas and licences.—(1) Subject to such conditions as may be prescribed, any tea estate or any sub-division of a tea-estate shall have the right to receive under this Act an export quota for each financial year.

(2) The export quota of a tea estate, or a sub-division of a tea estate, that is, the total quantity of tea which may be exported by the owner of a tea estate or a sub-division of a tea estate during the financial year, shall be an amount determined by the Board in accordance with such principles as may be prescribed:

Provided that when an export allotment is altered under the provisions of section 19, the export quota shall be liable to be altered accordingly.

(3) The total of export quotas allotted to tea estates and to sub-divisions thereof at any time during any financial year shall not exceed the export allotment for the time being for that year.

21. Right to export licences.—(1) The owner of a tea estate or a sub-division of a tea estate to which an export quota has been allotted for any financial year shall have the right to obtain at any time export licences during that year to cover the export of tea upto the amount of the unexhausted balance of the quota, that is, upto the amount of the quota less the amount for which the export licences have already been issued against it.

(2) The right of the owner of a tea estate or a sub-division of a tea estate under this section may be transferred subject to such conditions as may be prescribed, and the transferee of any such right may again transfer the whole or any part of his right to the owner of a tea estate, or a sub-division of a tea estate but not to any other person:

Provided that nothing in this sub-section shall operate to restrict the issue of licences for the export of tea expressed to be sold with export rights.

(3) The owner of any tea estate or any sub-division of a tea estate to which an export quota has been allotted or any person to whom he has transferred his rights may at any time before the 21st day of March of the financial year to which the quota relates apply in writing to the Board for an export licence to cover the export of tea upto the amount of the unexhausted balance of the quota.

(4) Every licence shall be in duplicate in the prescribed form, shall bear the date of its issue and shall be valid upto the end of the financial year in which it is issued:

Provided that, save as provided in section 22, the Board shall not issue any export licence after the end of the financial year in which the application for licence was made.

22. Special export licences.—(1) Where tea in respect of which an export licence has been or could have been granted under this Act has not been exported before the end of the financial year in which the licence was or could have been issued, the person to whom the licence was or

could have been granted may, before the 14th day of April of the following financial year forward an application to the Board for a special export licence covering the same quantity of tea, and the Board shall, on receipt of the prescribed fee, if any, issue a special export licence accordingly.

(2) A person to whom a special export licence has been issued under sub-section (1) may transfer the special export licence with all the rights conferred thereby to a person or persons nominated by him, but a licence once so transferred shall not be further transferable.

(3) A special export licence shall be in duplicate in the prescribed form, shall bear the date of its issue and shall be valid upto the 31st day of May of the financial year in which it was issued.

(4) The quantity of tea covered by a special export licence shall be accounted for against the export quota of the year in which the original licence was or could have been issued under this Act.

(5) Notwithstanding anything contained in the foregoing sub-sections the Board may, with the general or special previous sanction of the Central Government refuse to issue a special export licence or postpone for so long as the Central Government may require the issue of any special export licence.

23. Board to maintain accounts of quotas.—(1) The Board shall maintain an account of every export quota showing, in addition to such other particulars as the Board may think fit, the licences issued against it and the unexhausted balance.

(2) Any owner of a tea estate or a sub-division of a tea estate shall be entitled, on payment of the requisite fee, to a copy of the account relating to his quota, certified in the manner laid down in the by-laws made by the Board.

24. Limitation of application of Chapter.—Nothing in this Chapter shall apply to tea—

(a) proved to the satisfaction of the Customs-collector to have been imported into India from any port outside India; or

(b) shipped as stores on board any vessel or aircraft in such quantity as the Customs-collector considers reasonable having regard to the number of the crew and passengers and length of the voyage on which the vessel or aircraft is about to depart; or

(c) exported by post in packages not exceeding ten pounds *avoirdupois* in weight; or

(d) exported with the previous sanction of the Central Government, within the limits prescribed in this behalf, by a Red Cross Society or by any organisation for providing amenities for troops overseas; or

(e) taken as part of the personal luggage of a passenger.

CHAPTER V

FINANCE, ACCOUNTS AND AUDIT

25. Imposition of a duty of customs on export of tea.—(1) A duty of customs shall be levied and collected on all tea exported or taken outside India at such rate not exceeding two rupees per one hundred pounds as the Central Government may notify in the Official Gazette.

(2) The cess levied under sub-section (1) shall be in addition to any other duty leviable under the Indian Tariff Act, 1934 (XXXII of 1934), or any other law for the time being in force and shall be collected by such agencies and in such manner as may be prescribed.

26. Payment of proceeds of cess to the Board.—The proceeds of the cess levied under sub-section (1) of section 25 shall first be credited to the Consolidated Fund of India, and the Central Government may thereafter, from time to time, pay to the Board from and out of such proceeds such sums of money as it may think fit after deducting the expenses of collection.

27. Constitution of Fund.—(1) There shall be formed a Fund to be called the Tea Fund, and there shall be credited thereto—

(a) the proceeds of the cess made over to the Board by the Central Government;

(b) all fees levied and collected in respect of licences, permits and permissions issued under this Act; and

(c) any other fee that may be levied and collected under this Act or the rules made thereunder.

(2) The Fund shall be applied towards meeting the expenses of the Board and the cost of the measures referred to in section 10.

28. Borrowing powers of Board.—Subject to such rules as may be made in this behalf, the Board shall have power to borrow on the security of the Fund or any other asset for any purposes for which the Fund may be applied.

29. Accounts and audit.—(1) The Board shall cause accounts to be kept of all moneys received and expended by it.

(2) The accounts shall be audited every year by auditors appointed in this behalf by the Central Government and such auditors shall disallow every item, which in their opinion is not authorised by this Act or any rule made or direction issued thereunder.

(3) The Board may, within three months from the date of communication to it of the disallowance of any item, as aforesaid, appeal against such disallowance to the Central Government whose decision shall be final.

CHAPTER VI

CONTROL BY THE CENTRAL GOVERNMENT

30. Power to control price and distribution of tea or tea waste.—(1) The Central Government may, by order notified in the Official Gazette, fix in respect of tea of any description specified therein—

(a) the maximum price or the minimum price or the maximum and minimum prices which may be charged by a grower of tea, manufacturer or dealer, wholesale or retail, whether for the Indian market or for export;

(b) the maximum quantity which may in one transaction be sold to any person.

(2) Any such order may for reasons to be specified therein—

(a) fix prices for such tea differently in different localities or for different classes of dealers, or for growers of tea or manufacturers;

(b) instead of specifying the price or prices to be charged, direct that price or prices shall be computed in such manner and by reference to such matters as may be provided by the order.

(3) The Central Government may, by general or special order—

(a) prohibit the disposal of tea or tea waste except in such circumstances and under such conditions as may be specified in the order;

(b) direct any person growing, manufacturing or holding in stock tea or tea waste to sell the whole or a part of such tea or tea waste so grown or manufactured during any specified period, or to sell the whole or a part of the tea or tea waste so held in stock, to such person or class of persons and in such circumstances as may be specified in the order;

(c) regulate by licences, permits or otherwise the production, storage, transport or distribution of tea or tea waste.

(4) Where in pursuance of any order made with reference to clause (b) of sub-section (3), any person sells the whole or a part of any quantity of tea or tea waste, there shall be paid to him as price therefor—

(a) where the price can be fixed by agreement consistently with the order, if any, relating to the fixation of price issued under sub-section (1), the price so agreed upon;

(b) where no such agreement can be reached, the price calculated with reference to any such order as is referred to in clause (a);

(c) where neither clause (a) nor clause (b) applies, the price calculated at the market rate prevailing in the locality at the date of sale.

(5) Without prejudice to the generality of the powers conferred by sub-sections (1) and (3), any order made thereunder may provide—

(a) for requiring persons engaged in the production, supply or distribution of, or trade and commerce in, tea waste to maintain and produce for inspection such books, accounts and records relating to their business and to furnish such information relating thereto, as may be specified in the order;

(b) for such other matters, including in particular the entering and search of premises, vehicles, vessels and aircraft, the seizure by a person authorised to make such search, of tea or tea waste in respect of which such person has reason to believe that a contravention of the order has been, is being or is about to be committed, the grant or issue of licences, permits or other documents and the charging of fees therefor.

31. General control over acts and proceedings of the Board.—(1) All acts and proceedings of the Board shall be subject to the control of the Central Government which may cancel, suspend or modify as it thinks fit any action taken by the Board.

(2) The Board shall carry out such directions as may be issued to it from time to time by the Central Government for the efficient administration of this Act.

(3) The records of the Board shall be open to inspection at all reasonable times by any officer authorised in this behalf by the Central Government.

32. Appeal to Central Government.—Any person aggrieved by an order of the Board under section 14, section 15 or section 20 may appeal to the Central Government within sixty days from the date thereof and the Central Government may cancel, modify or suspend any such order.

CHAPTER VII

MISCELLANEOUS

33. Licensing of brokers, tea manufacturers, etc.—The Central Government may whenever it thinks it necessary so to do, by notification in the Official Gazette require that no person shall on and from such date as may be specified in the notification engage himself as a broker, manufacturer, or dealer in tea waste or engage himself in the business of blending tea except under and in accordance with the provisions of a licence issued by the Board in accordance with the rules made under this Act; and any person who on and after such date so engages himself without obtaining a licence issued by the Board shall be deemed to have contravened the provisions of this section.

34. Power of inspection.—Any person authorised in this behalf by the Central Government or by the Board or any member so authorised by the Chairman in writing or any officer of the Board may enter at all reasonable times any tea estate or any place or premises where tea or tea waste is stored, kept or exposed for sale and may require the production for his inspection of any book, register, record or other paper kept therein and ask for any information relating to the production, storage or keeping for sale of tea or tea waste.

35. Power of Board to call for returns.—(1) The Board may serve by registered post a notice upon the owner of any tea estate or any sub-division of a tea estate or upon his manager, requiring him to furnish, within such period as it may specify in the notice, such returns relating to the production, sale and export of tea produced on the estate or to any other matter as it may deem necessary.

(2) Where the owner of any tea estate or any sub-division of a tea estate or his manager being required under sub-section (1) to furnish any return fails to furnish such return within the period specified in the notice or furnishes a return containing any particular which is false and which he knows to be false or does not believe to be true, the Board may refuse to allot an export quota to that estate or sub-division under section 20, or where an export quota has already been allotted, may cancel the unexhausted balance of that quota and refuse to issue any further export licences against that quota or recognise or give effect to any transfer of quota under section 21.

(3) The Board may serve by registered post a notice upon any manufacturer, broker, dealer or dealer in tea waste, requiring him to furnish, within such period as it may specify in the notice, such returns relating to the manufacture, stock, purchase, sale or export of tea or tea waste as it may deem necessary.

36. Penalty for illicit export.—A breach of the provisions of sub-section (1) or sub-section (2) of section 18 shall be punishable as if it were an offence under item No. 8 of section 167 of the Sea Customs Act, 1878 (VIII of 1878), and the provisions of section 168 and of Chapter XVII of that Act shall apply accordingly.

37. Penalty for making false return.—Any person who being required by or under this Act to furnish any return fails to furnish such return or furnishes a return containing any particular which is false and which he knows to be false or does not believe to be true shall be punishable with fine which may extend to one thousand rupees.

38. Penalty for obstructing an officer or member of the Board in the discharge of his duties and for failure to produce books and records.—Any person who—

(a) obstructs a member authorised by the Chairman in writing or an officer of the Board or a person authorised in this behalf by the Central Government or by the Board in the exercise of any power conferred, or in the discharge of any duty imposed, on him by or under this Act, or

(b) having the control or custody of any account book or other record, fails to produce such book or record when required to do so by or under this Act,

shall be punishable with imprisonment which may extend to one year, or with fine which may extend to one thousand rupees, or with both.

39. Penalty for illicit cultivation.—Whoever knowingly plants tea or causes tea to be planted on any land in contravention of section 12 shall be punishable with fine which may extend to one thousand rupees for the first offence, and with fine which may extend to five thousand rupees for any subsequent offence.

40. Removal of tea planted without permission.—Where any person has been convicted of any offence under section 39, the convicting court may direct that the tea in respect of which the offence was committed shall be removed from the land within a specified time, and in the event of the order not being duly complied with, may cause the tea to be removed and may recover the cost from the person convicted as if it were an arrear of land revenue due on the tea estate on which the offence was committed.

41. Penalty for contravention of order relating to control of price and distribution.—(1) If any person contravenes any order made under sub-section (1) or sub-section (3) of section 30, he shall be punishable with imprisonment for a term which may extend to six months, or with fine which may extend to five thousand rupees, or with both; and the property in respect of which the order has been contravened or such part thereof as to the court may seem fit, shall be forfeited to the Central Government.

(2) Any person who attempts to contravene or abets the contravention of, any order under sub-section (1) or sub-section (3) of section 30 shall be deemed to have contravened that order.

42. Other penalties.—Whoever contravenes or attempts to contravene or abets the contravention of the provisions of this Act or of any rules made thereunder other than the provisions, punishment for the contravention whereof has been provided for in sections 36, 37, 38, 39 and 41 shall be punishable with imprisonment which may extend to six months, or with fine which may extend to five thousand rupees, or with both, and in the case of a continuing contravention with an additional fine which may extend to five hundred rupees for every day during which such contravention continues after conviction for the first such contravention.

43. Offences by companies.—(1) If the person committing an offence under this Act, or the rules thereunder is a company, every person, who at the time the contravention 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 contravention 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 or the rules thereunder 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 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.

44. Jurisdiction of courts.—No court inferior to that of a Presidency magistrate or a magistrate of the First Class shall try any offence punishable under this Act.

45. Previous sanction of Central Government for prosecution.—No prosecution for any offence punishable under this Act shall be instituted except with the previous sanction of the Central Government.

46. Protection of action taken in good faith.—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 or the rules made thereunder.

47. Power to delegate.—The Central Government may, by order notified in the Official Gazette, direct that any power exercisable by it under this Act may also be exercised in such cases and subject to such conditions, if any, as may be specified in the order by such officer or authority as may be specified therein.

48. Suspension of operation of Act.—(1) If the Central Government is satisfied that circumstances have arisen rendering it necessary that certain of the restrictions imposed by this Act should cease to be imposed or if it considers it necessary or expedient so to do in the public interest, the Central Government may, by notification in the Official Gazette, suspend or relax to a specified extent either indefinitely or for such period as may be specified in the notification the operation of all or any of the provisions of this Act.

(2) Where the operation of any provisions of this Act has under sub-section (1) been suspended or relaxed indefinitely, such suspension or relaxation may at any time while this Act remains in force be removed by the Central Government by notification in the Official Gazette.

49. Power of Central Government to make rules.—(1) The Central Government may, subject to the condition of previous publication, make rules for carrying out the purposes of this Act.

(2) In particular, and without prejudice to the generality of the fore-

going power, such rules may provide for all or any of the following matters, namely:—

(a) the constitution of the Board, the number of persons to be appointed as members from each of the categories specified in subsection (3) of section 4, the term of office and the other conditions of service of, the procedure to be followed by, and the manner of filling vacancies among, the members of the Board;

(b) the circumstances in which, and the authority by which members may be removed;

(c) the holding of a minimum number of meetings of the Board every year;

(d) the pay, allowances and other conditions of service of the Secretary and other officers appointed by the Central Government;

(e) the maintenance of records of all business transacted at meetings of the Board and the submission of copies of such records to the Central Government;

(f) the conditions subject to which, and the mode in which, contracts may be made by or on behalf of the Board;

(g) the preparation of budget estimate of the receipts and expenditure of the Board and the authority by which such estimates shall be sanctioned;

(h) the powers of the Board and the Executive Committee and the Chairman, in regard to the incurring of expenditure; and the re-appropriation of estimated savings in any budget head to another such head;

(i) the conditions subject to which the Board may incur expenditure;

(j) the conditions subject to which the Board may borrow;

(k) the form and the manner in which accounts should be kept by the Board;

(l) the basis on which the export quota of a tea estate or a subdivision of a tea estate shall be determined;

(m) the conditions subject to which export quota, export licences and special export licences shall be transferable;

(n) the conditions subject to which permits for the planting of tea on land not carrying tea shall be granted;

(o) the collection of any information or statistics in respect of the tea industry and the tea trade;

(p) the fees to be levied in respect of licences, permits and permissions issued under this Act;

(q) the procedure for the grant or issue of licences, permits and permissions under this Act, the time within which such licences, permits or permissions shall be granted or issued including, in particular, the publication of notices calling for applications and the holding of such inquiry in regard thereto as may be necessary in the circumstances;

(r) the form of application for licences, permits or permissions under this Act;

(s) the manner in which a broker or a dealer in tea waste or a manufacturer shall be licensed under this Act and the levy of fees in respect of such licence;

(t) the matters which may be taken into account in the granting or issuing of any licence, permit or permission under this Act including in particular the previous consultation with the Central Government by the Board in regard to the grant or issue of any such licences, permits or permissions;

(u) the conditions which may be included in any licences, permits or permissions;

(v) the returns to be furnished by owners of tea estates, or subdivisions thereof, manufacturers, dealers and brokers relating to the production, manufacture, stock, sale and export of tea and tea waste and the form and manner in which such returns are to be furnished;

(w) the fees to be charged for granting certified copies of accounts of quotas;

(x) any other fee that may be necessary for the Board to levy in order to determine or redetermine the basis on which export quota may be fixed;

(y) any other matter which is to be or may be prescribed.

(3) All rules under this Act shall, as soon as they are made, be laid before both Houses of Parliament.

50. Power of Board to make by-laws.—(1) The Board may make by-laws consistent with this Act and the rules made thereunder, to provide for—

(a) the dates, times and places of its meetings and of the meetings of the Executive and other Committees and quorum for such meetings, and the procedure thereat;

(b) the delegation of powers and duties to the Executive or any other Committee, or to its Chairman, Vice-Chairman, Secretary or any other of its officers;

(c) the travelling allowances of members and of members of Committees;

(d) the appointment, promotion and dismissal of its officers and other employees other than those appointed by the Central Government and the creation and abolition of their posts;

(e) the conditions of service of its officers and other employees other than those appointed by the Central Government, including their pay, leave, leave allowances, pensions, gratuities, compassionate allowances and travelling allowances and the establishment and maintenance of a provident fund for them;

(f) the maintenance of its accounts;

(g) the persons by whom, and the manner in which payments, deposits and investments may be made on its behalf;

(h) the custody of moneys required for its current expenditure and the investment of moneys not so required;

(i) the preparation of statements showing the sums allotted to Departments of the Central and State Governments and other institutions.

(2) No by-law shall take effect until it has been confirmed by the Central Government and published in the Official Gazette, and the Central Government, in confirming a by-law may make any change therein which appears to be necessary.

(3) The Central Government may, by notification in the Official Gazette, cancel any by-law which it has confirmed and thereupon the by-law shall cease to have effect.

51. Repeals and savings.—(1) The Indian Tea Control Act, 1938 (VIII of 1938) and the Central Tea Board Act, 1949 (XIII of 1949) are hereby repealed.

(2) All moneys and other property and all rights and interests, of whatever kind, owned by, vested in, used, enjoyed or possessed by, or held in trust by or for, the Indian Tea Licensing Committee constituted under the Indian Tea Control Act, 1938, and the Central Tea Board constituted under the Central Tea Board Act, 1949, as well as all liabilities legally subsisting against that Committee or that Board shall pass to the Board with effect from the commencement of this Act.

(3) All officers and other employees of the Indian Tea Licensing Committee and the Central Tea Board who hold office as such immediately before the commencement of this Act shall be deemed to have been appointed as officers or other employees of the Board with effect from the commencement of this Act and, notwithstanding anything contained in any contract of service entered into by any such officer or other employee with the Indian Tea Licensing Committee or the Central Tea Board, shall be entitled to such pay and allowances and to such conditions of service in respect of other matters as may be determined by the Board with the approval of the Central Government.

(4) Any proceedings taken by the Indian Tea Licensing Committee or the Central Tea Board before the commencement of this Act may be continued by the Board after such commencement.

(5) Until action in that behalf is otherwise taken under the corresponding provisions of this Act or the rules made thereunder, all licences, permits and permissions issued or granted, all export quotas allotted and all fees fixed under the provisions of the Indian Tea Control Act, 1938, shall, unless inconsistent with the provisions of this Act, be deemed to have been issued, granted, allotted or fixed under the corresponding provisions of this Act and the rules made thereunder.

(6) Any offence punishable under the Indian Tea Control Act, 1938, or the Central Tea Board Act, 1949, shall be punishable and may be dealt with as if it were an offence punishable under the corresponding provisions of this Act.

(7) Any other thing or action done or taken before the commencement of this Act by the Indian Tea Licensing Committee or the Central Tea Board shall so long as it is not inconsistent with any of the provisions of this Act, be as valid and effectual as if it had been done or taken by the Board after the commencement of this Act.

(8) For the removal of doubts, it is hereby declared that the provisions contained in sub-sections (2) to (7) inclusive shall be without prejudice to the general application of section 6 of the General Clauses Act, 1897 (X of 1897).

(9) If any difficulty arises in giving effect to any of the provisions of this Act, the Central Government may as occasion may arise, by order, do anything which appears to be necessary for the purpose of removing the difficulty.

K. Y. BHANDARKAR,
Secy. to the Govt. of India.

The Gazette  of India

EXTRAORDINARY
PART II—Section 1
PUBLISHED BY AUTHORITY

No. 24] NEW DELHI, MONDAY, SEPTEMBER 14, 1953

MINISTRY OF LAW

New Delhi, the 14th September, 1953

The following Act of Parliament received the assent of the President on the 14th September, 1953 and is hereby published for general information:—

THE ANDHRA STATE ACT, 1953

No. 30 OF 1953

[14th September, 1953]

An Act to provide for the formation of the State of Andhra, the increasing of the area of the State of Mysore and the diminishing of the area of the State of Madras, and for matters connected therewith

BE it enacted by Parliament as follows:—

PART I

PRELIMINARY

1. Short title and commencement.—(1) This Act may be called the Andhra State Act, 1953.

(2) This Part and sections 43, 54, 58, 61, 62, 63, 64, 66 and 69 shall come into force at once, and all other provisions of this Act shall come into force on the 1st day of October, 1953.

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

(a) “appointed day” means the 1st day of October, 1953;

(b) “article” means an article of the Constitution;

(c) “Assembly constituency”, “Council constituency” and “Parliamentary constituency” have the same meaning as in the Representation of the People Act, 1950 (XLIII of 1950);

(d) “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 the State of Madras or Mysore as constituted immediately before the appointed day;

(e) "Order" means an Order published in the Official Gazette;

(f) "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;

(g) "transferred territory" means the territory added to the State of Mysore by sub-section (1) of section 4.

PART II

FORMATION OF ANDHRA STATE AND TRANSFER OF TERRITORY FROM MADRAS TO MYSORE

3. Formation of Andhra State.—(1) As from the appointed day, there shall be formed a Part A State to be known as the State of Andhra comprising the territories which immediately before that day were comprised in Srikakulam, Visakhapatnam, East Godavari, West Godavari, Krishna, Guntur, Nellore, Kurnool, Anantapur, Cuddapah and Chittoor districts and in the Alur, Adoni and Rayadrug taluks of Bellary district in the State of Madras and the said territories shall thereupon cease to form part of the State of Madras.

(2) Without prejudice to the power of the State Government to alter hereafter the extent, boundaries and names of districts, the said taluks of Alur and Adoni shall be included in, and become part of, Kurnool district, and the said taluk of Rayadrug shall be included in, and become part of, Anantapur district.

4. Transfer of territory from Madras to Mysore.—(1) As from the appointed day, there shall be added to the State of Mysore the territory which immediately before that day was comprised in the taluks of Bellary district other than Alur, Adoni and Rayadrug in the State of Madras, and the said territory shall thereupon cease to form part of the State of Madras.

(2) Without prejudice to the power of the State Government to alter hereafter the extent, boundaries and names of districts, the transferred territory shall form a separate district to be known as Bellary district.

5. Amendment of the First Schedule to the Constitution.—In the First Schedule to the Constitution—

(a) in Part A, entries 1 to 9 shall be renumbered as entries 2 to 10 respectively, and before entry 2 as so renumbered, the entry "1. Andhra" shall be inserted;

(b) in Part A, in the description of the territories of States—
 (i) before the paragraph relating to the territory of the State of Assam, the following paragraph shall be inserted, namely:—

“The territory of the State of Andhra shall comprise the territories specified in sub-section (1) of section 3 of the Andhra State Act, 1953.”; and

(ii) at the end of the last paragraph, the following shall be added, namely:—

“but in the case of the State of Madras shall not include the territories specified in sub-section (1) of section 3 and sub-section (1) of section 4 of the Andhra State Act, 1953.”; and

(c) in Part B, at the end of the paragraph containing the description of the Territories of States, the following shall be added, namely:—

“and in the case of the State of Mysore shall also comprise the territory specified in sub-section (1) of section 4 of the Andhra State Act, 1953.”

PART III

REPRESENTATION IN THE LEGISLATURES

Council of States

6. Representation in the Council of States.—The number of seats allotted to the State of Madras in the Council of States shall be reduced from 27 to 18, and there shall be allotted 12 seats to the State of Andhra in the said Council.

7. Amendment of the Fourth Schedule to the Constitution.—In the Fourth Schedule to the Constitution—

(a) in the Table of Seats relating to the States specified in Part A of the First Schedule—

(i) entries 1 to 9 shall be renumbered as entries 2 to 10 respectively;

(ii) before entry 2 as so renumbered, the entry “1. Andhra.....12” shall be inserted;

(iii) in column 2, for the figures “27” and “145” the figures “18” and “148” shall respectively be substituted;

(b) at the end of the Table of Seats, for the figures “204” the figures “207” shall be substituted.

8. Allocation of sitting members.—The nine sitting members of the Council of States representing the State of Madras whose names are specified in Part I of the First Schedule shall be deemed to have been elected by the elected Members of the Legislative Assembly of Andhra to fill nine of the seats allotted to the State of Andhra in the Council of States; and the remaining eighteen sitting members whose names are specified in Part II of that Schedule shall continue

to be members of the Council of States representing the State of Madras.

9. Bye-election to fill vacancies.—As soon as may be after the appointed day, there shall be held a bye-election to fill the vacancies existing on the appointed day in the seats allotted to the State of Andhra in the Council of States.

10. Term of office.—(1) Except as provided in sub-section (2), the terms of office of the members specified in the First Schedule shall remain unaltered, that is to say, as indicated in that Schedule.

(2) The term of office—

(a) of one of the two members specified against serial numbers 4 and 5 in Part I of the First Schedule shall be increased so as to expire on the 2nd day of April, 1958, and

(b) of one of the seven members specified against serial numbers 7 to 13 in Part II of that Schedule shall be reduced so as to expire on the 2nd April, 1954.

(3) The member whose term of office is to be increased under clause (a) of sub-section (2) and the member whose term of office is to be reduced under clause (b) of that sub-section shall be determined as soon as may be after the appointed day by lot drawn in such manner as the Chairman of the Council of States may direct.

(4) The term of office of each of the three members to be elected by the elected members of the Legislative Assembly of Andhra under section 9 shall expire on the 2nd day of April, 1956.

House of the People

11. Representation in the House of the People.—(1) The number of seats allotted in the House of the People to the State of Madras shall be reduced from 75 to 46, the number of seats allotted to the State of Mysore shall be increased from 11 to 12, and there shall be allotted 28 seats to the State of Andhra in that House.

(2) In the First Schedule to the Representation of the People Act, 1950 (XLIII of 1950)—

(a) in the Part relating to Part A States,—

(i) entries 1 to 9 shall be renumbered as entries 2 to 10 respectively, and before entry 2 as so renumbered, the following entry shall be inserted, namely:—

“1. Andhra.....28”; and

(ii) for the entry in column 2 against Madras, the entry “46” shall be substituted; and

(b) in the Part relating to Part B States, for the entry in column 2 against Mysore, the entry “12” shall be substituted.

12. Delimitation of constituencies.—The Delimitation of Parliamentary and Assembly Constituencies (Madras) Order, 1951 and

the Delimitation of Parliamentary and Assembly Constituencies (Mysore) Order, 1951 shall, until other provision is made by law, have effect subject to the modifications directed by the Second Schedule.

13. Provision as to sitting members.—Every sitting member of the House of the People representing a constituency which on the appointed day by virtue of the provisions of section 12 stands transferred, whether with or without alteration of boundaries, to the State of Andhra or to the State of Mysore, shall be deemed to have been elected to the House of the People by that constituency as so transferred.

14. Electoral rolls for modified Parliamentary constituencies.—Where by virtue of the provisions of section 12, the extent of a Parliamentary constituency has altered, the electoral roll for that constituency as so altered shall, as from the appointed day and until it is revised in accordance with law, be deemed to consist of so much of the electoral roll or rolls for any Parliamentary constituency or constituencies as relate to the areas comprised within the constituency as so altered.

Legislative Assemblies

15. Strength of Legislative Assemblies.—(1) The total number of seats to be filled by persons chosen by direct election—

(a) in the Legislative Assembly of Andhra, shall be 140,

(b) in the Legislative Assembly of Madras, shall be reduced from 375 to 230, and

(c) in the Legislative Assembly of Mysore, shall be increased from 99 to 104.

(2) In the Second Schedule to the Representation of the People Act, 1950 (XLIII of 1950)—

(a) in the Part relating to Part A States,—

(i) entries 1 to 9 shall be renumbered as entries 2 to 10 respectively, and before entry 2 as so renumbered, the following entry shall be inserted, namely:—

“1. Andhra.....140”; and

(ii) for the entry in column 2 against Madras, the entry ‘230’ shall be substituted; and

(b) in the Part relating to Part B States, for the entry in column 2 against Mysore, the entry ‘104’ shall be substituted.

16. Allocation of members.—(1) Every sitting member of the Legislative Assembly of Madras representing a constituency which on the appointed day by virtue of the provisions of section 12 stands transferred, whether with or without alteration of boundaries, to the State of Andhra or to the State of Mysore shall, as from the

appointed day, cease to be a member of the Legislative Assembly of Madras and shall be deemed to have been elected to the Legislative Assembly of Andhra or, as the case may be, of Mysore by that constituency as so transferred.

(2) The sitting member of the Legislative Assembly of Madras nominated to that Assembly under article 333 to represent the Anglo-Indian community shall, notwithstanding the diminution in the area of that State, continue to represent the said community in that Assembly under that article.

17. Duration of Legislative Assemblies.—(1) The period of five years referred to in clause (1) of article 172 shall, in the case of the Legislative Assembly of Andhra, be deemed to have commenced on the date on which it actually commenced in the case of the Legislative Assembly of Madras.

(2) The changes in the composition of the Legislative Assemblies of Madras and Mysore shall not affect the duration of either of those Assemblies as provided under clause (1) of article 172.

18. Electoral rolls for modified Assembly constituencies.—Where by virtue of the provisions of section 12 the extent of an Assembly constituency has altered, the electoral roll for that constituency as so altered shall, as from the appointed day and until it is revised in accordance with law, be deemed to consist of so much of the electoral roll or rolls for any Assembly constituency or constituencies as relate to the areas comprised within the constituency as so altered.

Legislative Councils

19. Madras Legislative Council.—(1) In the Legislative Council of Madras there shall be 51 seats of which—

(a) the numbers to be filled by persons elected by the electorates referred to in sub-clauses (a), (b) and (c) of clause (3) of article 171 shall be 14, 4 and 4 respectively;

(b) the number to be filled by persons elected by the members of the Legislative Assembly of Madras in accordance with the provisions of sub-clause (d) of the said clause shall be 18; and

(c) the number to be filled by persons nominated by the Governor of Madras in accordance with the provisions of sub-clause (e) of the said clause shall be 11:

Provided that as from the 21st day of April, 1954—

(a) the number of seats to be filled by persons elected by the electorates referred to in sub-clause (b) of clause (3) of article 171 shall be increased to 6, and

(b) the number of seats to be filled by persons referred to in clause (c) of this sub-section shall be reduced to 9.

(2) The two additional seats allotted under clause (a) of the proviso to sub-section (1) shall, for the purpose of filling them for the first time, be deemed to be seats rendered vacant by the members of the Legislative Council of Madras retiring on the expiration of their terms of office on the 20th day of April, 1954.

(3) The Third Schedule to the Representation of the People Act, 1950 (XLIII of 1950) shall,—

(a) as from the appointed day and until the 21st day of April, 1954, stand amended as follows:—

For the entry relating to Madras, the entry—

"3. Madras	51	14	4	4	18	11"
------------	----	----	---	---	----	-----

shall be substituted; and

(b) as from the 21st day of April, 1954, stand amended as follows:—

For the entry relating to Madras, the entry—

"3. Madras	51	14	6	4	18	9"
------------	----	----	---	---	----	----

shall be substituted.

20. Madras Council constituencies.—The Delimitation of Council Constituencies (Madras) Order, 1951, shall, until other provision is made by law, have effect subject to the modifications directed by the Third Schedule:

Provided that as from the 21st day of April, 1954, the Table appended to paragraph 2 of that Order shall have effect subject to the further modification that for the entry in column 3 thereof against "Madras (Graduates)" constituency the entry "6" shall be substituted.

21. Members of the Madras Legislative Council and their terms of office.—(1) The sitting members of the Legislative Council of Madras whose names are not specified in the Fourth Schedule shall, on the appointed day, cease to be members of that Council.

(2) The sitting members of the Legislative Council representing the Madras South (Graduates) constituency and the Madras South (Teachers) constituency shall, as from the appointed day, be deemed to have been elected to the Legislative Council of Madras by the Madras (Graduates) constituency and the Madras (Teachers) constituency, respectively.

(3) The terms of office of those sitting members who do not cease to be members of the Legislative Council on the appointed day shall be determined in accordance with the provisions contained in the Fourth Schedule.

22. Mysore Legislative Council.—(1) The Delimitation of Council Constituencies (Mysore) Order, 1951, shall, until other provision is

made by law, have effect subject to the modification directed by the Fifth Schedule.

(2) Any reference in the said Order to the State of Mysore shall be construed as including the territory added to that State by sub-section (1) of section 4.

(3) The sitting members of the Legislative Council of Mysore representing the Chitaldrug (Local Authorities) constituency shall, as from the appointed day, be deemed to have been elected to that Council by the Chitaldrug-cum-Bellary (Local Authorities) constituency.

(4) Every sitting member of the Legislative Council of Mysore representing the Mysore (Graduates) constituency or the Mysore (Teachers) constituency, the boundaries of which are by virtue of the provisions of sub-section (2) altered, shall, as from the appointed day, be deemed to have been elected to the said Council by that constituency as so altered.

23. Electoral rolls for modified Council constituencies.—As soon as may be after the appointed day, the electoral rolls for the Mysore (Graduates) constituency and the Mysore (Teachers) constituency shall be revised and an electoral roll shall be prepared for the Chitaldrug-cum-Bellary (Local Authorities) constituency of the Mysore Legislative Council in accordance with the provisions of the Representation of the People Act, 1950 (XLIII of 1950), and the rolls so revised or prepared shall come into force immediately upon their final publication in accordance with the rules made under that Act.

MISCELLANEOUS

24. Revision of the Scheduled Castes and Scheduled Tribes Orders.—The Constitution (Scheduled Castes) Order, 1950, and the Constitution (Scheduled Tribes) Order, 1950, shall have effect subject to the modifications directed by the Sixth Schedule.

25. Rules of Procedure of the Andhra Legislative Assembly.—The rules as to procedure and conduct of business in force immediately before the appointed day with respect to the Legislative Assembly of the State of Madras shall, until rules are made under clause (1) of article 208, have effect in relation to the Legislative Assembly of the State of Andhra subject to such modifications and adaptations as may be made therein by the Speaker thereof.

26. Amendment of section 2, Act XLIII of 1950.—Section 2 of the Representation of the People Act, 1950 (XLIII of 1950), shall be renumbered as sub-section (1) of section 2 and to the said section as so renumbered, the following sub-section shall be added, namely:—

“(2) Any reference in this Act to an order made under section 6, section 9 or section 11 shall, unless the context otherwise requires, be construed as including a reference to any such

order as modified under section 12, section 20 or section 22, as the case may be, of the Andhra State Act, 1953."

27. Amendment of section 9, Act LXXXI of 1952.—In sub-section (3) of section 9 of the Delimitation Commission Act, 1952 (LXXXI of 1952), for the words "and the orders made under either of the said Acts" the following shall be substituted, namely:—

"the Andhra State Act, 1953, and the orders made under any of the said Acts".

PART IV HIGH COURTS

28. High Court for Andhra.—(1) As from the 1st day of January, 1956, or such earlier date as may be appointed under sub-section (2), there shall be a separate High Court for the State of Andhra (hereinafter referred to as "the High Court of Andhra").

(2) The President may, if a resolution recommending the establishment of a separate High Court for the State of Andhra has, after having been adopted by the Legislative Assembly of that State, been submitted to him, appoint, by notification in the Official Gazette, a date earlier than the 1st day of January, 1956, for the purpose of sub-section (1).

(3) The date mentioned in sub-section (1) or, if an earlier date is appointed under sub-section (2), the date so appointed is hereinafter referred to as the "prescribed day".

(4) The principal seat of the High Court of Andhra shall be at such place as the Governor of Andhra may, before the prescribed day, by order, appoint:

Provided that if a resolution recommending any place for such principal seat is adopted by the Legislative Assembly of Andhra, such place shall be appointed by the Governor as the principal seat.

29. Judges of the Andhra High Court.—(1) Such of the Judges of the High Court at Madras holding office immediately before the prescribed day as may be determined by the President shall on that day cease to be Judges of the High Court at Madras and become Judges of the High Court of Andhra.

(2) The persons who by virtue of sub-section (1) become Judges of the High Court of Andhra shall, except in the case where any such person is appointed to be the Chief Justice of that High Court rank in that Court according to the priority of their respective appointments as Judges of the High Court at Madras.

(3) Any person who by virtue of sub-section (1) becomes a Judge of the High Court of Andhra shall, except in the case where a Judge

other than the Chief Justice of the High Court at Madras is appointed to be the Chief Justice of the High Court of Andhra, continue to be entitled to receive in respect of time spent on actual service as a Judge of the High Court of Andhra the special pay which he was drawing immediately before the prescribed day under subparagraph (2) of paragraph 10 of the Second Schedule to the Constitution.

30. Jurisdiction of Andhra High Court.—The High Court of Andhra shall have, in respect of the territories for the time being included in the State of Andhra, all such original, appellate and other jurisdiction as, under the law in force immediately before the prescribed day, is exercisable in respect of the said territories or any part thereof by the High Court at Madras.

31. Power to enrol advocates, etc.—(1) The High Court of Andhra shall have the like power to approve, admit, enrol, remove and suspend advocates and attorneys, and to make rules with respect to advocates and attorneys, as are, under the law in force immediately before the prescribed day, exercisable by the High Court at Madras.

(2) The right of audience in the High Court of Andhra shall be regulated in accordance with the like principles as, immediately before the prescribed day, are in force with respect to the right of audience in the High Court at Madras:

Provided that, subject to any rule made or direction given by the High Court of Andhra in the exercise of the powers conferred by this section, any person who immediately before the prescribed day is an advocate entitled to practise or an attorney entitled to act in the High Court at Madras shall be recognised as an advocate or an attorney entitled to practise or to act, as the case may be, in the High Court of Andhra.

32. Practice and procedure in Andhra High Court.—Subject to the provisions of this Part, the law in force immediately before the prescribed day with respect to practice and procedure in the High Court at Madras shall, with the necessary modifications, apply in relation to the High Court of Andhra, and accordingly that High Court shall have all such powers to make rules and orders with respect to practice and procedure as are immediately before the prescribed day exercisable by the High Court at Madras:

Provided that any rules or orders which are in force immediately before the prescribed day with respect to practice and procedure in the High Court at Madras shall, until varied or revoked by rules or orders made by the High Court of Andhra, apply with the necessary modifications in relation to practice and procedure in the High Court of Andhra as if made by that Court.

33. Custody of the Seal of the Andhra High Court.—The law in force immediately before the prescribed day with respect to the custody of the Seal of the High Court at Madras shall, with the necessary modifications, apply with respect to the custody of the Seal of the High Court of Andhra.

34. Form of writs and other processes.—The law in force immediately before the prescribed day with respect to the form of writs and other processes used, issued or awarded by the High Court at Madras shall, with the necessary modifications, apply with respect to the form of writs and other processes used, issued or awarded by the High Court of Andhra.

35. Powers of Judges.—The law in force immediately before the prescribed day relating to the powers of the Chief Justice, single judges and division courts of the High Court at Madras and with respect to all matters ancillary to the exercise of those powers shall, with the necessary modifications, apply in relation to the High Court of Andhra.

36. The place of sitting of the High Court.—The judges and division courts of the High Court of Andhra may sit at such place or places in the State of Andhra other than its principal seat as the Chief Justice may, with the approval of the Governor of Andhra, appoint.

37. Procedure as to appeals to the Supreme Court.—The law in force immediately before the prescribed day relating to appeals to the Supreme Court from the High Court at Madras and the judges and division courts thereof shall, with the necessary modifications, apply in relation to the High Court of Andhra.

38. Transfer of proceedings from Madras High Court to Andhra High Court.—(1) Except as hereinafter provided, the High Court at Madras shall, as from the prescribed day, have no jurisdiction in respect of the State of Andhra.

(2) Such proceedings pending in the High Court at Madras immediately before the prescribed day as are certified, whether before or after that day, 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 shall as soon as may be after such certification be transferred to the High Court of Andhra.

(3) Notwithstanding anything contained in sub-sections (1) and (2) of this section or in section 30, but save as hereinafter provided, the High Court at Madras shall have, and the High Court of Andhra shall not have, jurisdiction to entertain, hear or dispose of appeals, applications for leave to appeal including 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 prescribed day:

Provided that if after any 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 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 prescribed day, in any proceedings transferred to the High Court of Andhra 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.

39. Savings.—Nothing in this Part shall affect the application to the High Court of Andhra of any provisions of the Constitution, and this Part shall have effect subject to any provision that may be made on or after the prescribed day with respect to that High Court by any Legislature or other authority having power to make such provision.

40. Transitional provisions.—(1) The provisions of this section shall have effect with respect to the period beginning on the appointed day and ending immediately before the prescribed day.

(2) The jurisdiction of the High Court at Madras shall extend to the State of Andhra, and the said High Court shall, in relation to the territories of that State, continue to have such jurisdiction as it had immediately before the appointed day.

41. High Court for the added areas of Mysore.—(1) Except as hereinafter provided—

(a) the jurisdiction of the High Court of Mysore shall, as from the appointed day, extend to the whole of the transferred territory, and

(b) the High Court at Madras shall, as from that day, have no jurisdiction in respect of the transferred territory.

(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 Mysore shall, as soon as may be after such certification, be transferred to the High Court of Mysore.

(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 Mysore shall not have, jurisdiction to entertain, hear or dispose of appeals, applications for leave to appeal including 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 any 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 Mysore 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 Mysore 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 Mysore.

(5) Any person who immediately before the appointed day is an advocate entitled to practise or an attorney entitled to act in the High Court at Madras and was authorised to appear or to act in any proceedings transferred from that High Court to the High Court of Mysore under sub-section (2) or the proviso to sub-section (3) shall, on such transfer of the proceedings, have the right to appear or to act, as the case may be, in the High Court of Mysore in relation to those proceedings as an advocate or an attorney entitled to practise or to act in the High Court of Mysore.

42. Interpretation.—For the purposes of sections 38 and 41—

(a) proceedings shall be deemed to be pending in a court 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 including 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.

PART V

FINANCIAL PROVISIONS

43. Authorisation of expenditure pending its sanction by Legislature.—(1) The Governor of Madras may, at any time before the appointed day, authorise such expenditure from the Consolidated Fund of the State of Andhra and the Consolidated Fund of the State of Madras as he deems necessary for a period of not more than four months beginning with the appointed day pending the sanction of such expenditure by the Legislature of the State of Andhra or the State of Madras, as the case may be:

Provided that the Governor of Andhra may, after the appointed day, authorise such further expenditure as he deems necessary from the Consolidated Fund of the State of Andhra for any period not extending beyond the said period of four months.

(2) The Rajpramukh of Mysore may also, at any time before the appointed day, authorise such expenditure from the Consolidated Fund of the State of Mysore as he deems necessary for meeting the additional expenditure in respect of the transferred territory for a period of not more than four months beginning with the appointed day pending the sanction of such expenditure by the Legislature of the State.

44. Vote on account by the Madras Legislative Assembly.—Any grant made by the Legislative Assembly of Madras under sub-clause (a) of clause (1) of article 206 in respect of the estimated expenditure for a part of the financial year 1953-54 and the law made by the Legislature of that State authorising the withdrawal of moneys from the Consolidated Fund of the State for the purposes for which the said grant has been made shall, notwithstanding that the procedure prescribed in article 203 for the voting of such grant has not been completed and the law in accordance with the provisions of article 204 in relation to such expenditure has not been passed before the appointed day, be deemed to be sufficient authority for all expenditure incurred before that day for the purposes for which the said grant has been made and for the withdrawal of moneys before that day from the Consolidated Fund of the State in relation to such expenditure.

45. Authorisation under the Madras Appropriation Act to cease.—As from the appointed day, any Act passed by the Legislature of Madras 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 1953-54 shall cease to have effect.

46. Reports relating to the accounts of Madras State.—The reports of the Comptroller and Auditor-General of India referred to in

clause (2) of article 151 relating to the accounts of the State of Madras in respect of any period prior to the appointed day shall be submitted to the Governor of each of the States of Andhra and Madras who shall cause them to be laid before the Legislature of the State.

47. Apportionment of assets and liabilities.—(1) Subject to the other provisions of this Part, the assets and liabilities of the State of Madras immediately before the appointed day shall be apportioned between that State and the States of Andhra and Mysore in accordance with the provisions contained in the Seventh Schedule.

(2) Any dispute relating to, or arising out of, such apportionment shall be referred to the President whose decision shall be final.

48. Contracts.—(1) Where before the appointed day the State of Madras has made any contract in the exercise of the executive power of that State for any purposes of the State, then such contract shall—

(a) if such purposes are as from that day—

(i) exclusively purposes of the State of Andhra, or

(ii) partly purposes of the State of Andhra and partly purposes of the State of Mysore and not purposes of the State of Madras as constituted on the appointed day,

be deemed to have been made in the exercise of the executive power of the State of Andhra instead of the State of Madras;

(b) if such purposes are as from that day exclusively purposes of the State of Mysore, be deemed to have been made in the exercise of the executive power of that State instead of the State of Madras; and

(c) in any other case, continue to have effect as having been made in the exercise of the executive power of the State of Madras;

and all rights and liabilities which have accrued or may accrue under any such contract shall, to the extent to which they would have been rights or liabilities of the State of Madras as constituted immediately before the appointed day, be rights or liabilities of the State of Andhra, the State of Mysore or the State of Madras, as the case may be.

(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 provisions relating to apportionment of liabilities in respect of loans, guarantees and other financial obligations contained in the Seventh Schedule; and bank balances and securities shall, notwithstanding that they partake of the nature of contractual rights, be dealt with under the said provisions.

49. Liability in respect of actionable wrong.—Where immediately before the appointed day, the State of Madras is subject to any liability in respect of an actionable wrong other than breach of contract, that liability shall,—

(a) where the cause of action arose—

(i) wholly within the territories which as from that day are the territories of the State of Andhra, or

(ii) partly within the territories which as from that day are the territories of the State of Andhra and partly within the transferred territory but not within any part of the territories which as from that day are the territories of the State of Madras,

be a liability of the State of Andhra;

(b) where the cause of action arose wholly within the transferred territory, be a liability of the State of Mysore; and

(c) in any other case, continue to be a liability of the State of Madras.

50. Liability as guarantor.—If immediately before the appointed day, the State of Madras is liable as guarantor in respect of any liability of a Co-operative Society which is registered under the Madras Co-operative Societies Act, 1932 (Madras Act VI of 1932) and whose area of operations is limited to the whole or any part of the territories which on the appointed day become the territories of the State of Andhra, then as from that day the said liability of the State of Madras in respect of such guarantee shall be a liability of the State of Andhra.

51. Power of President to order allocation or adjustment in certain cases.—Where by virtue of any of the provisions of sections 47 to 50 or of the Seventh Schedule, any of the States of Madras, Andhra and Mysore becomes entitled to any property or obtains any other benefits or becomes subject to any liability, and the President is of opinion, on a reference made within a period of three years from the appointed day, by any State concerned, that it is just and equitable that that property or those benefits should be transferred to or

shared with one or both of the other States, or a contribution towards that liability should be made by one or both of the other States, the said property or benefits shall be allocated in such manner, or the other State or States shall make to the State primarily subject to the liability such contribution in respect thereof, as the President may, after consultation with the State Governments concerned, by order determine.

52. Certain expenditure to be charged on the Consolidated Fund of the State.—All sums payable by any of the States of Madras, Andhra and Mysore to any one of the other two States or to the Central Government by virtue of the provisions of paragraph 12 or paragraph 17 of the Seventh Schedule, shall be charged on the Consolidated Fund of the State by which such sums are payable.

PART VI

LEGAL PROVISIONS

53. Territorial extent of laws.—The provisions of Part II shall not be deemed to have effected any change in the territories to which any law in force immediately before the appointed day extends or applies, and territorial references in any such law to the State of Madras or of Mysore shall, until otherwise provided by a competent Legislature or other competent authority, continue to have the same meaning.

54. Power to adapt laws.—For the purpose of facilitating the application in relation to the State of Andhra, Madras or Mysore of any law made before the appointed day, the appropriate Government may, before the 1st day of April, 1954, 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 Legislature or other competent authority.

Explanation.—In this section, the expression “appropriate Government” means as respects a law relating to a matter enumerated in List I of the Seventh Schedule to the Constitution, the Central Government, and as respects any other law, the State Government of Andhra, Madras or Mysore, as the case may be.

55. Power to construe laws.—Notwithstanding that no provision or insufficient provision has been made under section 54 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 the State of Andhra, Madras or Mysore, construe the law with such alterations not affecting the substance as may be necessary or proper

to adapt it to the matter before the court, tribunal or authority, as the case may be.

56. Power to name authorities, etc., for exercising statutory functions.—The Governor as respects the State of Andhra and the Rajpramukh as respects the transferred territory 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.

57. Legal proceedings concerning the State of Madras.—Where, immediately before the appointed day, the State of Madras is a party to any legal proceedings with respect to any property, rights or liabilities subject to apportionment between the State of Madras and the States of Andhra and Mysore under this Act, the State which succeeds to, or acquires a share in, that property or those rights or liabilities by virtue of any provision of this Act shall be deemed to be substituted for the State of Madras as a party to those proceedings or to be added as a party thereto, as the case may be, and the proceedings may continue accordingly.

58. Provisions as to certain pending proceedings.—(1) Every proceeding pending immediately before the appointed day before a court (other than the High Court), tribunal, authority or officer—

(a) in any area which on that day falls within the State of Madras or the transferred territory shall, if it is a proceeding relating exclusively to any part of the territories which as from that day are the territories of the State of Andhra, stand transferred to the corresponding court, tribunal, authority or officer in the State of Andhra, or

(b) in any area which on that day falls within the State of Madras or the State of Andhra shall, if it is a proceeding relating exclusively to any part of the transferred territory, stand transferred to the corresponding court, tribunal, authority or officer in the State of Mysore.

(2) If any question arises as to whether any proceeding should stand transferred under sub-section (1), it shall be referred for the decision of the Chief Justice of the High Court at Madras and his decision shall be final.

(3) In this section—

(a) "proceeding" includes any suit, case or appeal, and

(b) "corresponding court, tribunal, authority or officer" in relation to a State means—

(i) the court, tribunal, authority or officer in which 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 the State as may be determined, before the appointed day by the Governor of Madras, and after the appointed day by the Governor or Rajpramukh of that State, to be the corresponding court, tribunal, authority or officer.

PART VII

ADMINISTRATIVE AND MISCELLANEOUS PROVISIONS

59. Provisions for detention in, and power to commit to, certain jails and other institutions.—(1) The Government of Madras and the Government of Mysore shall, for a period of five years from the appointed day, make available to the Government of Andhra the jails and other institutions specified in Part I and Part II respectively of the Eighth Schedule for the reception and detention of persons committed to, or ordered to be detained in, such jails or institutions by any court, tribunal or other authority in the State of Andhra.

(2) It shall be competent for a court, tribunal or other authority in the State of Andhra to order the commitment to, or detention in, any of the jails and other institutions specified in the Eighth Schedule during the period referred to in sub-section (1) of persons convicted and sentenced, or ordered to be detained therein, by such court, tribunal or other authority notwithstanding that such jail or institution is outside the State.

(3) The terms and conditions subject to which the jails and other institutions specified in the Eighth Schedule shall be used by the Government of Andhra for the purposes referred to in sub-section (1) shall be such as may be agreed upon between the Governments concerned by the 1st day of January, 1954, or, if no agreement is reached by the said date, as may be fixed by order of the President.

60. Continuance of facilities in certain State institutions.—The Government of Madras and the Government of Mysore, in respect of the institutions specified in Part I and Part II, respectively, of the Ninth Schedule shall provide for the Government and the people of the State of Andhra such facilities, for such period and upon such terms and conditions as may be agreed upon between the Governments concerned by the 1st day of January, 1954, or, if no agreement reached by the said date, as may be fixed by order of the President.

61. Provisions relating to the Indian Administrative Service and the Indian Police Service.—(1) In place of the cadres of the Indian Administrative Service and the Indian Police Service existing in the State of Madras immediately before the appointed day, there shall, as from that day, be two separate cadres, one for the State of Andhra and the other for the State of Madras, in respect of each of these Services.

(2) The President shall, by order, determine the strength and composition of, and the allocation of individual officers to, the said cadres for each of the States of Andhra and Madras.

(3) Every officer allocated under sub-section (2) to the cadre for the State of Andhra who immediately before the appointed day is serving in connection with the affairs of the State of Madras shall,—

(a) if immediately before the appointed day he is holding any post in any area which on that day falls in the State of Andhra, be as from that day, deemed to have been duly appointed to that post by the Government of Andhra; and

(b) if immediately before the appointed day he is not holding any post in any such area, be appointed by the Government of Andhra to a post in connection with the affairs of that State.

62. Provisions relating to the Indian Civil Service, the Indian Police, the Indian Service of Engineers and the Indian Forest Service.—(1) In respect of the members borne on the Madras cadre of the Services known as the Indian Civil Service, the Indian Police, the Indian Service of Engineers and the Indian Forest Service, the President shall, by order, determine the allocation of individual officers to the States of Andhra and Madras.

(2) Every officer allocated under sub-section (1) to the State of Andhra, who immediately before the appointed day, is serving in connection with the affairs of the State of Madras shall—

(a) if, immediately before the appointed day, he is holding any post in any area which on that day falls in the State of Andhra, be deemed, as from that day, to have been duly appointed to that post by the Government of Andhra; and

(b) if, immediately before the appointed day, he is not holding any post in any such area, be appointed by the Government of Andhra to a post in connection with the affairs of that State.

63. Provisions relating to other Services.—(1) The President may by general order require all persons who immediately before the appointed day are serving in connection with the affairs of the State of Madras in the territories specified in sub-section (1) of section 3 or in the transferred territory and who under the terms of their appointments or their conditions of service are not normally liable to be transferred outside the said territories or territory in which they are serving, to serve as from the appointed day in connection with the affairs of the State of Andhra or the State of Mysore, as the case may be, and all allocations so made by the President shall be final.

(2) The President may by special order require any person who is serving immediately before the appointed day in connection with the affairs of the State of Madras and to whom the provisions of sub-section (1) do not apply, to serve in connection with the affairs of the State of Andhra.

(3) Every person who is required to serve under sub-section (1) or sub-section (2) in connection with the affairs of the State of Andhra or the State of Mysore shall,—

(a) if immediately before the appointed day he is holding any post in connection with the affairs of the State of Madras in any area which on that day falls in the State in which he is so required to serve, be deemed as from that day to have been duly appointed to that post by the Government of, or by other appropriate authority in, the State concerned in connection with the affairs of that State; and

(b) if immediately before the appointed day he is not holding any post in any such area, be appointed by the Government of, or by other appropriate authority in, the State concerned, to a post in connection with the affairs of that State.

(4) All persons who are required by the President under sub-section (2) to serve in connection with the affairs of the State of Andhra shall be classified by him into the following two categories, namely:—

(i) officers whose allocation to the State of Andhra is final (hereinafter referred to in this section as “allotted officers”), and

(ii) officers required by the President to serve in connection with the affairs of the State of Andhra for a limited period as provided in sub-section (5) (hereinafter referred to in this section as “transferred officers”).

(5) The period for which a transferred officer may be required to serve in connection with the affairs of the State of Andhra shall be two years:

Provided that the Government of Andhra may return any such officer to the State of Madras at any time before the expiration of the said period after giving three months' notice to him and to the Government of Madras.

(6) An officer shall be classified under sub-section (4) as an allotted officer or a transferred officer according as he is, or is not, in the opinion of the President, suitable for final allotment to the State of Andhra.

(7) A transferred officer shall, during the period he is required to serve in connection with the affairs of the State of Andhra,—

(a) continue to be in the service of the State of Madras and be deemed to be on deputation to the State of Andhra, and

(b) be entitled in addition to the remuneration which he would have drawn if he had continued during such period to serve in connection with the affairs of the State of Madras, to such allowances as the President may by general or special order determine.

(8) A transferred officer shall not be dismissed, removed or reduced in rank except with the previous concurrence of the Government of Madras, and if the Government of Madras does not concur in any such proposal of the Government of Andhra, then the Government of Andhra shall notwithstanding anything contained in sub-section (5) return the officer concerned to the State of Madras.

(9) Subject to the provisions of sub-sections (7) and (8), the conditions of service of a transferred officer shall be the same as they would have been if he had continued to serve in connection with the affairs of the State of Madras during the period he is required to serve in connection with the affairs of the State of Andhra.

(10) The foregoing provisions of this section shall not apply in relation to any person to whom the provisions of section 61 or section 62 apply.

64. Power of President to give directions.—The President may give such directions to the States of Madras, Andhra and Mysore as may appear to him to be necessary for the purpose of giving effect to the provisions of sections 61, 62 and 63 and ensuring the proper division of services among those States.

65. Report of the Madras Public Service Commission.—The report of the Madras Public Service Commission as to the work done by the Commission in respect of any period prior to the appointed day shall be presented under clause (2) of article 323 to the Governors of Andhra and Madras, and the Governor of Madras shall on receipt of such report cause a copy thereof together with a memorandum explaining, as far as possible, as respects the cases, if any, where the advice of the Commission was not accepted, the reasons for such non-acceptance to be laid before the Legislature of the State of Madras and it shall not be necessary to cause such report or any such memorandum to be laid before the Legislative Assembly of the State of Andhra.

66. Special provisions with regard to Tungabhadra Project.—(1) Notwithstanding anything contained in this Act but subject to the provisions of paragraph 12 of the Seventh Schedule, all rights

and liabilities of the State of Madras in relation to the Tungabhadra Project or the administration thereof shall, on the appointed day, be the rights and liabilities of the States of Andhra and Mysore subject to such adjustments as may be made by agreement entered into by the said States after consultation with the President or, if no such agreement is entered into within two years from the appointed day, as the President may by order determine having due 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:

Provided that the order so made by the President may be varied by any subsequent agreement entered into by the States of Andhra and Mysore.

(2) An agreement or order referred to in sub-section (1) shall, if there has been an extension or further development of the Project after the appointed day, provide also for the rights and liabilities of the States of Andhra and Mysore in relation to such extension or further development.

(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,

(b) the rights to receive and to utilise the power generated as a result of the Project,

(c) 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 with any person other than Government.

(4) The President may from time to time give such directions as may appear to him to be 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 and Mysore under sub-section (1) or after an order has been made by the President under that sub-section, whichever is earlier.

(5) In this section, the expression "Tungabhadra Project" or "the Project" means the project agreed to between the Government of Madras and the Government of Hyderabad before the appointed day and, so far as the State of Madras is concerned, intended for the

supply and distribution of water from the Tungabhadra river by means of high level and low level canals to the districts of Bellary, Anantapur, Cuddapah and Kurnool, and for the generation of electric energy, both hydro-electric and thermal, and its transmission and distribution to the said districts and includes any extension or further development after that day of that project for the said purposes.

67. Allowances and privileges of the Governor of Andhra.—

The allowances and privileges of the Governor of Andhra shall, until provision in that behalf is made by Parliament by law under clause (3) of article 158, be such as the President may, by order, determine.

68. Effect of provisions of the Act inconsistent with other laws.—The provisions of this Act shall have effect notwithstanding anything inconsistent therewith contained in any other law.

69. Power to remove difficulties.—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.

THE FIRST SCHEDULE

(See sections 8 and 10)

PART I

Andhra Members of the Council of States

Members whose term of office expires on the 2nd April, 1958.

1. Sri Puchalapalli Sundarayya.
2. Sri Pydah Venkatanarayana.
3. Sri G. Ranganayakulu *alias* N. G. Ranga.

Members whose term of office expires on the 2nd April, 1956.

4. Sri Kommareddi Suryanarayana.
5. Sri S. Sambhu Prasad.

Members whose term of office expires on the 2nd April, 1954.

6. Sri Kotamraju Rama Rao.
7. Sri Makkineni Basavapunniah.
8. Sri Neelam Sanjiva Reddy.
9. Sri K. N. Rahimatullah.

PART II

Madras Members of the Council of States

Members whose term of office expires on the 2nd April, 1958.

1. Sri T. Bhaskar Rao.
2. Sri M. Mohamed Ismail.

3. Sri K. L. Narasimham.
4. Sri G. Rajagopalan.
5. Sri H. D. Rajah.
6. Sri V. M. Surendra Ram.

Members whose term of office expires on the 2nd April, 1956.

7. Sri B. V. Kakkilaya.
8. Sri V. K. Krishna Menon.
9. Srimati Mona Hensman.
10. Sri V. M. Obaidullah Sahib.
11. Sri T. S. Pattabiraman.
12. Sri A. Ramaswami Mudaliar.
13. Sri S. Venkataraman.

Members whose term of office expires on the 2nd April, 1954.

14. Sri Ezhukuttikkal Imbichi Bava.
15. Sri S. Guruswami.
16. Sri P. S. Rajagopal Naidu.
17. Sri K. Sadananda Hegde.
18. Sri T. V. Kamalashwamy.

THE SECOND SCHEDULE

(See section 12)

I. MODIFICATIONS IN THE DELIMITATION OF PARLIAMENTARY AND ASSEMBLY CONSTITUENCIES (MADRAS) ORDER, 1951.

1. In paragraph 1, for "Madras" substitute "Andhra and Madras".
2. In paragraph 2, for "the State of Madras" substitute "each of the States of Andhra and Madras".
3. In Table A,—

(a) above the entry relating to Pathapatnam constituency, insert the sub-heading "Part I—Andhra";

(b) for the entry in column 2 relating to Nandyal constituency, substitute "The Nandyal, Nandikotkur, Markapur, Cumbum, Sirvel and Koilkuntla taluks of the Kurnool District";

(c) for the entry in column 2 relating to Kurnool constituency, substitute "The Kurnool, Dhone, Pattikonda, Alur and Adoni taluks and Banganapalle sub-taluk of the Kurnool district";

(d) omit the entry relating to Bellary constituency;

(e) for the entry in column 2 relating to Anantapur constituency, substitute "The Gooty, Kalyandrug, Tadpatri, Rayadrug and Anantapur taluks (excluding Bukkachherla firka of the Anantapur taluk) of the Anantapur district";

(f) for the entry in column 2 relating to Penukonda constituency, substitute "The Bukkachherla firka of the Anantapur

taluk, and the Dharmavaram, Penukonda, Madakasira, Hindu-
pur and Kadiri taluks of the Anantapur District"; and

(g) above the entry relating to Madras constituency, insert
the sub-heading "Part II—Madras".

4. In Table B,—

(a) above the sub-heading "Srikakulam District" insert the
sub-heading "PART I—ANDHRA";

(b) after the entry relating to Kurnool constituency, insert
the following entry, namely:—

"Adoni The Alur and Adoni taluks. 2 1 ...".

(c) after the entry relating to Anantapur constituency, insert
the following entry, namely:—

"Rayadrug The Rayadrug taluk. 1 ";

(d) omit the sub-heading "Bellary District" and all entries
relating to Adoni, Siruguppa, Bellary, Rayadrug, Hospet, Kudligi
and Harpanahalli constituencies thereunder; and

(e) above the sub-heading "Madras City" insert the sub-
heading "PART II—MADRAS".

5. In the Appendix, omit the whole of item (14).

II. MODIFICATIONS IN THE DELIMITATION OF PARLIAMENTARY AND
ASSEMBLY CONSTITUENCIES (MYSORE) ORDER, 1951

1. In Table A, add the following entry at the end, namely:—

"Bellary The Bellary district 1 —".

2. In Table B, add the following entries at the end, namely:—

"Bellary District

Beilary	The Bellary taluk	1	—
Siruguppa	The Siruguppa taluk	1	—
Hospet	The Hospet and Sandur taluks	1	—
Kudligi	The Kudligi taluk, the Chigateri firka of the Harpanahalli taluk, and the Ittigi firka (excluding Hampasagara, Yenigi, Bannical, Yenigi Basapur, G. Kodihalli, Kodla- bal, Byasigideri, Hagari- bommanahalli and Chintra- palli villages) of the Hada- galli taluk.	1	—

Harpana halli.	The Harpanahalli, Arsikere and Teligi firkas of the Harpanahalli taluk; and the Hirehadagalli, Hadagalli and Tambarahalli firkas and Hampasagara, Yenigi, Bannical, Yenigi Basapur, G. Kodihalli, Kodlabal, Byasigideri, Hagarihomanahalli and Chintrapalli villages of Ittigi firka of the Hadagalli taluk."	1	-
----------------	---	---	---

THE THIRD SCHEDULE

(See section 20)

MODIFICATIONS IN THE DELIMITATION OF COUNCIL CONSTITUENCIES (MADRAS) ORDER, 1951

In the Table—

(a) for the sub-heading "Graduates' Constituencies" substitute "Graduates' Constituency";

(b) omit the entry relating to the Madras North (Graduates) Constituency;

(c) in column 1, for "Madras South (Graduates)" substitute "Madras (Graduates)";

(d) for the sub-heading "Teachers' Constituencies" substitute "Teachers' Constituency";

(e) omit the entry relating to the Madras North (Teachers) Constituency;

(f) in column 1, for "Madras South (Teachers)" substitute "Madras (Teachers)"; and

(g) omit the entries relating to the following Local Authorities' Constituencies:—

(i) Srikakulam-cum-Visakhapatnam-cum-East Godavari (Local Authorities);

(ii) West Godavari-cum-Krishna-cum-Guntur (Local Authorities);

(iii) Nellore-cum-Chittoor (Local Authorities); and

(iv) Ceded Districts (Local Authorities).

THE FOURTH SCHEDULE

(See section 21)

LIST OF MEMBERS OF THE MADRAS LEGISLATIVE COUNCIL*(a) Elected by Local Authorities' constituencies*

1. Sri Rangaswami Naidu	...	20th April, 1958
2. Sri K. N. Palaniswami Goundar	...	20th April, 1958
3. Sri P. B. K. Thiagaraja Reddiar	...	20th April, 1958
4. Sri A. Somasundaram	...	20th April, 1956
5. Sri C. Marudavanam Pillai	...	20th April, 1956
6. Sri Abdul Salam	...	20th April, 1956
7. Sri S. O. Sp. Odayappa	...	20th April, 1956
8. Sri P. Sivasubramania Nadar	...	20th April, 1956
9. Sri T. S. Sankaranarayana Pillai	...	20th April, 1956
10. Sri C. Perumalswamy Reddy	...	20th April, 1954
11. Sri Nathamani Naidu	...	20th April, 1954
12. Sri Purushothaman	...	20th April, 1954
13. Sri S. Narasappayya	...	20th April, 1954
14. Sri Thurutheelakath Thottinakara Puthia Purayil Kunhipocker	...	20th April, 1954

(b) Elected by the Madras (Graduates) constituency

15. Sri A. Lakshmanaswami Mudaliar	...	20th April, 1958
16. Sri P. V. Cherian	...	20th April, 1958
17. Sri K. Balasubramania Iyer	...	20th April, 1956
18. Sri K. Bhashyam	...	20th April, 1956

(c) Elected by the Madras (Teachers) constituency

19. Sri V. R. Ranganathan	...	20th April, 1956
20. Sri Alexander Gnanamuthu	...	20th April, 1956
21. Sri G. Krishnamurthi	...	20th April, 1954
22. Sri E. H. Parameswaran	...	20th April, 1954

(d) Elected by the Madras Legislative Assembly

23. Sri T. M. Narayanaswami Pillai	...	20th April, 1958
24. Sri B. V. Subrahmanyam	...	20th April, 1958
25. Sri M. Bhaktavatsalam	...	20th April, 1958
26. Sri V. Chakkarai Chetty	...	20th April, 1958
27. Sri V. G. Rao	...	20th April, 1958
28. Sri S. B. Adityan	...	20th April, 1956

29. Sri M. P. Govinda Menon	...	20th April, 1956
30. Sri S. Srinivasa Rao	...	20th April, 1956
31. Sri Arcot Gajapathi Nayagar	...	20th April, 1956
32. Sri N. Nallasenapathi Sarkarai Manradiar	...	20th April, 1956
33. Sri Mohammad Raza Khan	...	20th April, 1956
34. Sri A. M. Alla Pichai	...	20th April, 1956
35. Sri M. Ethirajulu	...	20th April, 1956
36. Sri N. Annamalai Pillai	...	20th April, 1954
37. Srimati Manjubhashini	...	20th April, 1954
38. Sri V. K. John	...	20th April, 1954
39. Sri T. G. Krishnamoorthi	...	20th April, 1954
40. Shri M. P. Sivagnana Gramani	...	20th April, 1954

(e) *Nominated by the Governor*

41. Sri V. Bhashyam Ayyangar	...	20th April, 1958
42. Sri O. P. Ramaswamy Reddiar	...	20th April, 1958
43. Srimati R. S. Subbulakshmi Ammal	...	20th April, 1958
44. Sri Chakravarthi Rajagopalachari	...	20th April, 1956
45. Sri T. M. Daivasikhamani Achariar	...	20th April, 1956
46. Sri G. Venkatachalam	...	20th April, 1956
47. Sri M. Satyanarayana	...	20th April, 1956
48. Sri Muhammad Usman	...	20th April, 1954
49. Dr. S. Muthulakshmi Reddi	...	20th April, 1954
50. Sri P. M. Marthandam Pillai	...	20th April, 1954
51. Mrs. M. N. Clubwala	...	20th April, 1954

PROVISIONS FOR DETERMINING THE TERMS OF OFFICE OF MEMBERS

1. Except as provided in the succeeding paragraphs, the term of office of every member shall expire on the date specified against his name in the above list.

2. The term of office of—

(a) one of the six members specified against serial numbers 4 to 9,

(b) one of the two members specified against serial numbers 19 and 20, and

(c) two of the eight members specified against serial numbers 28 to 35,

shall be increased so as to expire on the 20th April, 1958.

3. The term of office of one of the four members specified against serial Nos. 44 to 47 shall be reduced so as to expire on the 20th April, 1954.

4. The members whose terms of office are to be increased under paragraph 2 and the member whose term of office is to be reduced under paragraph 3 shall be determined as soon as may be after the appointed day by lot drawn in such manner as the Chairman of the Legislative Council of Madras may direct.

THE FIFTH SCHEDULE

(See section 22)

MODIFICATION IN THE DELIMITATION OF COUNCIL CONSTITUENCIES (MYSORE) ORDER, 1951

In the Table, for the entry relating to the Chitaldrug (Local Authorities) constituency, substitute the following:—

“ Chitaldrug-cum-Bellary (Local Authorities). ”	Chitaldrug District (including Davangere City) and Bellary District.	2.”
--	---	-----

THE SIXTH SCHEDULE

(See section 24)

1.—MODIFICATIONS IN THE CONSTITUTION (SCHEDULED CASTES) ORDER, 1950

1. For paragraph 4, substitute the following:—

“4. Any reference in the Schedule to this Order—

(a) to the State of Madras, Andhra or Mysore or to a district or other territorial division of any of these States shall be construed as a reference to that State or to that district or other territorial division as constituted on the 1st day of October, 1953; and

(b) to any other State or to a district or other territorial division thereof shall be construed as a reference to that State or to that district or other territorial division as constituted on the 26th day of January, 1950.”

2. In the Schedule—

(a) for the sub-heading “Part V—Madras” and for the words “Throughout the State” thereunder, substitute “Part V—Madras and Andhra” and “Throughout each of the States” respectively;

(b) for the entry under the sub-heading “Part XII—Mysore” substitute the following:—

“1. Throughout the State except in Bellary district:—

1. Adidravida

2. Adikarnataka

3. Banjara or Lambani

4. Bhovi

5. Koracha

6. Korama

2. In Bellary district:--

1. Adi Andhra

2. Adi Dravida

3. Adikarnataka

4. Ajila

5. Arunthathiyar

6. Baira

7. Bakuda

8. Bandi

9. Bariki

10. Bavuri

11. Bellara

12. Byagari

13. Chachati

14. Chakkiliyan

15. Chalavadi

16. Chamar

17. Chandala

18. Cheruman

19. Dandasi

20. Devendrakulathan

21. Dom or Dombara,
Paidi, Pano

22. Ghasi or Haddi,
Relli Sachandi

23. Godagali

24. Godari

25. Godda

26. Gosangi

27. Hasla

28. Holeya

29. Jaggali

30. Jambuvulu

-
31. Kadan
 32. Kalladi
 33. Kanakkan
 34. Karimpalan
 35. Kodalo
 36. Koosa
 37. Koraga
 38. Kudubi
 39. Kudumban
 40. Kuravan
 41. Kurichchan
 42. Madari
 43. Madiga
 44. Maila
 45. Mala (including Agency Malas)
 46. Mala Dasu
 47. Malasar
 48. Matangi
 49. Mavilan
 50. Moger
 51. Muchi
 52. Mundala
 53. Nalakeyava
 54. Nayadi
 55. Pagadai
 56. Paimda
 57. Paky
 58. Pallan
 59. Pambada
 60. Pamidi
 61. Panan
 62. Panchama
 63. Panniandi
 64. Paraiyan
 65. Paravan
 66. Pulayan
 67. Puthirai Vannan

68. Raneyar
69. Samagara
70. Samban
71. Sapari
72. Semman
73. Thoti
74. Tiruvalluvar
75. Valluvan
76. Valmiki
77. Vettuvan".

**II. MODIFICATIONS IN THE CONSTITUTION (SCHEDULED TRIBES) ORDER
1950**

1. For paragraph 3, substitute the following:—

"3. Any reference in the Schedule to this Order—

(a) to the State of Madras, Andhra or Mysore or to a district or other territorial division of any of these States shall be construed as a reference to that State or to that district or other territorial division as constituted on the 1st day of October, 1953; and

(b) to any other State or to a district or other territorial division thereof shall be construed as a reference to that State or to that district or other territorial division as constituted on the 26th day of January, 1950."

2. In the Schedule—

(a) for the sub-heading "Part V—Madras" and for the words "Throughout the State" thereunder, substitute "Part V—Madras and Andhra" and "Throughout each of the States" respectively:

(b) for the entry under the sub-heading "Part XI—Mysore" substitute the following:—

- "1. Throughout the State except in Bellary district:—

1. Hasalaru
2. Iruliga
3. Jenu Kuruba
4. Kadu-Kuruba
5. Maleru
6. Soligaru

2. In Bellary district:—

1. Aranadan
2. Bagal

3. Bhottadas—Bodo Bhottada, Muria Bhottada and Sano Bhottada
4. Bhumias—Bhuri Bhumia and Bodo Bhumia
5. Chenchu
6. Gadabas—Boda Gadaba, Cerllam Gadaba, Franji Gadaba, Jodia Gadaba, Olaro Gadaba, Pangi Gadaba and Pranga Gadaba
7. Gondi—Modya Gond and Rajo Gond
8. Goudus—Bato, Bhirithya Dudhokouria, Hato, Jatako and Joria
9. Kosalya Goudus—Bosothoriya Goudus, Chitti Goudus, Danga-yath Goudus, Dodd Kamariya, Dudu Kamaro, Ladiya Goudus and Pullosoriya Goudus
10. Magatha Goudus—Bernia Goudu, Bodo Magatha, Dongayath Goudu, Ladya Goudu, Ponna Magatha and Sana Magatha.
11. Holva
12. Jadapus
13. Jatapus
14. Kammara
15. Kattunayakan
16. Khattis-Khatti, Kommarao and Lohara
17. Kodu
18. Kommar
19. Konda Dhoras
20. Konda Kapus
21. Kondareddis
22. Kondhs—Desaya Kondhs, Dongria Kondhs, Kuttiya Kondhs Tikiria Kondhs and Yenity Kondhs
23. Kota
24. Kotia—Bartika Benthoriya, Dhulia or Dulia, Holva Paiko, Putiya, Sanrona and Sidho Paiko
25. Koya or Goud, with its sub-sects—Raja or Rasha Koyas, Lingadhari Koyas (ordinary) and Kottu Koyas
26. Kudiya
27. Kurumans
28. Manna Dhora
29. Maune
30. Mukha Dhora—Nooka Dhora
31. Muria
32. Paigarapu
33. Palasi
34. Paniyan
35. Porjas—Bodo Bonda, Daruva, Didua, Jodia, Mundili, Pengu, Pydi and Saliya
36. Reddi Dhoras
37. Savaras—Kapu Savaras, Khufto Savaras and Maliya Savaras

38. Sholaga
39. Toda
40. Inhabitants of the Laccadive, Minicoy and Amindivi Islands who, and both of whose parents, were born in these Islands."

THE SEVENTH SCHEDULE

[See sections 47(1), 48(3), 51, 52 and 66(1)]

PROVISIONS AS TO APPORTIONMENT OF ASSETS AND LIABILITIES BETWEEN MADRAS, ANDHRA AND MYSORE

1. (1) Subject to the other provisions of this Schedule, all land and all stores, articles and other goods shall remain the property of, or, as the case may be, pass to, the State in which they are situated.

(2) In this paragraph, 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. (1) A sum equivalent to the proceeds of any public loan raised by the Government of Madras between the 1st day of July, 1953 and the appointed day, or such portion thereof as the President may determine, shall be allocated between the States of Madras and Andhra in such proportion as may be fixed by the President having regard to the terms on which the loan was raised.

(2) Subject to the provisions of sub-paragraph (1) of this paragraph, the total of the cash balances in all treasuries of the State of Madras and the credit balances with the Reserve Bank of India immediately before the appointed day shall be divided between the States of Madras, Andhra and Mysore in the proportion of 62½ : 36 : 1½ :

Provided that for the purposes of such division there shall be no transfer of cash balances from any treasury to any other treasury and the apportionment shall be effected by adjusting the credit balances of the three States in the books of the Reserve Bank of India on the appointed day.

Explanation.—In this paragraph, "treasury" includes a sub-treasury.

3. Any unissued stores of any class shall be divided between the States of Madras, Andhra and Mysore in proportion to the total indents for stores of that class made in the three years immediately preceding the 1st day of April, 1953, for the areas respectively comprised in the States of Madras and Andhra and the transferred territory excluding the indents relating to the Secretariat and offices of Heads of Departments located in the city of Madras:

Provided that nothing in this paragraph shall apply to stores held for specific purposes, such as, for the use or utilisation in particular

institutions, workshops and electrical undertakings or on specific works under construction.

4. The State of Andhra shall be entitled to 36/100th share of the printing machinery in the Government Press at Madras. This share shall, as far as practicable, be given to that State in the form of machinery which can be removed and utilised by it, and to the extent to which this is not practicable, an adjustment shall be made in cash on the basis of the book value of the machinery less depreciation where such depreciation is adjusted in the accounts of the Press.

5. The right to recover arrears of taxes including land revenue shall belong to the State in which the taxed property is situate or the taxed transactions took place.

6. (1) The right to recover any loans or advances made before the appointed day by the State of Madras to any local body (other than the District Board of Bellary), society, agriculturist or other person in an area within the State shall belong to the State in which that area is included on the appointed day.

(2) If immediately before the appointed day any sums are due from the District Board of Bellary to the State of Madras on account of loans or advances made before that day, such part thereof as is due on account of any loan or advance utilised in or for the benefit of Alur and Adoni taluks, or, in or for the benefit of Rayadrug taluk shall be a debt due to the State of Andhra by the District Board of Kurnool or, as the case may be, of Anantapur, and the remaining part shall be a debt due to the State of Mysore by the District Board of Bellary.

(3) The right to recover any loans or advances made before the appointed day by the State of Madras to any person, firm or institution outside that State, shall belong to the State of Madras:

Provided that any sum recovered in respect of any such loan or advance shall be divided between the States of Madras, Andhra and Mysore in the proportion of $62\frac{2}{3} : 36 : 1\frac{1}{3}$.

7. (1) The balance of the States' share of the taxes on income and of the Union duties of excise payable to the State of Madras in respect of the financial year 1953-54 shall be shared between the States of Madras, Andhra and Mysore in the proportion of $62\frac{2}{3} : 36 : 1\frac{1}{3}$.

Explanation.—The balance referred to in this sub-paragraph shall be taken to be one-half of the amount payable to the State of Madras as constituted immediately before the appointed day out of the States' share of taxes on income or of Union duties of excise, as the case may be, in accordance with the Budget Estimates of the Central Government in respect of the financial year 1953-54.

(2) The States' share of the taxes on income or of the Union duties of excise payable to the State of Madras as constituted immediately before the appointed day in respect of each of the financial years commencing on or after the 1st day of April, 1954 shall, until other provision is made by law, be also shared between the States of Madras, Andhra and Mysore in the proportion of $62\frac{2}{3} : 36 : 1\frac{1}{3}$.

8. The sums at the credit of the Central Road Fund due to the State of Madras immediately before the appointed day shall be allocated between the States of Madras, Andhra and Mysore in the proportion of $62\frac{2}{3} : 36 : 1\frac{1}{3}$.

9. The shares held immediately before the appointed day by the State of Madras in the Travancore Fertilizers and Chemicals Limited, the Madras Radio and Electricals Limited and the Madras Industrial Investment Corporation shall be divided between the States of Madras, Andhra and Mysore in the proportion of $62\frac{2}{3} : 36 : 1\frac{1}{3}$.

10. The securities held in respect of investments made from any depreciation reserve fund shall accrue to the State in whose area the undertaking for which the depreciation reserve fund is maintained is situate.

11. Subject to the provisions of paragraph 12, the assets and liabilities relating to commercial or industrial undertakings shall, in the case where the undertakings are situate in the transferred territory, pass to the State of Mysore and, in other cases, pass to the State in which the undertakings are situate.

12. (1) The public debt of the State of Madras attributable to loans raised by the issue of Government securities which are outstanding with the public immediately before the appointed day shall as from such day be the debt of the State of Madras; and the States of Andhra and Mysore shall be liable to pay to the State of Madras their shares of the sums due from time to time for the servicing and repayment of the debt. For the purpose of determining the said shares, the debt shall be deemed to be apportioned between the States of Madras, Andhra and Mysore as if it were a debt referred to in sub-paragraph (2) of this paragraph, and the shares of the States of Andhra and Mysore shall be determined accordingly:

Provided that the liability for any public loan or portion thereof referred to in sub-paragraph (1) of paragraph 2 shall, for the purposes of this sub-paragraph, be deemed to be apportioned between the States of Andhra and Madras in the same proportion as may be fixed under sub-paragraph (1) of paragraph 2 in regard to the allocation of the proceeds of such loan or portion thereof.

Explanation.—In this sub-paragraph, the expression “Government securities” has the same meaning as in clause (a) of section 2 of the Indian Securities Act, 1920 (X of 1920).

(2) The remaining public debt of the State of Madras, that is to say, the debt attributable to loans taken from the Central Government, the Reserve Bank of India or any other Bank before the appointed day, shall be apportioned between the States of Madras, Andhra and Mysore in proportion to the total expenditure on all capital works and other capital outlays incurred in the territories of the States of Madras and Andhra and the transferred territory up to the commencement of the appointed day including the items dealt with in paragraph 9 of this Schedule:

Provided that any loan taken from the Central Government before the appointed day in connection with the construction of buildings, roads or other works for the temporary capital of the State of Andhra or for purposes incidental thereto shall to the extent of the expenditure so incurred until that day be wholly the liability of the State of Andhra.

(3) For the purposes of the allocation under sub-paragraph (2) of this paragraph, only expenditure on assets for which capital accounts have been kept (excluding the Buckingham Canal and any buildings for which such accounts have been kept) shall be taken into account:

Provided that the amount of public debt on account of the expenditure on the Tungabhadra Project referred to in section 66 shall be reallocated on such basis as may be agreed upon between the States concerned, or, if no agreement is entered into within two years from the appointed day, as may be fixed by order of the President.

(4) All sinking funds for loans raised before the appointed day by the Government of Madras shall remain with the State of Madras and the net amount of such funds shall be taken into consideration in allocating the dues on account of such loans between the States of Madras, Andhra and Mysore.

(5) In order to compensate the State of Andhra finally for its relatively smaller share of buildings, its share in the liability on account of debt to be apportioned between the States of Andhra and Madras under sub-paragraph (2) of this paragraph shall be reduced by 230.4 lakhs of rupees and the share of the State of Madras in such liability shall be correspondingly increased.

13. Civil deposits and local fund deposits shall pass to the State in whose area the deposits have been made, and the liability to pay them shall also fall on that State.

14. The securities held in the Zamindari Abolition Fund shall be allocated between the States of Madras, Andhra and Mysore in proportion to the estimated amount of compensation payable in the territories comprised within the State of Madras as constituted on the appointed day, in the territories forming the State of Andhra and the transferred territory.

15. The liability in respect of the undisbursed amounts in the Madras Road Fund as they stand immediately before the appointed day shall be taken over by the State in which the local bodies to whom they are payable exist.

16. Each State shall take over the liabilities in respect of the Provident Fund accounts of the Government servants permanently allotted to it.

17. (1) Subject to the adjustment mentioned in sub-paragraph (3) of this paragraph, each State shall, in respect of pensions granted by the State of Madras before the appointed day, pay the pensions drawn in its treasuries and sub-treasuries.

(2) Subject to the said adjustment, the liability in respect of pensions of officers serving in connection with the affairs of the State of Madras who retire or proceed on leave preparatory to retirement before the appointed day but whose claims for pensions are outstanding immediately before that day shall be the liability of the State of Madras.

(3) There shall be computed in respect of the part of the financial year 1953-54 commencing on the appointed day, and in respect of each subsequent financial year, the total payments made in each State in respect of pensions referred to in sub-paragraphs (1) and (2) of this paragraph; and each of the States of Andhra and Mysore shall receive from, or pay to, the State of Madras the amount by which the total payments in the State of Andhra or the State of Mysore, as the case may be, for that part of the year or for that year exceeds or, as the case may be, fall short of 36 per cent. in the case of the State of Andhra and 1½ per cent. in the case of the State of Mysore, of the total payments made in the States of Andhra, Mysore and Madras for that part of the year or for that year.

(4) The liability in respect of pensions of officers retiring on or after the appointed day shall be that of the State granting the pension. The portion of the pension attributable to the service of any such officer before the appointed day shall be allocated between the States of Madras, Andhra and Mysore in the proportion of 62½ : 36 : 1½, and the State which has granted the pension shall be entitled to receive from the other two States their shares of this liability. In respect of any officer whose services after the appointed day were partly in one of the States of Madras, Andhra and Mysore

as granted the pension and partly in one or both of the other two States, such other State or each of such other States, as the case may be, shall reimburse the State by which the pension is granted an amount which bears to the portion of the pension of such officer attributable to his service after the appointed day the same ratio as the period of qualifying service of that officer after the appointed day under that State bears to the total qualifying service of such officer after the appointed day reckoned for the purposes of pension.

Explanation.—Any reference in this paragraph to pensions shall be construed as including a reference to the commuted value of such pensions.

18. If and in so far as any item in suspense is ultimately found to affect an asset or liability of the nature referred to in the foregoing paragraphs, it shall be dealt with in accordance with the provisions of the relevant paragraph.

19. The benefit or burden of any assets or liabilities not dealt with in the foregoing paragraphs or in section 48 or section 49 or section 50 or section 66 shall be apportioned between the State of Madras and the States of Andhra and Mysore in such manner as the President may by order direct:

Provided that nothing in this paragraph shall be taken as prohibiting the apportionment of such benefit or burden in any other manner if the States concerned so agree.

THE EIGHTH SCHEDULE

[See section 59]

Part I

Jails and other institutions in the State of Madras:—

- (1) The Presidency Jail for Women, Vellore.
- (2) The Senior Certified School, Chingleput.

Part II

Jails and other institutions in the transferred territory:—

- (1) The Junior Certified School, Bellary.
- (2) The Central Jail, Bellary.
- (3) The Alipuram Jail, Bellary.
- (4) The Borstal School, Bellary.

THE NINTH SCHEDULE

[See section 60]

Part I

Institutions in the State of Madras:—

- (1) The King Institute, Guindy.
- (2) The Irrigation Research Station, Poondi.

-
- (3) The Police Training College, Vellore.
 - (4) The Finger Print Bureau, Vellore.
 - (5) The Government Press, Madras.
 - (6) The Government Textile Institute, Madras.
 - (7) The Government College of Indigenous Medicine, Madras.
 - (8) The Madras Fire Services State Training School, Madras
 - (9) The Veterinary College, Madras.
 - (10) The Serum Institute, Ranipet.
 - (11) The Barnard Institute of Radiology, Madras.
 - (12) The Chemical Examiner's Department, Madras.
 - (13) The Central Survey Office, Madras.
 - (14) The Government Lady Willingdon Leprosy Sanatorium
Tirumani.

Part II

Institutions in the transferred territory:—

- (1) Rayalaseema Polytechnic, Bellary.
- (2) The Government Wellesley Tuberculosis Sanatorium,
Bellary.

RAJENDRA PRASAD,

President.

K. Y. BHANDARKAR,
Secy. to the Govt. of India.

The Gazette  of India

EXTRAORDINARY
PART II Section 1
PUBLISHED BY AUTHORITY

No. 25] NEW DELHI, FRIDAY, SEPTEMBER 18, 1953

MINISTRY OF LAW

New Delhi, 18th September, 1953

The following Acts of Parliament received the assent of the President on the 18th September, 1953 and are hereby published for general information :—

THE CENTRAL SILK BOARD (AMENDMENT) ACT, 1953
No. 31 OF 1953

[18th September, 1953]

An Act further to amend the Central Silk Board Act, 1948.

Enacted by Parliament as follows:—

1. **Short title and commencement.**—(1) This Act may be called the Central Silk Board (Amendment) Act, 1953.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

2. **Amendment of long title and preamble, Act LXI of 1948.**—In the long title of, and the preamble to, the Central Silk Board Act, 1948 (hereinafter referred to as the principal Act), the word "raw" shall be omitted.

3. **Substitution of new section for section 2 in Act LXI of 1948.**—For section 2 of the principal Act, the following section shall be substituted namely:—

"2. *Declaration as to expediency of Union control.*—It is hereby declared that it is expedient in the public interest that the Union should take under its control the silk industry."

4. **Amendment of section 4, Act LXI of 1948.**—In section 4 of the principal Act, for sub-section (3), the following sub-section shall be substituted, namely:—

(3) The Board shall consist of the following members, namely:—

(a) a Chairman to be appointed by the Central Government;

(b) not more than three officials to be nominated by the Central Government;

Provided that it shall be lawful for any such official to depute in the prescribed circumstances another official to attend any meeting of the Board on his behalf;

(c) six persons to be elected by Parliament, four from the House of the People by the members of the House of the People and two from the Council of States by the members of the Council of States;

(d) four persons to be nominated by the Government of Mysore, one of whom shall represent the filature raw silk industry and two shall represent the rest of the sericulture industry;

(e) two persons to be nominated by the Government of Madras;

(f) two persons to be nominated by the Government of West Bengal;

(g) one person to be nominated by each of the Governments of Assam, Bihar, Bombay, Madhya Bharat, Madhya Pradesh and Uttar Pradesh;

(h) one person to be nominated by the Government of Jammu and Kashmir;

(i) not more than three persons to be nominated by the Central Government to represent the producers of raw silk and areas other than the States specified in clauses (d) to (g) inclusive;

(j) eight persons to be nominated by the Central Government, of whom one shall represent the spun silk industry, one the silk throwing and twisting industry, one the silk weaving industry, one labour; and two of them shall be experts in sericulture.

5. Amendment of section 7, Act LXI of 1948.—In section 7 of the principal Act, the words "in consultation with the Board" shall be omitted.

6. Amendment of section 8, Act LXI of 1948.—In section 8 of the principal Act,—

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

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

"(f) carrying out any other duties which may be vested in the Board under rules made under this Act;"

(iii) in sub-section (3), in clause (c), the word "raw" shall be omitted.

7. Amendment of section 10, Act LXI of 1948.—In section 10 of the principal Act, after sub-section (6), the following sub-section shall be inserted, namely:—

“(7) The proceeds of the duties of excise paid to the Board shall first be credited to the Consolidated Fund of India and the Central Government may, thereafter, from time to time, pay to the Board from and out of such proceeds such sums of money as it may think fit.”

8. Amendment of section 13, Act LXI of 1948.—For sub-section (2) of section 13 of the principal Act, the following sub-sections shall be substituted, namely:—

“(2) In particular, and without prejudice to the generality of the foregoing power, rules made under this section may provide for all or any of the following matters, namely:—

(i) the term of office of members of the Board, the circumstances in which and the authority by which members may be removed and the filling of casual vacancies in the Board;

(ii) the procedure to be followed at meetings of the Board and at the standing committee for the conduct of business and the number of members which shall form a quorum at any meeting;

(iii) the maintenance by the Board of records of business transacted by the Board and the submission of copies thereof to the Central Government;

(iv) the holding of a minimum number of meetings every year;

(v) the power of the Board, its Chairman and standing committee with respect to the incurring of expenditure;

(vi) the conditions subject to which the Board may incur expenditure outside India;

(vii) the preparation of budget estimates of receipts and expenditure of the Board and the authority by which the estimates are to be sanctioned;

(viii) the maintenance of the accounts of income and expenditure of the Board and the audit of such accounts;

(ix) the deposit of the funds of the Board in bank and the investment of such funds;

(x) the re-appropriation of estimated savings from one budget head to any other budget head;

(xi) the conditions subject to which the Board may borrow funds;

(xii) the conditions subject to which and the manner in which contracts may be entered into by or on behalf of the Board;

(xiii) the delegation to the standing committee or the Chairman or the Vice-Chairman or members or officers of the

Board of any of the powers and duties of the Board under this Act;

(xiv) the staff which may be employed by the Board and the pay and allowances, leave and other conditions of service of officers and other employees of the Board;

(xv) the travelling and other allowances of members of the Board and of the standing committee;

(xvi) the purposes for which funds of the Board may be expended;

(xvii) the maintenance of the registers and other records of the Board and of its standing committee;

(xviii) the collection of any information or statistics in respect of raw silk or any product of silk;

(xix) the manner in which raw silk shall be graded and marketed;

(xx) any other matter which is to be or may be prescribed.

(3) All rules made under this section shall be laid, as soon as may be, before Parliament."

9. Amendment of section 14, Act LXI of 1948.—Section 14 of the principal Act shall be numbered as sub-section (1) and after that sub-section as so numbered, the following sub-sections shall be inserted, namely:—

(2) If the person committing any offence specified in sub-section (1) 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:

Provided that nothing contained in this sub-section shall render any such person liable to any punishment provided in this Act, 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.

(3) Notwithstanding anything contained in sub-section (2), where an offence under sub-section (1) 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.

10. Insertion of new section 15A in Act LXI of 1948.—After section 15 of the principal Act, the following section shall be inserted, namely:—

“15A. *Jurisdiction of courts.*—No court inferior to that of a presidency magistrate or a magistrate of the first class shall try any offence punishable under section 14.”

11. Omission of section 17, Act LXI of 1948.—Section 17 of the principal Act shall be omitted.

12. Validation of certain acts and indemnity in respect thereof.—All acts of executive authority, proceedings and sentences which have been done, taken or passed, with respect to, or on account of, raw silk during the period commencing on the 26th day of January, 1950, and ending with the date of commencement of this Act, by the Government or by any officer of the Government or by any other authority in the belief or purported belief that the acts, proceedings or sentences were being done, taken or passed under the principal Act shall be as valid and operative as if they had been done, taken or passed in accordance with law, and no suit or other legal proceeding shall be maintained or continued against any authority whatsoever on the ground that any such acts, proceedings or sentences were not done, taken or passed in accordance with law.

RAJENDRA PRASAD,

President.

THE COLLECTION OF STATISTICS ACT, 1953

No. 32 OF 1953

[18th September, 1953]

An Act to facilitate the collection of statistics of certain kinds relating to industries, trade and commerce.

BE it enacted by Parliament as follows:—

1. Short title, extent and commencement.—(1) This Act may be called the Collection of Statistics Act, 1953.

(2) It extends to the whole of India except the State of Jammu and Kashmir.

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

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

(a) “appropriate Government” means—

(i) the Central Government, in relation to the collection of statistics under a direction issued by it under section 3, and

(ii) the State Government, in relation to the collection of statistics under a direction issued by it under that section;

(b) "commercial concern" means a public limited company or a co-operative society or a firm or any other person or body of persons engaged in trade or commerce, and includes—

- (i) a concern engaged in banking or insurance;
- (ii) a financial corporation;
- (iii) a concern engaged in shipping and navigation;
- (iv) a concern engaged in the business of brokers dealing in shares, stocks and securities and commodities;
- (v) a concern engaged in the business of advertising consultants;
- (vi) a light railway;
- (vii) a concern engaged in road transport service;
- (viii) a concern engaged in air transport service;
- (ix) a rubber, tea, coffee or cinchona plantation;
- (x) a concern engaged in the business of forwarding and clearing agents;
- (xi) any other concern which, in the opinion of the Central Government, is a commercial concern and is declared to be such by that Government by notification in the Official Gazette, but does not include an industrial concern;

(c) "factory" means a factory as defined in clause (m) of section 2 of the Factories Act, 1948 (LXIII of 1948);

(d) "industrial concern" means a public limited company or a co-operative society or a firm or any other person or body of persons engaged in the manufacture, assembling, packing, preservation or processing of goods or in mining or in the generation or distribution of electricity or any other form of power;

(e) "owner" in relation to a commercial or an industrial concern means the person who, or the authority which, has the ultimate control over the affairs of the concern, and where the said affairs are entrusted to a manager, managing director or managing agent, such manager, managing director or managing agent shall be deemed to be the owner of the concern;

(f) "prescribed" means prescribed by rules made under this Act or in any form laid down by such rules.

3. Collection of statistics.—The appropriate Government may, by notification in the Official Gazette, direct that statistics shall be collected relating to any of the following matters, namely:—

- (a) any matter relating to any industry or class of industries;
- (b) any matter relating to any commercial or industrial concern or class of commercial or industrial concerns, and in particular, any matter relating to factories;

(c) any of the following matters so far as they relate to welfare of labour and conditions of labour, namely:—

- (i) price of commodities ;
- (ii) attendance ;
- (iii) living conditions including housing, water supply and sanitation ;
- (iv) indebtedness ;
- (v) rents of dwelling houses ;
- (vi) wages and other earnings ;
- (vii) provident and other funds provided for labour ;
- (viii) benefits and amenities provided for labour ;
- (ix) hours of work ;
- (x) employment and unemployment ;
- (xi) industrial and labour disputes ;
- (xii) labour turnover ;
- (xiii) trade unions ;

and thereupon the provisions of this Act shall apply in relation to those statistics :

Provided that—

(a) nothing contained in this section shall be deemed to authorise a State Government to issue any direction under this Act with respect to the collection of statistics relating to any matter falling under any of the entries specified in List I in the Seventh Schedule to the Constitution; or

(b) where the Central Government has issued any direction under this section for the collection of statistics relating to any matter, no State Government shall, except with the previous approval of the Central Government, issue any similar direction for so long as the collection of statistics by the Central Government remains to be completed; or

(c) where a State Government has issued a direction under this section for the collection of statistics relating to any matter, the Central Government shall not issue any similar direction for so long as the collection of statistics by the State Government remains to be completed, except in cases where statistics have to be collected with reference to two or more States.

4. Appointment of statistics authority.—The appropriate Government may appoint an officer to be the statistics authority for the purpose of collecting any statistics directed by it to be collected.

5. Power of statistics authority to call for information or returns.—
(1) The statistics authority may serve or cause to be served on the owner of an industrial or commercial concern or on any other person a notice

requiring him to furnish such information or returns as may be prescribed relating to any matter in respect of which statistics are to be collected.

(2) The form in which, and the person to whom, or the authorities to which, such information or returns should be furnished, the particulars which they should contain and the intervals within which such information or returns should be furnished shall be such as may be prescribed.

(3) The notice referred to in sub-section (1) may be served by post.

6. Right of access to records or documents.—The statistics authority or any person authorised by him in writing in this behalf shall, for the purposes of the collection of any statistics under this Act, have access to any relevant record or document in the possession of any person required to furnish any information or return under this Act, and may enter at any reasonable time any premises where he believes such record or document to be and may inspect or take copies of relevant records or documents or ask any question necessary for obtaining any information required to be furnished under this Act.

7. Restriction on the publication of information and returns.—(1) No information, no individual return and no part of an individual return with respect to any particular industrial or commercial concern, given for the purposes of this Act shall, without the previous consent in writing of the owner for the time being of the industrial or commercial concern in relation to which the information or return was given or made or his authorised agent, be published in such manner as would enable any particulars to be identified as referring to a particular concern.

(2) Except for the purposes of a prosecution under this Act or under the Indian Penal Code (Act XLV of 1860), no person who is not engaged in the collection of statistics under this Act shall be permitted to see any information or individual return referred to in sub-section (1).

8. Penalties.—If any person—

(a) required to furnish any information or return—

(i) wilfully refuses or without lawful excuse neglects to furnish such information or return as may be required under this Act; or

(ii) wilfully furnishes or causes to be furnished any information or return which he knows to be false; or

(iii) refuses to answer or wilfully gives a false answer to any question necessary for obtaining any information required to be furnished under this Act; or

(b) impedes the right of access to relevant records or documents or the right of entry conferred by section 6:

he shall for each such offence be punishable with fine which may extend to five hundred rupees and in the case of a continuing offence to a further fine which may extend to two hundred rupees for each day after the first during which the offence continues.

9. Offences by companies.—(1) If the person guilty of an offence under section 8 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:

Provided that nothing contained in this sub-section shall render any such person liable to any punishment provided in this Act, if he proves that the offence was committed without his knowledge or that he exercised all due diligence to prevent the commission of such offence.

(2) Notwithstanding anything contained in sub-section (1), where an offence under this Act has been committed by a company and it is proved that the offence has been committed with the consent or connivance of or is attributable to any neglect on the part of any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall also be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

Explanation.—For the purposes of this section,—

(a) “company” means any body corporate and includes a firm or other association of individuals; and

(b) “director” in relation to a firm means a partner in the firm.

10. Penalty for improper disclosure of information or returns.—If any person engaged in connection with the collection of statistics under this Act wilfully discloses any information or the contents of any return given or made under this Act otherwise than in the execution of his duties under this Act or for the purposes of the prosecution of an offence under this Act or under the Indian Penal Code (Act XLV of 1860), he shall be punishable for such offence with imprisonment for a term which may extend to six months, or with fine which may extend to one thousand rupees, or with both.

11. Cognizance of offences.—No prosecution for an offence under section 8 shall be instituted except by or with the sanction of the statistics authority and no prosecution for an offence under section 10 shall be instituted except by or with the consent of the appropriate Government.

12. Power of Central Government to give directions.—The Central Government may give directions to a State Government as to the carrying into execution of this Act in the State.

13. Protection of action taken in good faith.—No suit or other legal proceeding shall lie against the appropriate Government, the statistics authority, or any other person acting under the authority of the appropriate Government or of the statistics authority in respect of anything which is in good faith done or intended to be done in pursuance of this Act or of any rules or directions issued thereunder.

14. Power to make rules.—(1) The appropriate Government may, subject to the condition of previous publication, by notification in the Official Gazette, make rules for the purpose of carrying out the purposes of this Act.

(2) Without prejudice to the generality of the foregoing power, rules may be made under this section for all or any of the following matters, namely:—

(a) the form and manner in which the information and returns may be furnished, the particulars which they should contain, the

intervals within which and the authority to which such information and returns may be furnished;

(b) the manner in which the right of access to documents and the right of entry conferred by section 6 may be exercised; and

(c) any other matter which is to be or may be prescribed under this Act.

(3) All rules made under this section shall be laid, as soon as may be, before Parliament or, as the case may be, before the appropriate State Legislature.

15. Repeal.—The Industrial Statistics Act, 1942 (XIX of 1942), and the Hyderabad Collection of Statistics Act (No. 17 of 1957 Fasli) are hereby repealed.

RAJENDRA PRASAD,
President.

K. Y. BHANDARKAR,
Secy. to the Govt. of India.

The Gazette  of India

EXTRAORDINARY
PART II - Section 1
PUBLISHED BY AUTHORITY

No. 26] NEW DELHI, TUESDAY, SEPTEMBER 29, 1953

MINISTRY OF LAW

New Delhi, the 29th September, 1953

The following Act of Parliament received the assent of the President on the 29th September, 1953 and is hereby published for general information:—

THE APPROPRIATION (No. 4) ACT, 1953

No. 33 OF 1953

[29th September, 1953]

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 1953-54.

BE it enacted by Parliament as follows:—

1. **Short title.**—This Act may be called the Appropriation (No. 4) Act, 1953.

2. **Issue of Rs. 10,35,90,000 out of Consolidated Fund of India for the year 1953-54.**—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 ten crores, thirty-five lakhs and ninety thousand rupees towards defraying the several charges which will come in course of payment during the financial year 1953-54, in respect of the services specified in column 2 of the Schedule.

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

THE SCHEDULE
(See sections 2 and 3)

1 No. of Vote	2 Services and Purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Consoli- dated Fund	Total
		Rs.	Rs.	Rs.
12	Defence Services, Effective—Army .	60,00,000	..	60,00,000
38	Miscellaneous Department and Ex- penditure under the Ministry of Finance.	..	3,000	3,000
45	Agriculture	1,36,000	..	1,36,000
47	Miscellaneous Expenditure under the Ministry of Food and Agriculture.	2,10,00,000	..	2,10,00,000
59	Ministry of Information and Broad- casting.	38,30,000	..	38,30,000
90	Kutch	1,00,000	..	1,00,000
	<i>Charged—Staff, Household and allow- ances of the President</i>	..	20,000	20,000
125	Other Capital Outlay of the Ministry of Food and Agriculture.	7,25,00,000	..	7,25,00,000
133	Capital Outlay of the Ministry of Production.	1,000	..	1,000
	TOTAL .	10,35,67,000	23,000	10,35,90,000

RAJENDRA PRASAD,
President.

K. Y. BHANDARKAR,
Secy. to the Govt. of India.

The Gazette  of India

EXTRAORDINARY
PART II—Section 1
PUBLISHED BY AUTHORITY

No. 30] NEW DELHI, TUESDAY, OCTOBER 6, 1953

MINISTRY OF LAW

New Delhi, the 6th October, 1953

The following Act of Parliament received the assent of the President on the 6th October, 1953 and is hereby published for general information:—

THE ESTATE DUTY ACT, 1953

No. 34 OF 1953

[6th October, 1953]

An Act to provide for the levy and collection of an estate duty.

BE it enacted by Parliament as follows:—

PART I.—PRELIMINARY

1. Short title, extent and commencement.—(1) This Act may be called the Estate Duty Act, 1953.

(2) It extends to the whole of India except the State of Jammu and Kashmir.

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

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

(1) "affidavit of valuation" means the affidavit of valuation made under section 19-I of the Court-fees Act, 1870 (VII of 1870), in connection with an application for the grant of representation;

(2) "Board" means the Central Board of Revenue constituted under the Central Board of Revenue Act, 1924 (IV of 1924);

(3) "company" includes any body corporate wheresoever incorporated;

(4) "controlled company" means a company as defined in section 17;

(5) "Controller" means a person appointed to be a Controller of Estate Duty under section 4 and includes a person appointed to be a Deputy Controller of Estate Duty or an Assistant Controller of Estate Duty;

(6) "deceased person" and "the deceased" mean a person dying after the commencement of this Act;

(7) "estate duty" means estate duty under this Act;

(8) "executor" means the executor or administrator of a deceased person;

(9) "general power" includes every power or authority enabling the donee or other holder thereof to appoint or dispose of property as he thinks fit, whether exercisable by instrument *inter vivos* or by will or both, but exclusive of any power exercisable in a fiduciary capacity under a disposition not made by himself or exercisable as mortgagee;

(10) "incumbrances" includes mortgages and terminable charges;

(11) "interest in expectancy" includes an estate in remainder or reversion and every other future interest whether vested or contingent, but does not include reversions expectant upon the determination of leases;

(12) "legal representative" means a person who in law represents the estate of a deceased person, and includes—

(i) an executor,

(ii) as regards any obligation under this Act, any person who takes possession of, or intermeddles with, the estate of a deceased person or any part thereof, and

(iii) where the deceased was a coparcener of a Hindu family, the manager for the time being of the family;

(13) "power to appoint property" means power to determine the disposition of property of which the person invested with the power is not the owner;

(14) "prescribed" means prescribed by rules made under this Act;

(15) "property" includes any interest in property, movable or immovable, the proceeds of sale thereof and any money or investment for the time being representing the proceeds of sale and also includes any property converted from one species into another by any method;

Explanation 1.—The creation by a person or with his consent of a debt or other right enforceable against him personally or against property which he was or might become competent to dispose of, or to charge or burden for his own benefit, shall be deemed to have been a disposition made by that person, and in relation to such a disposition the expression "property" shall include the debt or right created.

Explanation 2.—The extinguishment at the expense of the deceased of a debt or other right shall be deemed to have been a disposition made by the deceased in favour of the person for whose benefit the debt or right was extinguished, and in relation to such a disposition the expression "property" shall include the benefit conferred by the extinguishment of the debt or right;

(16) "property passing on the death" includes property passing either immediately on the death or after any interval, either certainly or contingently, and either originally or by way of substitutive limitation, and "on the death" includes "at a period ascertainable only by reference to the death";

(17) "public charitable purpose" includes relief of the poor, education, medical relief and the advancement of any other object of general public utility within the territory of India;

(18) "representation" means probate of a will or letters of administration;

(19) "settled property" means property which stands limited to, or in trust for, any persons, natural or juridical, by way of succession, whether the settlement took effect before or after the commencement of this Act; and "settlement" means any disposition, including a dedication or endowment, whereby property is settled;

(20) "Valuer" means a Valuer appointed under section 4.

3. Interpretation.—(1) For the purposes of this Act,—

(a) a person shall be deemed competent to dispose of property if he has such an estate or interest therein or such general power as would, if he were *sui juris*, enable him to dispose of the property;

(b) a disposition taking effect out of the interest of the deceased shall be deemed to have been made by him, whether the concurrence of any other person was or was not required;

(c) money which a person has a general power to charge on the property of another person shall be deemed to be an interest in that property of which the former has power to dispose;

(d) the domicile of a person shall be determined as if the provisions of the Indian Succession Act, 1925 (XXXIX of 1925), on the subject applied to him.

(2) In Parts II and III of this Act, any reference to any interest disposed of, policy of insurance effected, annuity or other interest purchased or provided or to any gift, settlement, disposition or transfer of property made, shall be construed as including any such interest, policy, annuity, gift, settlement, disposition or transfer, as the case may be, whether it was disposed of, effected, purchased or provided, or made before or after the commencement of this Act.

4. Estate duty authorities.—(1) There shall be the following authorities for the purposes of this Act, namely:—

- (a) the Board,
- (b) Controllers of Estate Duty,
- (c) Valuers.

(2) The Central Government may appoint as many Controllers of Estate Duty as it thinks fit and they shall, subject to the control of the Board, perform their functions in respect of such estates or classes of estates and such areas as are assigned to them by the Board:

Provided that, subject to such rules as may be made by the Board in this behalf, every Controller, within the local limits of whose jurisdiction any part of the estate of the deceased is situated, may exercise in relation to the whole estate or any part thereof any of the powers conferred on the Controller by this Act:

Provided further that the Board may, by general or special order, direct that any Controller specified by it in this behalf may exercise all or any of the powers conferred on the Controller by this Act to the exclusion of any other Controller.

(3) The Central Government shall, within twelve months after the commencement of this Act and may thereafter, from time to time, appoint a sufficient number of qualified persons to act as Valuers for the purposes of this Act and shall fix a scale of charges for the remuneration of such persons.

(4) Subject to the rules and orders of the Central Government regulating the conditions of service of persons in public services and posts, a Controller may appoint such executive or ministerial staff as may be necessary to assist him in the execution of his functions.

(5) All officers and persons employed in the execution of this Act, other than Valuers, shall observe and follow the orders, instructions and directions of the Board.

PART II.—IMPOSITION OF ESTATE DUTY

Extent of charge

5. Levy of estate duty.—(1) In the case of every person dying after the commencement of this Act, there shall, save as hereinafter expressly provided, be levied and paid upon the principal value ascertained as hereinafter provided of all property, settled or not settled, including agricultural land situate in the States specified in the First Schedule to this Act, which passes on the death of such person, a duty called "estate duty" at the rates fixed in accordance with section 35.

(2) The Central Government may, by notification in the Official Gazette, add the names of any other States to the First Schedule in respect whereof resolutions have been passed by the Legislatures of those States adopting this Act under clause (1) of article 252 of the Constitution in respect of estate duty on agricultural lands situate in those States, and on the issue of any such notification the States so added shall be deemed to be States specified in the First Schedule within the meaning of sub-section (1).

Property which is deemed to pass

6. Property within disposing capacity.—Property which the deceased was at the time of his death competent to dispose of shall be deemed to pass on his death.

7. Interests ceasing on death.—(1) Subject to the provisions of this section, property in which the deceased or any other person had an interest ceasing on the death of the deceased shall be deemed to pass on the deceased's death to the extent to which a benefit accrues or arises by the cesser of such interest, including, in particular, a coparcenary interest in the joint family property of a Hindu family governed by the Mitakshara, Marumakkattayam or Aliyasentana law.

(2) If a member of a Hindu coparcenary governed by the Mitakshara school of law dies, then the provisions of sub-section (1) shall apply with respect to the interest of the deceased in the coparcenary property only—

(a) if the deceased had completed his eighteenth year at the time of his death, or

(b) where he had not completed his eighteenth year at the time of his death, if his father or other male ascendant in the male line was not a coparcener of the same family at the time of his death.

Explanation.—Where the deceased was also a member of a sub-coparcenary (within the coparcenary) possessing separate property of its own, the provisions of this sub-section shall have effect separately in respect of the coparcenary and the sub-coparcenary.

(3) If a member of any *tarwad* or *tavazhi* governed by the Marumakkattayam rule of inheritance or a member of a *kutumba* or *kavaru* governed by the Aliyasantana rule of inheritance dies, then the provisions of sub-section (1) shall not apply with respect to the interest of the deceased in the property of the *tarwad*, *tavazhi*, *kutumba* or *kavaru*, as the case may be, unless the deceased had completed his eighteenth year.

(4) The provisions of sub-section (1) shall not apply to the property in which the deceased or any other person had an interest only as holder of an office or recipient of the benefits of a charity, or as a corporation sole.

Explanation.—For the removal of doubts, it is hereby declared that the holder of a *Sthanam* is neither the holder of an office nor a corporation sole within the meaning of this sub-section.

8. Gifts mortis causa.—Property taken as a gift made in contemplation of death shall be deemed to pass on the donor's death.

Explanation.—In this section, the expression "gift made in contemplation of death" has the same meaning as in section 191 of the Indian Succession Act, 1925 (XXXIX of 1925).

9. Gifts within a certain period before death.—(1) Property taken under a disposition made by the deceased purporting to operate as an immediate gift *inter vivos* whether by way of transfer, delivery, declaration of trust, settlement upon persons in succession, or otherwise, which shall not have been *bona fide* made two years or more before the death of the deceased shall be deemed to pass on the death:

Provided that in the case of gifts made for public charitable purposes the period shall be six months.

(2) The provisions of sub-section (1) shall not apply to gifts made in consideration of marriage or which are proved to the satisfaction of the Controller to have been part of the normal expenditure of the deceased, but not exceeding rupees five thousand in the aggregate.

10. Gifts whenever made where donor not entirely excluded.—Property taken under any gift, whenever made, shall be deemed to pass on the donor's death to the extent that *bona fide* possession and enjoyment of it was not immediately assumed by the donee and thenceforward retained to the entire exclusion of the donor or of any benefit to him by contract or otherwise:

Provided that the property shall not be deemed to pass by reason only that it was, not, as from the date of the gift, exclusively retained as aforesaid, if, by means of the surrender of the reserved benefit or otherwise, it is subsequently enjoyed to the entire exclusion of the donor or of any benefit to him for at least two years before the death.

11. Limited interests disposed of within a certain period before death.—(1) Subject to the provisions of this section, where an interest limited to cease on a death has been disposed of or has determined, whether by surrender, assurance, divesting, forfeiture or in any other manner (except by the expiration of a fixed period at the expiration of which the interest was limited to cease), whether wholly or partly, and whether for value or not, after becoming an interest in possession, and the disposition or de-

termination (or any of them if there are more than one) is not excepted by sub-section (2), then—

(a) if, had there been no disposition or determination, as aforesaid of that interest and no disposition of any interest expectant upon or subject to that interest, the property in which the interest subsisted would have passed on the death under section 5, that property shall be deemed by virtue of this section to be included as to the whole thereof in the property passing on the death; or

(b) if, had there been no disposition or determination as aforesaid of that interest and no disposition of any interest expectant upon or subject to that interest, the property in which the interest subsisted would have been deemed by virtue of section 7 to be included to a particular extent in the property passing on the death, the property in which the interest subsisted shall be deemed by virtue of this section to be included to that extent in the property passing on the death.

(2) Where a disposition or determination of an interest limited to cease on the death was *bona fide* effected or suffered not less than two years before the death (or, if it was effected or suffered for public charitable purposes, not less than six months before the death), the disposition or determination shall be excepted by this sub-section—

(a) if *bona fide* possession and enjoyment of the property in which the interest subsisted was assumed immediately thereafter by the person becoming entitled by virtue of or upon the disposition or determination and thenceforward retained to the entire exclusion of the person who immediately before the disposition or determination had the interest and of any benefit to him by contract or otherwise; or

(b) in the case of a partial determination, if the conditions specified in the preceding paragraph were not satisfied by reason only of the retention or enjoyment by the deceased of possession of some part of the property, or of some benefit, by virtue of the provisions of the instrument under which he had the interest:

Provided that where *bona fide* possession and enjoyment of the property referred to in clause (a) was not assumed immediately after the disposition or determination of the interest limited to cease on death, the disposition or determination shall be excepted by this sub-section, if, by means of the surrender of the reserved benefit or otherwise, the property is subsequently enjoyed for at least two years before the death, to the entire exclusion of the person who immediately before the disposition or determination had the interest and of any benefit to him by contract or otherwise:

Provided further that nothing in this sub-section shall be construed as affecting any charge of estate duty arising otherwise than by virtue of the provisions of the preceding sub-section.

(3) In the application of sub-section (1) to a case in which an incumbrance on the property in which the interest in question subsisted has been created by associated operations (as hereinafter defined in section 27) which included a disposition of that interest, references to that property shall be construed as references to that property free from the incumbrance, except in a case in which the incumbrance was created for consideration in money or money's worth which was applied for purposes calculated to maintain or increase the value of that pro-

erty, and, in that case, shall be construed as references to that property subject to the incumbrance to the extent to which the consideration was so applied.

(4) Where an interest limited to cease on a death has been disposed of or has determined, *bona fide* possession and enjoyment of the property shall not be deemed for the purposes of sub-section (2) to be assumed immediately thereafter and thenceforward retained to the entire exclusion of a person who had the interest and of any benefit to him by contract or otherwise, if at any time thereafter he has a benefit by virtue of any operations associated with the disposition or determination, nor while he has such a benefit shall the property be deemed to be enjoyed to the entire exclusion as aforesaid for the purposes of the first proviso to sub-section (2).

(5) In the preceding sub-section—

(a) the reference to any operations associated with the disposition shall be taken as referring to any associated operations as defined in section 27, of which the disposition is one; and

(b) the reference to any operations associated with the determination shall be taken as referring to any associated operations as so defined of which any disposition resulting in, or effected in contemplation of or with reference to, the determination is one.

12. Settlements with reservation.—(1) Property passing under any settlement made by the deceased by deed or any other instrument not taking effect as a will whereby an interest in such property for life or any other period determinable by reference to death is reserved either expressly or by implication to the settlor or whereby the settlor may have reserved to himself the right by the exercise of any power, to restore to himself or to reclaim the absolute interest in such property shall be deemed to pass on the settlor's death :

Provided that the property shall not be deemed to pass on the settlor's death by reason only that any such interest or right was so reserved if by means of the surrender of such interest or right the property is subsequently enjoyed to the entire exclusion of the settlor and of any benefit to him by contract or otherwise, for at least two years before his death.

Explanation.—A settlor reserving an interest in the settled property for the maintenance of himself and any of his relatives (as defined in section 27) shall be deemed to reserve an interest for himself within the meaning of this section.

(2) Notwithstanding anything contained in sub-section (1), where property is settled by a person on one or more other persons for their respective lives and after their death, on the settlor for life and thereafter on other persons and the settlor dies before his interest in the property becomes an interest in possession, the property shall not be deemed to pass on the settlor's death within the meaning of this section.

13. Joint investments.—Where a person, having been absolutely entitled to any property or to the funds with which any property was purchased, has caused it to be transferred to or vested in himself and any other person jointly, whether by disposition or otherwise, either by himself alone, or in concert, or by arrangement, with any other person so that the beneficial interest in some part of that property passes or accrues by survivorship on his death to the other person, the whole of that property shall be deemed to pass on the death.

14. Policies kept up for a donee.—(1) Money received under a policy of insurance effected by any person on his life, where the policy is wholly kept up by him for the benefit of a donee, whether nominee or assignee, or a part of such money in proportion to the premiums paid by him, where the policy is partially kept up by him for such benefit, shall be deemed to pass on the death of the assured.

Explanation.—A policy of insurance on the life of a deceased person effected by virtue or in consequence of a settlement made by the deceased shall be treated as having been effected by the deceased.

(2) For the purposes of sub-section (1), so much of the premiums paid on any policy of insurance as was, by virtue or in consequence of a settlement made by the deceased, paid out of property, whether or not provided by the deceased, comprised in the settlement or out of income, whether or not provided by the deceased, arising under the settlement, shall be treated as having been paid by the deceased :

Provided that any payments which were not made either out of property provided directly or indirectly by the deceased for the purposes of the settlement, or out of property representing that property, or out of income provided directly or indirectly by the deceased whether arising from such property or otherwise, shall not be treated as having been made by the deceased if the Controller is satisfied that those payments were not made as part of any reciprocal arrangements between the deceased and any other person.

(3) For the purposes of this section,—

(a) the expression “settlement” includes any disposition, trust, covenant, agreement or arrangement; and

(b) a person shall be deemed to have made a settlement if he has made or entered into the settlement directly or indirectly, and in particular (but without prejudice to the generality of the foregoing words of this clause) if he has provided or undertaken to provide funds directly or indirectly for the purposes of the settlement, or has made with any other person a reciprocal arrangement for that other person to make or enter into the settlement.

15. Annuity or other interest purchased or provided by the deceased.—Any annuity or other interest, purchased or provided by the deceased, either by himself alone or in concert or by arrangement with any other person shall be deemed to pass on his death to the extent of the beneficial interest accruing or arising, by survivorship or otherwise, on his death.

Explanation.—The extent of the beneficial interest must be ascertained without regard to any interest in expectancy which the beneficiary may have had therein before the death.

16. Annuity or other interest purchased or provided out of property derived from the deceased.—(1) Section 15 shall have effect in relation to any annuity or other interest that was purchased or provided wholly or in part by any person who was at any time entitled to, or amongst whose resources there was at any time included, any property derived from the deceased, as if that annuity or other interest had been provided by the deceased, or, if it is proved to the satisfaction of the Controller that the application of all the property derived from the deceased would have been insufficient to provide the whole of that annuity or other interest, as if a similar annuity or interest of an amount reduced to an extent proportionate to the insufficiency proved had been provided by the deceased :

Provided that for the purpose of determining whether there would have been any such insufficiency as aforesaid, and the extent thereof, there shall be excluded from the property derived from the deceased any part thereof as to which it is proved to the satisfaction of the Controller that the disposition of which it, or the property which it represented, was the subject-matter, was not made with reference to, or with a view to enabling or facilitating, the purchase or provision of the annuity or other interest, or the recoupment in any manner of the cost thereof.

(2) In this section the following expressions have the meanings hereby assigned to them respectively, namely:—

(a) "property derived from the deceased" means any property which was the subject-matter of a disposition made by the deceased, either by himself alone or in concert or by arrangement with any other person, otherwise than for full consideration in money or money's worth paid to him for his own use or benefit, or which represented any of the subject-matter of such a disposition, whether directly or indirectly, and whether by virtue of one or more intermediate dispositions and whether any such intermediate disposition was or was not for full or partial consideration:

Provided that where the first-mentioned disposition was for full consideration in money or money's worth paid to the deceased for his own use or benefit and it is proved to the satisfaction of the Controller that the disposition was not part of associated operations which included—

(a) a disposition by the deceased, either by himself alone or in concert or by arrangement with any other person, otherwise than for full consideration in money or money's worth paid to the deceased for his own use or benefit; or

(b) a disposition by any other person operating to reduce the value of the property of the deceased;

then, in considering whether estate duty should be charged the said first mentioned disposition shall be left out of account as if this provision did not apply in relation to it;

(b) "disposition" includes any trust, covenant, agreement or arrangement; and

(c) "subject-matter" includes, in relation to any disposition, any annual or periodical payment made or payable under or by virtue of the disposition.

(3) For the purposes of section 94 the deceased shall be deemed to have had an interest in any property included by virtue of this section in the property passing on the death of the deceased.

Special provisions relating to transfers to companies

17. Property transferred to a controlled company.—(1) Where the deceased has made to a controlled company a transfer of any property (other than an interest limited to cease on his death or property which he transferred in a fiduciary capacity), and any benefits accruing to the deceased from the company accrued to him in the three years ending with his death, the assets of the company shall be deemed for the purposes of estate duty to be included in the property passing on his death to an extent determined in accordance with sub-section (2).

(2) The extent to which the assets of the company are to be deemed to be included as aforesaid shall be the proportion ascertained by com-

paring the aggregate amount of the benefits accruing to the deceased from the company in the last three accounting years with the aggregate amount of the net income of the company for the said years:

Provided that—

(a) where, in any of the said accounting years, the company sustained a loss, the amount of that loss shall be deducted in ascertaining the said aggregate net income of the company;

(b) where the company came into existence in the last year but one, or in the last, of the said accounting years, the references in this sub-section to the said accounting years shall be construed as references to the last two, or, as the case may be, the last, of those years.

(3) The assets of the company which are deemed to be included in the property passing on the death of the deceased by virtue of this section shall include any assets thereof which have been disposed of or distributed by the company at any time between the beginning of the first of the accounting years aforesaid and the death of the deceased either—

(a) in or towards satisfaction of rights attaching to shares in or debentures of the company, or

(b) otherwise howsoever except as follows, that is to say, by way of sale for full consideration in money or money's worth received by the company for its own use and benefit, or in or towards discharge of taxes or rates or other liability imposed by or under an enactment, or in or towards discharge of a fine or penalty or a liability for tort incurred without collusion with the injured party, including assets which have been so disposed of or distributed in a winding up, whether continuing at or completed before the death:—

Provided that this sub-section shall not apply to assets disposed of or distributed by way of payments from which income-tax was deductible, or which were assessable to income-tax, of amounts not exceeding in the aggregate, as respects payments made in any accounting year or in the period between the end of the last accounting year and the death of the deceased, the amount of the income of the company for that year or period.

(4) (i) A controlled company is any company which at any relevant time, was or would, if these provisions had always been in force, have been deemed to be, under the control of not more than five persons and which is not a subsidiary company or a company in which the public are substantially interested.

Explanation.—For the purposes of this sub-section,—

(a) a company shall be deemed to be a subsidiary company if, by reason of the beneficial ownership of shares therein, the control of the company is in the hands of a company not being a company to which the provisions of this sub-section apply, or of two or more companies none of which is a company to which the aforesaid provisions apply;

(b) a company shall be deemed to be a company in which the public are substantially interested if shares of the company (not being shares entitled to a fixed rate of dividend, whether with or without a further right to participate in profits) carrying not less than twenty-five per cent. of the voting power have been allotted unconditionally to, or acquired unconditionally by, and are at the end of the year or other period for which the accounts of the company have been made

up beneficially held by the public (not including a company to which the provisions of this sub-section apply) and any such shares have, in the course of such year or other period, been the subject of dealings on a recognised stock exchange or are in fact freely transferable by the holders to other members of the public.

(ii) A company shall be deemed to be under the control of not more than five persons—

(a) if any five or fewer persons together exercise, or are able to exercise or are entitled to acquire, control, whether direct or indirect, over the company's affairs, and in particular, but without prejudice to the generality of the foregoing words, if any five or fewer persons together possess, or are entitled to acquire, the greater part of the share capital or voting power of the company; or

(b) if any five or fewer persons together possess, or are entitled to acquire, either the greater part of the issued share capital of the company, or such part of that capital as would, if the whole of the income of the company were in fact distributed to the members, entitle them to receive the greater part of the amount so distributed; or

(c) if,—

(i) on the assumption that the company is a company to which this sub-section applies; or

(ii) on the assumption that the company and any other company or companies are companies to which the said sub-section applies,

more than one half of the income of the company (including any income which has been apportioned to it, or could on either of those assumptions be apportioned to it, for the purposes of the said sub-section) could be apportioned for those purposes among not more than five persons.

(iii) In determining whether a company is or is not under the control of not more than five persons, persons who are relatives of one another, persons who are nominees of any other persons together with that other person, persons in partnership, and persons interested in any shares or obligations of the company which are subject to any trust or are part of the estate of a deceased person, shall respectively be treated as a single person.

Explanation.—For the purpose of this clause,—

(a) the expression "relative" means a husband, wife, ancestor, lineal descendant, brother or sister;

(b) a person shall be deemed to be the nominee of another person, if, whether directly or indirectly, he possesses on behalf of that other person, or may be required to exercise on the direction of or on behalf of that other person, any right or power which, by virtue of any of the provisions of this sub-section, is material in determining whether a company is or is not to be deemed to be under the control of not more than five persons.

(iv) An investment company shall be deemed to be under the control of not more than five persons if any five or fewer persons would, if the company were wound up, be entitled as members or loan creditors of the company to receive more than half of the assets of the Company which would be available for distribution to members and loan creditors.

(v) Notwithstanding anything contained in clause (i), a company which is deemed for the purposes of that clause to be under the control of not more than five persons shall not be deemed to be a subsidiary company, unless it can be deemed to be under the control of not more than five persons only by including among the persons mentioned in sub-clauses (a), (b) or (c) of clause (ii) or in clause (iv) a company to which the provisions of the said clause (i) do not apply and which is not the nominee of any other person.

(vi) The expression "relevant time" in this sub-section means any time during the period ending with the death of the deceased and beginning at the date of the disposition, transfer or other transaction or even relevant for the purposes of this Act, or, if that disposition, transfer or other transaction or event was one of associated operations, at the date of the earliest of those operations.

(5) For the purposes of section 84 the deceased shall be deemed to have had an interest in the property deemed by virtue of this section to be included in the property passing on his death.

18. Duty of company and officers of company to give information to Controller on death of transferor.—(1) Where the deceased has made a transfer of property to a controlled company, the company shall be under obligation to inform the Controller within forty-five days from the date of the death of the deceased, of the death, of the fact that the deceased made a transfer of property to the company, and of the fact that benefits accrued to the deceased from the company, and every person who was a principal officer of the company at that date, or if the company has been wound up and dissolved before that date, who was a principal officer of the company at any time and who has been called upon to furnish any information under this section, shall be under the like obligation as respects such of the facts aforesaid as are within his knowledge, unless he knows, or has reasonable cause for believing, that the information in question has already been given to the Controller by the company or some other person.

(2) If the company or any such person as aforesaid who is under obligation by virtue of the preceding sub-section to give any information to the Controller makes default in the performance of that obligation, the Controller may impose upon the defaulter a penalty not exceeding one thousand rupees.

Explanation.—For the purposes of this section "principal officer" means a manager, managing agent or secretary, and includes any person connected with the company upon whom the Controller has served a notice under this section of treating him as the principal officer thereof.

19. Collection and incidence of duty under section 17.—(1) The following persons shall be accountable for the duty payable on the death of the deceased by virtue of section 17, namely:—

(a) the company;

(b) any person (other than a *bona fide* purchaser for full consideration in money or money's worth received by the company for its own use and benefit) who receives, whether directly from the company or otherwise, or disposes of, any assets which the company had, whether as capital or as income, at the death or at any time thereafter;

(c) any person who received any distributed assets of the company on their distribution :

Provided that a person shall not,—

(i) by virtue of clause (b), be accountable in respect of any assets for any duty in excess of the value of those assets, or

(ii) by virtue of clause (c), be accountable in respect of any assets for more than a part of the duty bearing to the whole thereof the same proportion as the value of the distribution of those assets bears to the principal value of the assets of the company passing on the death by virtue of section 17.

Explanation.—For the purposes of this sub-section the expressions “distributed assets” and “assets of the company passing on the death” do not include any distributed assets of the company which the deceased received on their distribution; and a person who, having received any distributed assets of the company, has died before the deceased shall be deemed to have been a person accountable by virtue of clause (c).

(2) Where a company incorporated outside the territories to which this Act extends is accountable for any duty by virtue of the preceding sub-section or of this sub-section, every person who is a member of that company at the death shall also be accountable for a rateable part of that duty in proportion to the value of his interest in that company.

(3) A person accountable for any duty by virtue of this section shall, for the purpose of raising and paying the duty, have all the powers conferred on accountable parties.

(4) On a winding up of the company, sub-section (1) of section 280 of the Indian Companies Act, 1913 (VII of 1913), shall have effect as if there were included in clause (a) of that sub-section a reference to any duty payable in respect of assets of the company passing on a death by virtue of section 16 of this Act, and section 129 of the Indian Companies Act, 1913, shall have effect accordingly.

(5) The duty payable on the death of the deceased by virtue of section 17 shall be a first charge by way of floating security on the assets which the company had at the death or has at any time thereafter, and any part of the duty for which by virtue of clause (c) of sub-section (1) any person is accountable in respect of any distributed assets shall be a first charge also on those assets:

Provided that nothing in this sub-section shall operate to make any property chargeable as against a *bona fide* purchaser thereof for valuable consideration without notice.

(6) Where any duty has been—

(a) paid by a person accountable therefor by virtue only of clause (c) of sub-section (1); or

(b) raised by virtue of sub-section (5) out of any distributed assets charged therewith;

that person or, as the case may be, the person who was entitled to those assets subject to the charge, may (without prejudice to any right of contribution or indemnity which he may have apart from this sub-section) recover the amount of the duty so paid or raised as aforesaid from any person who is accountable therefor otherwise than by virtue of the said clause (c).

(7) No part of the duty paid by the company shall be recoverable by it from any person on the ground only that he is entitled to any interest in, or to any sum charged on, the assets which the company had at the death of the deceased.

(8) The provisions of sub-sections (1) and (3) of section 53 shall not have effect in relation to the duty payable by virtue of section 17.

20. Power to make rules respecting controlled companies generally.—

(1) The Board may make rules—

(a) prescribing the class of dispositions or operations which shall be deemed to be transfers to controlled companies within the meaning of section 17;

(b) prescribing the matters to be treated as benefits accruing to the deceased from any such controlled company, the manner in which their amount is to be determined, and the time at which they are to be treated as accruing;

(c) prescribing the manner in which the net income and the value of the assets of any such company are to be determined;

(d) prescribing the manner in which the accounting year of any such company is to be reckoned;

(e) prescribing the manner in which the shares and debentures of any such company passing upon the death of the deceased are to be valued for estate duty;

(f) providing an upper limit by reference to the value of the property transferred by the deceased to any such company and preventing duplication of charge where duty would otherwise be payable in respect of both the assets of any such company (or a proportion of them) and the deceased's holding of shares and debentures in any such company;

(g) prescribing the conditions upon which and the extent to which transactions in the name of any such company shall be deemed to be *bona fide* transactions for full consideration; and

(h) generally for the purpose of checking the avoidance of estate duty through the machinery of any such company.

(2) All rules made under this section shall be laid before the House of the People for not less than fifteen days before the date of their final publication.

PART III.—EXCEPTIONS FROM THE CHARGE OF DUTY

21. Foreign property.—(1) There shall not be included in the property passing on the death of the deceased—

(a) immovable property situated outside the territories to which this Act extends;

(b) movable property situated outside the territories to which this Act extends at the time of the death unless—

(i) in the case of any property, whether settled or not, the deceased was domiciled in the said territories at the time of his death; or

(ii) in the case of settled property of which the deceased was a life tenant, the settlor was domiciled in the said territories at the date the settlement took effect.

(9) The Board may make rules regulating the manner in which the nature and locality of different classes of assets shall be determined for the purposes of this section.

22. Property held by the deceased as trustee.—Property passing on the death of the deceased shall not be deemed to include property held by the deceased as trustee for another person under a disposition not made by the deceased or under a disposition made by the deceased where (whether by virtue of the original disposition or of a subsequent surrender of any benefit originally reserved to the deceased or otherwise) possession and enjoyment of the property was *bona fide* assumed by the beneficiary at least two years before the death and thenceforward retained by him to the entire exclusion of the deceased or of any benefit to the deceased by contract or otherwise:

Provided that in the case of property held by the deceased as sole trustee for another person under a disposition made by himself, the period shall be five years.

23. Interest failing before becoming an interest in possession.—In the case of settled property where the interest of any person under the settlement fails or determines by reason of his death before it becomes an interest in possession, and one or more subsequent limitations under the settlement continue to subsist, the property shall not be deemed to pass on his death by reason only of the failure or determination of that interest.

Explanation 1.—Where property is settled by a person on himself for life and after his death on any other person, with an ultimate reversion of an absolute interest or absolute power of disposition to the settlor, the property shall not be deemed to pass to the settlor on the death of such other person by reason only that the settlor being then in possession of the property as tenant for life becomes, in consequence of such death, entitled to the immediate reversion or acquires an absolute power to dispose of the whole property

Explanation 2.—Where the interest of a person in settled property consists of an interest in the residue or part of the residue of an estate of a testator or intestate and the said estate continues to be under administration until the death of the person, the said interest of the person in the residue or part of the residue shall be deemed to have become an interest in possession on the date as from which the income from the residue or part of the residue would have been attributable to that interest if the residue had been ascertained immediately after the death of the testator or intestate.

24. Property reverting to disponent.—(1) Where by a disposition of any property an interest is conferred on any person, other than the disponent for the life of such person or determinable on his death, the remainder being conferred upon the disponent absolutely, and such person enters into possession of the interest, and thenceforward retains possession of it, then, on the death of such person, the property shall not be deemed to pass by reason only of its reverting to the disponent in his life time.

(2) Where by a disposition of any property any such interest as is mentioned in sub-section (1) is conferred on two or more persons either severally or jointly or in succession, sub-section (1) shall apply in like manner as where the interest is conferred on one person:

Provided that sub-section (1) shall not apply where such person or persons taking the said life or determinable interest had at any time prior

to the disposition been himself or themselves competent to dispose of the said property.

25. Income of settled property acquired on death of spouse.—Where a husband or wife is entitled, either solely or jointly with the other, to the income of any property settled by the other under a disposition which took effect before the commencement of this Act and on his or her death the survivor becomes entitled to the income of the property (as distinguished from the property itself) settled by such survivor, estate duty shall not be payable in respect of that property until the death of that survivor.

26 Property passing by reason of a bona fide purchase for full or partial consideration in money.—(1) Subject to the provisions of section 27 and section 46 estate duty shall not be payable in respect of property passing on the death of the deceased by reason only of a *bona fide* purchase from the person under whose disposition the property passes, nor in respect of the falling into possession of the reversion on any lease for lives, nor in respect of the determination of any annuity for lives, where such purchase was made, or such lease or annuity granted, for full consideration in money or money's worth paid to the vendor or grantor for his own use or benefit, or in the case of a lease for the use or benefit of any person for whom the grantor was a trustee.

(2) Where any such purchase was made, or lease or annuity granted, for partial consideration in money or money's worth paid to the vendor or grantor for his own use or benefit, or in the case of a lease for the use or benefit of any person for whom the grantor was a trustee, the value of the consideration shall be allowed as a deduction from the value of the property for the purpose of estate duty.

27. Dispositions in favour of relatives.—(1) Any disposition made by the deceased in favour of a relative of his shall be treated for the purposes of section 9 as a gift unless—

(a) the disposition was made on the part of the deceased for full consideration in money or money's worth paid to him for his own use or benefit; or

(b) the deceased was concerned in a fiduciary capacity imposed on him otherwise than by a disposition made by him and in such a capacity only; and references to a gift in this Act shall be construed accordingly:

Provided that where the disposition was made on the part of the deceased for partial consideration in money or money's worth paid to him for his own use or benefit, the value of the consideration shall be allowed as a deduction from the value of the property for the purpose of estate duty.

(2) Where the deceased has made a disposition of property in favour of a relative of his, the creation or disposition in favour of the deceased of an annuity or other interest limited to cease on the death of the deceased or of any other person shall not be treated for the purposes of this section as consideration for the disposition made by the deceased.

(3) If a controlled company was concerned in a transaction in relation to which it is claimed that the provisions of clause (a) of or the proviso to sub-section (1) have effect, those provisions shall have effect in relation thereto if and only if, and to the extent only to which, the Controller is satisfied that those provisions would have had effect in the following circumstances, namely, if the assets of the company had been held by it on trust for the members thereof and any other person to whom it is under

any liability incurred otherwise than for the purposes of the business of the company wholly and exclusively, in accordance with the rights attaching to the shares in and debentures of the company and the terms on which any such liability was incurred, and if the company had acted in the capacity of a trustee only with power to carry on the business of the company and to employ the assets of the company therein.

(4) Any gift made in favour of a relative of the deceased by a controlled company of which the deceased at the time of the gift had control within the meaning of section 17 shall be treated for the purposes of section 9 as a gift made by the deceased, and the property taken under the gift shall be treated as included by virtue of that section in the property passing on the death of the deceased, if and to the extent to which the Controller is satisfied that they would fall to be so treated in the circumstances mentioned in the last foregoing sub-section.

(5) If the deceased has made in favour of a controlled company a disposition which, if it had been made in favour of a relative of his, would have fallen within sub-section (2), this section shall have effect in like manner as if the disposition had been made in favour of a relative of his, unless it is shown to the satisfaction of the Controller that no relative of the deceased was, at the time of the disposition or subsequently during the life of the deceased, a member of the company.

Explanation.—For the purposes of this sub-section a person who is, or is deemed by virtue of this provision to be, a member of a controlled company which is a member of another such company shall be deemed to be a member of that other company.

(6) Where there have been associated operations effected with reference to the receiving by the deceased of any payment in respect of such an annuity or other interest as is mentioned in sub-section (2), or effected with a view to enabling him to receive or to facilitating the receipt by him of any such payment, this section shall have effect in relation to each of those associated operations as it has effect in relation to the creation or disposition in favour of the deceased of such an annuity or other interest.

(7) In this section—

(i) "relative" means, in relation to the deceased,—

(a) the wife or husband of the deceased,

(b) the father, mother, children, uncles and aunts of the deceased, and

(c) any issue of any person falling within either of the preceding sub-clauses and the other party to a marriage with any such person or issue;

(ii) reference to "children" and "issue" include reference to illegitimate children and to adopted children;

(iii) "annuity" includes any series of payments, whether inter-connected or not, whether of the same or of varying amounts, and whether payable at regular intervals or otherwise, and payments of dividends or interests on shares in or debentures of a company shall be treated for the purposes of this section as a series of payments constituting an annuity limited to cease on a death if the payments are liable to cease on the death, or the amounts thereof are liable to be reduced on the death, by reason directly or indirectly of the extinguishment or any alteration of rights attaching to, or of the issue of any shares in or debentures of a company;

(iv) "associated operations" means any two or more operations of any kind being—

(a) operations which affect the same property, or one of which affects some property and the other or others of which affect property which represents, whether directly or indirectly, that property, or income arising from that property, or any property representing accumulations of any such income; or

(b) any two operations of which one is effected with reference to the other, or with a view to enabling it to be effected or to facilitating its being effected, and any third operation having a like relation to either of those two, and any fourth operation having a like relation to any of those three, and so on;

whether those operations are effected by the same person or by different persons, whether they are connected otherwise than as aforesaid or not, and whether they are contemporaneous or any of them precede or follows any other.

28. Effect of new or increased rates of duty on certain prior sales and mortgages.—Where an interest in expectancy in any property has, whether before or after the commencement of this Act, been *bona fide* sold or mortgaged for full consideration in money or money's worth, and the rates of estate duty in force in the case of a person dying when the interest falls into possession are higher than the rates in force, if any, in the case of a person dying at the time of the sale or mortgage, then—

(a) no other duty on that property shall be payable by the purchaser or mortgagee when the interest falls into possession than the duty, if any, which would have been payable if the rates of estate duty applicable had been the rates in force, if any, in the case of a person dying at the time of the sale, or mortgage, and

(b) in the case of a mortgage, any higher duty payable by the mortgagor shall rank as a charge subsequent to that of the mortgagee.

29. Settled property in respect of which since the date of the settlement estate duty has been paid on the death of the deceased's spouse.—If estate duty has already been paid in respect of any settled property since the date of the settlement, on the death of one of the parties to a marriage, the estate duty shall not be payable in respect thereof on the death of the other party to the marriage, unless the latter was at the time of his death or had been at any time during the continuance of the settlement, competent to dispose of such property, and, if on his death subsequent limitations under the settlement take effect in respect of such property, was *sui juris* at the time of his death, or had been *sui juris* at any time while so competent to dispose of the property.

30. Agreement for avoidance or relief of double taxation with respect to estate duty.—The Central Government may enter into an agreement with the Government of any reciprocating country for the avoidance or relief of double taxation with respect to estate duty leviable under this Act and under the corresponding law in force in the reciprocating country and may by notification in the Official Gazette, make such provision as may be necessary for implementing the agreement.

Explanation.—The expression "reciprocating country" for the purposes of this Act means any country which the Central Government may, by notification in the Official Gazette, declare to be a reciprocating country.

31. Allowance for quick succession to property.—Where the Board is satisfied that estate duty has become payable on any property passing upon the death of any person, and that subsequently within five years estate duty has again become payable on the same property or any part thereof passing on the death of the person to whom the property passed on the first death, the amount of estate duty payable on the second death in respect of the property so passing shall be reduced as follows:—

Where the second death occurs within one year of the first death, by fifty per cent.;

Where the second death occurs within two years of the first death, by forty per cent.;

Where the second death occurs within three years of the first death, by thirty per cent.;

Where the second death occurs within four years of the first death, by twenty per cent.;

Where the second death occurs within five years of the first death, by ten per cent. :

Provided that where the value on which the duty is payable of the property on the second death exceeds the value on which the duty was payable of the property on the first death, the latter value shall be substituted for the former for the purpose of calculating the amount of duty on which the reduction under this section is to be calculated.

Explanation 1.—For the purposes of this section every death shall be deemed to be a second death in relation to the death immediately preceding.

Explanation 2.—In computing any period for the purposes of this section, deaths occurring within a period of three months after the death of any person in respect of whose property estate duty has become payable, shall be treated as one death, and no estate duty shall again be payable on the same property by reason of the subsequent deaths occurring within the said period of three months.

32. Exemption of interest of a Hindu widow devolving upon reversioners in certain cases.—Where on the death of any person governed by any school of Hindu law, his interest in any property has devolved on his widow, then, if the widow dies within seven years of her husband's death and the interest aforesaid devolves upon the reversioners or any of them, no estate duty shall be leviable in respect of the passing of the interest aforesaid on the death of the widow, if and in so far as estate duty had been paid in respect of the passing of such interest on the death of her husband.

33. Exemptions.—(1) To the extent specified against each of the clauses in this sub-section, no estate duty shall be payable in respect of property of any of the following kinds belonging to the deceased which passes on his death—

(a) property taken under a gift made by the deceased for a public charitable purpose within a period of six months before his death, to the extent of rupees two thousand and five hundred in value;

(b) property taken under a gift made by the deceased for any other purpose within a period of two years before his death, to the extent of rupees one thousand and five hundred in value;

(c) household goods, including tools of artisans, agricultural implements or any other tools or implements as were necessary to the deceased to enable him to earn his livelihood, to the extent of rupees two thousand and five hundred in value ;

(d) books not intended for sale ;

(e) wearing apparel, but not including any precious or semi-precious stones or ornaments worked or sewn into the wearing apparel ;

(f) moneys payable under one or more policies of insurance effected by the deceased on his life for the purpose of paying estate duty or assigned to the Government for the said purpose, to the extent of the amount of duty payable but not exceeding rupees fifty thousand ;

(g) moneys deposited with the Government in such manner as may be prescribed for the purpose of paying estate duty, together with the interest which has accrued due thereon at such rate as may be prescribed, to the extent of the amount of duty payable but not exceeding rupees fifty thousand ;

(h) moneys payable under one or more policies of insurance effected by the deceased on his life, to the extent of rupees five thousand ;

(i) drawings, paintings, prints, manuscripts, works of art or archaeological or scientific collections which are of national, scientific or historical interest and which are retained in the family of the deceased and dealt with or disposed of in accordance with such conditions as the Board may prescribe, or which are given absolutely or bequeathed to Government or to any University or other public institution ;

(j) drawings, paintings, photographs, prints, manuscripts and any other heir-loom, not falling within clause (i), which are retained in the family of the deceased and are dealt with or disposed of in accordance with such conditions as the Board may prescribe and are not intended for sale ;

(k) moneys earmarked under policies of insurance or declarations of trust or settlements effected or made by a deceased parent or natural guardian for the marriage of any of his female relatives dependent upon him for the necessaries of life, to the extent of rupees five thousand in respect of the marriage of each of such relatives.

(2) If the Central Government is of opinion that in respect of any class of property or class of persons the circumstances are such that some relief in addition to the reliefs provided in sub-section (1) should be given, it may, by notification in the Official Gazette, make any exemption, reduction in rate or other modification in respect of estate duty in favour of any such class of property or the whole or any part of the property of any class of persons, and any notification so issued shall be laid before both Houses of Parliament as soon as may be after it is issued.

PART IV.—AGGREGATION OF PROPERTY AND RATES OF DUTY

34. Aggregation.—(1) For determining the rate of estate duty to be paid on any property passing on the death of the deceased, all property so passing, excluding—

property exempted from duty under clauses (c), (d), (e), (i) and (j) of sub-section (1) of section 33.

but including—

- (i) property on which no estate duty is leviable under section 35,
- (ii) property exempted from duty under clauses (a), (b), (f), (g), (h) and (k) of section 33, and
- (iii) agricultural land situate in any State not specified in the First Schedule,

shall be aggregated so as to form one estate and the duty shall be levied at the rate or rates applicable in respect of the principal value thereof :

Provided that any property so passing, in which the deceased never had an interest, not being a debt or right or benefit that is treated as property by virtue of the *Explanations* to clause (15) of section 2, shall not be aggregated with any other property, but shall be an estate by itself and the estate duty shall be leviable at the rate or rates applicable in respect of the principal value thereof.

(2) Every estate shall include all income accrued upon the property included therein down to and outstanding at the date of the death of the deceased.

(3) Property passing on any death shall not be aggregated more than once nor shall estate duty in respect thereof be levied more than once on the same death.

(4) Where an estate includes any property which is exempt from estate duty, the estate duty leviable on the property which is not so exempt shall be an amount bearing to the total amount of duty which would have been payable on the whole estate had no part of it been exempted the same proportion as the unexempted value of the property bears to the value of the whole estate.

Explanation.—For the purposes of this sub-section property which is exempt from estate duty means any property which is exempt from estate duty under section 33 and also any agricultural land situate in any State not specified in the First Schedule.

35. Rates of estate duty on property including agricultural land.—(1) The rates of estate duty shall be as mentioned in the Second Schedule:

Provided that no such duty shall be levied upon —

(a) property which consists of an interest in the joint family property of a Hindu family governed by the Mitakshara, Marumakkattayam or Aliyasantana law, to the extent to which the principal value of the estate does not exceed rupees fifty thousand;

(b) property of any other kind, to the extent to which the principal value of the estate does not exceed rupees one lakh.

(2) Where an estate passing on the death of a person consists partly of property of the nature described in clause (a) of the proviso to sub-section (1) and partly of the nature described in clause (b) of the said proviso, the estate duty payable thereon shall be—

(i) the amount which bears to the total amount of estate duty which would have been payable on the estate had it wholly consisted of property of the nature described in clause (a) the same proportion as the value of such property bears to the value of the estate, plus "

(ii) the amount which bears to the total amount of estate duty which would have been payable on the estate had it wholly consisted of property of the nature described in clause (b) the same proportion as the value of such property bears to the value of the estate.

(3) Notwithstanding anything contained in sub-section (1) and the Second Schedule, where any property passing on the death of any person consists wholly or in part of agricultural land and the principal value of the estate does not exceed rupees two lakhs, there shall be allowed by way of rebate—

(a) in the case of an estate which consists wholly of agricultural land, a sum representing one-fourth of the estate duty payable; and

(b) in the case of an estate which consists in part only of agricultural land, a sum representing one-fourth of the estate duty payable on that part of the estate which consists of agricultural land, the duty on such part being a sum which bears to the total amount of estate duty the same proportion as the value of the agricultural land bears to the value of the estate.

PART V.—VALUE CHARGEABLE

36. Principal value how to be estimated.—(1) The principal value of any property shall be estimated to be the price which, in the opinion of the Controller it would fetch if sold in the open market at the time of the deceased's death.

(2) In estimating the principal value under this section the Controller shall fix the price of the property according to the market price at the time of the deceased's death and shall not make any reduction in the estimate on account of the estimate being made on the assumption that the whole property is to be placed on the market at one and the same time:

Provided that where it is proved to the satisfaction of the Controller that the value of the property has depreciated by reason of the death of the deceased, the depreciation shall be taken into account in fixing the price.

37. Valuation of shares in a private company where alienation is restricted.—Where the articles of association of a private company contain restrictive provisions as to the alienation of shares, the value of the shares, if not ascertainable by reference to the value of the total assets of the company, shall be estimated to be what they would fetch if they could be sold in the open market on the terms of the purchaser being entitled to be registered as holder subject to the articles, but the fact that a special buyer would for his own special reasons give a higher price than the price in the open market shall be disregarded.

38. Valuation of interests in expectancy.—Where an estate includes an interest in expectancy, estate duty in respect of that interest shall be paid, at the option of the person accountable for the duty, either with the duty in respect of the rest of the estate or when the interest falls into possession, and if the duty is not paid with the estate duty in respect of the rest of the estate, then—

(a) for the purpose of determining the rate of estate duty in respect of the rest of the estate, the value of the interest shall be its value at the date of the death of the deceased; and

(b) the rate of estate duty in respect of the interest when it falls into possession shall be calculated according to its value when it falls into possession, together with the value of the rest of the estate as previously ascertained.

39. Valuation of interest in coparcenary property ceasing on death.—

(1) The value of the benefit accruing or arising from the cesser of a coparcenary interest in any joint family property governed by the Mitakshara school of Hindu law which ceases on the death of a member thereof shall be the principal value of the share in the joint family property which would have been allotted to the deceased had there been a partition immediately before his death.

(2) The value of the benefit accruing or arising from the cesser of an interest in the property of a *tarwad* or *tavazhi* governed by the Marumakkattayam rule of inheritance or of a *kutumba* or *kavaru* governed by the Aliyasantana rule of inheritance which ceases on the death of a member thereof shall be the principal value of the share in the property of the *tarwad* or *tavazhi* or, as the case may be, the *kutumba* or *kavaru* which would have been allotted to the deceased had a partition taken place immediately before his death:

(3) For the purpose of estimating the principal value of the joint family property of a Hindu family governed by the Mitakshara, Marumakkattayam or Aliyasantana law in order to arrive at the share which would have been allotted to the deceased had a partition taken place immediately before his death, the provisions of this Act, so far as may be, shall apply as they would have applied if the whole of the joint family property had belonged to the deceased.

40. Valuation of benefits from interests ceasing on death.—The value of the benefit accruing or arising from the cesser of an interest ceasing on the death of the deceased shall—

(a) if the interest extended to the whole income of the property, be the principal value of that property; and

(b) if the interest extended to less than the whole income of the property, be the principal value of an addition to the property equal to the income to which the interest extended.

41. Valuation to be made by the Controller.—Subject to the provisions of this Act, the value of any property for the purpose of estate duty shall be ascertained by the Controller in such manner and by such means as may be prescribed and if he authorises a person to inspect any property and to report the value thereof for the purposes of this Act, that person may enter upon the property and inspect it at such reasonable times as may be prescribed.

42. Costs of valuation.—Where the Controller requires any person to report on the value of any property for the purposes of this Act, the reasonable costs of such valuation shall be defrayed by the Controller.

43. Controller may accept and certify valuation when convenient.—The Controller on application from a person accountable for the duty on any property forming part of an estate shall, where he considers that it can conveniently be done, certify the amount of the valuation accepted by him for any class or description of property forming part of such estate.

PART VI.—DEDUCTIONS

44. Reasonable funeral expenses and, with some exceptions, debts and incumbrances to be allowed for in determining chargeable value of estate.—In determining the value of an estate for the purpose of estate duty, allowance shall be made for funeral expenses (not exceeding rupees one thousand) and for debts and incumbrances; but an allowance shall not be made—

(a) for debts incurred by the deceased, or incumbrances created by a disposition made by the deceased, unless, subject to the provisions of section 27, such debts or incumbrances were incurred or created *bona fide* for full consideration in money or money's worth wholly for the deceased's own use and benefit and take effect out of his interest, or

(b) for any debt in respect whereof there is right to reimbursement from any other estate or person, unless such reimbursement cannot be obtained, or

(c) more than once for the same debt or incumbrance charged upon different portions of the estate, or

(d) for debts incurred by or on behalf of the deceased by way of dower, to the extent to which such debts are in excess of rupees five thousand,

and any debt or incumbrance for which an allowance is made shall be deducted from the value of the property liable thereto.

Explanation.—For the purposes of this section, 'funeral expenses' include all expenses which may have to be incurred in connection with the *sraddha* or *barsi* ceremonies of the deceased for a period of one year from his death.

45. Limitations on debts deductible.—Where a debt or incumbrance has been incurred or created in whole or in part for the purpose of or in consideration for the purchase or acquisition or extinction, whether by operation of law or otherwise of any interest in expectancy in any property passing or deemed to pass on the death of the deceased and any person whose interest in expectancy is so purchased, acquired, or extinguished becomes (under any disposition made by or through devolution of law from, or under the intestacy of, the deceased) entitled to any interest in that property, then in determining the value of the estate of the deceased for the purpose of estate duty no allowance shall be made in respect of such debt or incumbrance, and any property charged with any such debt or incumbrance shall be deemed to pass freed from that debt or incumbrance:

Provided that—

(a) if part only of such debt or incumbrance was incurred or created for such purpose or as such consideration as aforesaid, this provision shall apply to that part of such debt or incumbrance only; and

(b) if a person whose interest in expectancy in the property so purchased, acquired or extinguished becomes entitled to an interest in part only of that property, this provision shall apply only to such part of the debt or incumbrance as bears the same proportion to the whole debt or incumbrance as the value of the part of the property to an interest in which he becomes entitled bears to the value of the whole of that property.

46. Further limitations.—(1) Any allowance which, but for this provision, would be made under section 44 for a debt incurred by the deceased as mentioned in clause (a) of that section, or for an incumbrance created by a disposition made by the deceased as therein mentioned, shall be subject to abatement to an extent proportionate to the value of any of the consideration given therefor which consisted of—

(a) property derived from the deceased; or

(b) consideration not being such property as aforesaid, but given by any person who was at any time entitled to, or amongst whose resources there was at any time included, any property derived from the deceased:

Provided that if, where the whole or a part of the consideration given consisted of such consideration as is mentioned in clause (b) of this sub-section, it is proved to the satisfaction of the Controller that the value of the consideration given, or of that part thereof, as the case may be, exceeded that which could have been rendered available by application of all the property derived from the deceased, other than such (if any) of that property as is included in the consideration given or as to which the like facts are proved in relation to the giving of the consideration as are mentioned in the proviso to sub-section (1) of section 16 in relation to the purchase or provision of an annuity or other interest, no abatement shall be made in respect of the excess.

(2) Money or money's worth paid or applied by the deceased in or towards satisfaction or discharge of a debt or incumbrance in the case of which sub-section (1) would have had effect on his death if the debt or incumbrance had not been satisfied or discharged, or in reduction of a debt or incumbrance in the case of which that sub-section has effect on his death, shall, unless so paid or applied two years before the death, be treated as property deemed to be included in the property passing on the death and estate duty shall, notwithstanding anything in section 25, be payable in respect thereof accordingly.

(3) The provisions of sub-section (2) of section 16 shall have effect for the purpose of this section as they have effect for the purpose of that section.

47. Debts to persons resident in foreign country not to be deducted in first instance except from duty-paid property in that country.—An allowance shall not be made in the first instance for debts due from the deceased to persons resident out of the territories to which this Act extends (unless contracted to be paid in the said territories or charged on properties situate within the said territories), except out of the value of any property of the deceased situate out of the said territories in respect of which estate duty is paid; and there shall be no repayment of estate duty in respect of any such debts, except to the extent to which it is shown to the satisfaction of the Controller that the property of the deceased situate in the foreign country in which the person to whom such debts are due resides is insufficient for their payment.

48. Cost of realising or administering foreign property may be allowed for within certain limits.—Where the Controller is satisfied that any additional expense in administering or in realising property has been incurred by reason of the property being situate out of the territories to which this Act extends, he may make an allowance from the value of the property on account of such expense not exceeding in any case five per cent. on the value of the property.

49. Allowance for duty paid in a non-reciprocating country.—Where any property passing on the death of the deceased is situate in a non-reciprocating country and the Controller is satisfied that by reason of such death any duty is payable in that country in respect of that property, he may, subject to such rules as may be made by the Board in this behalf, make an allowance of the whole or any part of the amount of that duty from the value of the property.

Explanation.—In this section, the expression “non-reciprocating country” means any country other than India which has not been declared to be a reciprocating country for the purposes of this Act.

50. Relief from estate duty where court-fees have been paid for obtaining representation to estate of deceased.—Where any fees have been paid under any law relating to court-fees in force in any State other than the State of Jammu and Kashmir for obtaining probate, letters of administration or a succession certificate in respect of any property on which estate duty is leviable under this Act, the amount of the estate duty payable shall be reduced by an amount which is equal to the court-fees so paid.

PART VII.—COLLECTION OF THE DUTY

51. Method of collection of duty.—Estate duty may be collected by such means and in such manner as the Board may prescribe.

52. Payment of duty may be accepted in prescribed Government securities.—The Board may prescribe that Government securities shall be accepted in payment of estate duty on such terms as it thinks fit.

53. Persons accountable, and their duties and liabilities.—(1) Where any property passes on the death of the deceased—

(a) every legal representative to whom such property so passes for any beneficial interest in possession or in whom any interest in the property so passing is at any time vested,

(b) every trustee, guardian, committee or other person in whom any interest in the property so passing or the management thereof is at any time vested, and

(c) every person in whom any interest in the property so passing is vested in possession by alienation or other derivative title,

shall be accountable for the whole of the estate duty on the property passing on the death but shall not be liable for any duty in excess of the assets of the deceased which he actually received or which, but for his own neglect or default, he might have received:

Provided that nothing in this section shall render a person accountable for duty who acts merely as agent or bailiff for another person in the management of property.

(2) Notwithstanding anything contained in sub-section (1), where an heir-at-law proves to the satisfaction of the Controller that some other person is in adverse possession of any assets of the deceased, the heir-at-law shall not be accountable for the portion of the estate duty payable in respect of such assets:

Provided that he shall become so accountable if, and to the extent that, he subsequently recovers possession of such assets.

(3) Every person accountable for estate duty under the provisions of this section shall, within six months of the death of the deceased or such later time as the Controller may allow, deliver to the Controller and verify to the best of his knowledge and belief, an account of all the property in respect of which estate duty is payable.

(4) Where the person accountable knows of any property which he has not included in his account because he does not know its amount or value, he may state that such property exists, but he does not know the amount or value thereof and that he undertakes, as soon as the amount and value are ascertained to bring a supplementary account thereof and to pay both the duty for which he may be liable in respect of such property and any further duty payable by reason thereof for which he may be liable in respect of the property mentioned in the original account.

(5) Where two or more persons are accountable, whether in the same capacity or in different capacities, for estate duty in respect of any property passing on the death of the deceased, they shall be liable jointly and severally for the whole of the estate duty on the property so passing.

54. Persons accountable may include trustees in certain cases.—(1) Where an interest limited to cease on a death within the meaning of section 11 after becoming an interest in possession is disposed of or determines wholly or partly, then, whatever the nature of the property in which the interest subsisted, the following persons shall be accountable for any estate duty payable on the death by virtue of that section (in addition to any persons accountable therefor apart from this section), that is to say—

(a) if the settlement under which the interest subsisted is in existence at the death, the trustees for the time being of that settlement; and

(b) if it is not, the persons who were the last trustees of that settlement.

(2) Where—

(a) the trustees of a settlement may become accountable for estate duty payable by virtue of section 11 in respect of any property; and

(b) it is intended that the property or any part thereof shall cease to be comprised in the settlement;

then if the trustees obtain from the Controller a certificate of the amount which in the opinion of the Controller may properly be treated as the prospective amount of the duty, and give the Controller all the information and evidence required by the Controller in connection with the application for the certificate, no person shall be accountable as trustee of the settlement for the duty to which the certificate relates to an amount in excess of the amount certified.

(3) It is hereby declared that a person who may become accountable as trustee of a settlement for estate duty payable by virtue of section 11 on property which is or has been comprised in the settlement has a lien for the prospective amount of the duty and the costs in respect thereof on any property in his hands which is so comprised.

Explanation.—References in this section to the prospective amount of any duty are to be taken as referring to the prospective amount of the duty on the assumption that it will become chargeable.

55. Every person believed to be in possession to deliver statement of particulars of property as required by Controller.—Every person accountable for estate duty, every company to which, in the opinion of the Controller, a transfer of property has been made by the deceased as mentioned in section 17, every person who is or was at any time an officer or auditor of such a company, and every person whom the Controller believes to have taken possession of or administered any part of the estate in respect of which duty is leviable on the death of the deceased, or of the income of any part of such estate shall, if required by the Controller, deliver to him and verify, to the best of his knowledge and belief, a statement of such particulars together with such accounts, documents, evidence or information as the Controller may require relating to any property which he has reason to believe to form part of an estate in respect of which estate duty is leviable on the death of the deceased.

56. Penalty for default.—Any person who without reasonable cause has failed to comply with the provisions of section 53 or section 55 or has failed to comply with the said provisions within the time allowed, shall be liable to pay a penalty of one thousand rupees or a sum equal to double the amount of estate duty, if any, remaining unpaid for which he is accountable, according as the Controller may direct:

Provided that the Controller may reduce the penalty in any particular case.

57. Executor to specify all chargeable property with affidavit of valuation.—In all cases in which a grant of representation is applied for within six months of the death of the deceased—

(a) the executor of the deceased shall, to the best of his knowledge and belief, specify in an appropriate account annexed to the affidavit of valuation filed in court under section 19-I of the Court-fees Act, 1870 (VII of 1870), all the property in respect of which estate duty is payable upon the death of the deceased and shall deliver a copy of the affidavit with the account to the Controller, and

(b) no order entitling the applicant to the grant of representation shall be made upon his application until he has delivered the account prescribed in clause (a) and has produced a certificate from the Controller under section 60 or section 67 that the estate duty payable in respect of the property included in the account has been or will be paid, or that none is due, as the case may be.

58. Estate duty when due and how and when to be collected.—(1) Estate duty shall be due from the date of the death of the deceased and shall be collected upon the account delivered under section 53 or clause (a) of section 57 or the account prepared under sub-section (2) of section 61.

(2) When any estate duty, penalty, interest or any other sum chargeable under this Act has been determined in consequence of any order passed under or in pursuance of this Act, the Controller shall serve on the person accountable a notice of demand in the prescribed form specifying the sum so payable and the time within which and the place at which it is payable.

59. Limitation for commencing proceedings for levy of estate duty.—No proceeding for the levy of any estate duty under this Act shall be commenced after the expiration of twelve years from the date of death of the deceased in respect of whose property estate duty became leviable.

60. Duty to be paid or security for payment furnished on delivery of account and certificate to be granted thereupon.—Upon delivery of the account under section 53 or clause (a) of section 57, the person delivering it shall pay to the Controller, or furnish security to the satisfaction of the Controller for the payment of, the estate duty, if any, payable in respect of the property included in the account, and the Controller shall thereupon grant him a certificate that such duty has been or will be paid, or that none is due, as the case may be.

61. Controller's powers in respect of valuations.—(1) If the Controller is of opinion that the person delivering the account has under-estimated the value of the property in respect of which estate duty is payable (whether by placing too low a value on the property included in the account or by omitting to include therein property that ought to have been included), the Controller may inquire into the matter in such manner and by such means as he thinks fit and, if still of opinion that the value of the property has been under-estimated, may require him to amend the valuation, and if that person does not amend the valuation to the satisfaction of the Controller, the Controller may determine the valuation on the basis of which estate duty is payable after giving the person accountable an opportunity of being heard.

(2) In any case where no account has been delivered as required by section 53 or clause (a) of section 57, the Controller may cause an account of the property passing on the death of the deceased to be prepared in such manner and by such means as he thinks fit and may call upon any person who in his opinion is accountable for the payment of estate duty in respect of the property to accept such account, and if that person does not accept the account or his liability, the Controller may determine the estate duty payable by that person.

62. Rectification of mistakes relating to valuation for estate duty.—(1) If, after the determination of the estate duty payable in respect of any estate, it appears to the Controller that, by reason of any mistake apparent from the record or of any mistake in the valuation of any property in any case other than a case in which the valuation has been the subject matter of an appeal under this Act or of the omission of any property, the estate duty paid thereon is either in excess of or less than the actual duty payable, he may, either on his own motion or on the application of the person accountable and after obtaining the previous approval of the Board, at any time within three years from the date on which the estate duty was first determined—

(a) refund the excess duty paid, or, as the case may be,

(b) determine the additional duty payable on the property:

Provided that where the person accountable had fraudulently under-estimated the value of any property or omitted any property, the period shall be six years:

Provided further that no order shall be made under this sub-section unless the person accountable has been given an opportunity of being heard.

(2) Nothing contained in sub-section (1) shall render any person accountable to whom a certificate that the estate duty has been paid is granted liable for any additional duty in excess of the assets of the deceased which are still in his possession, unless the person accountable had fraudulently attempted to evade any part of the estate duty in the first instance.

68. Appeal against determination by Controller.—(1) Any person—

(a) objecting—

(i) to any valuation made by the Controller, or

(ii) to any order made by the Controller determining the estate duty payable, or

(iii) to any penalty levied by the Controller under section 56, or

(iv) to any final order or adjudication having the effect of imposing a liability or an obligation to pay estate duty in respect of any property, or

(b) denying his liability to account for the estate duty payable in respect of any property, or

(c) objecting to any order made by the Controller refusing to grant a certificate of discharge or any other certificate under this Act,

may, within ninety days of the date of the receipt of the notice of demand under section 58 in the cases specified in clauses (a) and (b), and within ninety days of the date of the order in the cases specified in clause (c), appeal to the Board in the prescribed form which shall be verified in the prescribed manner.

(2) The Board may admit an appeal after the expiry of ninety days referred to in sub-section (1) if it is satisfied that there was sufficient cause for not presenting it within that period.

(3) The Board may, in disposing of any appeal, hold or cause to be held such further inquiry as it thinks fit, and after giving the appellant an opportunity of being heard, pass, subject to the provisions of sub-section (4) such orders thereon as it thinks fit and shall send a copy of such orders to the appellant and the Controller.

(4) Where the dispute pertains to any valuation of property, the Board may, and if the appellant so requires, it shall, refer the question of disputed value to the arbitration of two valuers, one of whom shall be nominated by the Board and the other by the appellant, and the costs of any such arbitration shall be borne by the Board or the appellant, as the case may be, at whose instance the matter was referred to the valuers:

Provided that where the appellant has been wholly or partially successful in any reference made at his instance, the extent to which costs should be borne by the appellant shall be at the discretion of the Board:

Provided further that if there is a difference of opinion between the two valuers, the matter shall be referred to a third valuer nominated by agreement, or failing agreement by the Central Government, and his decision on the question of valuation shall be final.

(5) The valuers may, in disposing of any matter referred to them for arbitration under sub-section (4), hold or cause to be held such inquiry as they think fit, and, after giving the appellant and the Controller an opportunity of being heard, pass such orders thereon as they think fit and shall send a copy of such order to the appellant and to the Board.

(6) Notwithstanding that an appeal has been filed before the Board, so much of the estate duty as is not in dispute shall be payable by the appellant.

64. Statement of case by the Board to High Court.—(1) Within ninety days of the date upon which he is served with an order under sub-section (3) of section 68, the person accountable may present an application to the Board in the prescribed form, accompanied by a fee of one hundred rupees, requiring the Board to refer to the High Court any question of law arising out of such order, and the Board shall, if in its opinion a question of law arises out of such order, state the case for the opinion of the High Court:

Provided that the Board may admit such an application after the expiry of ninety days if it is satisfied that there was sufficient cause for not presenting it within the said period.

(2) If, on an application made under sub-section (1), the Board—

(a) refuses to state a case on the ground that no question of law arises, or

(b) rejects it on the ground that it is time-barred, the person accountable may, within three months from the date on which he is served with a notice of refusal or rejection, as the case may be, apply to the High Court, and the High Court may, if it is not satisfied with the correctness of the decision of the Board, require the Board to state the case to the High Court and on receipt of such requisition the Board shall state the case:

Provided that if, in any case where it has been required by a person accountable to state a case, the Board refuses to do so on the ground that no question of law arises, such person may within thirty days from the date on which he receives notice of the refusal to state the case, withdraw his application and if he does so the fee paid by him under sub-section (1) shall be refunded.

(3) Section 5 of the Indian Limitation Act, 1908 (IX of 1908) shall apply to an application to the High Court under sub-section (2).

(4) If, on an application made under sub-section (1), the Board is of opinion that either on account of the importance of any question of law involved in the case or on account of a conflict in the decisions of different High Courts in respect of any particular question of law arising therefrom, it is expedient that a case should be stated direct to the Supreme Court, the Board may state the case direct to the Supreme Court.

(5) The case shall set forth the facts, the determination of the Board and the questions of law which arise out of the case.

(6) If the High Court or the Supreme Court is not satisfied that the case as stated is sufficient to enable it to determine the questions of law raised thereby, the Court may require the Board to make such additions thereto, or alterations therein, as it may direct in this behalf.

(7) The High Court or the Supreme Court upon hearing any such case shall decide the question of law raised therein and in doing so may, if it thinks fit, alter the form of the question of law and shall deliver its judgment thereon containing the ground on which such decision is founded and shall send a copy of such judgment, under the seal of the Court and the signature of the Registrar, to the Board which shall pass such orders as are necessary to dispose of the case conformably to such

(8) The costs of any reference to the High Court or to the Supreme Court shall be in the discretion of the Court :

Provided that in case the case is referred to the Supreme Court under sub-section (4) of this section the party shall pay, if required to do so, the cost only as if reference has been made to a High Court and not the Supreme Court.

(9) Notwithstanding that a reference has been made under this section to the High Court or to the Supreme Court, estate duty shall be payable in accordance with the determination made by the Board.

(10) For the purposes of this section "High Court" means the High Court to which, or to a court subordinate to which, an application for grant of representation has been made, or where no such application has been made, the High Court which would have jurisdiction to entertain such an application :

Provided that in the case of Part C States, "High Court" means--

- (a) in relation to Ajmer and Vindhya Pradesh, the High Court at Allahabad,
- (b) in relation to Bhopal, the High Court at Nagpur,
- (c) in relation to Bilaspur, Delhi and Himachal Pradesh, the High Court of Punjab,
- (d) in relation to Coorg, the High Court of Mysore,
- (e) in relation to Kutch, the High Court at Bombay,
- (f) in relation to Manipur and Tripura, the High Court of Assam, and
- (g) in relation to the Andaman and Nicobar Islands, the High Court at Calcutta.

65. Case to be heard by Benches of High Courts and appeal to lie in certain cases to the Supreme Court.—(1) When a case has been stated to the High Court under section 64, it shall be heard by a Bench of not less than two Judges of the High Court, and shall be decided in accordance with the opinion of such Judges or of the majority (if any) of such Judges:

Provided that where there is no such majority, the Judges shall state the point of law upon which they differ, and the case shall then be heard upon that point only by one or more of the other Judges of the High Court, and such point shall be decided according to the opinion of the majority of the Judges who have heard the case, including those who first heard it.

(2) An appeal shall lie to the Supreme Court from any judgment of the High Court delivered on a case stated under section 64 in any case which the High Court certifies to be a fit one for appeal to the Supreme Court.

(3) The provisions of the Code of Civil Procedure, 1908 (Act V of 1908), relating to appeals to the Supreme Court shall, so far as may be, apply in the case of appeals under this section in like manner as they apply in the case of appeals from decrees of a High Court:

Provided that nothing in this sub-section shall be deemed to affect the provisions of sub-section (7) of section 64:

Provided further that the High Court may, on petition made for the execution of the order of the Supreme Court in respect of any costs awarded thereby, transmit the order for execution to any court subordinate to the High Court.

(4) Where the judgment of the High Court is varied or reversed in appeal under this section, effect shall be given to the order of the Supreme Court in the manner provided in sub-section (7) of section 64.

66. Grant of representation not to be delayed on reference to High Court.—Where any grant of representation has been applied for, it shall not be delayed by reason of any reference to a High Court under section 64.

67. Certificate of payment of duty, and penalty for non-payment.—

(1) Where the valuation is amended by the person accountable upon the Controller's requisition under sub-section (1) of section 61 or is enhanced by the Court upon the Board's reference under section 64, and in any case where the original valuation has been discovered to be too low, such person shall, within two months of the amendment or enhancement or discovery, pay the deficit duty which is payable in respect of the property upon the amended or enhanced or full valuation and the Controller shall thereupon grant him a certificate accordingly.

(2) Where the valuation is reduced by the Court on the Board's reference under section 64, the Controller shall refund to the person accountable any excess duty paid by him within two months from the date of receipt by him of the order and shall grant to him a certificate that the full duty payable in respect of the property has been paid.

(3) In any case where no account has been delivered as required by section 53 or clause (a) of section 57 the person who is called upon to accept the account prepared by the Controller under sub-section (2) of section 61 shall, within two months of his acceptance or, as the case may be, of the final disposal of the reference made under sub-section (1) of section 64, pay the full duty payable in respect of the property and the Controller shall thereupon grant him a certificate accordingly.

(4) If the person accountable does not pay the amount of duty due from him under sub-section (1) or sub-section (3) within the period specified therein, he shall be liable to a penalty of one thousand rupees or a sum equal to twice the amount due according as the Controller may elect:

Provided that the Controller may in any particular case reduce the penalty.

(5) Where a person accountable for the estate duty in respect of any property passing on a death applies to the Controller at any time and delivers and verifies a full statement to the best of his knowledge and belief of all property passing on such death and the several persons entitled thereto, the Controller may determine the estate duty payable in respect of the property and on payment of that duty, the Controller shall give him a certificate accordingly.

68. Commutation of duty in respect of interest in expectancy.—The Controller in his discretion may, upon application by a person entitled to an interest in expectancy, commute the estate duty which would or might, but for the commutation, become payable in respect of such interest for a certain sum to be presently paid, and, for determining that sum, shall cause a present value to be set upon such duty, regard being

had to the contingencies affecting the liability to and rate and amount of such duty, and interest being reckoned at three per cent.; and on the receipt of such sum the Controller shall give a certificate accordingly.

69. Assessment in complicated cases.—Where by reason of the number of deaths upon which property has passed or of the complicated nature of the interests of different persons in property which has passed on death, or from any other cause, it is difficult to ascertain exactly the amount of estate duty payable in respect of any property or any interest therein or so to ascertain the same without undue expense in proportion to the value of the property or interest, the Board, on the application of any person accountable for the duty and upon his giving to the Board all the information in his power respecting the amount of the property and the several interests therein and other circumstances of the case, may by way of composition for all or any of the duties payable in respect of the property or interest and the various interests therein or any of them, assess such sum on the value of the property or interest, as having regard to the circumstances appears proper, and may accept payment of the sum so assessed in full payment of all claims for estate duty in respect of such property or interest, and shall give a certificate accordingly.

70. Controller may allow postponement of payment on terms.—(1) Where the Controller is satisfied that the estate duty leviable in respect of any property cannot, without excessive sacrifice, be raised at once, he may allow payment to be postponed for such period, to such extent, and on payment of such interest not exceeding four per cent. or any higher interest yielded by the property, and on such other terms as he may think fit.

(2) Notwithstanding anything contained in sub-section (1), estate duty in respect of immovable property may at the option of the person accountable be paid in eight equal yearly instalments or sixteen equal half-yearly instalments with interest at the rate of four per cent. per annum or any higher interest yielded by the property from the date on which the first instalment is payable and the interest on the unpaid portion of the duty shall be added to each instalment and paid accordingly; but the duty for the time being unpaid with such interest to the date of payment may be paid at any time and in case where the property is sold shall be paid on the completion of the sale and if not so paid shall be recovered in the manner specified in section 78.

71. Board may remit duty and interest outstanding after twenty years from death.—If after the expiration of twenty years from a death upon which estate duty became leviable any such duty remains unpaid, the Board may, if it thinks fit, on the application of any person accountable or liable for such duty or interested in the property, remit the payment of such duty or any part thereof or any interest thereon.

72. Forms.—All affidavits, accounts, certificates, statements and forms used for the purposes of this Part of this Act shall be in such form and contain such particulars as may be prescribed by the Board and, if so required by the Board, shall be in duplicate and accounts and statements shall be delivered and verified on oath and by production of books and documents in the manner prescribed by the Board and any person who wilfully fails to comply with the provisions of this section shall be liable to the penalty mentioned in section 56.

73. Recovery of duty and penalties.—Any estate duty or deficit duty and any interest or penalty payable under this Act may, on the certificate

of the Controller, be recovered from the person liable thereto as if it were an arrear of land revenue by any Collector in any State.

PART VIII.—CHARGE OF ESTATE DUTY ON PROPERTY AND FACILITIES FOR RAISING IT

74. Estate duty a first charge on property liable thereto.—(1) Subject to the provisions of section 19, the estate duty payable in respect of property, movable or immovable, passing on the death of the deceased, shall be a first charge on the immovable property so passing (including agricultural land) in whomsoever it may vest on his death after the debts and incumbrances allowable under Part VI of this Act; and any private transfer or delivery of such property shall be void against any claim in respect of such estate duty.

(2) A rateable part of the estate duty on an estate, in proportion to the value of any beneficial interest in possession in movable property which passes to any person (other than the legal representative of the deceased) on the death of the deceased shall be a first charge on such interest:

Provided that the property shall not be so chargeable as against a *bona fide* purchaser thereof for valuable consideration without notice.

(3) The Controller may release the whole or any part of any property, whether movable or immovable, from charge under this section in such circumstances and on such conditions as he thinks fit.

75. Discharge from estate duty in certain cases.—A certificate granted by the Controller under section 67, or by the Board under section 69, shall discharge the property included therein and the grantee so far as regards that property from any further claim for estate duty, but shall not discharge any person or property from estate duty in case of fraud or failure to disclose material facts and shall not affect the duty payable in respect of any property afterwards shown to have passed on the death nor any further duty payable by reason thereof in respect of the property included in the certificate:

Provided nevertheless that a certificate purporting to be a discharge of the whole estate duty payable in respect of any property included in the certificate shall exonerate a *bona fide* purchaser for valuable consideration without notice from the duty notwithstanding any such fraud or failure.

76. Person accountable to be repaid by trustees and owners in certain cases.—If a person accountable under section 53 pays any part of the estate duty in respect of any property not passing to him, it shall, where occasion requires, be repaid to him by the trustees or owners of the property.

77. Facilities for paying duty or raising amount already paid.—(1) A person authorised or required to pay estate duty in respect of any property shall, for the purposes of paying the duty, or raising the amount of the duty when already paid, have power, whether the property is or is not vested in him, to raise the amount of such duty and any interest and expenses properly paid or incurred by him in respect thereof, by the sale or mortgage of or a terminable charge on that property or any part thereof :

Provided that any sum payable under any such sale, mortgage or terminable charge may be paid (to the extent to which such sum or part thereof represents the estate duty payable), not to the person raising the sum but to the Controller at the option of the person from whom the sum is being raised.

(2) A person having an interest in any property, who pays the estate duty in respect of that property, shall be entitled to the like charge, as

the estate duty in respect of that property had been raised by means of a mortgage to him.

(3) Any money arising from the sale of property comprised in a settlement or held upon trust to lay out upon the trusts of a settlement may be expended in paying any estate duty in respect of property comprised in the settlement and held upon the same trusts.

PART IX.—MISCELLANEOUS

78. Jurisdiction of Courts barred in certain cases.—No suit shall be brought in any Civil Court to set aside or modify any estate duty determined under this Act and no prosecution suit or other proceedings shall lie against any officer of Government for anything in good faith done or intended to be done under this Act.

79. Power to take evidence on oath etc.—Every authority specified in sub-section (1) of section 4, other than valuers, shall for the purposes of this Act have the same powers as are vested in a court under the Code of Civil Procedure, 1908 (Act V of 1908) when trying a suit in respect of the following matters, namely:—

- (a) enforcing the attendance of any person and examining him on oath;
- (b) requiring the discovery and production of documents;
- (c) receiving evidence on affidavit;
- (d) issuing commissions for the examination of witnesses;

and any proceeding before any such authority under this Act shall be deemed to be a judicial proceeding within the meaning of sections 193 and 228 of the Indian Penal Code (Act XLV of 1860).

80. Disclosure of information by a public servant.—The provisions of section 54 of the Indian Income-tax Act, 1922 (XI of 1922), shall apply to all accounts, statements, documents, evidence or affidavits, given, produced or obtained in connection with or in the course of the proceedings under this Act:

Provided that nothing in the said section 54 shall apply to the disclosure of any such particulars to any person acting in the execution of this Act or of the Indian Income-tax Act, 1922 (XI of 1922), where it is necessary or desirable to disclose the same to him for the purposes of either this Act or the said Act.

81. Arrangements with States to supply information.—The Central Government may make arrangements with the Government of any State for exchange of such information as may be necessary for the purposes of levying or realising any estate duty under this Act or under any other law for the time being in force in that State.

82. Service of Notices.—Any notice or requisition under this Act may be served on the person therein named either by post or as if it were a summons issued by a court under the Code of Civil Procedure, 1908 (Act V of 1908).

83. Appearance by authorised representatives.—Any person accountable for estate duty who is entitled or required to attend before any authority specified in sub-section (1) of section 4 in connection with any proceeding under this Act, otherwise than when required under section 79 to attend in person, may attend by a person authorised by him in writing

in this behalf, being a relative of or a person regularly employed by that person, or a legal practitioner or a chartered accountant.

Explanation.—In this section—

(a) a person regularly employed by the accountable person shall include any officer of a Scheduled Bank with which the accountable person maintains a current account or has other regular dealings;

(b) 'legal practitioner' means an advocate, vakil or attorney of any High Court in the territories to which this Act extends and includes a pleader practising in any part of the said territories;

(c) 'chartered accountant' means a chartered accountant as defined in the Chartered Accountants Act, 1949 (XXXVIII of 1949).

84. Company to furnish particulars of deceased members to the Controller.—(1) Where a company incorporated outside India carries on business in the territories to which this Act extends and has been treated for the purposes of the Indian Income-tax Act, 1922 (XI of 1922), as resident for two out of the three completed assessments immediately preceding, such company shall, within three months of the receipt of intimation of the death of a member dying after the commencement of this Act, furnish to the Controller such particulars as may be prescribed in respect of the shares of the deceased member in the company, and shall be liable to pay estate duty at the rates mentioned in Part III of the Second Schedule, on the principal value of the shares held by the deceased in the company except in cases where the deceased member was a person domiciled in India and the person accountable has obtained a certificate from the Controller showing that either the estate duty in respect thereof has been paid or will be paid or that none is due, as the case may be.

(2) If any member of a company formed and registered under the Indian Companies Act, 1913 (VII of 1913) dies after the commencement of this Act and the company through any of its principal officers as defined in section 18, has knowledge of the death, it shall not be lawful for the company to register the transfer of any shares standing in the name of the deceased member unless the company is satisfied that the transferee has acquired such shares for valuable consideration or there is produced before it a certificate from the Controller that either the estate duty in respect thereof has been paid or will be paid or none is due, as the case may be.

(3) Any company which fails to comply with the provisions of sub-section (1) or sub-section (2) shall be liable to a penalty of one thousand rupees or a sum equal to double the amount of the estate duty payable according as the Controller may direct:

Provided that the Controller may reduce the penalty in any particular case.

85. Rule-making powers of the Board.—(1) Subject to the condition of previous publication and subject to the control of the Central Government, the Board may make rules not inconsistent with this Act prescribing all matters which by this Act are required or permitted to be prescribed, or which are necessary or convenient to be prescribed for carrying out the purposes of or giving effect to this Act.

(2) The power to make rules conferred by this section shall, on the first occasion of the exercise thereof, include the power to give retrospective effect to the rules or any of them from a date not earlier than the date of the commencement of this Act.

(3) All rules made under this Act shall be laid before both Houses of Parliament as soon as may be after they are made.

THE FIRST SCHEDULE

(See section 5)

States in which estate duty is leviable on agricultural land

Bombay.
Madhya Pradesh.
Orissa.
Punjab.
Uttar Pradesh.
Hyderabad.
Madhya Bharat.
Rajasthan.
Saurashtra.
All Part C States.

THE SECOND SCHEDULE

(See sections 5, 35 and 84)

RATES OF ESTATE DUTY

PART I

In the case of property which consists of an interest in the joint family property of a Hindu family governed by the Mitakshara, Marumakkattayam or Aliyasantana law :—

	<i>Rate of Duty</i>
(1) on the first Rs. 50,000 of the principal value of the estate	Nil
(2) on the next Rs. 50,000	5 per cent.
(3) on the next Rs. 50,000	7½ "
(4) on the next Rs. 50,000	10 "
(5) on the next Rs. 1,00,000	12½ "
(6) on the next Rs. 2,00,000	15 "
(7) on the next Rs. 5,00,000	20 "
(8) on the next Rs. 10,00,000	25 "
(9) on the next Rs. 10,00,000	30 "
(10) on the next Rs. 20,00,000	35 "
(11) on the balance of the principal value of the estate	40 "

PART II

In the case of property of any other kind—

	<i>Rate of Duty</i>
(1) on the first Rs. 1,00,000 of the principal value of the estate	Nil
(2) on the next Rs. 50,000 " "	7½ per cent.
(3) on the next Rs. 50,000 " "	10 "
(4) on the next Rs. 1,00,000 " "	12½ "
(5) on the next Rs. 2,00,000 " "	15 "
(6) on the next Rs. 5,00,000 " "	20 "
(7) on the next Rs. 10,00,000 " "	25 "
(8) on the next Rs. 10,00,000 " "	30 "
(9) on the next Rs. 20,00,000 " "	35 "
(10) on the balance of the principal value of the estate	40 "

PART III

In the case of shares held by a deceased member in any such company as is referred to in sub-section (1) of section 84—

	<i>Rate of Duty</i>
(1) If the principal value of the shares does not exceed Rs. 5,000	Nil
(2) If the principal value of the shares exceeds Rs. 5,000	7½ per cent.

RAJENDRA PRASAD,
President.

K. Y. BHANDARKAR,
Secy. to the Govt. of India.

The Gazette  of India

EXTRAORDINARY
PART II—Section 1
PUBLISHED BY AUTHORITY

No. 39] NEW DELHI, MONDAY, DECEMBER 7, 1953

MINISTRY OF LAW

New Delhi, the 7th December, 1953

The following Act of Parliament received the assent of the President on the 5th December, 1953 and is hereby published for general information:—

THE SEA CUSTOMS (AMENDMENT) ACT, 1953

No. 35 OF 1953

[5th December, 1953]

An Act further to amend the Sea Customs Act, 1878.

BE it enacted by Parliament as follows:—

1. **Short title.**—This Act may be called the Sea Customs (Amendment) Act, 1953.

2. **Insertion of new section 43B in Act VIII of 1878.**—After section 43A of the Sea Customs Act, 1878 (hereinafter referred to as the principal Act), the following section shall be inserted, namely:—

“43B. *Drawback on imported materials used in the manufacture of goods which are exported.*—(1) Where it appears to the Central Government that, in the case of goods of any class or description manufactured in, and exported from, India or shipped as provisions or stores for use on board a ship proceeding to a foreign port, a drawback should be allowed of duties of customs chargeable under this Act in respect of any material of a class or description used in the manufacture of such goods, the Central Government may, by notification in the Official Gazette, direct that a drawback shall be allowed in respect of such goods in accordance with, and subject to, the provisions of this section and any rules made thereunder.

(2) A drawback under this section shall be allowed only in respect of such quantity and material as is shown to the satisfaction of the Customs-collector to be duty-paid.

(3) The Central Government may, subject to the condition of previous publication, make rules for the purpose of carrying out the provisions of this section and, in particular, such rules may—

(a) specify the class or description of manufactured goods in the case of which, and the class or description of material in respect of which, drawback is to be paid;

(b) provide for drawback to be paid in respect of such quantity of material of that class or description as is actually contained in the goods or is specified in the rules as being the average quantity of such material used in the manufacture of goods of that class or description either by manufacturers generally or by any particular manufacturer;

(c) specify the rate of drawback to be payable with reference to the weight, quantity or any other basis as the Central Government may deem fit;

(d) provide for the admissibility of drawback for any specific period or without any limit of period;

(e) provide for requiring the manufacturer of goods in the case of which drawback is to be paid to produce, to the Customs-collector, evidence relating to the proportion in which the material in respect of which drawback is claimed is contained in such goods and the payment of duty on such material;

(f) provide for requiring persons who have been concerned at any stage with goods in the case of which drawback is claimed under this section to furnish such information as may, in the opinion of the Customs-collector, be necessary to enable him to determine whether duty has been paid on the material contained in the goods in respect of which a claim is made and for requiring such persons to produce any books of account or other documents of whatever nature relating to that material;

(g) provide for the production of such certificates, documents and other evidence in support of each claim of drawback as may be necessary;

(h) provide for requiring the manufacturer to give access to every part of his manufactory to any officer of the Central Government specially authorised in this behalf by the Chief Customs Officer or the Chief Customs Authority to enable such authorised Officer to inspect the processes of manufacture and to verify by actual check or otherwise the statements made in support of the claim for drawback.

Explanation.—In this section the expression 'manufacture' (with its grammatical variations and cognate expressions) includes the processes of blending any goods or making of other alterations therein.

(4) All notifications issued and rules made under this section shall be laid as soon as may be on the Table of both the Houses of Parliament."

3. Insertion of new section 100A in Act VIII of 1878.—After section 100 of the principal Act, the following section shall be inserted, namely:—

“100A. *Manufacture of goods in bonded warehouses.*—(1) With the sanction of the Customs-collector, and after such notice given and under such rules as the Chief Customs Authority from time to time prescribes, any owner of goods may, after warehousing the same—

(a) carry on any manufacturing process in the warehouse in relation to such goods;

(b) blend the goods or make any other alteration therein for any purpose whatsoever.

(2) Without prejudice to the generality of the power conferred by sub-section (1), the rules which the Chief Customs Authority may prescribe under that sub-section may provide for all or any of the following matters, namely:—

(a) the conditions relating to the storage of duty-paid and other goods in the warehouse for the purpose of carrying on therein any operations permissible under sub-section (1);

(b) the supervision by officers of customs over such operations and the payment of fees for such supervision;

(c) the security to be furnished for the due observance of any rules and conditions prescribed under this section.

(3) After any operations permissible under this section have been carried out in the warehouse and the warehoused goods repacked in proper or approved packages, the Customs-collector may, at the request of the owner of such goods, cause or permit any refuse, damaged or surplus goods remaining after the completion of such operations or repacking (or, at the like request, any goods which may not be worth the duty) to be destroyed, and may remit the duty payable thereon.

(4) The Central Government may, by notification in the Official Gazette, exempt any goods manufactured, blended or otherwise altered in a warehouse, when cleared for home consumption from the whole or any part of the duties leviable thereon.”

4. Amendment of Schedule to section 167, Act VIII of 1878.—In the Schedule to section 167 of the principal Act,—

(a) in item 1, in the entry in the first column, the words ‘for the contravention of which no specific penalty is prescribed’ shall be inserted at the end;

(b) after item 10, the following item shall be inserted, namely:—

“10A. If a claim for drawback in respect of any goods is made in contravention of section 43B or any rules made thereunder.

Such goods shall be liable to confiscation;

43 B. any person concerned in any such offence shall be liable to a penalty not exceeding twice the amount of drawback claimed or not exceeding one thousand rupees.”;

(c) in item 47,—

(i) in the entry in the first column, for the words and figures 'in section 100' the words, figures and letters 'in section 100 or section 100A or in any rules made under section 100A' shall be substituted;

(ii) in the entry in the second column, for the figures '98 & 100' the figures, word and letter '98, 100 & 100A' shall be substituted.

5. Repeal of Ordinance 3 of 1953.—(1) The Sea Customs (Amendment) Ordinance, 1953 (3 of 1953) is hereby repealed.

(2) Notwithstanding such repeal, anything done or any action taken in the exercise of any power conferred by or under the said Ordinance shall be deemed to have been done or taken in the exercise of the power 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.

K. Y. BHANDARKAR
Secy. to the Govt. of India

The Gazette  of India

EXTRAORDINARY
PART II—Section 1
PUBLISHED BY AUTHORITY

No. 40] NEW DELHI, THURSDAY, DECEMBER 10, 1953

MINISTRY OF LAW

New Delhi, the 10th December, 1953

The following Act of Parliament received the assent of the President on the 10th December, 1953 and is hereby published for general information:—

THE REHABILITATION FINANCE ADMINISTRATION
(AMENDMENT) ACT, 1953

No. 36 OF 1953

[10th December, 1953.]

An Act further to amend the Rehabilitation Finance Administration Act, 1948,

BE it enacted by Parliament as follows:—

1. **Short title.**—This Act may be called the Rehabilitation Finance Administration (Amendment) Act, 1953.

2. **Amendment of section 11, Act XII of 1948.**—For sub-section (1) of section 11 of the Rehabilitation Finance Administration Act, 1948 (hereinafter referred to as the principal Act), the following sub-section shall be substituted, namely:—

“(1) The Central Government may from time to time advance money to the Administration for its business, the aggregate amount of which,—

(a) for the purpose of enabling the Administration to advance loans, shall not, save as hereinafter provided, exceed twelve crores and fifty lakhs of rupees; and

(b) for the purpose of enabling the Administration to meet any liability which it may incur in guaranteeing losses in respect of loans advanced by scheduled banks, shall not exceed two crores of rupees:

Provided that if, after the lapse of such period from the commencement of this Act as the Central Government may

think fit to fix in this behalf, any sum of money earmarked for the purpose specified in clause (b) is found not to have been actually advanced for that purpose and is not, in the opinion of the Central Government, likely to be required for the said purpose, the Central Government may utilize the money for making advances from time to time to the Administration for the purpose specified in clause (a), and when any such advance is made, the limit specified in clause (a) shall be deemed to have been correspondingly increased.

3. Substitution of new section for section 12 in Act XII of 1948.—For section 12 of the principal Act, the following section shall be substituted, namely:—

“12. *Business of the Administration.*—The Administration may—

(a) subject to the provisions of section 13, advance loans;

(b) guarantee, on such terms and conditions as may be agreed upon, losses which a scheduled bank may suffer in respect of any loan advanced by it and approved by the Administration:

Provided that the total amount which may be guaranteed in respect of any scheduled bank and the terms and conditions on which such guarantee may be given shall be subject to the prior approval of the Central Government:

Provided further that the maximum liability of the Administration under such guarantee shall not exceed the amount for the time being available under clause (b) of sub-section (1) of section 11;

(c) do all such acts and things as may be incidental to or consequential upon the performance of its functions under this Act including the running of the Administration.”

4. Amendment of section 13, Act XII of 1948.—In sub-section (4) of section 13 of the principal Act, for the word “ten” the word “fifteen” shall be substituted.

5. Substitution of new section for section 16 in Act XII of 1948.—For section 16 of the principal Act, the following section shall be substituted, namely:—

“16. *Accounts and audit.*—(1) The Administration shall maintain proper accounts and other relevant records and prepare an annual statement of accounts including the profit and loss account and the balance sheet in such form as may be prescribed by the Central Government in consultation with the Comptroller and Auditor-General of India.

(2) The accounts of the Administration 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 Administration 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 Administration 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 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 Administration.

(4) The accounts of the Administration 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 both Houses of Parliament."

6. Repeal of Ordinance 2 of 1953.—(1) The Rehabilitation Finance Administration (Amendment) Ordinance, 1953 (2 of 1953) is hereby repealed.

(2) Notwithstanding such repeal, anything done or any action taken in the exercise of any power 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.

K. Y. BHANDARKAR,
Secy. to the Govt. of India.

The Gazette  of India

EXTRAORDINARY
PART II—Section 1
PUBLISHED BY AUTHORITY

No. 41] NEW DELHI, SATURDAY, DECEMBER 12, 1953

MINISTRY OF LAW

New Delhi, the 12th December, 1953

The following Act of Parliament received the assent of the President on the 12th December, 1953 and is hereby published for general information:—

THE EMPLOYEES' PROVIDENT FUNDS (AMENDMENT) ACT, 1953.

No. 37 OF 1953

[12th December, 1953]

An Act to amend the Employees' Provident Funds Act, 1952.

BE it enacted by Parliament as follows:—

1. Short title.—This Act may be called the Employees' Provident Funds (Amendment) Act, 1953.

2. Amendment of section 1, Act XIX of 1952.—In section 1 of the Employees' Provident Funds Act, 1952 (hereinafter referred to as the principal Act), after sub-section (3), the following sub-section shall be inserted, namely:—

“(4) Notwithstanding anything contained in sub-section (3) of this section or sub-section (1) of section 16, where it appears to the Central Government, whether on an application made to it in this behalf or otherwise, that the employer and the majority of employees in relation to any factory have agreed that the provisions of this Act should be made applicable to the factory, it may, by notification in the Official Gazette, apply the provisions of this Act to that factory.”

3. Amendment of section 2, Act XIX of 1952.—In section 2 of the principal Act,—

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

“(ff) ‘exempted employee’ means an employee to whom a Scheme would, but for the exemption granted under sub-section (1) of section 17, have applied;

(fff) ‘exempted factory’ means a factory in respect of which an exemption has been granted under section 17 from the operation of all or any of the provisions of any Scheme, whether such exemption has been granted to the factory as such or to any person or class of persons employed therein;”;

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

“(ia) ‘manufacture’ means making, altering, ornamenting, finishing or otherwise treating or adapting any article or substance with a view to its use, sale, transport, delivery or disposal;”.

4. Amendment of section 5, Act XIX of 1952.—Section 5 of the principal Act shall be re-numbered as sub-section (1) thereof and—

(a) to sub-section (1) as so re-numbered, the words “and there shall be established, as soon as may be after the framing of the Scheme, a Fund in accordance with the provisions of this Act and the Scheme” shall be added;

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

“(2) A Scheme framed under sub-section (1) may provide that any of its provisions shall take effect either prospectively or retrospectively on such date as may be specified in this behalf in the Scheme”.

5. Amendment of section 6, Act XIX of 1952.—In section 6 of the principal Act, after sub-section (2), the following sub-section shall be inserted, namely:—

“(3) Where under the provisions of any Scheme, any board of trustees is constituted for administering the Fund, such board of trustees shall be a body corporate under the name specified in the Scheme, having perpetual succession and a common seal and shall by the said name sue and be sued”.

6. Substitution of new section for section 8 in Act XIX of 1952.—For section 8 of the principal Act, the following section shall be substituted, namely:—

“8. *Mode of recovery of moneys due from employers.*—Any amount due—

(a) from the employer in relation to a factory to which any Scheme applies in respect of any contribution payable to the Fund, damages recoverable under section 14B, accumula-

tions required to be transferred under sub-section (2) of section 15 or any charges payable by him under any other provision of this Act or of any provision of the Scheme; or

(b) from the employer in relation to an exempted factory in respect of any damages recoverable under section 14B or any charges payable by him to the appropriate Government under any provision of this Act or under any of the conditions specified under section 17,

may, if the amount is in arrear, be recovered by the appropriate Government in the same manner as an arrear of land revenue”.

7. Amendment of section 9, Act XIX of 1952.—To section 9 of the principal Act, the following proviso shall be added, namely:—

“Provided that nothing contained in the said Chapter shall operate to render ineffective any provision of the Scheme (under which the Fund is established) which is repugnant to any of the provisions of that Chapter or of the rules made thereunder.”

8. Amendment of section 10, Act XIX of 1952.—In section 10 of the principal Act,—

(a) in sub-section (1),—

(i) after the words “of any member in the Fund”, the words “or of any exempted employee in a provident fund” shall be inserted;

(ii) after the words “incurred by the member”, the words “or the exempted employee” shall be inserted;

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

“(2) Any amount standing to the credit of a member in the Fund or of an exempted employee in a provident fund at the time of his death and payable to his nominee under the Scheme or the rules of the provident fund shall, subject to any deduction authorised by the said Scheme or rules, vest in the nominee and shall be free from any debt or other liability incurred by the deceased or the nominee before the death of the member or of the exempted employee”.

9. Amendment of section 11, Act XIX of 1952.—In section 11 of the principal Act, for the words beginning with “The amount due in respect of any contribution” and ending with the words “be deemed to be included”, the following shall be substituted, namely:—

“Where any employer is adjudicated insolvent or, being a company, an order for winding up is made, the amount due—

(a) from the employer in relation to a factory to which any Scheme applies in respect of any contribution payable to the Fund, damages recoverable under section 14B, accumulations required to be transferred under sub-section (2) of section 15 or any charges payable by him under any other provision of this Act or of any provision of the Scheme; or

(b) from the employer in relation to an exempted factory in respect of any contribution to the provident fund (in so far as it relates to exempted employees), under the rules of the provident fund, damages recoverable under section 14B or any charges payable by him to the appropriate Government under any provision of this Act or under any of the conditions specified under section 17,

shall, where the liability therefor has accrued before the order of adjudication or winding up is made, be deemed to be included".

10. Substitution of new section for section 12 in Act XIX of 1952.—For section 12 of the principal Act, the following section shall be substituted, namely:—

"12. *Employer not to reduce wages, etc.*—No employer in relation to a factory to which any Scheme applies shall, by reason only of his liability for the payment of any contribution to the Fund or any charges under this Act or the Scheme, reduce, whether directly or indirectly, the wages of any employee to whom the Scheme applies or the total quantum of benefits in the nature of old age pension, gratuity or provident fund to which the employee is entitled under the terms of his employment, express or implied".

11. Amendment of section 13, Act XIX of 1952.—In sub-section (2) of section 13 of the principal Act,—

(a) after the words "have been complied with" the following shall be inserted, namely:—

"in respect of a factory to which any Scheme applies or for the purpose of ascertaining whether the provisions of this Act or any Scheme are applicable to any factory to which the Scheme has not been applied or for the purpose of determining whether the conditions subject to which exemption was granted under section 17 are being complied with by the employer in relation to an exempted factory";

(b) in clause (a), the words "in relation to the Scheme" shall be omitted.

12. Amendment of section 14, Act XIX of 1952.—In section 14 of the principal Act, after sub-section (2), the following sub-section shall be inserted, namely:—

"(2A) Whoever contravenes or makes default in complying with any provision of this Act or of any condition subject to which exemption was granted under section 17 shall, if no other penalty is elsewhere provided by or under this Act for such contravention or non-compliance, be punishable with imprisonment which may extend to three months, or with fine which may extend to one thousand rupees, or with both."

13. Insertion of new sections 14A and 14B in Act XIX of 1952.—After section 14 of the principal Act, the following sections shall be inserted, namely:—

“14A. Offences by companies.—(1) If the person committing an offence under this Act or the Scheme made thereunder 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:

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 or the Scheme thereunder 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 or manager, secretary or other officer of the company, such director, manager, secretary or other officer shall be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

Explanation.—For the purposes of this section,—

(a) ‘company’ means any body corporate and includes a firm and other association of individuals; and

(b) ‘director’ in relation to a firm, means a partner in the firm.

14B. Power to recover damages.—Where an employer makes default in the payment of any contribution to the Fund or in the transfer of accumulations required to be transferred by him under sub-section (2) of section 15 or in the payment of any charges payable under any other provision of this Act or of any Scheme or under any of the conditions specified under section 17, the appropriate Government may recover from the employer such damages, not exceeding twenty-five per cent. of the amount of arrears, as it may think fit to impose.”

14. Amendment of section 15, Act XIX of 1952.—In section 15 of the principal Act,—

(a) in sub-section (1), for the words, figures and letters “Every employee who is a subscriber to any provident fund established by the employer and in existence on the 15th day of November, 1951, shall, pending the framing of a Scheme in respect of”, the words and figures “Subject to the provisions of section 17, every employee who is a subscriber to any provident fund of a factory to which this Act applies shall, pending the application of a Scheme to” shall be substituted;

(b) in sub-section (2), for the words, brackets and figure "On the framing of any such Scheme as is referred to in sub-section (1), the accumulations standing to the credit of the employees in the provident fund", the words "On the application of any Scheme to a factory, the accumulations in any provident fund of the factory standing to the credit of the employees who become members of the Fund established under the Scheme" shall be substituted.

15. Amendment of section 16, Act XIX of 1952.—Section 16 of the principal Act shall be re-numbered as sub-section (1) thereof and—

(a) to sub-section (1) as so re-numbered, the following *Explanation* shall be added, namely:—

Explanation.—For the removal of doubts, it is hereby declared that the date of the establishment of a factory shall not be deemed to have been changed merely by reason of a change of the premises of the factory";

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

"(2) If the Central Government is of opinion that having regard to the financial position of any class of factories or other circumstances of the case, it is necessary or expedient so to do, it may, by notification in the Official Gazette, and subject to such conditions as may be specified in the notification, exempt that class of factories from the operation of this Act for such period as may be specified in the notification."

16. Substitution of new section for section 17 in Act XIX of 1952.—For section 17 of the principal Act, the following section shall be substituted, namely:—

"17. *Power to exempt.*—(1) The appropriate Government may, by notification in the Official Gazette, and subject to such conditions as may be specified in the notification, exempt from the operation of all or any of the provisions of any Scheme—

(a) any factory to which this Act applies if, in the opinion of the appropriate Government, the rules of its provident fund with respect to the rates of contribution are not less favourable than those specified in section 6 and the employees are also in enjoyment of other provident fund benefits which on the whole are not less favourable to the employees than the benefits provided under this Act or any Scheme in relation to the employees in any other factory of a similar character; or

(b) any factory if the employees of such factory are in enjoyment of benefits in the nature of provident fund, pension or gratuity and the appropriate Government is of opinion that such benefits, separately or jointly, are on the whole not less favourable to such employees than the benefits provided under this Act or any Scheme in relation to employees in any other factory of a similar character.

Explanation.—The following conditions shall be deemed to be always included in the conditions which may be specified in a notification under clause (a), namely:—

(i) the amount of accumulations in the provident fund shall be invested in such manner as the Central Government may direct;

(ii) the amount of accumulations to the credit of an employee in the provident fund shall, where he leaves his employment and obtains re-employment in another factory to which this Act applies, be transferred, within such time as may be specified in this behalf by the Central Government, to the credit of his account in the provident fund of the factory in which he is re-employed or, as the case may be, in the Fund established under the Scheme applicable to the factory.

(2) Any Scheme may make provision for exemption of any person or class of persons employed in any factory to which the Scheme applies from the operation of all or any of the provisions of the Scheme, if such person or class of persons is entitled to benefits in the nature of provident fund, gratuity or old age pension and such benefits, separately or jointly, are on the whole not less favourable than the benefits provided under this Act or the Scheme:

Provided that no such exemption shall be granted in respect of a class of persons unless the appropriate Government is of opinion that the majority of persons constituting such class desire to continue to be entitled to such benefits.

(3) Where any person or class of persons employed in a factory is exempted from the operation of all or any of the provisions of any Scheme under sub-section (2), the employer in relation to such a factory—

(a) shall, in relation to the provident fund, old age pension and gratuity to which such person or class of persons is entitled, maintain such accounts, submit such returns, make such investment, provide for such facilities for inspection and pay such inspection charges, as the Central Government may direct; and

(b) shall not, at any time after the exemption, without the leave of the Central Government, reduce the total quantum of benefits in the nature of old age pension, gratuity or provident fund to which such person or class of persons was entitled at the time of the exemption.”

17. Substitution of new sections for section 19 in Act XIX of 1952.—For section 19 of the principal Act, the following sections shall be substituted, namely:—

“19. *Delegation of powers.*—The appropriate Government may direct that any power or authority or jurisdiction exercisable by it under this Act or any Scheme shall, in relation to

such matters and subject to such conditions, if any, as may be specified in the direction, be exercisable also—

(a) where the appropriate Government is the Central Government, by such officer or authority subordinate to the Central Government or by the State Government or by such officer or authority subordinate to the State Government, as may be specified in the notification; and

(b) where the appropriate Government is a State Government, by such officer or authority subordinate to the State Government as may be specified in the notification.

19A. *Power to remove difficulties.*—If any difficulty arises in giving effect to the provisions of this Act, and in particular, if any doubt arises as to—

(i) whether a factory is engaged in any industry specified in Schedule I; or

(ii) whether fifty or more persons are employed in a factory; or

(iii) whether three years have elapsed from the establishment of a factory; or

(iv) whether the total quantum of benefits to which an employee is entitled has been reduced by the employer,

the Central Government may, by order, make such provision or give such direction, not inconsistent with the provisions of this Act, as appear to it to be necessary or expedient for the removal of the doubt or difficulty; and the order of the Central Government, in such cases, shall be **final**.

18. **Amendment of Schedule I, Act XIX of 1952.**—In Schedule I to the principal Act,—

(i) the words 'or production' shall be omitted;

(ii) to the Schedule I, the following *Explanation* shall be added, namely:—

Explanation.—In this Schedule, without prejudice to the ordinary meaning of the expressions used therein,—

(a) the expression 'Electrical, mechanical or general engineering products' includes—

(1) machinery and equipment for the generation, transmission, distribution or measurement of electrical energy and motors including cables and wires,

(2) telephones, telegraph and wireless communication apparatus,

(3) electric lamps (not including glass bulbs),

(4) electric fans and electrical domestic appliances,

- (5) storage and dry batteries,
- (6) radio receivers and sound reproducing instruments,
- (7) machinery used in industry (including textile machinery) other than electrical machinery and machine tools,
- (8) boilers and prime movers, including internal combustion engines, marine engines and locomotives,
- (9) machine tools, that is to say, metal and wood working machinery,
- (10) grinding wheels,
- (11) ships,
- (12) automobiles and tractors,
- (13) bolts, nuts and rivets,
- (14) power driven pumps,
- (15) bicycles,
- (16) hurricane lanterns,
- (17) sewing and knitting machines,
- (18) mathematical and scientific instruments,
- (19) products of metal rolling and re-rolling,
- (20) wires, pipes, tubes and fittings,
- (21) ferrous and non-ferrous castings,
- (22) safes, vaults and furniture made of iron or steel or steel alloys,
- (23) cutlery and surgical instruments,
- (24) drums and containers,
- (25) parts and accessories of products specified in items 1 to 24;

(b) the expression 'Iron and Steel' includes pig iron, ingots, blooms, billets and rolled or re-rolled products into basic forms and tool and alloy steel;

(c) the expression 'Paper' includes pulp, paper board and straw-board;

(d) the expression 'textiles' includes the products of carding, spinning, weaving, finishing and dyeing yarn and fabrics, printing, knitting and embroidering."

19. Repeal of Ordinance 1 of 1953.—(1) The Employees' Provident Funds (Amendment) Ordinance, 1953 (1 of 1953) is hereby repealed.

(2) Notwithstanding such repeal, anything done or any action taken in the exercise of any power 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.

K. Y. BHANDARKAR,
Secy. to the Govt. of India.

The Gazette  of India

EXTRAORDINARY

PART II—Section 1

PUBLISHED BY AUTHORITY

No. 42] NEW DELHI, WEDNESDAY, DECEMBER 16, 1953

MINISTRY OF LAW

New Delhi, the 16th December, 1953

The following Act of Parliament received the assent of the President on the 15th December, 1953 and is hereby published for general information:—

THE TRAVANCORE-COCHIN HIGH COURT
(AMENDMENT) ACT, 1953

No. 38 OF 1953

[15th December, 1953]

An Act further to amend the Travancore-Cochin High Court Act, 1125.

BE it enacted by Parliament as follows:—

1. Short title and commencement.—(1) This Act may be called the Travancore-Cochin High Court (Amendment) Act, 1953.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

2. Amendment of section 6, Travancore-Cochin Act No. V of 1125.—To section 6 of the Travancore-Cochin High Court Act, 1125, the following proviso shall be added, namely:—

“Provided that such Judges of the High Court, not exceeding three in number, as may from time to time be nominated by the

Chief Justice, shall sit at Trivandrum and exercise, in respect of cases arising in the district of Trivandrum, the jurisdiction and powers conferred by this Act on a single Judge or a Division Bench of two Judges, as the Chief Justice may determine."

K. Y. BHANDARKAR.
Secy. to the Govt. of India

The Gazette  of India

EXTRAORDINARY
PART II—Section 1
PUBLISHED BY AUTHORITY

No. 43] NEW DELHI, THURSDAY, DECEMBER 17, 1953

MINISTRY OF LAW

New Delhi, the 17th December, 1953

The following Acts of Parliament received the assent of the President on the 16th December, 1953 and are hereby published for general information:—

THE DHOTIES (ADDITIONAL EXCISE DUTY) ACT, 1953
No. 39 OF 1953

[16th December, 1953]

An Act to provide for the levy and collection of an additional excise duty on dhoties issued out of mills in excess of the quota fixed for the purpose.

BE it enacted by Parliament as follows:—

1. Short title, extent and commencement.—(1) This Act may be called the Dhoties (Additional Excise Duty) Act, 1953.

(2) It extends to the whole of India except the State of Jammu and Kashmir.

(3) It shall be deemed to have come into force on the 26th day of October, 1953.

2. Definitions.—In this Act,—

(a) 'dhoti' means any type of grey or bleached cloth of plain weave which—

(i) is manufactured by a mill either wholly from cotton or partly from cotton and partly from any other material;

(ii) contains coloured yarn on its borders;

(iii) has a width ranging between twenty-eight inches and fifty-four inches; and

(iv) is commonly known by that name;

(b) 'mill' means any building or place in which cotton yarn is spun and dhoties are manufactured by machinery moved otherwise than by manual labour, and includes every part of such building or place;

(c) 'permissible quota' means the quota referred to in section 3;

(d) 'quarter' means the period of three months ending on the last day of March, June, September and December.

3. Permissible quota.—(1) The permissible quota of dhoties which may be issued out of any mill during any quarter, whether the dhoties were manufactured during that quarter or at any time previous thereto, shall be one-fourth of sixty per cent. of the total quantity of dhoties packed by that mill during the relevant period.

Explanation I.—For the purposes of sub-section (1), the Central Government shall, by notification in the Official Gazette, fix for all mills any period of twelve months which has expired before the commencement of this Act as the relevant period, and where any such period has been so fixed, the total quantity of dhoties packed by any mill during that period shall be determined with reference to the returns furnished in that behalf by the mill to the Textile Commissioner to the Government of India under the Cotton Textiles (Control) Order, 1948:

Provided that where, in the case of any mill, the relevant period so fixed is not applicable by reason of the fact that the mill came into existence or commenced working only during or after the expiry of the relevant period, the Central Government may, by a like notification, fix the permissible quota in respect thereof to be such quantity as, in its opinion, is reasonable, having regard to the machinery and other equipment installed therein and to the other circumstances of the case.

Explanation II.—The permissible quota for the quarter of the year 1953 remaining unexpired at the commencement of this Act shall bear the same proportion to one-fourth of the said sixty per cent. or, as the case may be, to the permissible quota fixed under the proviso to *Explanation I* as the total number of days remaining unexpired bears to the total number of days in the quarter.

(2) Notwithstanding anything contained in sub-section (1), if, in the case of any mill or class of mills, the Central Government is of opinion that due to economic reasons connected with the nature of the machinery or other equipment installed therein a higher percentage than that specified in sub-section (1) should be fixed in respect thereof, it may, by notification in the Official Gazette, fix the permissible quota for a quarter for the mill or class of mills as one-fourth of such higher percentage as it may think fit, and where any such notification has been issued, the quota so fixed shall be deemed to be the permissible quota for the mill or class of mills within the meaning of this Act.

4. Levy of additional duty of excise on dhoties.—(1) Where the quantity of dhoties issued out of any mill on or after the 26th day of October, 1953, exceeds in any quarter the permissible quota for that quarter, there shall be levied and collected on that quantity of dhoties so issued which is in excess of the permissible quota a duty of excise at the rate or rates which may be applicable thereto as specified in the Schedule.

(2) The duty of excise referred to in sub-section (1) shall be in addition to the duty of excise chargeable on cloth under the Central Excises and Salt Act, 1944 (I of 1944), and the Khadi and other Handloom Industries Development (Additional Excise Duty on Cloth) Act, 1953 (12 of 1953), and shall be levied and collected in the same manner as the duty of excise on cloth is levied and collected under the Central Excises and Salt Act, 1944, and the provisions of that Act and the rules thereunder, as far as may be applicable in this behalf, shall apply accordingly.

5. Power to make rules.—The Central Government may, by notification in the Official Gazette, make rules for carrying out the purposes of this Act, including, in particular, the submission of returns or other information relating to the manufacture or issue of dhoties by mills to such authority as may be specified in this behalf.

6. Repeal of Ordinance 6 of 1953.—The Dhoties (Additional Excise Duty) Ordinance, 1953 (6 of 1953) is hereby repealed.

THE SCHEDULE

(See section 4)

	Rate of duty
Where the quantity of dhoties issued out of any mill during any quarter is in excess of the permissible quota for that quarter—	
(1) in respect of the quantity which does not exceed the permissible quota by more than 12½% thereof	Two annas per yard
(2) in respect of the quantity which exceeds the permissible quota by more than 12½% thereof but does not exceed it by more than 25%	Three annas per yard
(3) in respect of the quantity which exceeds the permissible quota by more than 25% thereof but does not exceed it by more than 50%	Four annas per yard
(4) in respect of the quantity which exceeds the permissible quota by more than 50% thereof	Eight annas per yard.

THE LIVE-STOCK IMPORTATION (AMENDMENT)
ACT, 1953

No. 40 OF 1953

[16th December, 1953]

An Act further to amend the Live-stock Importation Act, 1898.

BE it enacted by Parliament as follows:—

1. Short title.—This Act may be called the Live-stock Importation (Amendment) Act, 1953.

2. Amendment of section 1, Act IX of 1898.—In section 1 of the Live-stock Importation Act, 1898 (hereinafter referred to as the principal Act), 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.”

3. Amendment of section 2, Act IX of 1898.—In section 2 of the principal Act, after clause (b), the following clause shall be inserted, namely:—

“(c) ‘import’ means the bringing or taking, by sea, land or air, into the territories to which this Act extends.”

4. Amendment of section 3, Act IX of 1898.—In section 3 of the principal Act, in sub-section (1), for the words “the bringing or taking, by sea or land”, the words “the import” shall be substituted.

K. Y. BHANDARKAR,
Secy. to the Govt. of India.

The Gazette  of India

EXTRAORDINARY
PART II—Section 1
PUBLISHED BY AUTHORITY

No. 44] NEW DELHI, SATURDAY, DECEMBER 19, 1953

MINISTRY OF LAW

New Delhi, the 19th December 1953

The following Act of Parliament received the assent of the President on the 18th December, 1953 and is hereby published for general information:—

THE CALCUTTA HIGH COURT (EXTENSION OF JURISDICTION) ACT, 1953

No. 41 OF 1953

[18th December, 1953]

An Act to extend the jurisdiction of the High Court at Calcutta to Chandernagore and the Andaman and Nicobar Islands.

BE it enacted by Parliament as follows:—

1. **Short title.**—This Act may be called the Calcutta High Court (Extension of Jurisdiction) Act, 1953.

2. **Extension of jurisdiction of Calcutta High Court to Chandernagore and Andaman and Nicobar Islands.**—The jurisdiction of the High Court at Calcutta shall extend to Chandernagore and the Andaman and Nicobar Islands and shall, as from the 2nd day of May, 1950, be deemed to have extended to Chandernagore, and the said High Court shall, for all purposes be deemed to be the High Court for Chandernagore and the Andaman and Nicobar Islands.

3. **Effect of certain orders.**—Any order made—

(i) by the highest court of appeal in relation to Chandernagore before the 2nd day of May, 1950, or in any proceeding pending before that court on that day, or

(ii) by the Chief Commissioner of the Andaman and Nicobar Islands before the commencement of this Act in the discharge of his functions as the High Court for those Islands,

shall for all purposes have effect, not only as an order of that court, or as the case may be, of the Chief Commissioner, but also as if it were an order made by the High Court at Calcutta.

4. Power to make rules.--Subject to the provisions of any law for the time being in force, the High Court at Calcutta may make rules to carry out the purposes of this Act and for the purpose of effectively exercising its jurisdiction in or in relation to Chandernagore and the Andaman and Nicobar Islands.

K. Y. BHANDARKAR,
Secy. to the Govt. of India.

The Gazette  of India

EXTRAORDINARY
PART II—Section 1
PUBLISHED BY AUTHORITY

No. 45] NEW DELHI, THURSDAY, DECEMBER 24, 1953

MINISTRY OF LAW

New Delhi, the 24th December 1953

The following Acts of Parliament received the assent of the President on the 23rd December, 1953 and are hereby published for general information:—

THE REPEALING AND AMENDING ACT, 1953

No. 42 OF 1953

[23rd December, 1953]

An Act to repeal certain enactments and to amend certain other enactments

BE it enacted by Parliament as follows:—

1. Short title.—This Act may be called the Repealing and Amending Act, 1953.

2. Repeal of certain enactments.—The enactments specified in the First Schedule are hereby repealed to the extent mentioned in the fourth column thereof.

3. Declaration respecting certain enactments inapplicable to India.—The enactments specified in the Second Schedule are hereby formally declared to be no part of the laws of India.

4. Amendment of certain enactments.—The enactments specified in the Third Schedule are hereby amended to the extent and in the manner mentioned in the fourth column thereof.

5. Savings.—The repeal by this Act of any enactment shall not affect any other enactment in which the repealed enactment has been applied, incorporated or referred to;

and this Act shall not affect the validity, invalidity, effect or consequences of anything already done or suffered, or any right, title, obliga-

tion or liability already acquired, accrued or incurred, or any remedy proceeding in respect thereof, or any release or discharge of or from debt, penalty, obligation, liability, claim or demand, or any indemnity already granted, or the proof of any past act or thing;

nor shall this Act affect any principle or rule of law, or established jurisdiction, form or course of pleading, practice or procedure, or existing usage, custom, privilege, restriction, exemption, office or appointment, notwithstanding that the same respectively may have been in any manner affirmed, or recognised or derived by, in or from any enactment hereby repealed;

nor shall the repeal by this Act of any enactment revive or restore any jurisdiction, office, custom, liability, right, title, privilege, restriction, exemption, usage, practice, procedure or other matter or thing not now existing or in force.

THE FIRST SCHEDULE

REPEALS

(See section 2)

Year 1	No. 2	Short title 3	Extent of repeal 4
		<i>Acts of the Governor General of India in Council</i>	
1876	XX	The Bhavnagar Act, 1876	The whole.
1877	IX	The Punjab Murderous Outrages (Amendment) Act, 1877.	The whole.
1881	XXV	The Banki Laws Act, 1881	The whole.
1885	VII	The Panch Mahals Laws Act, 1885	The whole.
1886	XVII	The Jhansi and Morar Act, 1886	The whole.
1920	XXXV	The Basel Mission Trading Company Act, 1920 .	The whole.
		<i>Acts of the Indian Legislature</i>	
1921	IX	The Enemy Missions Act, 1921	The whole.
1923	XXII	The Malkharoda and Gaontia Villages Laws Act, 1923.	The whole.
1947	X	The Explosives (Temporary Provisions) Act, 1947 .	The whole.
		<i>Act of the Dominion Legislature</i>	
1949	LV	The Explosives (Temporary Provisions) Act, 1949 .	The whole.
		<i>Act of Parliament</i>	
1951	XLVI	The Punjab State Legislature (Delegation of Powers) Act, 1951.	The whole.

THE SECOND SCHEDULE

ENACTMENTS NO LONGER PART OF THE LAWS OF INDIA

(See section 3)

Year	No.	Short title
I	2	3
		<i>Acts of the Governor General of India in Council</i>
1876	II	The Burma Land and Revenue Act, 1876.
1880	II	The Burma District Cesses and Rural Police Act, 1880.
1880	V	The Burma Boundaries Act, 1880.
1882	XIX	The Punjab University Act, 1882.
1883	VIII	The Little Cocos and Preparis Islands Laws Act, 1883.
1883	XII	The British Burma Pilots Act, 1883.
1883	XIII	The Indus Valley State Railway Lands Act, 1883.
1884	XIX	The Rangoon Waterworks Act, 1884.
1887	XI	The Sindh-Pishin Railway Act, 1887.
1892	VIII	The Lansdowne Bridge Act, 1892.
1895	II	The Burma Boundaries Act Amendment Act, 1895.
1895	XI	The Pegu and Tenasserim Validation Act, 1895.
1896	XX	The Sind Incumbered Estates Act, 1896.
1898	XIII	The Burma Laws Act, 1898.
1915	XIII	The North-West Frontier Constabulary Act, 1915.
1920	XVI	The Jaggannath College Act, 1920.
1920	XVIII	The Dacca University Act, 1920.
		<i>Acts of the Indian Legislature</i>
1926	XXXIV	The Sind Courts (Supplementary) Act, 1926.
1928	I	The Burma Salt (Amendment) Act, 1928.
1929	XVI	The Burma Salt (Amendment) Act, 1929.

THE THIRD SCHEDULE

AMENDMENTS

(See section 4)

Year	No.	Short title	Amendments
1	2	3	4
1860	XLV	<i>Acts of the Governor General of India in Council</i> The Indian Penal Code	(i) In section 214, for the words "to restore or cause the restoration of", the words "restores or causes the restoration of" shall be substituted. (ii) In sub-section (2) of section 263A, for the words "may be seized and", the words "may be seized and, if seized" shall be substituted. (iii) In section 266, the word "and" before the word "intending" shall be omitted.
1872	IV	The Punjab Laws Act, 1872	In Schedule I, all the entries relating to Reg. III of 1878 shall be omitted.
1888	IV	The Indian Reserve Forces Act, 1888	In sub-section (1) (i) of section 6, for the words and figures "Indian Army Act, 1911", the words and figures "Army Act, 1950" shall be substituted.
1890	IX	The Indian Railways Act, 1890	In sub-section (4) of section 132 and in sub-section (2) of section 145, for the words and figures "Code of Criminal Procedure, 1882", the words and figures "Code of Criminal Procedure, 1898" shall be substituted.
1908	V	The Code of Civil Procedure, 1908	In clause (7B) of section 2, after the figures "44", the figures and letter "44A" shall be inserted.
1914	III	The Indian Copyright Act, 1914.	In the First Schedule, in section 4 of the Copyright Act, 1911, for the words "Judicial Committee of the Privy Council" and "Judicial Committee", the words "Supreme Court" shall be substituted.
1923	XXI	The Indian Merchant Shipping Act, 1923.	In sub-section (2) of section 224K,— (i) in clause (a), the words "outside India" shall be omitted; and

Year	No.	Short title	Amendments
1	2	3	4
		<i>Acts of the Governor General of India in Council—contd.</i>	
1925	XXXIX	The Indian Succession Act, 1925	(ii) for the words "British India Load Line Certificates" wherever they occur, the words "Indian Load Line Certificates" shall be substituted. In the last paragraph of section 273, the words "of India" shall be omitted.
		<i>Acts of Parliament</i>	
1951	LXIX	The Plantations Labour Act, 1951	(i) In section 22, for the figures "19" the figures "21" shall be substituted ; and (ii) In sub-section (2) of section 31, for the words "any period less than", the words "any period not less than" shall be substituted.
1952	XXX	The Requisitioning and Acquisition of Immovable Property Act, 1952.	In sub-section (1) of section 17 the words "by or" shall be omitted and for the words "the State Government", the words "by the State Government or by an officer subordinate to the State Government" shall be substituted.
1952	XXXV	The Mines Act, 1952	(i) In sub-section (1) of section 33, after the words "more than forty-eight hours" the words "in any week" shall be inserted and (ii) In section 37, sub-section (1) of section 38 and section 39, for the words, figures and brackets "sub-section (4) of section 36", the words, brackets and figures "sub-section (5) of section 36" shall be substituted.

THE INDUSTRIAL DISPUTES (AMENDMENT) ACT, 1953

No. 43 OF 1953

[23rd December, 1953]

An Act further to amend the Industrial Disputes Act, 1947.

BE it enacted by Parliament as follows:—

1. Short title and commencement.—(1) This Act may be called the Industrial Disputes (Amendment) Act, 1953.

(2) It shall be deemed to have come into force on the 24th day of October, 1953.

2. Amendment of section 2, Act XIV of 1947.—In section 2 of the Industrial Disputes Act, 1947 (hereinafter referred to as the principal Act),—

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

“(aa) ‘average pay’ means the average of the wages payable to a workman—

(i) in the case of monthly paid workman, in the three complete calendar months,

(ii) in the case of weekly paid workman, in the four complete weeks,

(iii) in the case of daily paid workman, in the twelve full working days,

preceding the date on which the average pay becomes payable if the workman had worked for three complete calendar months or four complete weeks or twelve full working days, as the case may be, and where such calculation cannot be made, the average pay shall be calculated as the average of the wages payable to a workman during the period he actually worked;”;

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

“(eee) ‘continuous service’ means uninterrupted service, and includes service which may be interrupted merely on account of sickness or authorised leave or an accident or a strike which is not illegal, or a lock-out or a cessation of work which is not due to any fault on the part of the workman;”;

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

“(kkk) ‘lay-off’ (with its grammatical variations and cognate expressions) means the failure, refusal or inability of an employer on account of shortage of coal, power or raw materials or the accumulation of stocks or the break-down of machinery or for any other reason to give employment to a workman whose name is borne on the muster rolls of his industrial establishment and who has not been retrenched;

Explanation.—Every workman whose name is borne on the muster rolls of the industrial establishment and who presents himself for work at the establishment at the time appointed for the purpose during normal working hours on any day and is not given employment by the employer within two hours of his so presenting himself shall be deemed to have been laid-off for that day within the meaning of this clause:

Provided that if the workman, instead of being given employment at the commencement of any shift for any day is asked to present himself for the purpose during the second half of the shift for the day and is given employment then, he shall be deemed to have been laid-off only for one-half of that day:

Provided further that if he is not given any such employment even after so presenting himself, he shall not be deemed to have been laid-off for the second half of the shift for the day and shall be entitled to full basic wages and dearness allowance for that part of the day;”;

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

“(oo) ‘retrenchment’ means the termination by the employer of the service of a workman for any reason whatsoever, otherwise than as a punishment inflicted by way of disciplinary action, but does not include—

(a) voluntary retirement of the workman; or

(b) retirement of the workman on reaching the age of superannuation if the contract of employment between the employer and the workman concerned contains a stipulation in that behalf; or

(c) termination of the service of a workman on the ground of continued ill-health;”;

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

“(rr) ‘wages’ means all remuneration capable of being expressed in terms of money, which would, if the terms of employment, express or implied, were fulfilled, be payable to a workman in respect of his employment or of work done in such employment, and includes—

(i) such allowances (including dearness allowance) as the workman is for the time being entitled to;

(ii) the value of any house accommodation, or of supply of light, water, medical attendance or other amenity or of any service or of any concessional supply of foodgrains or other articles;

(iii) any travelling concession;

but does not include—

(a) any bonus;

(b) any contribution paid or payable by the employer to any pension fund or provident fund or for the benefit of the workman under any law for the time being in force;

(c) any gratuity payable on the termination of his service.”.

3. Insertion of new Chapter VA in Act XIV of 1947.—Chapter V of the principal Act, the following Chapter shall be inserted, namely:—

“CHAPTER VA

LAY-OFF AND RETRENCHMENT

25A. *Application of sections 25C to 25E.*—(1) Sections 25C to 25E inclusive shall not apply—

(a) to industrial establishments in which less than fifty workmen on an average per working day have been employed in the preceding calendar month; or

(b) to industrial establishments which are of a seasonal character or in which work is performed only intermittently.

(2) If a question arises whether an industrial establishment is of a seasonal character or whether work is performed therein only intermittently, the decision of the appropriate Government thereon shall be final.

Explanation.—In sections 25A, 25C, 25D and 25E, ‘industrial establishment’ means a factory as defined in clause (m) of section 2 of the Factories Act, 1948 (LXIII of 1948) and includes a mine as defined in clause (j) of section 2 of the Mines Act, 1952 (XXXV of 1952).

25B. *Definition of one year of continuous service.*—For the purposes of sections 25C and 25F, a workman who, during a period of twelve calendar months, has actually worked in an industry for not less than two hundred and forty days shall be deemed to have completed one year of continuous service in the industry.

Explanation.—In computing the number of days on which a workman has actually worked in an industry, the days on which—

(a) he has been laid-off under an agreement or as permitted by standing orders made under the Industrial Employment (Standing Orders) Act, 1946 (XX of 1946), or under this Act or under any other law applicable to the industrial establishment, the largest number of days during which he has been so laid-off being taken into account for the purposes of this clause,

(b) he has been on leave with full wages, earned in the previous year, and

(c) in the case of a female, she has been on maternity leave; so however that the total period of such maternity leave shall not exceed twelve weeks,

shall be included.

25C. *Right of workmen laid-off for compensation.*—Whenever a workman (other than a *badli* workman or a casual

workman) whose name is borne on the muster rolls of an industrial establishment and who has completed not less than one year of continuous service under an employer is laid-off, he shall be paid by the employer for all days during which he is so laid-off, except for such weekly holidays as may intervene, compensation which shall be equal to fifty per cent. of the total of the basic wages and dearness allowance that would have been payable to him had he not been so laid-off:

Provided that—

(a) the compensation payable to a workman during any period of twelve months shall not be for more than forty-five days except in the case specified in clause (b);

(b) if during any period of twelve months, a workman has been paid compensation for forty-five days and during the same period of twelve months he is again laid-off for further continuous periods of more than one week at a time, he shall, unless there is any agreement to the contrary between him and the employer, be paid for all the days during such subsequent periods of lay-off compensation at the rate specified in this section:

Provided further that it shall be lawful for the employer in any case falling within clause (b) of the first proviso to retrench the workman in accordance with the provisions contained in section 25F, any compensation paid to the workman for having been laid-off during the preceding twelve months being set off against the compensation payable for retrenchment.

Explanation.—‘Badli workman’ means a workman who is employed in an industrial establishment in the place of another workman whose name is borne on the muster rolls of the establishment, but shall cease to be regarded as such for the purposes of this section, if he has completed one year of continuous service in the establishment.

25D. *Duty of an employer to maintain muster rolls of workmen.*—Notwithstanding that workmen in any industrial establishment have been laid-off, it shall be the duty of every employer to maintain for the purposes of this Chapter a muster roll, and to provide for the making of entries therein by workmen who may present themselves for work at the establishment at the appointed time during normal working hours.

25E. *Workmen not entitled to compensation in certain cases.*—No compensation shall be paid to a workman who has been laid-off—

(i) if he refuses to accept any alternative employment in the same establishment from which he has been laid-off, or in any other establishment belonging to the same employer situate in the same town or village or situate within a radius of five miles from the establishment to which he belongs, if, in the opinion of the employer, such alternative employment does not call for any special skill or previous experience and can be done by the workman, provided that the

wages which would normally have been paid to the workman are offered for the alternative employment also;

(ii) if he does not present himself for work at the establishment at the appointed time during normal working hours at least once a day;

(iii) if such laying-off is due to a strike or slowing-down of production on the part of workmen in another part of the establishment.

25F. *Conditions precedent to retrenchment of workmen.*—No workman employed in any industry who has been in continuous service for not less than one year under an employer shall be retrenched by that employer until—

(a) the workman has been given one month's notice in writing indicating the reasons for retrenchment and the period of notice has expired, or the workman has been paid in lieu of such notice, wages for the period of the notice:

Provided that no such notice shall be necessary if the retrenchment is under an agreement which specifies a date for the termination of service;

(b) the workman has been paid, at the time of retrenchment, compensation which shall be equivalent to fifteen days' average pay for every completed year of service or any part thereof in excess of six months; and

(c) notice in the prescribed manner is served on the appropriate Government.

25G. *Procedure for retrenchment.*—Where any workman in an industrial establishment, who is a citizen of India, is to be retrenched and he belongs to a particular category of workmen in that establishment, in the absence of any agreement between the employer and the workman in this behalf, the employer shall ordinarily retrench the workman who was the last person to be employed in that category, unless for reasons to be recorded the employer retrenches any other workman.

25H. *Re-employment of retrenched workmen.*—Where any workmen are retrenched, and the employer proposes to take into his employ any persons, he shall, in such manner as may be prescribed, give an opportunity to the retrenched workmen to offer themselves for re-employment, and the retrenched workmen who offer themselves for re-employment shall have preference over other persons.

25I. *Recovery of moneys due from employers under this Chapter.*—Any money due from an employer under the provisions of this Chapter, whether by way of compensation or by way of wages, may, without prejudice to any other mode of recovery, be recovered in the same manner as an arrear of land revenue or as a public demand by the appropriate Government on an application made to it by the person entitled to the money.

25J. *Effect of laws inconsistent with this Chapter.*—(1) The provisions of this Chapter shall have effect notwithstanding anything inconsistent therewith contained in any other law [includ-

ing standing orders made under the Industrial Employment (Standing Orders) Act, 1946 (XX of 1946)]:

Provided that nothing contained in this Act shall have effect to derogate from any right which a workman has under any award for the time being in operation or any contract with the employer.

(2) For the removal of doubts, it is hereby declared that nothing contained in this Chapter shall be deemed to affect the provisions of any other law for the time being in force in any State in so far as that law provides for the settlement of industrial disputes, but the rights and liabilities of employers and workmen in so far as they relate to lay-off and retrenchment shall be determined in accordance with the provisions of this Chapter."

4. Repeal of Ordinance 5 of 1953.—The Industrial Disputes Amendment) Ordinance, 1953 (5 of 1953) is hereby repealed.

THE MANIPUR COURT-FEES (AMENDMENT AND VALIDATION) ACT, 1953

No. 44 OF 1953

[23rd December, 1953]

An Act to amend the Court-fees Act, 1870, in its application to the State of Manipur, for the purpose of giving effect in that State to certain amendments made in that Act by Assam Act VIII of 1950, and to validate the levy of court-fees in certain cases.

BE it enacted by Parliament as follows:—

1. Short title and extent.—(1) This Act may be called the Manipur Court-fees (Amendment and Validation) Act, 1953.

(2) It extends to the whole of the State of Manipur.

2. Court-fees Act, 1870, to be in force in Manipur, as amended by Assam Act VIII of 1950.—On and from the commencement of this Act, the Court-fees Act, 1870 (VII of 1870), in its application to the State of Manipur, shall have effect as if it had been amended in the manner specified in sections 2 to 16 inclusive of, and the Schedule to, the Assam Court-fees (Amendment) Act, 1950 (Assam Act VIII of 1950)

3. Validation of levy of court-fees in certain cases.—Any court-fees levied in the State of Manipur during the period commencing on the 16th day of April, 1950, and ending with the date of commencement of this Act, which would have been validly levied if the amendments made to the Court-fees Act, 1870 (VII of 1870), by this Act were in force on the date of such levy, shall be deemed to have been validly levied.

THE COIR INDUSTRY ACT, 1953

No. 45 OF 1953

[23rd December, 1953]

An Act to provide for the control by the Union of the Coir Industry and for that purpose to establish a Coir Board and levy a customs duty on coir fibre, coir yarn and coir products exported from India.

Enacted by Parliament as follows:—

CHAPTER I

PRELIMINARY

1. Short title, extent and commencement.—(1) This Act may be called the Coir Industry Act, 1953.

(2) It extends to the whole of India except the State of Jammu and Kashmir.

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

2. Declaration as to expediency of control by the Union.—It is hereby declared that it is expedient in the public interest that the Union should take under its control the coir industry.

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

(a) 'Board' means the Coir Board constituted under section 4;

(b) 'cess' means the customs duty imposed by section 18;

(c) 'coir' or 'coir fibre' means the fibre extracted from the husk of the coconut;

(d) 'coir products' means mats and mattings, rugs and carpets, ropes and other articles manufactured wholly or partly from coir or coir yarn;

(e) 'coir yarn' means yarn obtained by the spinning of coir;

(f) 'export' with its grammatical variations and cognate expressions means to take out of the territories to which this Act extends by land, sea or air to any place outside India other than a country or territory notified in this behalf by the Central Government by notification in the Official Gazette;

(g) 'Fund' means the Coir Fund referred to in section 15;

(h) 'husks' means coconut husks, both raw and retted;

(i) 'member' means a member of the Board;

(j) 'prescribed' means prescribed by rules made under this Act.

CHAPTER II

THE COIR BOARD

4. Establishment and constitution of the Coir Board.—(1) With effect from such date as the Central Government may, by notification in the Official Gazette, specify in this behalf, there shall be established for the purposes of this Act a Board to be called the Coir Board.

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

(3) The Board shall consist of a Chairman and such number of other members not exceeding forty as the Central Government may think expedient, to be appointed by that Government by notification in the Official Gazette from among persons who are in its opinion capable of representing—

- (a) growers of coconuts and producers of husks and coir yarn;
- (b) persons engaged in the production of husks, coir and coir yarn and in the manufacture of coir products;
- (c) manufacturers of coir products;
- (d) dealers in coir, coir yarn and coir products, including both exporters and internal traders;
- (e) Parliament;
- (f) the Governments of the principal coconut growing States;
- (g) such other persons or class of persons who, in the opinion of the Central Government, ought to be represented on the Board.

(4) The number of persons to be appointed as members from each of the categories specified in sub-section (3), the term of office of, the procedure to be followed in the discharge of their functions by, and the manner of filling vacancies among, the members of the Board shall be such as may be prescribed.

(5) Any officer of the Central Government when deputed by that Government in this behalf shall have the right to attend meetings of the Board and take part in the proceedings thereof but shall not be entitled to vote.

5. Vacancies, etc., not to invalidate acts and proceedings.—No act or proceeding taken by the Board under this Act shall be questioned on the ground merely of—

- (a) the existence of any vacancy in, or defect in the constitution of, the Board; or
- (b) any omission, defect or irregularity not affecting the merits of the case.

6. Salary and allowances of Chairman.—The Chairman shall be entitled to such salary and allowances and shall be subject to such conditions of service in respect of leave, pension, provident fund and other matters as may from time to time be fixed by the Central Government.

7. Vice-Chairman.—The Board shall elect from among its members a Vice-Chairman, who shall exercise such of the powers and discharge such of the duties of the Chairman as may be prescribed or as may be delegated to him by the Chairman.

8. Executive and other Committees.—(1) There shall be an Executive Committee of the Board for the purpose of exercising such of the powers and performing such of the duties of the Board as may be prescribed or as the Board may delegate to it.

(2) The Executive Committee shall consist of—

- (i) the Chairman,

(ii) the Vice-Chairman, and

(iii) five other members elected by the members of the Board, from among themselves of whom not more than two shall be Government officials and one shall be from among the members representing persons engaged in the production of husks, coir and coir yarn and in the manufacture of coir products.

(3) Subject to such control and restrictions as may be prescribed, the Board may constitute other standing committees or *ad hoc* committees for exercising any power or discharging any duty of the Board or for enquiring into or reporting and advising on any matter which the Board may refer to them.

(4) A Standing Committee shall consist exclusively of members of the Board.

(5) An *ad hoc* Committee may include persons who are not members of the Board, but their number shall be less than one-half of its strength.

9. Secretary and staff.—(1) The Central Government shall, after consulting the Board, appoint a Secretary to the Board who shall exercise such powers and perform such duties as may be prescribed or as may be delegated to him by the Board or the Chairman.

(2) Subject to such control and restrictions as may be prescribed, the Board may appoint such officers and employees as may be necessary for the efficient performance of its functions and pay them such salaries and allowances as it may determine from time to time.

(3) The Chairman, Secretary and other officers and employees of the Board shall not undertake any work unconnected with their duties under this Act except with the permission of the Central Government.

10. Functions of the Board.—(1) It shall be the duty of the Board to promote by such measures as it thinks fit the development under the control of the Central Government of the Coir Industry.

(2) Without prejudice to the generality of the provisions of sub-section (1), the measures referred to therein may relate to—

(a) promoting exports of coir yarn and coir products, and carrying on propaganda for that purpose;

(b) regulating under the supervision of the Central Government the production of husks, coir yarn and coir products by registering coir spindles and looms for manufacturing coir products as also manufacturers of coir products, licensing exporters of coir, coir yarn and coir products and taking such other appropriate steps as may be prescribed;

(c) undertaking, assisting or encouraging scientific, technological and economic research and maintaining and assisting in the maintenance of one or more research institutes;

(d) collecting statistics from manufacturers of, and dealers in, coir products and from such other persons as may be prescribed, on any matter relating to the coir industry; the publication of statistics so collected or portions thereof or extracts therefrom;

(e) fixing grade standards and arranging when necessary for inspection of coir fibre, coir yarn and coir products;

(f) improving the marketing of coconut husk, coir fibre, coir yarn and coir products in India and elsewhere and preventing unfair competition;

(g) promoting co-operative organisation among producers of husks, coir fibre and coir yarn and manufacturers of coir products;

(h) ensuring remunerative returns to producers of husks, coir fibre and coir yarn and manufacturers of coir products;

(i) licensing of retting places and warehouses and otherwise regulating the stocking and sale of coir fibre, coir yarn and coir products both for the internal market and for exports;

(j) advising on all matters relating to the development of the coir industry;

(k) such other matters as may be prescribed.

(3) The Board shall perform its functions under this section in accordance with and subject to such rules as may be made by the Central Government.

11. Dissolution of the Board.—(1) The Central Government may, if the Board does any act exceeding the powers conferred upon it or acts in a manner contrary to the rules or prejudicial to the interests of the industry or acts or fails to act contrary to the directions given by the Central Government, call upon the Board to show cause why the Board should not be dissolved and if no explanation is offered or if the Central Government is dissatisfied with the explanation given it may suspend or dissolve the Board from such date and for such period as may be specified in the notification.

(2) When the Board is dissolved under the provisions of sub-section (1)—

(a) all members shall, from the date of dissolution, vacate their offices as such members;

(b) all powers and duties of the Board shall, during the period of dissolution, be exercised and performed by such person or persons as the Central Government may appoint in this behalf;

(c) all funds and other property vested in the Board shall, during the period of dissolution, vest in the Central Government; and

(d) as soon as the period of dissolution expires, the Board shall be reconstituted in accordance with the provisions of this Act.

CHAPTER III

CONTROL OVER THE EXPORT OF COIR FIBRE, COIR YARN AND COIR PRODUCTS

12. Control of export of coir fibre, coir yarn and coir products.—No coir fibre, coir yarn or coir products shall be exported otherwise than under a licence issued by or on behalf of the Board in the prescribed manner, and the provisions of the Sea Customs Act, 1878 (VIII of 1878) shall have effect as if the provisions made by this section had been made by notification issued under section 19 of that Act:

Provided that nothing herein contained shall apply to any coir product dispatched out of the territories to which this Act extends by post or carried in a passenger's luggage for his personal use:

Provided further that the Central Government may exempt from the operation of this section either absolutely or subject to specified conditions,

the export of any coir fibre, coir yarn or coir product to any foreign settlement bounded by India.

CHAPTER IV

FINANCE, ACCOUNTS AND AUDIT

13. Imposition of a duty of customs on export of coir fibre, coir yarn and coir products (1) With effect from such date as may be specified by the Central Government by notification in the Official Gazette, there shall be levied and collected as a cess for the purposes of this Act a duty of customs on all coir fibre, coir yarn and coir products which are exported, at such rate not exceeding one rupee per hundredweight as the Central Government may, by the same or a like notification from time to time, fix.

(2) The cess levied under sub-section (1) shall be in addition to any other duty leviable under the Indian Tariff Act, 1934 (XXXII of 1934) of any other law for the time being in force and shall be collected by such agencies and in such manner as may be prescribed.

14. Payment of proceeds of cess to the Board.—The proceeds of the cess levied under sub-section (1) of section 13 shall first be credited to the Consolidated Fund of India and the Central Government may thereafter from time to time pay to the Board from and out of such proceeds such sums of money as it may think fit after deducting the expenses of collection.

15. Constitution of Fund.—(1) There shall be formed by the Board a Fund to be called the Coir Fund and there shall be credited thereto—

(a) the proceeds of the cess made over to the Board by the Central Government;

(b) any other fee that may be levied and collected under this Act or the rules made thereunder.

(2) The Fund shall be applied towards meeting the expenses of the Board and the cost of the measures referred to in section 10.

16. Borrowing powers of Board.—Subject to such rules as may be made in this behalf, the Board shall have power to borrow on the security of the Fund or any other asset for any purposes for which the Fund may be applied.

17. Accounts and Audit.—(1) The Board shall cause accounts to be kept of all moneys received and expended by it.

(2) The accounts shall be audited every year by auditors appointed in this behalf by the Central Government and such auditors shall disallow every item, which in their opinion is not authorised by this Act or any rule made or direction issued thereunder.

(3) The Board may, within three months from the date of communication to it of the disallowance of any item, as aforesaid, appeal against such disallowance to the Central Government whose decision shall be final.

(4) The accounts of the Board as certified by the Comptroller and Auditor-General of India or by 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 both Houses of Parliament.

CHAPTER V

CONTROL BY THE CENTRAL GOVERNMENT

18. General control over acts and proceedings of the Board.—(1) All acts and proceedings of the Board shall be subject to the control of the Central Government which may cancel, suspend or modify as it thinks fit any action taken by the Board.

(2) The Board shall carry out such directions as may be issued to it by the Central Government for the efficient administration of this Act.

(3) The records of the Board shall be open to inspection at all reasonable times by any officer authorised in this behalf by the Central Government.

19. Report and returns.—(1) The Board shall submit to the Central Government and such other authority as may be prescribed, a half yearly report and an annual report on its activities and the working of this Act for the preceding six months and the preceding year respectively; and a copy of every such report shall, as soon as may be after it is received by the Central Government, be laid before both Houses of Parliament.

(2) The Board shall prepare and submit such other returns relating to the coir industry as may be required by that Government from time to time.

CHAPTER VI

MISCELLANEOUS

20. Penalties.—(1) If any person contravenes the provisions of section 12, he shall be punishable with fine which may extend to five hundred rupees.

(2) Any person who attempts to contravene or abets the contravention of the provisions of section 12 shall be deemed to have contravened those provisions.

21. Offences by companies.—(1) If the person committing an offence under section 12 is a company, every person who at the time the contravention 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 contravention 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 section 12 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.

22. Previous sanction of Central Government for prosecution.—No prosecution for any offence punishable under this Act shall be instituted except with the previous approval of the Central Government.

23. Protection of action taken in good faith.—No suit, prosecution or other legal proceeding shall lie against any person for anything in good faith done or intended to be done under this Act or the rules made thereunder.

24. Power to delegate.—The Central Government may, by order notified in the Official Gazette, direct that any power exercisable by it under this Act may also be exercised in such cases and subject to such conditions, if any, as may be specified in the order by such officer or authority as may be specified therein.

25. Suspension of operation of Act.—(1) If the Central Government is satisfied that circumstances have arisen rendering it necessary that certain of the restrictions imposed by this Act should cease to be imposed or if it considers it necessary or expedient so to do in the public interest the Central Government may, by notification in the Official Gazette, suspend or relax to a specified extent either indefinitely or for such period as may be specified in the notification the operation of all or any of the provisions of this Act.

(2) Where the operation of any provisions of this Act has under subsection (1) been suspended or relaxed indefinitely, such suspension or relaxation may at any time while this Act remains in force be removed by the Central Government by notification in the Official Gazette.

26. Power of Central Government to make rules.—(1) The Central Government may, subject to the condition of previous publication, 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 constitution of the Board, the number of persons to be appointed as members from each of the categories specified in subsection (3) of section 4, the term of office and the other conditions of service of, the procedure to be followed by, and the manner of filling vacancies among, the members of the Board;

(b) the circumstances in which, and the authority by which, members may be removed;

(c) the holding of a minimum number of meetings every year;

(d) the pay and allowances and other conditions of service of the Secretary;

(e) the maintenance of records of all business transacted at meetings of the Board and the submission of copies of such records to the Central Government;

(f) the preparation of budget estimate of the receipts and expenditure of the Board and the authority by which such estimates should be sanctioned;

(g) the conditions subject to which, and the mode in which, contracts may be made by or on behalf of the Board;

(h) the powers of the Board and the Executive Committee and the Chairman, in regard to the incurring of expenditure; and the re-appropriation of estimated savings in any budget head to another such head;

(i) the conditions subject to which the Board may borrow;

(j) the form and the manner in which accounts should be kept by the Board;

(k) the registration of coir spindles and looms for the manufacture of coir products as also the registration of manufacturers of coir products and the conditions for such registration; the grant or issue of licences under this Act; the fees to be levied in respect of such registration and licences; and the suspension and cancellation of such registration and licences;

(l) the form of applications for registration and licences under this Act and the fee, if any, to be paid in respect of any such applications;

(m) the collection of any information or statistics in respect of the coir industry;

(n) any other matter which is to be or may be prescribed.

(3) All rules made under this Act shall as soon as they are made be laid before both Houses of Parliament.

27. Power of Board to make by-laws.—(1) The Board may make by-laws consistent with this Act and the rules made thereunder, to provide for—

(a) the dates, times and places of its meetings and of the meetings of the Executive and other Committees and the quorum for such meetings, and the procedure thereat;

(b) the delegation of powers and duties to the Executive or any other Committee, or to its Chairman, Vice-Chairman, Secretary or any other of its officers;

(c) the travelling allowances of members and of members of Committees;

(d) the appointment, promotion and dismissal of its officers and other employees other than the Secretary and the creation and abolition of their posts;

(e) the conditions of service of its officers and other employees other than the Secretary including their pay, leave, leave allowances, pensions, gratuities, compassionate allowances and travelling allowances and the establishment and maintenance of a provident fund for them;

(f) the maintenance of its accounts;

(g) the persons by whom, and the manner in which payments, deposits and investments may be made on its behalf;

(h) the custody of moneys required for its current expenditure and the investment of moneys not so required;

(i) the preparation of statements showing the sums allotted to departments of the Central and State Governments and other institutions.

(2) No by-law shall take effect until it has been confirmed by the Central Government and published in the Official Gazette; and the Central Government, in confirming a by-law may make any change therein which appears to it to be necessary.

(3) The Central Government may, by notification in the Official Gazette, cancel any by-law which it has confirmed and thereupon the by-law shall cease to have effect.

THE FORWARD CONTRACTS (REGULATION) AMENDMENT Act, 1953

No. 46 of 1953

[23rd December, 1953]

An Act to amend the Forward Contracts (Regulation) Act, 1952.

BE it enacted by Parliament as follows:—

1. Short title.—This Act may be called the Forward Contracts (Regulation) Amendment Act, 1953.

2. Amendment of section 3, Act LXXIV of 1952.—In sub-section (2) of section 3 of the Forward Contracts (Regulation) Act, 1952 (hereinafter referred to as the principal Act), for the words and brackets “of whom the Chairman (to be appointed by the Central Government) shall be a full-time member and the other member or members shall be full-time or part-time as the Central Government may direct”, the following shall be substituted, namely:—

“one of them being nominated by the Central Government to be the Chairman thereof; and the Chairman and the other member or members shall be either whole-time or part-time as the Central Government may direct”.

3. Insertion of new section 29 in Act LXXIV of 1952.—After section 28 of the principal Act, the following section shall be inserted, namely:—

“29. *Repeals and savings.*—If immediately before the date on which this Act or any provision contained therein is made applicable to any goods or classes of goods in any State, there is in force in that State any law corresponding to this Act or, as the case may be, to any provision contained therein which is applicable to those goods or classes of goods, that law shall stand repealed on the said date:

Provided that the repeal shall not affect—

(a) the previous operation of any law so repealed or anything duly done or suffered thereunder; or

(b) any right, privilege, obligation or liability acquired, accrued or incurred under any law so repealed; or

(c) any 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:

Provided further that, subject to the preceding proviso, anything done or any action taken (including any appointment made, notification or order issued, rule, regulation, form or by-law framed, or recognition granted) under any such law shall be deemed to have been done or taken under the corresponding provision of this Act, and shall continue to be in force accordingly unless and until superseded by anything done or any action taken under this Act."

K. Y. BHANDARKAR,

Secy. to the Govt. of India

The Gazette  of India

EXTRAORDINARY

PART II—Section 1

PUBLISHED BY AUTHORITY

No. 46] NEW DELHI, SATURDAY, DECEMBER 26, 1953

MINISTRY OF LAW

New Delhi, the 26th December, 1953

The following Act of Parliament received the assent of the President on the 25th December, 1953 and is hereby published for general information:—

THE INDIAN TARIFF (SECOND AMENDMENT) ACT,
1953

(No. 47 OF 1953)

[25th December, 1953]

An Act further to amend the Indian Tariff Act, 1934.

BE it enacted by Parliament as follows:—

1. **Short title and commencement.**—(1) This Act may be called the Indian Tariff (Second Amendment) Act, 1953.

(2) The provisions of clause (vii) of section 2 [relating to item No. 73(7)] shall come into force on the 1st day of January, 1954; but the remaining provisions shall come into force at once.

2. **Amendment of the First Schedule, Act XXXII of 1934.**—In the First Schedule to the Indian Tariff Act, 1934,—

(i) in Item No. 21(3), in the last column headed “Duration of protective rates of duty”, for the word, figures and letters “December 31st, 1953”, the word, figures and letters “December 31st, 1954” shall be substituted;

(ii) in Item No. 28(32), in the last column headed “Duration of protective rates of duty”, for the word, figures and letters

"December 31st, 1953", wherever they occur, the word, figures and letters "December 31st, 1955" shall be substituted;

(iii) In Items Nos. 40(4) and 40(5) and in sub-item (a) of Item No. 63(33), in the last column headed "Duration of protective rates of duty", for the word, figures and letters "December 31st, 1953", the word, figures and letters "December 31st, 1957" shall be substituted;

(iv) in Item No. 63(30), in the entry in the second column, in sub-item (3), for the words, brackets and figures "in category (i) or (ii)" the words, brackets and figures "in category (1) or (2)" shall be substituted;

(v) after Item No. 72(38), the following Item shall be inserted, namely:—

"72 (39)	Power and Distribution Transformers up to 2,500 KVA and 37.5 KV on the H.T. Side (primary voltage being over 250) excluding furnace, rectifier and flame-proof transformers.	Protective	10 per cent. <i>ad valorem</i>	December 31st, 1955 ;"
----------	--	------------	----------------------------------	----	----	------------------------

(vi) in Item No. 73(1), in the entry in the second column,—

(a) after the words, "Apparatus and Appliances", the words, brackets and figures "other than those specified in Item No. 73(16)", shall be inserted, and

(b) for the words, "excluding electrical earthenware and porcelain otherwise specified", the words "excluding electrical earthenware, brassware and porcelain otherwise specified" shall be substituted;

(vii) in Item No. 73(7),—

(a) in the third column, for the word "Protective", the word "Revenue" shall be substituted; and

(b) the entry in the last column headed "Duration of protective rates of duty" shall be omitted;

(viii) in Item No. 75(11) (iv), in the entry in the second column, the words "body panels including turret tops and sides for passenger cars" shall be omitted;

(ix) after Item No. 75(13), the following Item shall be inserted, namely:—

"75 (14)	Body panels including turret tops and sides for passenger motor cars including taxi cabs.	Preferential Revenue.	40 per cent. <i>ad valorem</i> .	37 per cent. <i>ad valorem</i>"
----------	---	-----------------------	----------------------------------	----------------------------------	----	-----

K. Y. BHANDARKAR,

Secy. to the Govt. of India.

The Gazette  of India

EXTRAORDINARY
PART II—Section 1
PUBLISHED BY AUTHORITY

No. 47] NEW DELHI, MONDAY, DECEMBER 28, 1953

MINISTRY OF LAW

New Delhi, the 28th December 1953

The following Acts of Parliament received the assent of the President on the 26th December, 1953 and are hereby published for general information :—

THE INDIAN TARIFF (THIRD AMENDMENT)
ACT, 1953
No. 48 OF 1953

[26th December, 1953]

An Act further to amend the Indian Tariff Act, 1934.

BE it enacted by Parliament as follows :—

1. **Short title and commencement.**—(1) This Act may be called the Indian Tariff (Third Amendment) Act, 1953.

(2) The provisions of clause (iii) of section 2 [relating to Items Nos. 30(7), 45(4), 45(5) and 63(35)] shall come into force on the 1st day of January, 1954 ; the provisions of clause (v) of section 2 [relating to Item No. 63(34)] shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint ; and the remaining provisions shall come into force at once.

2. **Amendment of the First Schedule, Act XXXII of 1934.**—In the First Schedule to the Indian Tariff Act, 1934,—

(i) in Items Nos. 8(3), 11(6), 18, 20(3), 20(4), 20(8), 20(9), 28(4), 28(15), 28(17), 28(20), 30(9), 30(10), 48(1), 48(4), 48(5), 48(7), 50(3), 60(7), 64, 64(3), 64(4), 65(a), 66(a), 66(1), 67, 67(1), 67(2), 68, 68(2), 69(2), 70, 70(1), 70(2), 70(3), 70(4), 70(5), 70(6), 70(9), 71(7), 71(11),

72(11), 72(12), 72(14), 72(33), 72(34), 73(16), 73(17), 75(5), 75(6), 75(7), 75(8) and 82(3), in the last column headed "Duration of protective rates of duty", for the word, figures and letters "December 31st, 1953", wherever they occur, the word, figures and letters "December 31st, 1954" shall be substituted;

(ii) in Item No. 28(31), in the last column headed "Duration of protective rates of duty", for the word, figures and letters "December 31st, 1953", wherever they occur, the word, figures and letters "December 31st, 1954" shall be substituted;

(iii) in Items Nos. 30(7), 45 (4), 45 (5) and 63 (35),—

(a) in the third column, for the word "Protective" the word, "Revenue" shall be substituted; and

(b) in the last column, the entry headed "Duration of protective rates of duty" shall be omitted;

(iv) after Item No. 30(13), the following Item shall be inserted, namely:—

"30(14)	Titanium Dioxide—					
	(a) of British manufacture.	Protective	25 1/5 per cent. <i>ad valorem.</i>	..	..	December 31st, 1954.
	(b) not of British manufacture.	Protective	35 1/5 per cent. <i>ad valorem.</i>	..	..	December 31st, 1954."

(v) for Item No. 63 (34), the following Item shall be substituted, namely:—

"63(34)	Iron or steel hoops—					
	(a) Jute baling hoops—					
	(i) of British manufacture.	Protective	30 per cent. <i>ad valorem.</i>	..	..	December 31st, 1954.
	(ii) not of British manufacture.	Protective	40 per cent. <i>ad valorem.</i>	..	..	December 31st, 1954.
	b) Cotton baling hoops—					
	(i) of British manufacture.	Protective	30 per cent. <i>ad valorem.</i>	..	..	December 31st, 1954.
	(ii) not of British manufacture.	Protective	40 per cent. <i>ad valorem.</i>	..	..	December 31st, 1954."

(vi) for Item No. 85, the following Item shall be substitute namely :—

85	Buttons, studs and cuff-links—					
	(a) made of metals other than gold or silver.	Revenue	66 $\frac{2}{3}$ per cent. <i>ad valorem.</i>	..	..	..
	(b) made of porcelain.	Revenue	66 $\frac{2}{3}$ per cent. <i>ad valorem.</i>	..	..	..
	(c) made of plastics.	Protective	66 $\frac{2}{3}$ per cent. <i>ad valorem</i> of 12 annas per gross, whichever is higher.	..	..	December 31st, 1955
	(d) not otherwise specified, but excluding jewellery and articles made of glass or plated with gold or silver or both.	Revenue	66 $\frac{2}{3}$ per cent. <i>ad valorem.</i>	..	..	.. "

THE SALT CESS ACT, 1953

No. 49 OF 1953

[28th December, 1953]

An Act to provide for the levy and collection of a cess on salt for the purpose of raising funds to meet the expenses incurred on the salt organisation maintained by Government and on the measures taken by Government in connection with the manufacture, supply and distribution of salt.

Enacted by Parliament as follows:—

1. Short title, extent and commencement.—(1) This Act may be called the Salt Cess Act, 1953.

(2) It extends to the whole of India except the State of Jammu and Kashmir.

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

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

(a) 'manufacture' in relation to salt includes collection, removal, preparation, steeping, evaporation, boiling or any one or more of these processes, the separation or purification of salt

obtained in the manufacture of saltpetre, the separation of salt from earth or other substance so as to produce alimentary salt, and the excavation or removal of natural saline deposits or efflorescence; and the word 'manufacturer' shall be construed accordingly and shall include not only a person who employs hired labour in the production or manufacture of salt but also any person who engages in its production or manufacture on his own account if the salt is intended for sale.

Explanation.—In this clause, 'saltpetre' includes *rasi*, *sajji*, and all other substances manufactured from saline earth, and *Kharinun* and every form of sulphate or carbonate of soda;

(b) 'salt' includes swamp salt, spontaneous salt, and salt or saline solutions made or produced from any saline substances or from salt earth;

(c) 'salt factory' includes—

(i) a place used or intended to be used in the manufacture of salt and all embankments, reservoirs, condensing and evaporating pans, buildings, and waste places situated within the limits of such place, as defined from time to time for the purposes of the Central Excises and Salt Act, 1944 (I of 1944);

(ii) all drying grounds and storage platforms and store-houses appertaining to any such place;

(iii) land on which salt is spontaneously produced; and

a 'private salt factory' is one not solely owned or not solely worked by the Central Government;

(d) 'standard maund' means a maund of 82 $\frac{2}{7}$ pounds avoirdupois;

(e) 'prescribed' means prescribed by rules made under this Act.

3. Levy and collection of cess on salt.—There shall be levied and collected in such manner as may be prescribed a cess in the nature of an excise duty on all salt manufactured in the territories to which this Act extends—

(a) in the case of salt manufactured in a private salt factory, at the rate of two annas per standard maund;

(b) in the case of salt manufactured in a salt factory solely owned or solely worked by the Central Government, at the rate of three and a half annas per standard maund.

4. Application of proceeds of cess.—The proceeds of the duty levied under this Act, reduced by the cost of collection as determined by the Central Government, shall, if Parliament by appropriation made by law in this behalf so provides, be utilised on all or any of the following objects, namely:—

(a) meeting the expenditure incurred in connection with the salt organisation maintained by the Central Government;

(b) meeting the cost of measures taken in connection with the manufacture, supply and distribution of salt by Union agencies and the regulation and control of the manufacture, supply and distribution of salt by other agencies; and in particular, measures for—

(i) the establishment and maintenance of research stations and model salt farms;

(ii) the establishment, maintenance and expansion of salt factories;

(iii) fixing the grades of salt;

(iv) promoting and encouraging co-operative effort among manufacturers of salt; and

(v) promoting the welfare of labour employed in the salt industry.

5. Validation of charges levied on salt before the commencement of this Act.—The charge in respect of the manufacture or production of salt imposed by the rule made by the Central Government under section 37 of the Central Excises and Salt Act, 1944 (I of 1944) and published with the notification of the former Finance Department (Revenue Division) No. 3, dated the 29th March, 1947, shall be deemed to have been levied under this Act as if this Act was in force on the day on which the charge was so imposed and accordingly,—

(a) any sum paid or payable by way of such charge shall be deemed to have been paid or payable in accordance with law; and

(b) no claim shall lie in any court for the refund of any sum so paid.

6. Power to make rules.—(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—

(a) the assessment and collection of the cess levied under this Act;

(b) the determination of the cost of collection of the cess;

(c) the manner in which accounts relating to the proceeds of the cess shall be maintained;

(d) the manner in which the proceeds of the cess may be applied on the objects specified in section 4;

(e) the exemption from the whole or any part of the cess levied under this Act—

(i) in respect of salt exported from India;

(ii) in respect of salt manufactured by any specified categories of small manufacturers; and

(iii) in respect of salt utilised in the manufacture of any other product of industry.

THE APPROPRIATION (No. 5) ACT, 1953

No. 50 OF 1953

[26th December, 1953]

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 1953-54.

BE it enacted by Parliament as follows:—

1. Short title.—This Act may be called the Appropriation (No. 5) Act, 1953.

2. Issue of Rs. 14,66,35,000 out of Consolidated Fund of India for the year 1953-54.—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-six lakhs and thirty-five thousand rupees towards defraying the several charges which will come in course of payment during the financial year 1953-54, in respect of the services specified in column 2 of the Schedule.

3. Appropriation.—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 Conso- lidated Fund	Total
		Rs.	Rs.	Rs.
1	Ministry of Commerce and Industry	4,27,000	..	4,27,000
10	Miscellaneous Expenditure under the Ministry of Communications.	5,15,000	..	5,15,000
27	Customs	25,00,000	..	25,00,000
38	Miscellaneous Departments and Expenditure under the Ministry of Finance.	13,00,000	..	13,00,000
45	Agriculture	32,22,000	..	32,22,000
47	Miscellaneous Departments and Expenditure under the Ministry of Food and Agriculture.	15,00,000	..	15,00,000
71	Administration of Justice	26,000	..	26,000
84	Miscellaneous Departments and Expenditure under the Ministry of Production.	31,60,000	..	31,60,000
86	Expenditure on Displaced Persons	50,28,000	..	50,28,000
95	Miscellaneous Expenditure under the Ministry of States.	95,23,000	..	95,23,000
107	Parliament . . . . .	..	3,000	3,000
	<i>Charged—Union Public Service Commission.</i>	..	3,76,000	3,76,000
125	Other Capital Outlay of the Ministry of Food and Agriculture.	11,72,00,000	5,000	11,72,05,000
138	Other Capital Outlay of the Ministry of Transport.	18,50,000	..	18,50,000
	TOTAL	14,62,51,000	3,84,000	14,66,35,000

**THE PATIALA AND EAST PUNJAB STATES UNION
APPROPRIATION (No. 3) ACT, 1953**

No. 51 OF 1953

[26th December, 1953]

An Act to authorise payment and appropriation of certain further sums from and out of the Consolidated Fund of the State of Patiala and East Punjab States Union for the service of the financial year 1953-54.

BE it enacted by Parliament as follows:—

1. Short title.—This Act may be called the Patiala and East Punjab States Union Appropriation (No. 3) Act, 1953.

2. Issue of Rs. 67,72,300 out of the Consolidated Fund of the State of Patiala and East Punjab States Union for the year 1953-54.—From and out of the Consolidated Fund of the State of Patiala and East Punjab States Union, there may be paid and applied sums not exceeding those specified in column 3 of the Schedule amounting in the aggregate to the sum of sixty-seven lakhs, seventy-two thousand and three hundred rupees towards defraying the several charges which will come in course of payment during the financial year 1953-54, in respect of the services specified in column 2 of the Schedule.

3. Appropriation.—The sums authorised to be paid and applied from and out of the Consolidated Fund of the State of Patiala and East Punjab States Union by this Act shall be appropriated for the services and purposes expressed in the Schedule in relation to the said year.

THE SCHEDULE

(See sections 2 and 3)

1 No. of Vote	2 Services and Purposes	3		
		Sums not exceeding		
		Voted by Parlia- ment	Charged on the Consoli- dated Fund	Total
		Rs.	Rs.	Rs.
8	Irrigation	7,64,700	...	7,64,700
11	Elections to Legislatures .	9,70,500	...	9,70,500
28	Medical	6,00,000	...	6,00,000
34	Miscellaneous Departments .	75,400	...	75,400

1 No. of Vote	2 Services and Purposes	3		
		Sums not exceeding		
		Voted by Parlia- ment	Charged on the Consoli- dated Fund	Total
		Rs.	Rs.	Rs.
36	Civil Works	25,37,700	...	25,37,700
41	Stationery and Printing .	3,88,200	...	3,88,200
42	Miscellaneous	9,96,000	...	9,96,000
45	Community Development Projects.	4,39,800	...	4,39,800
	TOTAL .	67,72,300	...	67,72,300

K. V. K. SUNDARAM,
Secy. to the Govt. of India.

The Gazette  of India

EXTRAORDINARY

PART II—Section 1

PUBLISHED BY AUTHORITY

No. 48] NEW DELHI, WEDNESDAY, DECEMBER 30, 1953

MINISTRY OF LAW

New Delhi, the 30th December, 1953

The following Act of Parliament received the assent of the President on the 30th December, 1953 and is hereby published for general information:—

THE BANKING COMPANIES (AMENDMENT) ACT, 1953

No. 52 OF 1953

[30th December, 1953

An Act further to amend the Banking Companies Act, 1949.

BE it enacted by Parliament as follows:—

1. Short title.—This Act may be called the Banking Companies (Amendment) Act, 1953.

2. Amendment of section 5, Act X of 1949.—In section 5 of the Banking Companies Act, 1949 (hereinafter referred to as the principal Act), clause (e) of sub-section (1) shall be omitted.

3. Insertion of new section 36A in Part III in Act X of 1949.—In Part III of the principal Act, after section 36, the following section shall be inserted, namely:—

“36A. *High Court defined.*—In this Part and in Part IIIA, ‘High Court’, in relation to a banking company, means the High Court exercising jurisdiction in the place where the registered office of the banking company is situated or, in the case of a banking company incorporated outside India, where its principal place of business in India is situated”.

4. Substitution of “High Court” for Court in Part III in Act X of 1949.—In Part III of the principal Act, for the word “Court” wherever it occurs the words “High Court” shall be substituted.

5. Amendment of section 37, Act X of 1949.—In section 37 of the principal Act, after sub-section (2), the following sub-section shall be inserted, namely:—

“(3) When an application is made under sub-section (1), the High Court may appoint a special officer who shall forthwith take into his custody or under his control all the assets, books, documents, effects and actionable claims to which the banking company is or appears to be entitled and shall also exercise such other powers as the High Court may deem fit to confer on him, having regard to the interests of the depositors of the banking company.”

6. Insertion of new section 38A in Act X of 1949.—After section 38 of the principal Act, the following section shall be inserted, namely:—

“38A. *Court liquidator.*—(1) There shall be attached to every High Court a court liquidator to be appointed by the Central Government for the purpose of conducting all proceedings for the winding up of banking companies and performing such other duties in reference thereto as the High Court may impose.

(2) Where there is a court liquidator attached to a High Court and an order is passed by the High Court for the winding up of any banking company, then, notwithstanding anything contained in section 171A or section 175 of the Indian Companies Act, 1913 (VII of 1913), the court liquidator shall become the official liquidator of the banking company.

(3) Where there is a court liquidator attached to a High Court and any proceeding for the winding up of a banking company in which any person other than the Reserve Bank or the court liquidator has been appointed as official liquidator is pending before the High Court immediately before the commencement of the Banking Companies (Amendment) Act, 1953, or the date on which the court liquidator is so attached to the High Court, whichever is later, then, notwithstanding anything contained in section 176 of the Indian Companies Act, 1913 (VII of 1913), the person appointed as the official liquidator shall, on such commencement or, as the case may be, on the aforesaid date, be deemed to have vacated his office as such and the vacancy so caused shall be deemed to be filled up by the appointment of the court liquidator as the official liquidator:

Provided that where the High Court, after giving the court liquidator and the Reserve Bank an opportunity of being heard, is of opinion that the appointment of the court liquidator would be detrimental to the interests of the depositors of the banking company, it may direct the person appointed as the official liquidator to continue to act as such.

(4) Where having regard to the number of banking companies wound up and other circumstances of the case, the Central Government is of opinion that it is not necessary or expedient to attach for the time being a court liquidator to a High Court,

may, from time to time, by notification in the Official Gazette, direct that this section shall not have effect in relation to that High Court".

7. Amendment of section 39, Act X of 1949.—In section 39 of the principal Act, after the words "Notwithstanding anything contained" the words, figures and letter "in section 38A of this Act or" shall be inserted.

8. Substitution of new sections for section 43 in Act X of 1949.—For section 43 of the principal Act, the following sections shall be substituted, namely:—

"43. *Booked depositors' credits to be deemed proved.*—In any proceeding for the winding up of a banking company, every depositor of the banking company shall be deemed to have filed his claim for the amount shown in the books of the banking company as standing to his credit and, notwithstanding anything to the contrary contained in section 191 of the Indian Companies Act, 1913 (VII of 1913), the High Court shall presume such claims to have been proved, unless the official liquidator shows that there is reason for doubting its correctness.

43A. *Preferential payment to small depositors.*—(1) In every proceeding for the winding up of a banking company, after the preferential payments referred to in section 230 of the Indian Companies Act, 1913 (VII of 1913) have been made, there shall be paid, to every depositor in the savings bank account of the banking company, a sum of one hundred rupees or the balance at his credit, whichever is less, in priority to all other debts from out of the remaining assets of the banking company available for payment of general creditors.

(2) The aforesaid payments shall rank equally among themselves and be paid in full, unless the assets are insufficient to meet them, in which case they shall abate in equal proportion".

9. Amendment of section 45, Act X of 1949.—Section 45 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 "as not being detrimental to the interests of the depositors of such company", the words "in writing as not being incapable of being worked and as not being detrimental to the interests of the depositors of such banking company" shall be substituted;

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

"(2) Where an application under section 153 of the Indian Companies Act, 1913 (VII of 1913) is made in respect of a banking company, the High Court may direct the Reserve Bank to make an inquiry in relation to the affairs of the banking company and the conduct of its directors and when such a direction is given, the Reserve Bank shall make such inquiry and submit its report to the High Court".

10. Substitution of new Part for Part IIIA in Act X of 1949.—
Part IIIA of the principal Act, the following Part shall be substituted, namely:—

“PART IIIA

SPECIAL PROVISIONS FOR SPEEDY DISPOSAL OF WINDING UP PROCEEDINGS

45A. *Part IIIA to override other laws.*—The provisions of this Part and the rules made thereunder shall have effect notwithstanding anything inconsistent therewith contained in the Indian Companies Act, 1913 (VII of 1913) or the Code of Civil Procedure, 1908 (Act V of 1908) or the Code of Criminal Procedure, 1898 (Act V of 1898) or any other law for the time being in force or any instrument having effect by virtue of any such law but the provisions of any such law or instrument in so far as the same are not varied by, or inconsistent with, the provisions of this Part or rules made thereunder shall apply to all proceedings under this Part.

45B. *Power of High Court to decide all claims in respect of banking companies.*—The High Court shall, save as otherwise expressly provided in section 45C, have exclusive jurisdiction to entertain and decide any claim made by or against a banking company which is being wound up (including claims by or against any of its branches in India) or any application made under section 153 of the Indian Companies Act, 1913 (VII of 1913) by or in respect of a banking company or any question of priorities or any other question whatsoever, whether of law or fact, which may relate to or arise in the course of the winding up of a banking company, whether such claim or question has arisen or arises or such application has been made or is made before or after the date of the order for the winding up of the banking company or before or after the commencement of the Banking Companies (Amendment) Act, 1953.

45C. *Transfer of pending proceedings.*—(1) Where a winding up order is made or has been made in respect of a banking company, no suit or other legal proceeding, whether civil or criminal, in respect of which the High Court has jurisdiction under this Act and which is pending in any other court immediately before the commencement of the Banking Companies (Amendment) Act, 1953, or the date of the order for the winding up of the banking company, whichever is later, shall be proceeded with except in the manner hereinafter provided.

(2) The official liquidator shall, within three months from the date of the winding up order or the commencement of the Banking Companies (Amendment) Act, 1953, whichever is later, or such further time as the High Court may allow submit to the High Court a report containing a list of all such pending proceedings together with particulars thereof.

(3) On receipt of a report under sub-section (2), the High Court may, if it so thinks fit; give the parties concerned an opportunity to show cause why the proceedings should not be transferred to itself and after making an inquiry in such manner as may be provided by rules made under section 45U, it shall

make such order as it deems fit transferring to itself all or such of the pending proceedings as may be specified in the order and such proceedings shall thereafter be disposed of by the High Court.

(4) If any proceeding pending in a court is not so transferred to the High Court under sub-section (3), such proceeding shall be continued in the court in which the proceeding was pending.

(5) Nothing in this section shall apply to any proceeding pending in appeal before the Supreme Court or a High Court.

45D. *Settlement of list of debtors.*—(1) Notwithstanding anything to the contrary contained in any law for the time being in force, the High Court may settle in the manner hereinafter provided a list of debtors of a banking company which is being wound up.

(2) Subject to any rules that may be made under section 52, the official liquidator shall, within six months from the date of the winding up order or the commencement of the Banking Companies (Amendment) Act, 1953, whichever is later, from time to time, file to the High Court lists of debtors containing such particulars as are specified in the Fourth Schedule:

Provided that such lists may, with the leave of the High Court, be filed after the expiry of the said period of six months.

(3) On receipt of any list under sub-section (2), the High Court shall, wherever necessary, cause notices to be issued on all persons affected and after making an inquiry in such manner as may be provided by rules made under section 45U, it shall make an order settling the list of debtors:

Provided that nothing in this section shall debar the High Court from settling any such list in part as against such of the persons whose debts have been settled without settling the debts of all the persons placed on the list.

(4) At the time of the settlement of any such list, the High Court shall pass an order for the payment of the amount due by each debtor and make such further orders as may be necessary in respect of the relief claimed, including reliefs against any guarantor or in respect of the realisation of any security.

(5) Every such order shall, subject to the provisions for appeal, be final and binding for all purposes as between the banking company on the one hand and the person against whom the order is passed and all persons claiming through or under him on the other hand, and shall be deemed to be a decree in a suit.

(6) In respect of every such order, the High Court shall issue a certificate specifying clearly the reliefs granted and the names and descriptions of the parties against whom such reliefs have been granted, the amount of costs awarded and by whom, and out of what funds and in what proportions, such

costs are to be paid; and every such certificate shall be deemed to be a certified copy of the decree for all purposes including execution.

(7) At the time of settling the list of debtors or at any other time prior or subsequent thereto, the High Court shall have power to pass any order in respect of a debtor on the application of the official liquidator for the realisation, management, protection, preservation or sale of any property given as security to the banking company and to give such powers to the official liquidator to carry out the aforesaid directions as the High Court thinks fit.

(8) The High Court shall have power to sanction a compromise in respect of any debt and to order the payment of any debt by instalments.

(9) In any case in which any such list is settled *ex parte* as against any person, such person may, within thirty days from the date of the order settling the list, apply to the High Court for an order to vary such list, so far as it concerns him, and if the High Court is satisfied that he was prevented by any sufficient cause from appearing on the date fixed for the settlement of such list and that he has a good defence to the claim of the banking company on merits, the High Court may vary the list and pass such orders in relation thereto as it thinks fit:

Provided that the High Court may, if it so thinks fit, entertain the application after the expiry of the said period of thirty days.

(10) Nothing in this section shall—

(a) apply to a debt which has been secured by a mortgage of immovable property, if a third party has any interest in such immovable property; or

(b) prejudice the rights of the official liquidator to recover any debt due to a banking company under any other law for the time being in force.

45E. *Special provisions to make calls on contributories.*— Notwithstanding that the list of the contributories has not been settled under section 184 of the Indian Companies Act, 1913 (VII of 1913), the High Court may, if it appears to it necessary or expedient so to do, at any time after making a winding up order, make a call on and order payment thereof by any contributory under sub-section (1) of section 187 of the Indian Companies Act, 1913, if such contributory has been placed on the list of contributories by the official liquidator and has not appeared to dispute his liability.

45F. *Documents of banking company to be evidence.*—(1) Entries in the books of account or other documents of a banking company which is being wound up shall be admitted in evidence in all proceedings by or against the banking company; and all such entries may be proved either by the production of the books of account or other documents of

the banking company containing such entries or by the production of a copy of the entries, certified by the official liquidator under his signature and stating that it is a true copy of the original entries and that such original entries are contained in the books of account or other documents of the banking company in his possession.

(2) Notwithstanding anything to the contrary contained in the Indian Evidence Act, 1872 (I of 1872), all such entries in the books of account or other documents of a banking company shall, as against the directors of the banking company in respect of which the winding up order has been made before the commencement of the Banking Companies (Amendment) Act, 1953, be *prima facie* evidence of the truth of all matters purporting to be therein recorded.

45G. *Public examination of directors and auditors.*—(1) Where an order has been made for the winding up of a banking company, the official liquidator shall submit a report whether in his opinion any loss has been caused to the banking company since its formation by any act or omission (whether or not a fraud has been committed by such act or omission) of any person in the promotion or formation of the banking company or of any director or auditor of the banking company.

(2) If, on consideration of the report submitted under subsection (1), the High Court is of opinion that any person who has taken part in the promotion or formation of the banking company or has been a director or an auditor of the banking company should be publicly examined, it shall hold a public sitting on a date to be appointed for that purpose and direct that such person, director or auditor shall attend thereat and shall be publicly examined as to the promotion or formation or the conduct of the business of the banking company, or as to his conduct and dealings, in so far as they relate to the affairs of the banking company:

Provided that no such person shall be publicly examined unless he has been given an opportunity to show cause why he should not be so examined.

(3) The official liquidator shall take part in the examination and for that purpose may, if specially authorised by the High Court in that behalf, employ such legal assistance as may be sanctioned by the High Court.

(4) Any creditor or contributory may also take part in the examination either personally or by any person entitled to appear before the High Court.

(5) The High Court may put such questions to the person examined as it thinks fit.

(6) The person examined shall be examined on oath and shall answer all such questions as the High Court may put or allow to be put to him.

(7) A person ordered to be examined under this section may, his own cost, employ any person entitled to appear before the High Court who shall be at liberty to put to him such

questions as the High Court may deem just for the purpose of enabling him to explain or qualify any answer given by him:

Provided that if he is, in the opinion of the High Court, exculpated from any charges made or suggested against him, the High Court may allow him such costs in its discretion as it may deem fit.

(8) Notes of the examination shall be taken down in writing, and shall be read over to or by, and signed by, the person examined and may thereafter be used in evidence against him in any proceeding, civil or criminal, and shall be open to the inspection of any creditor or contributory at all reasonable times.

(9) Where on such examination, the High Court is of opinion (whether a fraud has been committed or not)—

(a) that a person, who has been a director of the banking company, is not fit to be a director of a company, or

(b) that a person, who has been an auditor of the banking company or a partner of a firm acting as such auditor, is not fit to act as an auditor of a company or to be a partner of a firm acting as such auditor,

the High Court may make an order that that person shall not, without the leave of the High Court, be a director of, or in any way, whether directly or indirectly, be concerned or take part in the management of any company or, as the case may be, act as an auditor of, or be a partner of a firm acting as auditors of, any company for such period not exceeding five years as may be specified in the order.

45H. *Special provisions for assessing damages against delinquent directors, etc.*—(1) Where an application is made to the High Court under section 235 of the Indian Companies Act, 1913 (VII of 1913) against any promoter, director, manager, liquidator or officer of a banking company for repayment or restoration of any money or property and the applicant makes out a *prima facie* case against such person, the High Court shall make an order against such person to repay and restore the money or property unless he proves that he is not liable to make the repayment or restoration either wholly or in part:

Provided that where such an order is made jointly against two or more such persons, they shall be jointly and severally liable to make the repayment or restoration of the money or property.

(2) Where an application is made to the High Court under section 235 of the Indian Companies Act, 1913 (VII of 1913) and the High Court has reason to believe that a property belongs to any promoter, director, manager, liquidator or officer of the banking company, whether the property stands in the name of such person or any other person as an ostensible owner, then the High Court may, at any time, whether before or after making an order under sub-section (1), direct the attachment of such property, or such portion thereof, as it thinks fit and the property so attached shall remain subject to attachment unless the ostensible

owner can prove to the satisfaction of the High Court that he is the real owner and the provisions of the Code of Civil Procedure, 1908 (Act V of 1908) relating to attachment of property shall, as far as may be, apply to such attachment.

45I. *Duty of directors and officers of banking company to assist in the realisation of property.*—Every director or other officer of a banking company which is being wound up shall give such assistance to the official liquidator as he may reasonably require in connection with the realisation and distribution of the property of the banking company.

45J. *Special provisions for punishing offences in relation to banking companies being wound up.*—(1) The High Court may, if it thinks fit, take cognizance of and try in a summary way any offence alleged to have been committed by any person who has taken part in the promotion or formation of the banking company which is being wound up or by any director, manager or officer thereof:

Provided that the offence is one punishable under this Act or under the Indian Companies Act, 1913 (VII of 1913).

(2) When trying any such offence as aforesaid, the High Court may also try any other offence not referred to in sub-section (1) which is an offence with which the accused may, under the Code of Criminal Procedure, 1898 (Act V of 1898), be charged at the same trial.

(3) In any case tried summarily under sub-section (1), the High Court—

(a) need not summon any witness, if it is satisfied that the evidence of such witness will not be material;

(b) shall not be bound to adjourn a trial for any purpose unless such adjournment is, in the opinion of the High Court, necessary in the interests of justice;

(c) shall, before passing any sentence, record judgment embodying the substance of the evidence and also the particulars specified in section 263 of the Code of Criminal Procedure, 1898 (Act V of 1898), so far as that section may be applicable;

and nothing contained in sub-section (2) of section 262 of the Code of Criminal Procedure, 1898, shall apply to any such trial.

(4) All offences in relation to winding up alleged to have been committed by any person specified in sub-section (1) which are punishable under this Act or under the Indian Companies Act, 1913 (VII of 1913), and which are not tried in a summary way under sub-section (1) shall, notwithstanding anything to the contrary contained in that Act or the Code of Criminal Procedure, 1898 (Act V of 1898) or in any other law for the time being in force, be taken cognizance of and tried by a Judge of the High Court other than the Judge for the time being dealing with the proceedings for the winding up of the banking company,

(5) Notwithstanding anything to the contrary contained in the Code of Criminal Procedure, 1898 (Act V of 1898), the High Court may take cognizance of any offence under this section without the accused being committed to it for trial and all such trials shall be without the aid of a jury.

45K. Power of High Court to enforce schemes of arrangements, etc.—(1) Where a High Court makes an order under section 153 of the Indian Companies Act, 1913 (VII of 1913) sanctioning a compromise or arrangement in respect of a banking company, it shall have power to supervise the carrying out of the compromise or arrangement and may at the time of making such order or at any time thereafter give such directions in regard to any matter or make such modifications in the compromise or arrangement as it may consider necessary for the proper working of the compromise or arrangement.

(2) If the High Court is satisfied that a compromise or arrangement sanctioned under section 153 of the Indian Companies Act, 1913 (VII of 1913) cannot be worked satisfactorily with or without modifications, it may, either on its own motion or on the application of any person interested in the affairs of the banking company, make an order winding up the banking company and such an order shall be deemed to be an order made under section 162 of the Indian Companies Act, 1913.

(3) The provisions of this section shall, so far as they may, also apply to a banking company in respect of which an order under section 153 of the Indian Companies Act, 1913 (VII of 1913) sanctioning a compromise or arrangement has been made before the commencement of the Banking Companies (Amendment) Act, 1953.

45L. Public examination of directors and auditors, etc., in respect of a banking company under schemes of arrangement.—

(1) Where an application for sanctioning a compromise or arrangement in respect of a banking company is made under section 153 of the Indian Companies Act, 1913 (VII of 1913) or where such sanction has been given and the High Court is of opinion, whether on a report of the Reserve Bank or otherwise, that any person who has taken part in the promotion or formation of the banking company or has been a director or auditor of the banking company should be publicly examined, it may direct such examination of such person and the provisions of section 45G shall, as far as may be, apply to the banking company as they apply to a banking company which is being wound up.

(2) Where a compromise or arrangement is sanctioned under section 153 of the Indian Companies Act, 1913 (VII of 1913) in respect of a banking company, the provisions of section 235 of the said Act and of section 45H of this Act shall, as far as may be, apply to the banking company as they apply to a banking company which is being wound up as if the order sanctioning the compromise or arrangement were an order for the winding up of the banking company.

45M. *Special provisions for banking companies working under schemes of arrangement at the commencement of the Amendment Act.*—Where any compromise or arrangement sanctioned in respect of a banking company under section 153 of the Indian Companies Act, 1913 (VII of 1913) is being worked at the commencement of the Banking Companies (Amendment) Act, 1953, the High Court may, if it so thinks fit, on the application of such banking company,—

(a) excuse any delay in carrying out any of the provisions of the compromise or arrangement; or

(b) allow the banking company to settle the list of its debtors in accordance with the provisions of section 45D and in such a case, the provisions of the said section shall, as far as may be, apply to the banking company as they apply to a banking company which is being wound up as if the order sanctioning the compromise or arrangement were an order for the winding up of the banking company.

45N. *Appeals.*—(1) An appeal shall lie from any order or decision of the High Court in a civil proceeding under this Act when the amount or value of the subject-matter of the claim exceeds five thousand rupees.

(2) The High Court may by rules provide for an appeal against any order made under section 45J and the conditions subject to which any such appeal would lie.

(3) Subject to the provisions of sub-section (1) and sub-section (2) and notwithstanding anything contained in any other law for the time being in force, every order or decision of the High Court shall be final and binding for all purposes as between the banking company on the one hand, and all persons who are parties thereto and all persons claiming through or under them or any of them, on the other hand.

45O. *Special period of limitation.*—(1) Notwithstanding anything to the contrary contained in the Indian Limitation Act, 1908 (IX of 1908) or in any other law for the time being in force, in computing the period of limitation prescribed for a suit or application by a banking company which is being wound up, the period commencing from the date of the presentation of the petition for the winding up of the banking company shall be excluded.

(2) Notwithstanding anything to the contrary contained in the Indian Limitation Act, 1908 (IX of 1908) or section 235 of the Indian Companies Act, 1913 (VII of 1913) or in any other law for the time being in force, there shall be no period of limitation for the recovery of arrears of calls from any director of a banking company which is being wound up or for the enforcement by the banking company against any of its directors of any claim based on a contract, express or implied; and in respect of all other claims by the banking company against its directors, the period of limitation shall be twelve years from the date of the accrual of such claims.

(3) The provisions of this section, in so far as they relate banking companies being wound up, shall also apply to a banking company in respect of which a petition for the winding up has been presented before the commencement of the Banking Companies (Amendment) Act, 1953.

45P. *Reserve Bank to tender advice in winding up proceedings.*—Where in any proceeding for the winding up of a banking company in which any person other than the Reserve Bank has been appointed as the official liquidator and the High Court has directed the official liquidator to obtain the advice of the Reserve Bank on any matter (which it is hereby empowered to do), it shall be lawful for the Reserve Bank to examine the record of any such proceeding and tender such advice on the matter as it may think fit.

45Q. *Power to inspect.*—(1) The Reserve Bank shall, on being directed so to do by the Central Government or by the High Court, cause an inspection to be made by one or more of its officers of a banking company which is being wound up and its books and accounts.

(2) On such inspection, the Reserve Bank shall submit its report to the Central Government and the High Court.

(3) If the Central Government, on consideration of the report of the Reserve Bank, is of opinion that there has been a substantial irregularity in the winding up proceedings, it may bring such irregularity to the notice of the High Court for such action as the High Court may think fit.

(4) On receipt of the report of the Reserve Bank under sub-section (2) or on any irregularity being brought to its notice by the Central Government under sub-section (3), the High Court may, if it deems fit, after giving notice to and hearing the Central Government in regard to the report, give such directions as it may consider necessary.

45R. *Power to call for returns and information.*—The Reserve Bank may, at any time by a notice in writing, require the liquidator of a banking company to furnish it, within such time as may be specified in the notice or such further time as the Reserve Bank may allow, any statement or information relating to or connected with the winding up of the banking company; and it shall be the duty of every liquidator to comply with such requirements.

Explanation.—For the purposes of this section and section 45Q, a banking company working under a compromise or arrangement but prohibited from receiving fresh deposits, shall, as far as may be, be deemed to be a banking company which is being wound up.

45S. *Chief presidency magistrate and district magistrate to assist official liquidator in taking charge of property of banking company being wound up.*—(1) For the purpose of enabling the

official liquidator or the special officer appointed under sub-section (3) of section 37 to take into his custody or under his control, all property, effects and actionable claims to which a banking company, which has been ordered to be wound up, is or appears to be entitled, the official liquidator or the special officer, as the case may be, may request in writing the chief presidency magistrate or the district magistrate, within whose jurisdiction any property, books of account or other documents of such banking company may be situate or be found, to take possession thereof, and the chief presidency magistrate or the district magistrate, as the case may be, shall, on such request being made to him, take possession of such property, books of account or other documents and forward them to the official liquidator or the special officer.

(2) For the purpose of securing compliance with the provisions of sub-section (1), the chief presidency magistrate or the district magistrate may take or cause to be taken such steps and use or cause to be used such force as may, in his opinion, be necessary.

45T. Enforcement of orders and decisions of High Court.—

(1) All orders made in any civil proceeding by a High Court may be enforced in the same manner in which decrees of such court made in any suit pending therein may be enforced.

(2) Notwithstanding anything to the contrary contained in the Code of Civil Procedure, 1908 (Act V of 1908), a liquidator may apply for the execution of a decree by a court other than the one which made it on production of a certificate granted under sub-section (6) of section 45D and on his certifying to such other court in writing the amount remaining due or relief remaining unenforced under the decree.

(3) Without prejudice to the provisions of sub-section (1) or sub-section (2), any amount found due to the banking company by an order or decision of the High Court may, with the leave of the High Court, be recovered in the same manner as an arrear of land revenue.

*45U. Power of High Court to make rules.—*The High Court may make rules consistent with this Act and the rules made under section 52 prescribing—

(a) the manner in which inquiries and proceedings under Part III or Part IIIA may be held;

(b) the offences which may be tried summarily;

(c) the authority to which, and the conditions subject to which, appeals may be preferred and the manner in which such appeals may be filed and heard;

(d) any other matter for which provision has to be made for enabling the High Court to effectively exercise its functions under this Act.

45V. *References to directors, etc., shall be construed as including references to past directors, etc.*—For the removal of doubts it is hereby declared that any reference in this Part to a director, manager, liquidator, officer or auditor of a banking company shall be construed as including a reference to any past or present director, manager, liquidator, officer or auditor of the banking company.

45W. *Part II not to apply to banking companies being wound up.*—Nothing contained in Part II shall apply to a banking company which is being wound up.

45X. *Validation of certain proceedings.*—Notwithstanding anything contained in section 45B or any other provision of this Part or in section 11 of the Banking Companies (Amendment) Act, 1950 (XX of 1950), no proceeding held, judgment delivered or decree or order made before the commencement of the Banking Companies (Amendment) Act, 1953, by any court other than the High Court in respect of any matter over which the High Court has jurisdiction under this Act shall be invalid or be deemed ever to have been invalid merely by reason of the fact that such proceeding, judgment, decree or order was held, delivered or made by a court other than the High Court.”

11. Amendment of section 52, Act X of 1949.—In section 52 of the principal Act,—

(a) to sub-section (2), the following shall be added, namely:—

“and the form in which the official liquidator may file lists of debtors to the Court having jurisdiction under Part III or Part IIIA and the particulars which such lists may contain and any other matter which has to be, or may be, prescribed”

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

“(4) The Central Government may by rules made under this section annul, alter or add to, all or any of the provisions of the Fourth Schedule.”

12. Insertion of new Schedule in Act X of 1949.—After the Third Schedule to the principal Act, the following Schedule shall be inserted, namely:—

“THE FOURTH SCHEDULE

[See section 45D (2)]

LIST OF DEBTORS

1. The official liquidator shall from time to time submit lists of debtors to the High Court, each list being verified by an affidavit.
2. Every such list shall contain the following particulars:—
 - (a) names and addresses of the debtors;
 - (b) amount of debt due to the banking company by each debtor;

(c) rate of interest, if any, and the date up to which such interest has been calculated in the case of each debtor;

(d) description of papers, writings and documents, if any, relating to each debt;

(e) relief or reliefs claimed against each debtor.

3. (a) In every such list, the official liquidator shall distinguish between the debts for which the banking company holds any security other than a personal security and the debts for which no security or only a personal security is given;

(b) In the case of secured debts, particulars of the securities claimed by the banking company, and whenever possible their estimated value, and the names and addresses of person or persons, if any, having an interest in the securities or the right of redemption therein;

(c) In case the debt is guaranteed by any person or persons, the name and address of the guarantor or guarantors with particulars as to the extent to which the debt is guaranteed and description of documents, papers or writings in support of such guarantee.

4. If the debtor is adjudged insolvent either before or after he has been included in any such list, but before such list is settled, the name and address of the assignee or the receiver of his estate, as the case may be, should be stated in, or added to, the list.

5. If the original debtor dies either before or after he has been included in any such list, but before such list is settled, there shall be substituted in his place the names and addresses of his legal representatives as far as the official liquidator is able to ascertain."

13. Repeal of Ordinance 4 of 1953.—(1) The Banking Companies (Amendment) Ordinance, 1953 (4 of 1953) is hereby repealed.

(2) Notwithstanding such repeal, anything done or any action taken in the exercise of any power 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.

K. V. K. SUNDARAM,
Secy. to the Govt. of India.

The Gazette  of India

EXTRAORDINARY
PART II—Section 1
PUBLISHED BY AUTHORITY

No. 50] NEW DELHI, THURSDAY, DECEMBER 31, 1953

MINISTRY OF LAW "

New Delhi, the 31st December 1953

The following Acts of Parliament received the assent of the President on the 30th December, 1953 and are hereby published for general information:—

THE TELEGRAPH WIRES (UNLAWFUL POSSESSION)
AMENDMENT ACT, 1953

No. 53 OF 1953

[30th December, 1953]

An Act to amend the Telegraph Wires (Unlawful Possession)
Act, 1950.

BE it enacted by Parliament as follows:—

1. **Short title.**—This Act may be called the Telegraph Wires (Unlawful Possession) Amendment Act, 1953.

2. **Amendment of section 2, Act LXXIV of 1950.**—For clause (b) of section 2 of the Telegraph Wires (Unlawful Possession) Act, 1950 (hereinafter referred to as the principal Act), the following clause shall be substituted, namely:—

“(b) “telegraph wire” means any copper wire the gauge of which, as measured in terms of pounds per mile, is between 147 and 153, or between 196 and 204 or between 294 and 306.”

3. **Insertion of new section 4A in Act LXXIV of 1950.**—After section 4 of the principal Act, the following section shall be inserted, namely:—

“4A. *Prohibition of sale or purchase of telegraph wires.*—No person shall, after the commencement of the Telegraph Wires

(Unlawful Possession) Amendment Act, 1953, sell or purchase any quantity of telegraph wires except with the permission of such authority as may be prescribed."

4. Amendment of section 5, Act LXXIV of 1950.—In section 5 of the principal Act, the words "which the court has reason to believe to be, or to have been, the property of the Posts and Telegraphs Department of the Central Government" shall be omitted.

5. Amendment of section 6, Act LXXIV of 1950.—In section 6 of the principal Act, for the words and figure "fails to comply with the provisions of section 4" the words, figures and letter "contravenes the provisions of section 4 or section 4A" shall be substituted.

THE RESERVE BANK OF INDIA (AMENDMENT AND MISCELLANEOUS PROVISIONS) ACT, 1953

No. 54 OF 1953

[30th December, 1953]

An Act further to amend the Reserve Bank of India Act, 1934 and to make special provisions in respect of certain high denomination bank notes.

BE it enacted by Parliament as follows:—

1. Short title.—This Act may be called the Reserve Bank of India (Amendment and Miscellaneous Provisions) Act, 1953.

2. Amendment of section 8, Act II of 1934.—For the proviso to sub-section (3) of section 8 of the Reserve Bank of India Act, 1934 (hereinafter referred to as the principal Act), the following proviso shall be substituted, namely:—

"Provided that when the Governor is, for any reason, unable to attend any such meeting, a Deputy Governor authorised by him in this behalf in writing may vote for him at that meeting."

3. Amendment of section 17, Act II of 1934.—In section 17 of the principal Act,—

(a) to sub-clause (b) of clause (2), the following *Explanation* shall be added, namely:—

"*Explanation.*—For the purposes of this sub-clause,—

(i) the expression "agricultural operations" includes animal husbandry and allied activities jointly undertaken with agricultural operations;

(ii) "crops" include products of agricultural operations;

(iii) the expression "marketing of crops" includes the processing of crops prior to marketing by agricultural producers or any organisation of such producers."

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

"(bb) the purchase, sale and rediscount of bills of exchange and promissory notes drawn and payable in India and bearing two

or more good signatures, one of which shall be that of a State Co-operative Bank or a State Financial Corporation, and drawn or issued for the purpose of financing the production or marketing activities of cottage and small scale industries approved by the Bank and maturing within twelve months from the date of such purchase or rediscount, exclusive of days of grace, provided that the payment of the principal and interest of such bills of exchange or promissory notes is fully guaranteed by the State Government.”:

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

“(4A) the making to State Co-operative Bank of loans and advances for agricultural purposes, repayable on the expiry of fixed periods not being less than fifteen months and not exceeding five years against such securities as may be specified in this behalf by the Central Board:

Provided that—

(a) such loans and advances are fully guaranteed as to the principal and interest by the State Government; and

(b) the amount of loans and advances granted to any State Co-operative Bank shall not exceed the owned funds of such a bank :

Provided further that the amount of loans and advances granted by the Bank under this clause shall not at any time exceed five crores of rupees in the aggregate.

(4B) the making to the Industrial Finance Corporation of India established under the Industrial Finance Corporation Act, 1948 (XV of 1948) of loans and advances,—

(a) repayable on demand or on the expiry of fixed periods not exceeding ninety days from the date of such loan or advance, against securities of the Central Government or of any State Government; or

(b) repayable on the expiry of fixed periods not exceeding eighteen months from the date of such loan or advance, against securities of the Central Government of any maturity or against bonds and debentures issued by the said Corporation and guaranteed by the Central Government and maturing within a period not exceeding eighteen months from the date of such loan or advance :

Provided that the amount of loans and advances granted under clause (b) shall not at any time exceed three crores of rupees in the aggregate.”

4. Amendment of section 24, Act II of 1934.—In section 24 of the principal Act, after the words ‘one thousand rupees’ the words ‘five thousand rupees’ shall be inserted.

5. Amendment of section 40, Act II of 1934.—In section 40 of the principal Act, after the words ‘or Madras’ the words ‘or at such of its branches as the Central Government may, by order, determine’ shall be inserted.

6. Amendment of section 42, Act II of 1934.—In section 42 of the principal Act,—

(a) in the *Explanation* to sub-section (1), after the words 'the Reserve Bank' the words 'or the Imperial Bank of India' shall be inserted ;

(b) in sub-section (2),—

(i) to clause (a), the words 'other than the Imperial Bank of India' shall be added ;

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

“(a) the amount of its borrowings from the Imperial Bank of India, classifying them into demand and time liabilities ;”;

(iii) in clause (g), after the words 'discounted in India' the words 'and foreign bills purchased and discounted' shall be inserted.

7. Insertion of new section 43A in Act II of 1934.—After section 43 of the principal Act, the following section shall be inserted, namely:—

“43A. *Protection of action taken in good faith.*—(1) No suit or other legal proceeding shall lie against the Bank or any of its officers for anything which is in good faith done or intended to be done in pursuance of section 42 or section 43.

(2) No suit or other legal proceeding shall lie against the Bank or any of its officers 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 section 42 or section 43.”

8. Amendment of section 58, Act II of 1934.—In clause (h) of sub-section (3) of section 58 of the principal Act, the words 'to the Governor, or' shall be omitted.

9. Ordinance III of 1946 not to apply to certain high denomination bank notes.—Nothing contained in the High Denomination Bank Notes (Demonetisation) Ordinance, 1946 (III of 1946) shall apply to any bank note of the denominational value of five hundred rupees, one thousand rupees or ten thousand rupees issued after the commencement of this Act, but no such bank note issued before the 13th day of January, 1946 shall be legal tender in payment or on account of the amount expressed therein at any place in India.

THE INDIAN PATENTS AND DESIGNS (AMENDMENT) ACT, 1953

No. 55 OF 1953

[30th December, 1953]

An Act further to amend the Indian Patents and Designs
Act, 1911.

BE it enacted by Parliament as follows:—

1. Short title.—This Act may be called the Indian Patents and Designs (Amendment) Act, 1953.

2. Amendment of section 23CC, Act II of 1911.—In section 23CC of the Indian Patents and Designs Act, 1911—

(a) in sub-section (1) and in sub-section (3), for the words “food or medicine” wherever they occur, the words “food, medicine, insecticide, germicide or fungicide” shall be substituted;

(b) in sub-section (2), for the words “food, medicines” the words “food, medicines, insecticides, germicides, fungicides” shall be substituted;

(c) in sub-section (3), for the words “invention as a” the words “invention as” shall be substituted;

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

“(4) Where a patent other than a patent referred to in sub-section (1) is in force in respect of a substance or process for producing a substance and the Central Government is satisfied that it is expedient or necessary in the public interest that a licence under such a patent should be granted, the Central Government may, by notification in the Official Gazette, direct that the provisions of sub-section (1) and sub-section (2) respecting the grant of licences and settling of the terms thereof, in so far as they can be made applicable, shall apply to such a patent, and on the issue of such a notification the said provisions shall apply accordingly.”

K. V. K. SUNDARAM,
Secy. to the Govt. of India.

The Gazette of India



EXTRAORDINARY

PART II—Section 1

PUBLISHED BY AUTHORITY

No. 11] NEW DELHI, FRIDAY, MAY 1, 1953

MINISTRY OF LAW

New Delhi, the 2nd May, 1953

The following Act of Parliament received the assent of the President on the 1st May, 1953 and is hereby published for general information:—

THE CONSTITUTION (SECOND AMENDMENT) ACT, 1952

[1st May, 1953]

An Act further to amend the Constitution of India.

BE it enacted by Parliament as follows:—

1. Short title.—This Act may be called the Constitution (Second Amendment) Act, 1952.

2. Amendment of article 81.—In sub-clause (b) of clause (1) of article 81 of the Constitution, the words and figures “not less than one member for every 750,000 of the population and” shall be omitted.

K. Y. BHANDARKAR,
Secy. to the Govt. of India.

The Gazette  of India

EXTRAORDINARY
PART II—Section 1
PUBLISHED BY AUTHORITY

No. 32] NEW DELHI, WEDNESDAY, OCTOBER 14, 1953

MINISTRY OF LAW

New Delhi, the 14th October, 1953

THE EMPLOYEES' PROVIDENT FUNDS (AMENDMENT)
ORDINANCE, 1953

No. 1 OF 1953

An Ordinance to amend the Employees' Provident Funds
Act, 1952.

WHEREAS a Bill to amend the Employees' Provident Funds Act has been introduced in Parliament but has not yet been passed;

AND WHEREAS Parliament is not in session and the President is satisfied that circumstances exist which render it necessary for him to take immediate action to give effect to some of the amendments proposed in the said Bill;

Now, THEREFORE, in exercise of the powers conferred by clause (1) of article 123 of the Constitution, the President is pleased to promulgate the following Ordinance:—

1. Short title and commencement.—(1) This Ordinance may be called the Employees' Provident Funds (Amendment) Ordinance, 1953.

(2) It shall come into force at once.

2. Amendment of section 2, Act XIX of 1952.—In section 2 of the Employees' Provident Funds Act, 1952 (hereinafter referred to as the principal Act), after clause (i), the following clause shall be inserted, namely:—

“(ia) ‘manufacture’ means making, altering, ornamenting, finishing or otherwise treating or adapting any article or substance with a view to its use, sale, transport, delivery or disposal.”.

3. Amendment of section 5, Act XIX of 1952.—Section 5 of the principal Act shall be renumbered as sub-section (1) thereof and after sub-section (1) as so renumbered, the following sub-section shall be inserted, namely:—

“(2) A Scheme framed under sub-section (1) may provide that any of its provisions shall take effect either prospectively or retrospectively with effect from such date as may be specified in this behalf in the Scheme.”

4. Amendment of section 13, Act XIX of 1952.—In sub-section (2) of section 13 of the principal Act,—

(a) after the words “have been complied with”, the following shall be inserted, namely:—

“in respect of a factory to which any Scheme applies or for the purpose of ascertaining whether the provisions of this Act or any Scheme are applicable to any factory to which the Scheme has not been applied or for the purpose of determining whether the conditions subject to which exemption was granted under section 17 are being complied with,—”;

(b) in clause (a), the words “in relation to the Scheme” shall be omitted.

5. Amendment of section 14, Act XIX of 1952.—In section 14 of the principal Act, after sub-section (2), the following sub-section shall be inserted, namely:—

“(2A) Whoever contravenes or makes default in complying with any provision of this Act or of any condition subject to which exemption was granted under section 17 shall, if no other penalty is elsewhere provided by or under this Act for such contravention or non-compliance, be punishable with imprisonment which may extend to three months, or with fine which may extend to one thousand rupees, or with both.”

6. Substitution of new section for section 17 in Act XIX of 1952.—For section 17 of the principal Act, the following section shall be substituted, namely:—

“17. *Power to exempt.*—(1) The appropriate Government may, by notification in the Official Gazette and subject to such conditions as may be specified in the notification, exempt from the operation of all or any of the provisions of any Scheme—

(a) any factory to which this Act applies if, in the opinion of the appropriate Government, the rules of its provident fund with respect to the rates of contribution are not less favourable than those specified in section 6 and the employees are also in enjoyment of other provident fund benefits which on the whole are not less favourable to the employees than the benefits provided under this Act or any Scheme in relation to the employees in any other factory of a similar character; or

(b) any factory if the employees of such factory are in enjoyment of benefits in the nature of provident fund,

pension or gratuity and the appropriate Government is of opinion that such benefits, separately or jointly, are on the whole not less favourable to such employees than the benefits provided under this Act or any Scheme in relation to employees in any other factory of a similar character.

Explanation.—The following conditions shall be deemed to be always included in the conditions which may be specified in a notification under clause (a), namely:—

(i) the amount of accumulations in the provident fund shall be invested in such manner as the Central Government may direct;

(ii) the amount of accumulations to the credit of an employee in the provident fund shall, where he leaves his employment and obtains re-employment in another factory to which this Act applies, be transferred, within such time as may be specified in this behalf by the Central Government, to the credit of his account in the provident fund of the factory in which he is re-employed or, as the case may be, in the Fund established under the Scheme applicable to the factory.

(2) Any Scheme may make provision for exemption of any person or class of persons employed in any factory to which the Scheme applies from the operation of all or any of the provisions of the Scheme, if such person or class of persons is entitled to benefits in the nature of provident fund, gratuity or old age pension and such benefits, separately or jointly, are on the whole not less favourable than the benefits provided under this Act or the Scheme:

Provided that no such exemption shall be granted in respect of a class of persons unless the appropriate Government is of opinion that the majority of persons constituting such class desire to continue to be entitled to such benefits.

(3) Where any person or class of persons employed in a factory is exempted from the operation of all or any of the provisions of any Scheme under sub-section (2), the employer in relation to such a factory—

(a) shall, in relation to the provident fund, old age pension and gratuity to which such person or class of persons is entitled, maintain such accounts, submit such returns, make such investments, provide for such facilities for inspection and pay such inspection charges, as the Central Government may direct; and

(b) shall not, at any time after the exemption, without the leave of the Central Government, reduce the total quantum of benefits in the nature of old age pension, gratuity or provident fund to which such person or class of persons was entitled at the time of the exemption."

7. Insertion of new section 19A in Act XIX of 1952.—After section 19 of the principal Act, the following section shall be inserted, namely:—

“19A. *Power to remove difficulties.*—If any difficulty arises in giving effect to the provisions of this Act, and in particular, if any doubt arises as to—

(i) whether a factory is engaged in any industry specified in Schedule I; or

(ii) whether fifty or more persons are employed in a factory; or

(iii) whether three years have elapsed from the establishment of a factory; or

(iv) whether the total quantum of benefits to which an employee is entitled has been reduced by the employer;

the Central Government may, by order, make such provision or give such direction, not inconsistent with the provisions of this Act, as appear to it to be necessary or expedient for the removal of the doubt or difficulty; and the order of the Central Government, in such cases, shall be final.”

8. Substitution of a new Schedule for Schedule I in Act XIX of 1952.—For Schedule I of the principal Act, the following Schedule shall be substituted, namely:—

“SCHEDULE I

[See sections 2(i) and 4]

Any industry engaged in the manufacture of any of the following:—

Cement.

Cigarettes.

Electrical, mechanical or general engineering products.

Iron and steel.

Paper.

Textiles (made wholly or in part of cotton or wool or jute or silk, whether natural or artificial).

Explanation.—In this Schedule, without prejudice to the ordinary meaning of the expressions used therein,—

(a) the expression ‘Electrical, mechanical or general engineering products’ includes—

(1) machinery and equipment for the generation, transmission, distribution or measurement of electrical energy and motors including cables and wires,

(2) telephones, telegraph and wireless communication apparatus,

(3) electric lamps (not including glass bulbs),

- (4) electric fans and electrical domestic appliances,
- (5) storage and dry batteries,
- (6) radio receivers and sound reproducing instruments,
- (7) machinery used in industry (including textile machinery) other than electrical machinery and machine tools,
- (8) boilers and prime movers, including internal combustion engines, marine engines and locomotives,
- (9) machine tools, that is to say, metal and wood working machinery,
- (10) grinding wheels,
- (11) ships,
- (12) automobiles and tractors,
- (13) bolts, nuts and rivets,
- (14) power driven pumps,
- (15) bicycles,
- (16) hurricane lanterns,
- (17) sewing and knitting machines,
- (18) mathematical and scientific instruments,
- (19) products of metal rolling and re-rolling,
- (20) wires, pipes, tubes and fittings,
- (21) ferrous and non-ferrous castings,
- (22) safes, vaults and furniture made of iron or steel or steel alloys,
- (23) cutlery and surgical instruments,
- (24) drums and containers,
- (25) parts and accessories of products specified in items 1 to 24;

(b) the expression 'Iron and Steel' includes pig iron, ingots, blooms, billets and rolled or re-rolled products into basic forms and tool and alloy steel;

(c) the expression 'Paper' includes pulp, paper board and straw-board;

(d) the expression 'Textiles' includes the products of carding, spinning, weaving, finishing and dyeing yarn and fabrics, printing, knitting and embroidering."

RAJENDRA PRASAD,

President.

K. Y. BHANDARKAR,

Secy. to the Govt. of India.

REGISTERED No. D. 221.

The Gazette  of India

EXTRAORDINARY
PART II Section 1
PUBLISHED BY AUTHORITY

No. 33] NEW DELHI, THURSDAY, OCTOBER 22, 1953

MINISTRY OF LAW

New Delhi, the 22nd October, 1953

THE REHABILITATION FINANCE ADMINISTRATION
(AMENDMENT) ORDINANCE, 1953

No. 2 OF 1953

An Ordinance further to amend the Rehabilitation Finance Administration Act, 1948.

WHEREAS a Bill further to amend the Rehabilitation Finance Administration Act, 1948, has been introduced in Parliament but has not yet been passed;

AND WHEREAS Parliament is not in session and the President is satisfied that circumstances exist which render it necessary for him to take immediate action to give effect to the amendments proposed in the said Bill;

Now, THEREFORE, in exercise of the powers conferred by clause (1) of article 123 of the Constitution, the President is pleased to promulgate the following Ordinance:—

1. Short title and commencement.—(1) This Ordinance may be called the Rehabilitation Finance Administration (Amendment) Ordinance, 1953.

(2) It shall come into force at once.

2. Act XII of 1948 to be temporarily amended.—The Rehabilitation Finance Administration Act, 1948 (hereinafter referred to as the principal Act) shall, during the period of operation of this Ordinance, have effect subject to the amendments specified in sections 3 to 6.

3. Amendment of section 11, Act XII of 1948.—For sub-section (1) of section 11 of the principal Act, the following sub-section shall be substituted, namely:—

“(1) The Central Government may from time to time advance money to the Administration for its business, the aggregate amount of which,—

(a) for the purpose of enabling the Administration to advance loans, shall not, save as hereinafter provided, exceed twelve crores and fifty lakhs of rupees; and

(b) for the purpose of enabling the Administration to meet any liability which it may incur in guaranteeing losses in respect of loans advanced by scheduled banks, shall not exceed two crores of rupees:

Provided that if after the lapse of such period from the commencement of this Ordinance as the Central Government may think fit to fix in this behalf, any sum of money earmarked for the purpose specified in clause (b) is found not to have been actually advanced for that purpose and is not, in the opinion of the Central Government, likely to be required for the said purpose, the Central Government may utilise the money for making advances from time to time to the Administration for the purpose specified in clause (a), and when any such advance is made, the limit specified in clause (a) shall be deemed to have been correspondingly increased.”

4. Substitution of new section for section 12 in Act XII of 1948.—For section 12 of the principal Act, the following section shall be substituted, namely:—

“12. *Business of the Administration.*—The Administration may—

(a) subject to the provisions of section 13, advance loans;

(b) guarantee, on such terms and conditions as may be agreed upon, losses which a scheduled bank may suffer in respect of any loan advanced by it and approved by the Administration:

Provided that the total amount which may be guaranteed in respect of any scheduled bank and the terms and conditions on which such guarantee may be given shall be subject to the prior approval of the Central Government:

Provided further that the maximum liability of the Administration under such guarantee shall not exceed the amount for the time being available under clause (b) of sub-section (1) of section 11;

(c) do all such acts and things as may be incidental to or consequential upon the performance of its functions under this Act including the running of the Administration.”

5. Amendment of section 13, Act XII of 1948.—In sub-section (4) of section 13 of the principal Act, for the word “ten” the word “fifteen” shall be substituted.

6. Substitution of new section for section 16 in Act XII of 1948.—For section 16 of the principal Act, the following section shall be substituted, namely:—

“16. *Accounts and audit.*—(1) The Administration shall maintain proper accounts and other relevant records and prepare an annual statement of accounts including the profit and loss account and the balance sheet in such form as may be prescribed by the Central Government in consultation with the Comptroller and Auditor-General of India.

(2) The accounts of the Administration 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 Administration 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 Administration 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 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 Administration.

(4) The accounts of the Administration 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 both Houses of Parliament.”

RAJENDRA PRASAD,

President.

K. Y. BHANDARKAR,

Secy. to the Govt. of India.

REGISTERED No. D. 221

The Gazette  **of India**

EXTRAORDINARY

PART II—Section 1

PUBLISHED BY AUTHORITY

No. 34] NEW DELHI, SATURDAY, OCTOBER 24, 1953

MINISTRY OF LAW

New Delhi, the 24th October, 1953

THE SEA CUSTOMS (AMENDMENT) ORDINANCE, 1953

No. 3 OF 1953

An Ordinance further to amend the Sea Customs Act, 1878.

WHEREAS a Bill to amend the Sea Customs Act has been introduced in Parliament but has not yet been passed;

AND WHEREAS Parliament is not in session and the President is satisfied that circumstances exist which render it necessary for him to take immediate action to give effect to the amendments proposed in the said Bill;

NOW, THEREFORE, in exercise of the powers conferred by clause (1) of article 128 of the Constitution, the President is pleased to promulgate the following Ordinance:—

1. Short title and commencement.—(1) This Ordinance may be called the Sea Customs (Amendment) Ordinance, 1953.

(2) It shall come into force at once.

2. Act VIII of 1878 to be temporarily amended.—The Sea Customs Act, 1878 (hereinafter referred to as the principal Act) shall, during the period of operation of this Ordinance, have effect subject to the amendments specified in sections 3, 4 and 5.

3. Insertion of new section 43B in Act VIII of 1878.—After section 43A of the principal Act, the following section shall be inserted, namely:—

“43B. Drawback on imported materials used in the manufacture of goods which are exported.—(1) Where it appears to the Central Government that, in the case of goods of any class or description

manufactured in, and exported from, India or shipped as provisions or stores for use on board a ship proceeding to a foreign port, a drawback should be allowed of duties of customs chargeable under this Act in respect of any material of a class or description used in the manufacture of such goods, the Central Government may, by notification in the Official Gazette, direct that a drawback shall be allowed in respect of such goods in accordance with, and subject to, the provisions of this section and any rules made thereunder.

(2) A drawback under this section shall be allowed only in respect of such quantity and material as is shown to the satisfaction of the Customs-collector to be duty-paid.

(3) The Central Government may make rules for the purpose of carrying out the provisions of this section and, in particular, such rules may—

(a) specify the class or description of manufactured goods in the case of which, and the class or description of material in respect of which, drawback is to be paid;

(b) provide for drawback to be paid in respect of such quantity of material of that class or description as is actually contained in the goods or is specified in the rules as being the average quantity of such material used in the manufacture of goods of that class or description either by manufacturers generally or by any particular manufacturer;

(c) specify the rate of drawback to be payable with reference to the weight, quantity or any other basis as the Central Government may deem fit;

(d) provide for the admissibility of drawback for any specific period or without any limit of period;

(e) provide for requiring the manufacturer of goods in the case of which drawback is to be paid to produce, to the Customs-collector, evidence relating to the proportion in which the material in respect of which drawback is claimed is contained in such goods and the payment of duty on such material;

(f) provide for requiring persons who have been concerned at any stage with goods in the case of which drawback is claimed under this section to furnish such information as may, in the opinion of the Customs-collector, be necessary to enable him to determine whether duty has been paid on the material contained in the goods in respect of which a claim is made and for requiring such persons to produce any books of account or other documents of whatever nature relating to that material;

(g) provide for the production of such certificates, documents and other evidence in support of each claim of drawback as may be necessary;

(h) provide for requiring the manufacturer to give access to every part of his manufactory to any officer of the Central Government specially authorised in this behalf by the Chief Customs Officer or the Chief Customs Authority to enable such authorised Officer to inspect the processes of manufacture and

to verify by actual check or otherwise the statements made in support of the claim for drawback.

Explanation.—In this section the expression ‘manufacture’ (with its grammatical variations and cognate expressions) includes the processes of blending any goods or making of other alterations therein.”

4. Insertion of new section 100A in Act VIII of 1878.—After section 100 of the principal Act, the following section shall be inserted, namely:—

“100A. *Manufacture of goods in bonded warehouses.*—(1) With the sanction of the Customs-collector, and after such notice given and under such rules as the Chief Customs Authority from time to time prescribes, any owner of goods may, after warehousing the same—

(a) carry on any manufacturing process in the warehouse in relation to such goods;

(b) blend the goods or make any other alteration therein for any purpose whatsoever.

(2) Without prejudice to the generality of the power conferred by sub-section (1), the rules which the Chief Customs Authority may prescribe under that sub-section may provide for all or any of the following matters, namely:—

(a) the conditions relating to the storage of duty-paid and other goods in the warehouse for the purpose of carrying on therein any operations permissible under sub-section (1);

(b) the supervision by officers of customs over such operations and the payment of fees for such supervision;

(c) the security to be furnished for the due observance of any rules and conditions prescribed under this section.

(3) After any operations permissible under this section have been carried out in the warehouse and the warehoused goods repacked in proper or approved packages, the Customs-collector may, at the request of the owner of such goods, cause or permit any refuse, damaged or surplus goods remaining after the completion of such operations or repacking (or, at the like request, any goods which may not be worth the duty) to be destroyed, and may remit the duty payable thereon.

(4) The Central Government may, by notification in the Official Gazette, exempt any goods manufactured, blended or otherwise altered in a warehouse, when cleared for home consumption, from the whole or any part of the duties leviable thereon.”

5. Amendment of Schedule to section 167, Act VIII of 1878.—In the Schedule to section 167 of the principal Act,—

(a) in item 1. in the entry in the first column, the words ‘for the contravention of which no specific penalty is prescribed’ shall be inserted at the end;

(b) after item 10, the following item shall be inserted, namely:—

" 10A. If a claim for drawback in respect of any goods is made in contravention of section 43B or any rules made thereunder.

Such goods shall be liable to confiscation ;

43 B, any person concerned in any such offence shall be liable to a penalty not exceeding twice the amount of drawback claimed or not exceeding one thousand rupees."

(c) in item 47—

(i) in the entry in the first column, for the words and figures 'in section 100' the words, figures and letters 'in section 100 or section 100A or in any rules made under section 100A' shall be substituted;

(ii) in the entry in the second column, for the figures '98 & 100' the figures, word and letter '98, 100 & 100A' shall be substituted.

RAJENDRA PRASAD,
President.

K. Y. BHANDARKAR,
Secy. to the Govt. of India.

The Gazette  of India

EXTRAORDINARY
PART II—Section 1
PUBLISHED BY AUTHORITY

No. 35] NEW DELHI, SATURDAY, OCTOBER 24, 1953

MINISTRY OF LAW

New Delhi, the 24th October, 1953

THE BANKING COMPANIES (AMENDMENT)
ORDINANCE, 1953

No. 4 OF 1953

An Ordinance further to amend the Banking Companies
Act, 1949.

WHEREAS Parliament is not in session and the President is satisfied that circumstances exist which render it necessary for him to take immediate action;

NOW, THEREFORE, in exercise of the powers conferred by clause (1) of article 123 of the Constitution, the President is pleased to promulgate the following Ordinance:—

1. Short title and commencement.—(1) This Ordinance may be called the Banking Companies (Amendment) Ordinance, 1953.

(2) It shall come into force at once.

2. Act X of 1949 to be temporarily amended.—The Banking Companies Act, 1949 (hereinafter referred to as the principal Act) shall, during the period of operation of this Ordinance, have effect subject to the amendments specified in sections 3 to 13.

3. Amendment of section 5, Act X of 1949.—In section 5 of the principal Act, clause (e) of sub-section (1) shall be omitted.

4. Insertion of new section 36A in Part III in Act X of 1949.—In Part III of the principal Act, after section 36, the following section shall be inserted, namely:—

“36A. *High Court defined.*—In this Part and in Part IIIA, ‘High Court’, in relation to a banking company, means the High Court exercising jurisdiction in the place where the registered office of the banking company is situated or, in the case of a

banking company incorporated outside India, where its principal place of business in India is situated”.

5. Substitution of 'High Court' for Court in Part III in Act X of 1949.—In Part III of the principal Act, for the word “Court” wherever it occurs the words “High Court” shall be substituted.

6. Amendment of section 37, Act X of 1949.—In section 37 of the principal Act, after sub-section (2), the following sub-section shall be inserted, namely:—

“(3) When an application is made under sub-section (1), the High Court may appoint a special officer who shall forthwith take into his custody or under his control all the assets, books, documents, effects and actionable claims to which the banking company is or appears to be entitled and shall also exercise such other powers as the High Court may deem fit to confer on him, having regard to the interests of the depositors of the banking company”.

7. Insertion of new section 38A in Act X of 1949.—After section 38 of the principal Act, the following section shall be inserted, namely:—

“38A. *Court liquidator.*—(1) There shall be attached to every High Court a court liquidator to be appointed by it for the purpose of conducting all proceedings for the winding up of banking companies and performing such other duties in reference thereto as the High Court may impose.

(2) Where there is a court liquidator attached to a High Court and an order is passed by the High Court for the winding up of any banking company, then, notwithstanding anything contained in section 171A or section 175 of the Indian Companies Act, 1913 (VII of 1913), the court liquidator shall become the official liquidator of the banking company unless the High Court, having regard to the special circumstances obtaining in the case of the banking company and for reasons to be recorded, otherwise directs in the order for the winding up of the banking company.

(3) Where there is a court liquidator attached to a High Court and any proceeding for the winding up of a banking company in which any person other than the Reserve Bank or the court liquidator has been appointed as official liquidator is pending before the High Court immediately before the commencement of the Banking Companies (Amendment) Ordinance, 1953, or the date on which the court liquidator is so attached to the High Court, whichever is later, then, notwithstanding anything contained in section 176 of the Indian Companies Act, 1913 (VII of 1913), the person appointed as official liquidator shall, on such commencement or, as the case may be, on the aforesaid date, be deemed to have vacated his office as such and the vacancy so caused shall be deemed to be filled up by the appointment of the court liquidator as the official liquidator:

Provided that where the High Court is of opinion that the appointment of the court liquidator would be detrimental to the

interests of the depositors of the banking company, it may direct the person appointed as the official liquidator to continue to act as such.

(4) Where having regard to the number of banking companies wound up and other circumstances of the case, the Central Government is of opinion that it is not necessary or expedient to attach for the time being a court liquidator to a High Court, it may, from time to time, by notification in the Official Gazette, direct that this section shall not have effect in relation to that High Court".

8. Amendment of section 39, Act X of 1949.—In section 39 of the principal Act, after the words "Notwithstanding anything contained" the words and figures "in section 39 or" shall be inserted.

9. Substitution of new sections for section 43 in Act X of 1949.—For section 43 of the principal Act, the following sections shall be substituted, namely:—

"43. *Booked depositors' credits to be deemed proved.*—In any proceeding for the winding up of a banking company, every depositor of the banking company shall be deemed to have filed his claim for the amount shown in the books of the banking company as standing to his credit and, notwithstanding anything to the contrary contained in section 191 of the Indian Companies Act, 1913 (VII of 1913), the High Court shall presume such claim to have been proved, unless the official liquidator shows that there is reason for doubting its correctness.

43A. *Preferential payment to small depositors.*—(1) In every proceeding for the winding up of a banking company, after the preferential payments referred to in section 230 of the Indian Companies Act, 1913 (VII of 1913) have been made, there shall be paid, to every depositor in the savings bank account of the banking company, a sum of one hundred rupees or the balance at his credit, whichever is less, in priority to all other debts from out of the remaining assets of the banking company available for payment of general creditors.

(2) The aforesaid payments shall rank equally among themselves and be paid in full, unless the assets are insufficient to meet them, in which case they shall abate in equal proportion".

10. Amendment of section 45, Act X of 1949.—Section 45 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 "as not being detrimental to the interests of the depositors of such company", the words "in writing as not being incapable of being worked and as not being detrimental to the interests of the depositors of such banking company" shall be substituted;

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

"(2) Where an application under section 153 of the Indian Companies Act, 1913 (VII of 1913) is made in respect of a banking company, the High Court may direct the Reserve

Bank to make an inquiry in relation to the affairs of the banking company and the conduct of its directors and when such a direction is given, the Reserve Bank shall make such inquiry and submit its report to the High Court”.

11. Substitution of new Part for Part IIIA in Act X of 1949.—For Part IIIA of the principal Act, the following Part shall be substituted, namely:—

“PART IIIA

SPECIAL PROVISIONS FOR SPEEDY DISPOSAL OF WINDING UP PROCEEDINGS

45A. *Part IIIA to override other laws.*—The provisions of this Part and the rules made thereunder shall have effect notwithstanding anything inconsistent therewith contained in the Indian Companies Act, 1913 (VII of 1913) or the Code of Civil Procedure, 1908 (Act V of 1908) or the Code of Criminal Procedure, 1898 (Act V of 1898) or any other law for the time being in force or any instrument having effect by virtue of any such law but the provisions of any such law or instrument in so far as the same are not varied by, or inconsistent with, the provisions of this Part or rules made thereunder shall apply to all proceedings under this Part.

45B. *Power of High Court to decide all claims in respect of, banking companies.*—The High Court shall, save as otherwise expressly provided in section 45C, have exclusive jurisdiction to entertain and decide any claim made by or against a banking company which is being wound up (including claims by or against any of its branches in India) or any application made under section 153 of the Indian Companies Act, 1913 (VII of 1913) by or in respect of a banking company or any question of priorities or any other question whatsoever, whether of law or fact, which may relate to or arise in the course of the winding up of a banking company, whether such claim or question has arisen or arises or such application has been made or is made before or after the date of the order for the winding up of the banking company or before or after the commencement of the Banking Companies (Amendment) Ordinance, 1953.

45C. *Transfer of pending proceedings.*—(1) Where a winding up order is made or has been made in respect of a banking company, no suit or other legal proceeding, whether civil or criminal, in respect of which the High Court has jurisdiction under this Act and which is pending in any other court immediately before the commencement of the Banking Companies (Amendment) Ordinance, 1953, or the date of the order for the winding up of the banking company, whichever is later, shall be proceeded with except in the manner hereinafter provided.

(2) The official liquidator shall, within three months from the date of the winding up order or the commencement of the Banking Companies (Amendment) Ordinance, 1953, whichever is later, submit to the High Court a report containing a list of all such pending proceedings together with particulars thereof.

(3) On receipt of a report under sub-section (2), the High Court may, if it so thinks fit, give the parties concerned an opportunity to show cause why the proceedings should not be transferred to itself and after making an inquiry in such manner as may be provided by rules made under section 45U, it shall make such order as it deems fit transferring to itself all or such of the pending proceedings as may be specified in the order and such proceedings shall thereafter be disposed of by the High Court.

(4) If any proceeding pending in a court is not so transferred to the High Court under sub-section (3), such proceeding shall be continued in the court in which the proceeding was pending.

(5) Nothing in this section shall apply to any proceeding pending in appeal before the Supreme Court or a High Court.

45D. *Settlement of list of debtors.*—(1) Notwithstanding anything to the contrary contained in any law for the time being in force, the High Court may settle in the manner hereinafter provided a list of debtors of the banking company which is being wound up.

(2) Subject to any rules that may be made under section 52, the official liquidator shall, within six months from the date of the winding up order or the commencement of the Banking Companies (Amendment) Ordinance, 1953, whichever is later, from time to time, file to the High Court lists of debtors containing such particulars as are specified in the Fourth Schedule:

Provided that such lists may, with the leave of the High Court, be filed after the expiry of the said period of six months.

(3) On receipt of any list under sub-section (2), the High Court shall, wherever necessary, cause notices to be issued on all persons affected and after making an inquiry in such manner as may be provided by rules made under section 45U, it shall make an order settling the list of debtors:

Provided that nothing in this section shall debar the High Court from settling any such list in part as against such of the persons whose debts have been settled without settling the debts of all the persons placed on the list.

(4) At the time of the settlement of any such list, the High Court shall pass an order for the payment of the amount due by each debtor and make such further orders as may be necessary in respect of the relief claimed, including reliefs against any guarantor or in respect of the realisation of any security.

(5) Every such order shall, subject to the provisions for appeal, be final and binding for all purposes as between the banking company on the one hand and the person against whom the order is passed and all persons claiming through or under him on the other hand, and shall be deemed to be a decree in a suit.

(6) In respect of every such order, the High Court shall issue a certificate specifying clearly the reliefs granted and the names and descriptions of the parties against whom such reliefs have been granted, the amount of costs awarded and by whom, and out of what funds and in what proportion, such costs are to be paid; and every such certificate shall be deemed to be a certified copy of the decree for all purposes including execution.

(7) At the time of settling the list of debtors or at any other time prior or subsequent thereto, the High Court shall have power to pass any order in respect of a debtor on the application of the official liquidator for the realisation, management, protection, preservation or sale of any property given as security to the banking company and to give such powers to the official liquidator to carry out the aforesaid directions as the High Court thinks fit.

(8) The High Court shall have power to sanction a compromise in respect of any debt and to order the payment of any debt by instalments.

(9) In any case in which any such list is settled *ex parte* as against any person, such person may, within thirty days from the date of the order settling the list, apply to the High Court for an order to vary such list, so far as it concerns him, and if the High Court is satisfied that he was prevented by any sufficient cause from appearing on the date fixed for the settlement of such list and that he has a good defence to the claim of the banking company on merits, the High Court may vary the list and pass such orders in relation thereto as it thinks fit:

Provided that the High Court may, if it so thinks fit, entertain the application after the expiry of the said period of thirty days.

(10) Nothing in this section shall—

(a) apply to a debt which has been secured by a mortgage of immovable property, if a third party has any interest in such immovable property; or

(b) prejudice the rights of the official liquidator to recover any debt due to a banking company under any other law for the time being in force.

45E. *Special provisions to make calls on contributories.*—Notwithstanding that the list of the contributories has not been settled under section 184 of the Indian Companies Act, 1913 (VII of 1913), the High Court may, if it appears to it necessary or expedient so to do, at any time after making a winding up order, make a call on and order payment thereof by any contributory under sub-section (1) of section 187 of the Indian Companies Act, 1913, if such contributory has been placed on the list of contributories by the official liquidator and has not appeared to dispute his liability.

45F. *Documents of banking company to be evidence.*—(1) Entries in the books of account or other documents of a banking company which is being wound up shall be admitted in evidence in all proceedings by or against the banking company; and all such entries may be proved either by the production of the books of account or other documents of the banking company containing such entries or by the production of a copy of the entries, certified by the official liquidator under his signature and stating that it is a true copy of the original entries and that such original entries are contained in the books of account or other documents of the banking company in his possession.

(2) Notwithstanding anything to the contrary contained in the Indian Evidence Act, 1872 (I of 1872), all such entries in the books of account or other documents of a banking company shall, as against the directors of the banking company in respect of which the winding up order has been made before the commencement of the Banking Companies (Amendment) Ordinance, 1953, be *prima facie* evidence of the truth of all matters purporting to be therein recorded.

45G. *Public examination of directors and auditors.*—(1) Where an order has been made for the winding up of a banking company, the official liquidator shall submit a report whether in his opinion any loss has been caused to the banking company since its formation by any act or omission (whether or not a fraud has been committed by such act or omission) of any person in the promotion or formation of the banking company or of any director or auditor of the banking company.

(2) If, on consideration of the report submitted under subsection (1), the High Court is of opinion that any person who has taken part in the promotion or formation of the banking company or has been a director or an auditor of the banking company should be publicly examined, it shall hold a public sitting on a date to be appointed for that purpose and direct that such person, director or auditor shall attend thereat and shall be publicly examined as to the promotion or formation or the conduct of the business of the banking company, or as to his conduct and dealings, in so far as they relate to the affairs of the banking company.

(3) The official liquidator shall take part in the examination and for that purpose may, if specially authorised by the High Court in that behalf, employ such legal assistance as may be sanctioned by the High Court.

(4) Any creditor or contributory may also take part in the examination either personally or by any person entitled to appear before the High Court.

(5) The High Court may put such questions to the person examined as it thinks fit.

(6) The person examined shall be examined on oath and shall answer all such questions as the High Court may put or allow to be put to him.

(7) A person ordered to be examined under this section may, at his own cost, employ any person entitled to appear before the High Court who shall be at liberty to put to him such questions as the High Court may deem just for the purpose of enabling him to explain or qualify any answers given by him:

Provided that if he is, in the opinion of the High Court, exculpated from any charges or suggestions made against him, the High Court may allow him such costs in its discretion as it may deem fit.

(8) Notes of the examination shall be taken down in writing, and shall be read over to or by, and signed by, the person examined and may thereafter be used in evidence against him in any proceeding, civil or criminal, and shall be open to the inspection of any creditor or contributory at all reasonable times.

(9) Where on such examination, the High Court is of opinion (whether a fraud has been committed or not)—

(a) that a person who has been a director of the banking company is not fit to be a director of a company, or

(b) that a person who has been an auditor of the banking company or a partner of a firm acting as such auditor is not fit to act as an auditor of a company or to be a partner of a firm acting as such auditor,

the High Court may make an order that that person shall not, without the leave of the High Court, be a director of, or in any way, whether directly or indirectly, be concerned or take part in the management of any company or, as the case may be, act as an auditor of, or be a partner of a firm acting as auditors of, any company for such period not exceeding five years as may be specified in the order.

45H. *Special provisions for assessing damages against delinquent directors, etc.*—(1) Where an application is made to the High Court under section 235 of the Indian Companies Act, 1913 (VII of 1913) against any promoter, director, manager, liquidator or officer of a banking company for repayment or restoration of any money or property and the applicant makes out a *prima facie* case against such person, the High Court shall make an order against such person to repay and restore the money or property unless he proves that he is not liable to make the repayment or restoration either wholly or in part:

Provided that where such an order is made jointly against two or more such persons, they shall be jointly and severally liable to make the repayment or restoration of the money or property.

(2) Where an application is made to the High Court under section 235 of the Indian Companies Act, 1913 (VII of 1913) and the High Court has reason to believe that a property belongs to any promoter, director, manager, liquidator or officer of the banking company, whether the property stands in the name of such person or any other person as the ostensible owner, then, the High Court may, at any time, whether before or after making an order under sub-section (1), direct the attachment of such property, or such portion thereof, as it thinks fit and the property so

attached shall remain subject to attachment unless the ostensible owner can prove to the satisfaction of the High Court that he is the real owner and the provisions of the Code of Civil Procedure, 1908 (Act V of 1908) relating to attachment of property shall, as far as may be, apply to such attachment.

45I. *Duty of directors and officers of banking company to assist in the realisation of property.*—Every director or other officer of a banking company which is being wound up shall give such assistance to the official liquidator as he may require in the realisation and distribution of the property of the banking company and if the director or other officer fails to do so, he shall be guilty of contempt of court.

45J. *Special provisions for punishing offences in relation to banking companies being wound up.*—(1) The High Court may, if it thinks fit, take cognizance of and try in a summary way any offence alleged to have been committed by any person who has taken part in the promotion or formation of the banking company which is being wound up or by any director, manager or officer thereof:

Provided that the offence is one punishable under this Act or under the Indian Companies Act, 1913 (VII of 1913).

(2) When trying any such offence as aforesaid, the High Court may also try any other offence not specified under sub-section (1) which is an offence with which the accused may, under the Code of Criminal Procedure, 1898 (Act V of 1898), be charged at the same trial.

(3) In any case tried summarily under sub-section (1), the High Court—

(a) need not summon any witness, if it is satisfied that the evidence of such witness will not be material;

(b) shall not be bound to adjourn a trial for any purpose unless such adjournment is, in the opinion of the High Court, necessary in the interests of justice;

(c) shall, before passing any sentence, record judgment embodying the substance of the evidence and also the particulars specified in section 263 of the Code of Criminal Procedure, 1898 (Act V of 1898), so far as that section may be applicable;

and nothing contained in sub-section (2) of section 262 of the Code of Criminal Procedure, 1898, shall apply to any such trial.

(4) All offences in relation to winding up alleged to have been committed by any person specified in sub-section (1) which are punishable under this Act or under the Indian Companies Act, 1913 (VII of 1913) and which are not tried in a summary way under sub-section (1) shall, notwithstanding anything to the contrary contained in that Act or the Code of Criminal Procedure, 1898 (Act V of 1898), or in any other law for the time being in force, be taken cognizance of and tried by a Judge of the High Court other than the Judge for the time being dealing with the proceedings for the winding up of the banking company.

(5) Notwithstanding anything to the contrary contained in the Code of Criminal Procedure, 1898 (Act V of 1898), the High Court may take cognizance of any offence under this section without the accused being committed to it for trial and all such trials shall be without the aid of a jury.

45K. *Power of High Court to enforce schemes of arrangement, etc.*—(1) Where a High Court makes an order under section 153 of the Indian Companies Act, 1913 (VII of 1913) sanctioning a compromise or arrangement in respect of a banking company, it shall have power to supervise the carrying out of the compromise or arrangement and may at the time of making such order or at any time thereafter give such directions in regard to any matter or make such modifications in the compromise or arrangement, as it may consider necessary for the proper working of the compromise or arrangement.

(2) If the High Court is satisfied that a compromise or arrangement sanctioned under section 153 of the Indian Companies Act, 1913 (VII of 1913) cannot be worked satisfactorily with or without modifications, it may, either on its own motion or on the application of any person interested in the affairs of the banking company, make an order winding up the banking company and such an order shall be deemed to be an order made under section 162 of the Indian Companies Act, 1913.

(3) The provisions of this section shall, so far as they may apply to a banking company in respect of which an order under section 153 of the Indian Companies Act, 1913 (VII of 1913) sanctioning a compromise or arrangement has been made before the commencement of the Banking Companies (Amendment) Ordinance, 1953.

45L. *Public examination of directors and auditors, etc., in respect of a banking company under schemes of arrangement.*—

(1) Where an application for sanctioning a compromise or arrangement in respect of a banking company is made under section 153 of the Indian Companies Act, 1913 (VII of 1913) or where such sanction has been given and the High Court is of opinion, whether on a report of the Reserve Bank or otherwise, that any person who has taken part in the promotion or formation of the banking company or has been a director or auditor of the banking company should be publicly examined, it may direct such examination of such person and the provisions of section 45G shall, as far as may be, apply to the banking company as they apply to a banking company which is being wound up.

(2) Where a compromise or arrangement is sanctioned under section 153 of the Indian Companies Act, 1913 (VII of 1913) in respect of a banking company, the provisions of section 235 of the said Act and of section 45H of this Act shall, as far as may be, apply to the banking company which is being wound up as if the order sanctioning the compromise or arrangement were an order for the winding up of the banking company.

45M. *Special provisions for banking companies working under schemes of arrangement at the commencement of the Ordinance.*—Where any compromise or arrangement sanctioned in

respect of a banking company under section 153 of the Indian Companies Act, 1913 (VII of 1913) is being worked at the commencement of the Banking Companies (Amendment) Ordinance, 1953, the High Court may, if it so thinks fit, on the application of such banking company,—

(a) excuse any delay in carrying out any of the provisions of the compromise or arrangement; or

(b) allow the banking company to settle the list of its debtors in accordance with the provisions of section 45D and in such a case, the provisions of the said section shall, as far as may be, apply to the banking company as they apply to a banking company which is being wound up as if the order sanctioning the compromise or arrangement were an order for the winding up of the banking company.

45N. *Appeals.*—(1) An appeal shall lie from any order or decision of the High Court under this Act when the amount or value of the subject-matter of the claim exceeds five thousand rupees.

(2) The High Court may by rules provide for an appeal against any order made under section 45J and the conditions subject to which any such appeal would lie.

(3) Subject to the provisions of sub-section (1) and sub-section (2) and notwithstanding anything contained in any other law for the time being in force, every order or decision of the High Court shall be final and binding for all purposes as between the banking company on the one hand, and all persons who are parties thereto and all persons claiming through or under them or any of them, on the other hand.

45O. *Special period of limitation.*—(1) Notwithstanding anything to the contrary contained in the Indian Limitation Act, 1908 (IX of 1908) or in any other law for the time being in force, in computing the period of limitation prescribed for a suit or application by a banking company which is being wound up, the period commencing from the date of the presentation of the petition for the winding up of the banking company shall be excluded.

(2) Notwithstanding anything to the contrary contained in the Indian Limitation Act, 1908 (IX of 1908) or section 235 of the Indian Companies Act, 1913 (VII of 1913) or in any other law for the time being in force, there shall be no period of limitation for the recovery of arrears of calls from any director of a banking company which is being wound up or for the enforcement by the banking company against any of its directors of any claim based on a contract, express or implied; and in respect of all other claims by the banking company against its directors, the period of limitation shall be twelve years from the date of the accrual of such claims.

(3) The provisions of this section shall, as far as may be, apply to a banking company in respect of which a petition for the winding up has been presented before the commencement of the Banking Companies (Amendment) Ordinance, 1953.

45P. *Reserve Bank to tender advice in winding up proceedings.*—Where in any proceeding for the winding up of a banking company in which any person other than the Reserve Bank has been appointed as the official liquidator and the High Court has directed the official liquidator to obtain the advice of the Reserve Bank on any matter (which it is hereby empowered to do), it shall be lawful for the Reserve Bank to examine the record of any such proceeding and tender such advice on the matter as it may think fit.

45Q. *Power to inspect.*—(1) The Reserve Bank shall, on being directed so to do by the Central Government or by the High Court, cause an inspection to be made by one or more of its officers of a banking company which is being wound up and its books and accounts.

(2) On such inspection, the Reserve Bank shall submit its report to the Central Government and the High Court.

(3) If the Central Government, on consideration of the report of the Reserve Bank, is of opinion that there has been a substantial irregularity or breach of duty in the winding up proceedings, it may bring such irregularity to the notice of the High Court for such action as the High Court may think fit.

(4) On receipt of the report of the Reserve Bank under sub-section (2) or on any irregularity being brought to its notice by the Central Government under sub-section (3), the High Court may, if it deems fit, after giving notice to and hearing the Central Government in regard to the report, give such directions as it may consider necessary.

45R. *Power to call for returns and information.*—The Reserve Bank may, at any time by a notice in writing, require the liquidator of a banking company to furnish it, within such time as may be specified in the notice or such further time as the Reserve Bank may allow, any statement or information relating to or connected with the winding up of the banking company; and it shall be the duty of every liquidator to comply with such requirements.

Explanation.—For the purposes of this section and section 45Q, a banking company working out a compromise or arrangement but prohibited from receiving fresh deposits, shall, as far as may be, be deemed to be a banking company which is being wound up.

45S. *Chief presidency magistrate and district magistrate to assist official liquidator in taking charge of property of banking company being wound up.*—(1) For the purpose of enabling the official liquidator or the special officer appointed under sub-section (3) of section 37 to take in his custody or under his control, all property, effects and actionable claims to which a banking company, which has been ordered to be wound up, is or appears to be entitled, the official liquidator or the special officer, as the case may be, may request in writing the chief presidency magistrate

or the district magistrate, within whose jurisdiction any property, books of account or other documents of such banking company may be situate or is to be found, to take possession thereof, and the chief presidency magistrate or the district magistrate, as the case may be, shall, on such request being made to him, take possession of such property, books of account or other documents and forward them to the official liquidator or the special officer.

(2) For the purpose of securing compliance with the provisions of sub-section (1), the chief presidency magistrate or the district magistrate may take or cause to be taken such steps and use or cause to be used such force as may, in his opinion, be necessary.

45T. *Enforcement of orders and decisions of High Court.*—

(1) All orders made in any civil proceeding by a High Court may be enforced in the same manner in which decrees of such court made in any suit pending therein may be enforced.

(2) Notwithstanding anything to the contrary contained in the Code of Civil Procedure, 1908 (Act V of 1908), a liquidator may apply for the execution of a decree by a court other than the one which made it on production of a certificate granted under sub-section (6) of section 45D and on his certifying to such other court in writing the amount remaining due or relief remaining unenforced under the decree.

(3) Without prejudice to the provisions of sub-section (1) or sub-section (2), any amount found due to the banking company by an order or decision of the High Court may, with the leave of the High Court, be recovered in the same manner as an arrear of land revenue.

45U. *Power of High Court to make rules.*—The High Court may make rules consistent with this Act and the rules made under section 52 prescribing—

(a) the manner in which inquiries and proceedings under Part III or Part IIIA may be held;

(b) the offences which may be tried summarily;

(c) the authority to which and the conditions subject to which appeals may be preferred and the manner in which such appeals may be filed and heard;

(d) any other matter for which provision has to be made for enabling the High Court to effectively exercise its functions under this Act.

45V. *Part II not to apply to banking companies being wound up.*—Nothing contained in Part II shall apply to a banking company which is being wound up.

45W. *Validation of certain proceedings.*—Notwithstanding anything contained in section 45B or any other provision of this Part or in section 11 of the Banking Companies (Amendment) Act, 1950 (XX of 1950), no proceeding held, judgment delivered or decree or order made before the commencement of the Banking Companies (Amendment) Ordinance, 1953, by any court other

than the High Court in respect of any matter over which the High Court has jurisdiction under this Act shall be invalid or be deemed ever to have been invalid merely by reason of the fact that such proceeding, judgment, decree or order was held, delivered or made by a court other than the High Court."

12. Amendment of section 52, Act X of 1949.—In section 52 of the principal Act,—

(a) to sub-section (2), the following shall be added, namely:—

"and the form in which the official liquidator may file lists of debtors to the Court having jurisdiction under Part III or Part IIIA and the particulars which such lists may contain, and any other matter which has to be, or may be, prescribed";

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

"(4) The Central Government may by rules made under this section annul, alter or add to, all or any of the provisions of the Fourth Schedule."

13. Insertion of new Schedule in Act X of 1949.—After the Third Schedule to the principal Act, the following Schedule shall be inserted, namely:—

"THE FOURTH SCHEDULE

[See section 45D (2)]

LIST OF DEBTORS

1. The official liquidator shall from time to time submit lists of debtors to the High Court, each list being verified by an affidavit.

2. Every such list shall contain the following particulars:—

(a) names and addresses of the debtors;

(b) amount of debt due to the banking company by each debtor;

(c) rate of interest, if any, and the date up to which such interest has been calculated in the case of each debtor;

(d) description of papers, writings and documents, if any, relating to each debt;

(e) relief or reliefs claimed against each debtor.

3. (a) In every such list, the official liquidator shall distinguish between the debts for which the banking company holds any security other than a personal security and the debts for which no security or only a personal security is given;

(b) In the case of secured debts, particulars of the securities claimed by the banking company, and whenever possible their estimated value, and the names and addresses of person or persons, if any, having an interest in the securities or the right of redemption therein;

(c) In case the debt is guaranteed by any person or persons, the name and address of the guarantor or guarantors with particulars as to the extent to which the debt is guaranteed and description of documents, papers or writings in support of such guarantee.

4. If the debtor is adjudged insolvent either before or after he has been included in any such list, but before such list is settled, the name and address of the assignee or the receiver of his estate, as the case may be, should be stated in, or added to, the list.

5. If the original debtor dies either before or after he has been included in any such list, but before such list is settled, there shall be substituted in his place the names and address of his legal representatives as far as the official liquidator is able to ascertain."

RAJENDRA PRASAD,
President.

THE INDUSTRIAL DISPUTES (AMENDMENT)
ORDINANCE, 1953

No. 5 OF 1953

An Ordinance further to amend the Industrial Disputes Act,
1947.

WHEREAS Parliament is not in session and the President is satisfied that circumstances exist which render it necessary for him to take immediate action;

NOW, THEREFORE, in exercise of the powers conferred by clause (1) of article 123 of the Constitution, the President is pleased to promulgate the following Ordinance:—

1. Short title and commencement.—(1) This Ordinance may be called the Industrial Disputes (Amendment) Ordinance, 1953.

(2) It shall come into force at once.

2. Act XIV of 1947 to be temporarily amended.—The Industrial Disputes Act, 1947 (hereinafter referred to as the principal Act) shall, during the period of operation of this Ordinance, have effect subject to the amendments specified in sections 3 and 4.

3. Amendment of section 2, Act XIV of 1947.—In section 2 of the principal Act,—

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

“(aa) ‘average pay’ means the average of the wages paid or payable to a workman—

(i) in the case of monthly paid workman, in the three complete calendar months;

(ii) in the case of weekly paid workman, in the four complete weeks;

(iii) in the case of daily paid workman, in the twelve full working days;

preceding the date on which the average pay becomes payable if the workman had worked for three complete calendar months or four complete weeks or twelve full working days, as the case may be, and where such calculation cannot be made, the average pay shall be calculated as the average of the wages paid or payable to a workman during the period he actually worked;”;

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

“(eee) ‘continuous service’ means uninterrupted service, and includes service which may be interrupted merely on account of sickness or authorised leave or an accident or a strike which is not illegal or a cessation of work which is not due to any fault on the part of the workman;”;

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

“(kkk) ‘lay-off’ (with its grammatical variations and cognate expressions) means the failure, refusal or inability of an employer on account of shortage of coal, power or raw materials or the accumulation of stocks or the breakdown of machinery or for any other similar reason to give employment to a workman whose name is borne on the muster rolls of his industrial establishment and who has not been retrenched;

Explanation.—Every workman whose name is borne on the muster rolls of the industrial establishment and who presents himself for work at the establishment at the time appointed for the purpose during normal working hours and is not given employment by the employer within two hours thereof shall be deemed to have been laid-off within the meaning of this clause;”;

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

“(oo) ‘retrenchment’ means the termination of service of a workman for any reason whatsoever, otherwise than as a punishment inflicted by way of disciplinary action;”;

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

“(rr) ‘wages’ means all remuneration capable of being expressed in terms of money, which would, if the terms of

employment, express or implied, were fulfilled, be payable to a workman in respect of his employment or of work done in such employment, and includes—

(i) such allowances (including dearness allowance) as the workman is for the time being entitled to;

(ii) the value of any house accommodation, or of supply of light, water, medical attendance or other amenity or of any service or of any concessional supply of foodgrains or other articles;

(iii) any travelling concession;
but does not include—

(a) any bonus;

(b) any contribution paid or payable by the employer to any pension fund or provident fund or for the benefit of the workman under any law for the time being in force;

(c) any gratuity payable on the termination of his service.”

4. Insertion of new Chapter VA in Act XIV of 1947.—After Chapter V of the principal Act, the following Chapter shall be inserted, namely:—

“CHAPTER VA

LAY-OFF AND RETRENCHMENT

25A. Application of sections 25B to 25D.—(1) Sections 25B to 25D inclusive shall not apply—

(a) to industrial establishments in which less than fifty workmen on an average per working day have been employed in the preceding calendar month; or

(b) to industrial establishments which are of a seasonal character or in which work is performed only intermittently.

(2) If a question arises whether an industrial establishment is of a seasonal character or whether work is performed therein only intermittently, the decision of the appropriate Government thereon shall be final.

25B. Right of workmen laid-off for compensation.—(1) Whenever a workman (other than a *badli* workman or a casual workman) whose name is borne on the muster rolls of an industrial establishment and who has completed not less than one year of continuous service under an employer is laid-off, he

shall be paid by the employer for all days during which he is so laid-off, except for such weekly holidays as may intervene, compensation which shall be equal to fifty per cent. of the total of the basic wages and dearness allowance that would have been payable to him had he not been so laid-off:

Provided that the compensation payable to a workman during any period of twelve months shall in no case be for more than forty-five days.

Explanation.—'Badli workman' means a workman who is employed in an industrial establishment in the place of another workman whose name is borne on the muster rolls of the establishment, but shall cease to be regarded as such for the purposes of this section, if he has completed one year of continuous service in the establishment.

(2) For the purposes of sub-section (1), a workman who, during a period of twelve calendar months, has actually worked in an industrial establishment for not less than two hundred and forty days shall be deemed to have completed one year of continuous service in the establishment.

Explanation.—In computing the number of days on which a workman has actually worked in an establishment, the days on which—

(a) he has been laid-off under no agreement or as permitted by standing orders made under the Industrial Employment (Standing Orders) Act, 1946 (XX of 1946),

(b) he has been on leave with wages, earned in the previous year, and

(c) in the case of a female, she has been on maternity leave; so however that the total period of such maternity leave shall not exceed twelve weeks,

shall be included.

25C. *Duty of an employer to maintain muster rolls of workmen.*—Notwithstanding that workmen in any industrial establishment have been laid-off, it shall be the duty of every employer to maintain for the purposes of this Chapter a muster roll, and to provide for the making of entries therein by workmen who may present themselves for work at the establishment at the appointed time during normal working hours.

25D. *Workmen not entitled to compensation in certain cases.*—No compensation shall be paid to a workman who has been laid-off—

(i) if he refuses to accept any alternative employment in the same establishment from which he has been laid-off, if, in the opinion of the employer, such alternative employment does not call for any special skill or previous experience and can be done by the workman, provided that the wages which would normally have been paid to the workman are offered for the alternative employment also;

(ii) if he does not present himself for work at the establishment at the appointed time during normal working hours at least once a day;

(iii) if he works elsewhere, for the days on which he so works;

(iv) if such laying-off is due to a strike or slowing-down of production on the part of workmen in another part of the establishment.

25E. *Conditions precedent to retrenchment of workmen.*—No workman who has been in continuous service for not less than one year under an employer shall be retrenched by that employer until—

(a) the workman has been given one month's notice in writing indicating the reasons for retrenchment and the period of notice has expired, or the workman has been paid in lieu of such notice, wages for the period of his notice:

Provided that no such notice shall be necessary if the retrenchment is under an agreement which specifies a date for the termination of service;

(b) the workman has been paid, at the time of retrenchment, gratuity which shall be equivalent to fifteen days' average pay for every completed year of service or any part thereof in excess of six months; and

(c) notice in the prescribed manner is served on the appropriate Government.

25F. *Procedure for retrenchment.*—Where any workman, who is a citizen of India, is to be retrenched and he belongs to a particular class of workmen, in the absence of any agreement between the employer and the workman in this behalf, the employer shall ordinarily retrench the workman who was the last

person to be employed in that class, unless for reasons to be recorded the employer retrenches any other workman.

25G. *Re-employment of retrenched workmen.*—Where any workmen are retrenched, and the employer proposes to take into his employ any persons, he shall, in such manner as may be prescribed, give an opportunity to the retrenched workmen to offer themselves for re-employment, and the retrenched workmen who offer themselves for re-employment shall have preference over other persons.

25H. *Effect of laws inconsistent with this Chapter.*—(1) The provisions of this Chapter shall have effect notwithstanding anything inconsistent therewith contained in any other law [including standing orders made under the Industrial Employment (Standing Orders) Act, 1946 (XX of 1946)]:

Provided that nothing contained in this Ordinance shall have effect to derogate from any right which a workman acquires under any existing award or contract with the employer.

(2) For the removal of doubts it is hereby declared that any industrial dispute relating to any of the matters referred to in this Chapter shall be dealt with in accordance with the provisions of this Act and not in accordance with any other law."

RAJENDRA PRASAD,

President.

K. Y. BHANDARKAR,

Secy. to the Govt. of India

The Gazette  of India

EXTRAORDINARY
PART II—Section 1
PUBLISHED BY AUTHORITY

No. 36] NEW DELHI, MONDAY, OCTOBER 26, 1953

MINISTRY OF LAW

New Delhi, the 26th October, 1953

THE DHOTIES (ADDITIONAL EXCISE DUTY)
ORDINANCE, 1953

No. 6 OF 1953

An Ordinance to provide for the levy and collection of an additional excise duty on dhoties packed by mills in excess of the quota fixed for the purpose.

WHEREAS Parliament is not in session and the President is satisfied that circumstances exist which render it necessary for him to take immediate action;

Now, THEREFORE, in exercise of the powers conferred by clause (1) of article 123 of the Constitution, the President is pleased to promulgate the following Ordinance:—

1. Short title, extent and commencement.—(1) This Ordinance may be called the Dhoties (Additional Excise Duty) Ordinance, 1953.

(2) It extends to the whole of India except the State of Jammu and Kashmir.

(3) It shall come into force at once.

2. Definitions.—In this Ordinance,—

(a) 'dhoti' means any type of grey or bleached cloth of plain weave which—

(i) is manufactured by a mill either wholly from cotton or partly from cotton and partly from any other material;

(ii) contains coloured yarn on its borders;

(iii) has a width ranging between twenty-eight inches and fifty-four inches; and

(iv) is commonly known by that name;

(b) 'mill' means any building or place in which cotton yarn is spun and dhoties are manufactured by machinery moved otherwise than by manual labour, and includes every part of such building or place;

(c) 'permissible quota' means the quota referred to in section 3;

(d) 'quarter' means the period of three months ending on the last day of March, June, September and December.

3. Permissible quota.—(1) The permissible quota of dhoties which may be packed during any quarter by any mill shall be one-fourth of sixty per cent. of the total quantity of dhoties packed by that mill during the relevant period.

Explanation I.—For the purposes of sub-section (1), the Central Government shall, by notification in the Official Gazette, fix for all mills any period of twelve months which has expired before the commencement of this Ordinance is the relevant period, and where any such period has been so fixed, the total quantity of dhoties packed by any mill during that period shall be determined with reference to the returns furnished in that behalf by the mill to the Textile Commissioner to the Government of India under the Cotton Textiles (Control) Order, 1948.

Explanation II.—The permissible quota for the quarter of the year 1953 remaining unexpired at the commencement of this Ordinance shall bear the same proportion to one-fourth of the said sixty per cent. as the total number of days remaining unexpired bears to the total number of days in the quarter.

(2) Notwithstanding anything contained in sub-section (1), if, in the case of any mill or class of mills, the Central Government is of opinion that due to economic reasons connected with the nature of the machinery or other equipment installed therein a higher percentage than that specified in sub-section (1) should be fixed in respect thereof, it may, by notification in the Official Gazette, fix the permissible quota for a quarter for the mill or class of mills as one-fourth of such higher percentage as it may think fit, and where any such notification has been issued, the quota so fixed shall be deemed to be the permissible quota for the mill or class of mills within the meaning of this Ordinance.

4. Levy of additional duty of excise on dhoties.—(1) Where the quantity of dhoties packed by any mill on or after the commencement of this Ordinance exceeds in any quarter the permissible quota for that quarter, there shall be levied and collected on that quantity of dhoties which is in excess of the permissible quota a duty of excise at the rate or rates which may be applicable thereto as specified in the Schedule.

(2) The duty of excise referred to in sub-section (1) shall be in addition to the duty of excise chargeable on cloth under the Central

Excises and Salt Act, 1944 (I of 1944), and the Khadi and other Handloom Industries Development (Additional Excise Duty on Cloth) Act, 1953 (12 of 1953), and shall be levied and collected in the same manner as the duty of excise on cloth is levied and collected under the Central Excises and Salt Act, 1944, and the provisions of that Act and the rules thereunder, as far as may be applicable in this behalf, shall apply accordingly.

5. Power to make rules.—The Central Government may, by notification in the Official Gazette, make rules for carrying out the purposes of this Ordinance, including, in particular, the submission of returns or other information relating to the manufacture or packing of dhoties by mills to such authority as may be specified in this behalf.

THE SCHEDULE

(See section 4)

	Rate of duty
Where the quantity of dhoties packed by any mill during any quarter is in excess of the permissible quota for that quarter—	
(1) in respect of the quantity which does not exceed the permissible quota by more than 12½% thereof	Two annas per yard
(2) in respect of the quantity which exceeds the permissible quota by more than 12½% thereof but does not exceed it by more than 25%	Three annas per yard
(3) in respect of the quantity which exceeds the permissible quota by more than 25% thereof but does not exceed it by more than 50%	Four annas per yard
(4) in respect of the quantity which exceeds the permissible quota by more than 50% thereof	Eight annas per yard.

RAJENDRA PRASAD,
President.

K. Y. BHANDARKAR,
Secy. to Govt. of India.

The Gazette  **of India**

EXTRAORDINARY

PART II—Section 1

PUBLISHED BY AUTHORITY

No. 49] NEW DELHI, THURSDAY, DECEMBER 31, 1953

MINISTRY OF LAW

New Delhi, the 31st December 1953

THE BARSII LIGHT RAILWAY COMPANY (TRANSFERRED LIABILITIES) ORDINANCE, 1953

No. 7 OF 1953

An Ordinance to impose upon the Barsii Light Railway Company, Limited, an obligation to make certain payments to the Central Government.

WHEREAS upon the determination on the 31st day of December, 1953, of the contract made on the 1st day of August, 1895, and all other contracts supplemental thereto between the Secretary of State in Council of India and the Barsii Light Railway Company, Limited, the Central Government will assume liability for all gratuities, or special contributions to the provident funds, and leave salaries of the employees of the said Company taken into employment by the Central Government in respect of the period of their service under the said Company;

AND WHEREAS it is necessary to impose upon the Barsii Light Railway Company, Limited, an obligation to make certain payments to the Central Government in requital for the assumption of this liability;

AND WHEREAS Parliament is not in session and the President is satisfied that circumstances exist which render it necessary for him to take immediate action;

NOW, THEREFORE, in exercise of the powers conferred by clause (1) of article 123 of the Constitution, the President is pleased to promulgate the following Ordinance:—

1. Short title and commencement.—(1) This Ordinance may be called the Barsi Light Railway Company (Transferred Liabilities) Ordinance, 1953.

(2) It shall come into force at once.

2. Definition.—In this Ordinance “the Company” means the Barsi Light Railway Company, Limited.

3. Payment by Company to the Central Government.—The Company shall pay to the Central Government out of its assets such sum as on the 31st day of December, 1953, is sufficient to meet the payment of—

(a) all amounts payable as gratuities or as special contributions to provident funds, as the case may be, which, if the Company had continued to exist after the 31st day of December, 1953, it would have paid on or after that day under the normal operation of its rules to its employees then in service if their services had been terminated on that day by the abolition of their appointments; and

(b) all amounts payable by way of leave salary for such periods of leave as, if the Company had continued to exist after the 31st day of December, 1953, it would have sanctioned under the normal operation of its rules to its employees then in service if they had been permitted to proceed on leave on the 1st day of January, 1954, with permission to retire on the expiry of that leave.

4. Payments to employees out of money paid to Central Government.—The moneys paid to the Central Government under section 3 shall be utilised by the Central Government to effect payment to employees of the Company re-employed by the Central Government of the amounts referred to in clauses (a) and (b) of section 3 in accordance with the principles prescribed in the rules of the Company, or in the rules of the Central Government by which those rules may be replaced.

RAJENDRA PRASAD,

President.

K. V. K. SUNDARAM,

Secy. to the Govt. of India.

The Gazette of India

EXTRAORDINARY

PART II—Section 1

PUBLISHED BY AUTHORITY

No. 22] NEW DELHI, TUESDAY, AUGUST 18, 1953

MINISTRY OF LAW

New Delhi, the 18th August 1953

The following President's Act enacted on the 16th August, 1953 is published for general information:—

THE PATIALA AND EAST PUNJAB STATES UNION POLICE
(INCITEMENT TO DISAFFECTION) ACT, 1953

No. 1 OF 1953

(16th August, 1953)

An Act to provide a penalty for spreading disaffection among the police and for kindred offences.

In exercise of the powers conferred by section 3 of the Patiala and East Punjab States Union Legislature (Delegation of Powers) Act, 1953 (22 of 1953), the President is pleased to enact as follows:—

1. Short title, extent and commencement.—(1) This Act may be called the Patiala and East Punjab States Union Police (Incitement to Disaffection) Act, 1953.

(2) It extends to the whole of the State of Patiala and East Punjab States Union.

(3) It shall come into force at once.

2. Definition.—In this Act, the expression “member of a police-force” means any person appointed or enrolled for the performance of police duties under any enactment specified in the Schedule.

3. Penalty for causing disaffection, etc.—Whoever intentionally causes or attempts to cause, or does any act which he knows is likely to cause, disaffection towards any Government established by law in India amongst the members of a police force, or induces or attempts to induce, or does any act which he knows is likely to induce, any member of a police force to withhold his services or to commit a breach of discipline shall be punishable with imprisonment which may extend to six months, or with fine, or with both.

4. Offences not to be tried without sanction of District Magistrate.—No Court shall proceed to the trial of any offence under this Act except with the previous sanction, or on the complaint, of the District Magistrate.

5. Trial of cases.—(1) No Court inferior to that of a Magistrate of the first class shall try any offence under this Act.

(2) Notwithstanding anything contained in the Code of Criminal Procedure, 1898 (Act V of 1898), an offence under this Act,—

(a) shall be cognizable and non-bailable, and

(b) shall not be triable summarily.

THE SCHEDULE

(See section 2)

1. The Patiala Police Act, 1985 Bk. (Patiala Act No. II of 1985 Bk.).
2. The Police Act, 1888 (III of 1888).
3. The Delhi Special Police Establishment Act, 1946 (XXV of 1946).

RAJENDRA PRASAD,

President.

K. Y. BHANDARKAR,

Secy. to the Govt. of India.

Reasons for the enactment

Attempts have been made and are being made by certain sections of the public in Patiala and East Punjab States Union to spread disaffection among members of the Police force and to induce them to refrain from doing their duty by means of threats, intimidation or otherwise. In Part A States this form of crime can be dealt with under the Police (Incitement to Disaffection) Act, 1922. But there is no corresponding law in the Patiala and East Punjab States Union. The present Bill, therefore, seeks to enact a similar law for that State.

2. The Committee appointed under the proviso to sub-section (2) of section 3 of the Patiala and East Punjab States Union Legislature (Delegation of Powers) Act, 1953, has approved the enactment of this Bill.

C. S. VENKATACHAR,

Secy. to the Govt. of India,

Ministry of States,

The Gazette  of India

EXTRAORDINARY

PART II—Section 1

PUBLISHED BY AUTHORITY

No. 23] NEW DELHI, SATURDAY, AUGUST 29, 1953

MINISTRY OF LAW

New Delhi, the 29th August 1953

The following President's Acts enacted on the 29th August, 1953 are published for general information:—

**THE PATIALA AND EAST PUNJAB STATES UNION
ABOLITION OF ALA MALIKIYAT RIGHTS ACT, 1953**

No. 2 OF 1953

[29th August, 1953]

An Act to abolish the rights of ala maliks and vest full proprietary rights in adna maliks and to provide for payment of compensation to ala maliks and for matters connected therewith.

In exercise of the powers conferred by section 3 of the Patiala and East Punjab States Union Legislature (Delegation of Powers) Act, 1953 (22 of 1953), the President is pleased to enact as follows:—

1. Short title, extent and commencement.—(1) This Act may be called the Patiala and East Punjab States Union Abolition of Ala Malikiyat Rights Act, 1953.

(2) It extends to the whole of the State of Patiala and East Punjab States Union.

(3) It shall come into force at once; and it shall apply in the first instance to all land other than evacuee property as defined in the Administration of Evacuee Property Act, 1950 (XXXI of 1950) but the State Government may, by notification in the Official Gazette, apply the provisions of this Act to such class of evacuee property and with effect from such date as may be specified in the notification.

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

(a) “adna malik”, in respect of a land in which the proprietary rights are divided between a superior owner and an inferior owner, means the inferior owner;

(b) “ala malik”, in respect of a land in which the proprietary rights are divided between a superior owner and an inferior owner, means the superior owner;

(c) “appointed day” means the date on which this Act comes into force under sub-section (3) of section 1;

(d) “Collector” means the Collector of the district in which the land, in respect of which the rights of an ala malik are abolished, is situate and includes any other officer not below the rank of an Assistant Collector of the first grade specially empowered by the Government to perform the duties of a Collector under this Act;

(e) “Government” means the Government of the State of Patiala and East Punjab States Union;

(f) “rent” means whatever is payable to an ala malik in money, kind or service by an adna malik in respect of the land held by the adna malik;

(g) the expressions “land” and “land revenue” have the meanings respectively assigned to them in the Punjab Tenancy Act, 1887 (Punjab Act XVI of 1887);

(h) “Financial Commissioner” has the same meaning as in the Punjab Land Revenue Act, 1887 (Punjab Act XVII of 1887), and includes any other officer specially empowered by the Government to perform the duties of the Financial Commissioner under this Act;

(i) references in this Act to the Punjab Tenancy Act, 1887 (Punjab Act XVI of 1887), and the Punjab Land Revenue Act, 1887 (Punjab Act XVII of 1887), shall be construed as references to those Acts as in force in the State of Patiala and East Punjab States Union.

3. Extinguishment of rights of ala maliks and vesting of full proprietary rights in adna maliks.—Notwithstanding anything to the contrary contained in law, custom or usage for the time being in force, as from the appointed day,—

(a) all rights, title and interest (including the contingent interest, if any, recognised by any law, custom or usage for the time being in force) of an ala malik in the land held under him by an adna malik shall be extinguished; and such rights, title and interest shall vest in the adna malik free from all encumbrances, if any, created in the land by the ala malik;

(b) the ala malik shall cease to have any right to collect or receive any rent in respect of such land;

(c) the ala malik shall be entitled to receive and be paid such compensation as may be determined under this Act.

4. Determination of compensation payable to ala maliks.—(1) Any ala malik whose rights have been extinguished under section 3 may, within twelve months from the appointed day, make an application to the Collector, in such form and manner as may be prescribed, for the determination of the amount of compensation payable to him.

(2) For the purpose of determining the amount of compensation payable to an ala malik, the Collector may, of his own motion and shall, on receipt of an application under sub-section (1), issue notice to the parties concerned, and, after giving the parties an opportunity of being heard and after making such inquiry as he may consider necessary, the Collector shall make an award determining the amount of compensation payable to the ala malik in accordance with the provisions of section 5.

(3) Where there is any dispute as to the person or persons who are entitled to the compensation, the Collector shall decide such dispute and if the Collector finds that more than one person is entitled to compensation, he shall apportion the amount thereof amongst such persons.

(4) Where the compensation is payable to a minor or to a person having a limited interest, the Collector may make such arrangement as may be equitable having regard to the interests of the minor, the person having a limited interest and their reversioners.

(5) The amount of compensation determined under this section shall be payable by the adna malik:

Provided that where a portion of the annual rent is payable by the Government, that portion of the compensation, which bears the same proportion to the total amount of compensation as the share of the Government in the annual rent bears to the total amount of the annual rent, shall be payable by the Government.

5. Principles of compensation.—The amount of compensation payable to an ala malik under this Act shall be five times the amount of annual rent payable to the ala malik, whether by the adna malik or whether partly by adna malik and partly by the Government:

Provided that where no rent is payable in respect of any land held by the adna malik, the amount of compensation shall be five per centum of the land revenue including rates and cesses payable in respect thereof by the ala malik.

6. Payment of compensation.—(1) The compensation awarded under this Act shall either be paid in cash to the ala malik or be deposited with the Collector by the adna malik, or, as the case may be, partly by the Government and partly by the adna malik within a period of one year from the date of the award.

(2) Where the adna malik makes a default in the payment of compensation or any instalment thereof in accordance with the terms of the award, the amount due may be recovered from him in the same manner as an arrear of land revenue.

7. Review and revision.—(1) The Collector may, either of his own motion or on an application of any party interested, review any award made by him or by any of his predecessors in office, and pass an order modifying,

reversing or confirming the award; and such power shall be exercised subject to the provisions, as far as they may be applicable, of section 82 of the Punjab Tenancy Act, 1887 (Punjab Act XVI of 1887).

(2) With respect to all matters dealt with under this Act, the Financial Commissioner shall have the same power to call for, examine and revise the proceedings of the Collector as provided in section 84 of the Punjab Tenancy Act, 1887 (Punjab Act XVI of 1887).

8. Certain powers of Collector and Financial Commissioner.—For the purposes of this Act, the Financial Commissioner and the Collector may, in so far as may be necessary or expedient so to do, exercise all the powers of a revenue officer or a revenue court, as the case may be, under the Punjab Tenancy Act, 1887 (Punjab Act XVI of 1887).

9. Certain mortgages and charges not enforceable against land held by adna maliks.—Notwithstanding anything contained in any contract or any law for the time being in force, no claim or liability, whether under any decree or order of a civil court or otherwise, enforceable against an ala malik for any money which is charged on, or is secured by a mortgage of, any land held under him by an adna malik, shall be enforceable against the land, and every such claim or liability shall be deemed to be a charge on the compensation payable to the ala malik in respect of such land.

10. Bar of jurisdiction.—(1) No civil court or any other authority shall have jurisdiction to settle, decide or deal with any question which under this Act is required to be settled, decided or dealt with by the Financial Commissioner or the Collector.

(2) Save as otherwise expressly provided in this Act, every award or order made by the Financial Commissioner or Collector shall be final, and no award or order made under this Act shall be called in question by any court or other authority.

11. Protection of action taken in good faith.—(1) No suit, prosecution or other legal proceeding shall lie against any officer in respect of anything which is in good faith done or intended to be done in pursuance of this Act or of any rules made thereunder.

(2) No suit or other legal proceeding shall lie against the Government for any damage caused or likely to be caused or any injury suffered or likely to be suffered by virtue of any provision contained in this Act or any rules made thereunder.

12. Power to make rules.—(1) The Government may, by notification in the Official Gazette, make rules to carry 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 form and manner in which an application for determination of compensation may be made by an ala malik;

(b) the form of notice and the manner in which notice may be served under this Act;

- (c) the manner in which inquiries may be held under this Act;
- (d) the manner in which compensation may be paid;
- (e) the manner in which applications for review or revision may be filed;
- (f) any other matter which has to be, or may be, prescribed.

RAJENDRA PRASAD,

President.

Reasons for the enactment

It has been recognised that superior owners (*Ala Maliks*) have no specific function to perform and have no real connection with the land. Extinction of their rights is long overdue. The present Bill seeks to abolish the rights of superior landlords on payment of compensation and to vest full proprietary rights in inferior owners (*Adna Maliks*). The Bill is on the lines of the Punjab Abolition of Ala Malkiyat and Talukdari Rights Act, 1951.

2. The Committee appointed under the proviso to sub-section (2) of section 3 of the Patiala and East Punjab States Union Legislature (Delegation of Powers) Act, 1953, has approved the enactment of this Bill.

C. S. VENKATACHAR,

Secy. to Govt. of India,

Ministry of States.

THE PATIALA AND EAST PUNJAB STATES UNION
OCCUPANCY TENANTS (VESTING OF PROPRIETARY
RIGHTS) ACT, 1953

No. 3 OF 1953

[29th August, 1953]

An Act to vest proprietary rights in occupancy tenants and to provide for payment of compensation to landlords and for matters connected therewith

In exercise of the powers conferred by section 3 of the Patiala and East Punjab States Union Legislature (Delegation of Powers) Act, 1953 (22 of 1953), the President is pleased to enact as follows:—

1. Short title, extent and commencement.—(1) This Act may be called the Patiala and East Punjab States Union Occupancy Tenants (Vesting of Proprietary Rights) Act, 1953.

(2) It extends to the whole of the State of Patiala and East Punjab States Union.

(3) It shall come into force at once; and it shall apply in the first instance to all land other than evacuee property as defined in the Administration of Evacuee Property Act, 1950 (XXXI of 1950) but the State

Government may, by notification in the Official Gazette, apply the provisions of this Act to such class of evacuee property and with effect from such date as may be specified in the notification.

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

(a) “appointed day” means—

(i) in relation to any person who at the commencement of this Act is, or is deemed to be, an occupancy tenant, the date of such commencement; and

(ii) in relation to any other person who, after the commencement of this Act, obtains a right of occupancy in respect of any land, the date on which he obtains such right of occupancy;

(b) “Collector” means the Collector of the district in which the land in respect of which proprietary rights are vested in an occupancy tenant under this Act, is situate and includes any other officer specially empowered by the Government to perform the duties of a Collector under this Act;

(c) “Commissioner” and “Financial Commissioner” have the meanings respectively assigned to them under the Punjab Land Revenue Act, 1887 (Punjab Act XVII of 1887) and includes any other officer specially empowered by the Government to perform the duties of a Commissioner or Financial Commissioner under this Act;

(d) “Government” means the Government of the State of Patiala and East Punjab States Union;

(e) “land”, “land revenue”, “rent” and all other words and expressions used, but not defined in this Act and defined in the Punjab Tenancy Act, 1887 (Punjab Act XVI of 1887) shall have the meanings respectively assigned to them in that Act;

(f) “landlord” means a landowner or any other person under whom an occupancy tenant holds land and to whom the occupancy tenant is, or but for a special contract would be, liable to pay rent for that land and includes the predecessors and successors in interest of a landlord;

(g) “landowner” has the same meaning as in the Punjab Land Revenue Act, 1887 (Punjab Act XVII of 1887);

(h) “occupancy tenant”, in respect of any land, means a person who, at the commencement of this Act, is or is deemed to be an occupancy tenant in respect of the land and includes a person who, after such commencement, obtains a right of occupancy in respect of the land, whether by any agreement with the landlord or by any decree or order of any court or other authority of competent jurisdiction and includes also the predecessors and successors in interest of an occupancy tenant:

Provided that no person who has abandoned his tenancy shall be deemed to be an occupancy tenant within the meaning of this clause.

Explanation I.—For the purposes of this clause, a person is or is deemed to be an occupancy tenant at the commencement of this Act—

(i) if he is recorded, immediately before the commencement of this Act, as an occupancy tenant in the latest annual records; or

(ii) if he is recorded in the record of rights of any of the estates of the former Faridkot State as—

- (a) muzara-i-shartia,
- (b) chakotedar khas,
- (c) muzara bila tai-yun sifat,
- (d) muzara tabe marzi malik,
- (e) chakotedar nautor,

of any landlord, not being the Government; or

(iii) if he is recorded in the latest annual records of any estate of the former Malerkotla State as—

- (a) dakhilkar,
- (b) maurussi; or

(iv) if he was recorded as an occupancy tenant in the annual records on the 11th March, 1940 and—

(a) his right of occupancy in the land has been extinguished, but partition proceedings under the Farman-i-Shahi No. 6, dated the 11th March, 1947, or the Patiala and East Punjab States Union Abolition of Biswedari Ordinance, 2006 BK (Ordinance No. XXIII of 2006 BK) have not been finally completed; or

(b) he has been dispossessed, or deprived of his right to the occupation, of the land at any time after the 11th March, 1940, but has not been granted any relief under the Patiala and East Punjab States Union Abolition of Biswedari Ordinance, 2006 B.K.

Explanation II.—Where an occupancy tenant holds any land under another occupancy tenant, the former shall be deemed to be the occupancy tenant within the meaning of this clause;

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

(j) “special officer” means any officer appointed by the Government by notification in the Official Gazette for performing the functions and duties assigned to such officer under this Act and a special officer shall have jurisdiction to perform his functions in such local area as may be specified in the notification;

(k) references in this Act to the Punjab Tenancy Act, 1887 (Punjab Act XVI of 1887) and the Punjab Land Revenue Act, 1887 (Punjab Act XVII of 1887) shall be construed as references to those Acts as in force in the State of Patiala and East Punjab States Union.

3. Extinguishment of rights of landlords and vesting the same in occupancy tenants.—Notwithstanding anything to the contrary contained in

any law, custom or usage for the time being in force, on and from the appointed day,—

(a) all rights, title and interest (including the contingent interest, if any, recognised by any law, custom or usage for the time being in force) of a landlord in the land held under him by an occupancy tenant shall be extinguished; and such rights, title and interest shall vest in the occupancy tenant free from all encumbrances, if any, created in the land by the landlord;

(b) the landlord shall cease to have any right to collect or receive any rent in respect of such land (including arrears of rent, if any, whether under a decree or not, for any period prior to the appointed day) and his liability to pay land revenue in respect of the land shall also cease;

(c) the occupancy tenant shall be liable to pay direct to the Government the land revenue payable in respect of the land;

(d) the landlord shall be entitled to receive and be paid such compensation as may be determined under this Act.

4. Determination of compensation payable to the landlord.—(1) Any landlord whose rights have been extinguished under section 3 may, within twelve months from the appointed day, make an application to the special officer of competent jurisdiction, in such form and manner as may be prescribed, for the determination of the amount of compensation payable to him.

(2) For the purpose of determining the amount of compensation payable to a landlord, the special officer may, of his own motion, and shall, on receipt of an application under sub-section (1), issue notice to the parties concerned and, after giving the parties an opportunity of being heard and after making such inquiry as he may consider necessary, the special officer shall make an award determining the amount of compensation payable by the occupancy tenant in accordance with the provisions of section 5 and section 6.

(3) Where there is any dispute as to the person or persons who are entitled to the compensation, the special officer shall decide such dispute and if he finds that more than one person is entitled to compensation, he shall apportion the amount thereof amongst such persons.

(4) Where the compensation is payable to a minor or to a person having a limited interest, the special officer may make such arrangement as may be equitable having regard to the interests of the minor, the person having a limited interest and their reversioners.

(5) In making any award under this Act, the special officer may, having regard to the amount of compensation and other circumstances of the case, allow the occupancy tenant to pay the compensation in such instalments and within such time as may be specified in the award; and in fixing such instalments, the special officer shall have regard to the following considerations, namely:—

(a) where the amount of compensation does not exceed two hundred and fifty rupees, the compensation may be recovered within a period of six months from the date of the award;

(b) where the amount of compensation exceeds two hundred and fifty rupees, the excess amount may be recovered in such six monthly instalments, not extending in any case beyond six years from the date of the award, as the special officer thinks fit.

(6) Every award made under this section shall contain such particulars as may be prescribed; and a copy of the award shall be forwarded to the occupancy tenant and the landlord.

5. Principles of compensation.—(1) The amount of compensation payable to the landlord for the extinguishment of his right, title and interest in any land under section 3 shall be determined in accordance with the provisions hereinafter set out, that is to say—

(a) where the rent payable by the occupancy tenant is expressed in terms of the land revenue in respect of the land, the amount of compensation shall be twelve times the annual rent thereof exclusive of land revenue and rates and cesses;

(b) where the rent payable by the occupancy tenant is not so expressed in terms of the land revenue in respect of the land, and—

(i) if the rent is payable in cash, whether as a fixed amount or at a fixed rate with reference to the area of the land, the amount of compensation shall be twelve times the annual rent thereof exclusive of land revenue and rates and cesses or twelve times the land revenue including rates and cesses payable by the landlord in respect of the land, whichever amount is less; or

(ii) if the rent is payable wholly or partly by a division or appraisalment of the produce on the basis of *batai*, the amount of compensation shall be twelve times the land revenue including rates and cesses payable by the landlord in respect of the land;

(c) where no rent is payable by the occupancy tenant in respect of the land, the amount of compensation shall be an amount equal to the land revenue and rates and cesses payable by the landlord in respect of the land.

(2) Where an occupancy tenant has not paid rent in respect of his land for any period prior to the appointed day, the compensation payable to the landlord shall, in addition to the amount determined under sub-section (1), include the amount of arrears of rent lawfully recoverable from the occupancy tenant:

Provided that where the rent is payable wholly or partly by a division or appraisalment of the produce on the basis of *batai*, then, notwithstanding anything to the contrary contained in any contract, judgment or decree, the rate of annual rent shall, for the purposes of this sub-section, be deemed to be equal to twice the land revenue including rates and cesses payable by the landlord in respect of the land.

Explanation.—For the purposes of this sub-section, the amount of arrears of rent lawfully recoverable means—

(i) the amount of arrears of rent as may be determined in accordance with this sub-section for any period not exceeding three years

prior to the appointed day where no decree for such period has been obtained; or

(ii) the amount of arrears of rent as may be determined in accordance with this sub-section for any period not exceeding six years prior to the appointed day where a decree for such period has been obtained and the decree is legally executable on the appointed day.

6. Rights of landlords in *Shamilat* to vest in occupancy tenants.—

(1) Where the rights of a landlord in respect of any land have vested in an occupancy tenant under section 3, then, notwithstanding anything to the contrary contained in any law, custom or usage for the time being in force, the right, title and interest of the landlord in the share in the *Shamilat* in proportion to that land shall also, as from the appointed day, be extinguished and such right, title and interest in that share shall vest in the occupancy tenant free from all encumbrances, if any, created therein by the landlord; and the occupancy tenant shall be liable to pay land revenue, if any, in respect of that share.

(2) The amount of compensation payable to the landlord for the extinguishment of his right, title and interest in any share under sub-section (1) shall be twelve times the land revenue including rates and cesses payable in respect of that share:

Provided that in any case where the *Shamilat* is not liable to the payment of land revenue, the land revenue in respect thereof shall, for the purposes of this sub-section, be deemed to be assessed at the lowest rate prevalent in the village in respect of *barani* land and the amount of compensation shall be six times the land revenue so assessed.

7. Liability of occupancy tenant for payment of compensation.—(1) The amount of compensation awarded under this Act shall be deposited with the Collector by the occupancy tenant in accordance with the terms of the award.

(2) Where the occupancy tenant makes a default in the payment of compensation or any instalment thereof in accordance with the terms of the award, the amount due may be recovered from him in the same manner as an arrear of land revenue.

8. Payment of compensation to landlords.—(1) There shall be paid by the Government to every landlord as compensation for the extinguishment of his rights, title and interest in the land and of his right to recover arrears of rent, if any, due to him in respect thereof, the amount determined in that behalf under section 4.

(2) The compensation payable under this Act shall, subject to the provisions of sub-section (3) and sub-section (4), be given in cash or in bonds or partly in cash and partly in bonds.

(3) Where the amount of compensation does not exceed two hundred and fifty rupees, the compensation shall be given in cash within a period of eight months from the date of the award.

(4) Where the amount of compensation exceeds two hundred and fifty rupees, the excess amount may be given in bonds carrying interest at three per centum per annum from the date of the award to the date of the

redemption of bonds, and the bonds may be redeemed in such instalments, as the Government thinks fit, not extending in any case beyond eight years from the date of the award.

9. Appeal and revision.—(1) Any person aggrieved by an award or order made by the special officer may, within thirty days from the date of the award or order, prefer an appeal to the Collector in such form and manner as may be prescribed:

Provided that the Collector may entertain the appeal after the expiry of the said period of thirty days if he is satisfied that the appellant was prevented by sufficient cause from filing the appeal in time.

(2) Any person aggrieved by an order of the Collector may, within thirty days from the date of the order, prefer an appeal to the Commissioner in such form and manner as may be prescribed:

Provided that the Commissioner may entertain the appeal after the expiry of the said period of thirty days if he is satisfied that the appellant was prevented by sufficient cause from filing the appeal in time.

(3) With respect to all matters dealt with under this Act, the Financial Commissioner shall have the same power to call for, examine and revise the proceedings of the special officer, or the Collector or the Commissioner as provided in section 84 of the Punjab Tenancy Act, 1887 (Punjab Act XVI of 1887).

10. Amendment of orders.—Clerical or arithmetical mistakes in orders passed by the Financial Commissioner or a Commissioner or a Collector or a special officer or errors arising therein from any accidental slip or omission may, at any time, be corrected by the Financial Commissioner or the Commissioner or the Collector or the special officer, as the case may be, either on his own motion or on an application received in this behalf from any of the parties.

11. Certain powers of special officer, Collector, Commissioner and Financial Commissioner.—For the purposes of this Act, the Financial Commissioner, Commissioner, Collector and special officer may, in so far as may be necessary or expedient, so to do, exercise all the powers of a revenue officer or a revenue court, as the case may be, under the Punjab Tenancy Act, 1887 (Punjab Act XVI of 1887).

12. Certain mortgages and charges not enforceable against any land held by occupancy tenants.—Notwithstanding anything contained in any contract or any law for the time being in force, no claim or liability, whether under any decree or order of a civil court or otherwise, enforceable against a landlord for any money which is charged on, or is secured by a mortgage of, any land held under him by an occupancy tenant, shall be enforceable against the land, and every such claim or liability shall be deemed to be a charge on the compensation payable to the landlord in respect of such land.

13. Bar of jurisdiction.—(1) No civil court or any other authority shall have jurisdiction to settle, decide or deal with any question which under this Act is required to be settled, decided or dealt with by the Financial Commissioner, Commissioner, Collector or special officer.

(2) Save as otherwise expressly provided in this Act, every award or order made by the Financial Commissioner or the Commissioner or the Collector or the special officer shall be final and no award or order made under this Act shall be called in question by any court or other authority.

14. Protection of action taken in good faith.—(1) No suit, prosecution or other legal proceeding shall lie against any officer in respect of anything which is in good faith done or intended to be done in pursuance of this Act or of any rules made thereunder.

(2) No suit or other legal proceeding shall lie against the Government for any damage caused or likely to be caused or any injury suffered or likely to be suffered by virtue of any provision contained in this Act or any rules made thereunder.

15. Certain officers to be public servants.—Every officer acting under or in pursuance of the provisions of this Act or any rules made thereunder shall be deemed to be a public servant within the meaning of section 21 of the Indian Penal Code (Act XLV of 1860).

16. Repeal.—(1) The Patiala and East Punjab States Union Abolition of Biswedari Ordinance, 2006 B.K. (Ordinance No. XXIII of 2006 B. K.) and the Farman-i-Shahi No. 6, dated the 11th March, 1947 are hereby repealed.

(2) For the removal of doubts, it is hereby declared that all proceedings commenced under the repealed Ordinance or the repealed Farman-i-Shahi and not finally completed before the commencement of this Act shall be disposed of in accordance with the provisions of this Act.

17. Power to make rules.—(1) The Government may, by notification in the Official Gazette, make rules to carry 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 form and manner in which the application for determination of compensation may be made by the landlord;

(b) the form of notice and the manner in which notices may be served under this Act;

(c) the manner in which inquiries may be held under this Act;

(d) the circumstances to be taken into consideration in fixing the number and amount of instalments for payment of compensation by an occupancy tenant;

(e) the particulars which an award may contain;

(f) the manner in which compensation may be deposited by the occupancy tenant with the Collector;

(g) the manner of payment of compensation to the landlord by the Government;

(h) the manner in which appeals and application for revision may be filed;

- (i) fees, if any, to be paid on an application under this Act; or
(j) any other matter which has to be, or may be, prescribed.

RAJENDRA PRASAD,

President.

K. Y. BHANDARKAR,

Secy. to the Govt. of India.

Reasons for the enactment

Relations between occupancy tenants and landlords in parts of the former Patiala State were strained and this tension was affecting law and order in the State. The former Patiala State and later the Patiala and East Punjab States Union Government made several attempts to resolve the disputes between the occupancy tenants and landlords but the legislation enacted from time to time since March, 1947 has proved ineffective in respect of those very centres of discontent which originally compelled the authorities of the former Patiala State to decide upon the abolition of landlords' rights. The problem presented by the occupancy tenants in Patiala and East Punjab States Union demands an urgent solution and hence the present Bill. Under the present Bill occupancy tenants become, by operation of law, full proprietors of their holdings on payment of compensation. Persons who are occupancy tenants at the date of the commencement of this Act become proprietors of their holdings from the date of commencement; others who acquire occupancy rights thereafter become proprietors from the date on which they obtain rights of occupancy. The Bill will thus not only end the present friction between the occupancy tenant and the landlord but will also remove the possibility of any dispute arising between the landowner and the occupancy tenant in respect of his holding.

2. The Bill follows generally the Punjab Occupancy Tenants (Vesting of Proprietary Rights) Act, 1951 (President's Act VIII of 1951).

3. The Committee appointed under the proviso to sub-section (2) of section 8 of the Patiala and East Punjab States Union Legislature (Delegation of Powers) Act, 1953 has approved the enactment of this Bill.

C. S. VENKATACHAR,

Secy. to the Govt. of India,

Ministry of States.

REGISTERED No. D. 221.

The Gazette of India



EXTRAORDINARY
PART II—Section 1
PUBLISHED BY AUTHORITY

No. 28] NEW DELHI, THURSDAY, OCTOBER 1, 1953

MINISTRY OF LAW

New Delhi, the 1st October, 1953.

The following President's Act enacted on the 1st October, 1953 is published for general information :—

THE PATIALA AND EAST PUNJAB STATES UNION OPIUM SMOKING ACT, 1953

No. 4 OF 1953

[1st October, 1953.]

An Act to provide for the control of the practice of smoking prepared opium and to secure the ultimate prohibition of smoking of prepared opium in the State of Patiala and East Punjab States Union.

In exercise of the powers conferred by section 3 of the Patiala and East Punjab States Union Legislature (Delegation of Powers) Act, 1953 (22 of 1953), the President is pleased to enact as follows:—

1. Short title, extent and commencement.—(1) This Act may be called the Patiala and East Punjab States Union Opium Smoking Act, 1953.

(2) It extends to the whole of the State of Patiala and East Punjab States Union.

(3) It shall come into force at once.

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

(a) "opium" has the same meaning as in the Opium Act, 1878 (I of 1878);

(b) "place" includes a building, house, shop, pool, *chhappar*, enclosure, tent, vessel, raft and vehicle and any part thereof;

(c) "prepared opium" means any product or admixture of opium obtained by any operation or series of operations designed to transform opium into an extract suitable for smoking, and

includes *chandu*, *madak* and the dross or other residue remaining after opium is smoked;

(d) "prescribed" means prescribed by rules made under this Act;

(e) "register" means the register of smokers of prepared opium maintained by or under the authority of the State Government before the commencement of this Act; and

(f) "registered smoker" means a person whose name is entered in the register, at any time before the commencement of this Act, as a smoker of prepared opium.

3. Prohibition of smoking of prepared opium by persons other than registered smokers.—No person, other than a registered smoker, shall, after the commencement of this Act, smoke prepared opium.

4. No fresh entry to be made in the register.—(1) No fresh names as smokers of prepared opium shall be entered in the register after the commencement of this Act.

(2) Subject to the provisions of sub-section (1), the prescribed authority may, at any time, of its own motion or on application by any interested person, omit the name of any person from the register, or correct in the prescribed manner any error or defect in any entry in the register.

(3) The register shall be deemed to be a public document within the meaning of the Indian Evidence Act, 1872 (I of 1872).

5. Right of registered smoker to manufacture opium.—(1) A registered smoker shall, subject to such conditions as may be prescribed, be entitled to manufacture prepared opium not exceeding half a tola and to keep it in his possession for personal use only.

(2) Any registered smoker who has, in his possession, prepared opium in contravention of the provisions of sub-section (1) shall be punishable with imprisonment which may extend to three months, or with fine which may extend to two hundred rupees, or with both.

6. Penalty for un-registered smokers.—(1) Any person, other than a registered smoker, who—

(a) manufactures prepared opium; or

(b) has in his possession any prepared opium; or

(c) has in his possession any pipes or any other utensils or apparatus used in connection with the manufacture or smoking of prepared opium;

shall be punishable with imprisonment which may extend to one year, or with fine which may extend to one thousand rupees, or with both

(2) Any person, other than a registered smoker, who smokes or otherwise uses prepared opium shall be punishable—

(a) for a first offence, with imprisonment which may extend to two months, or with fine or with both; and

(b) for any second or subsequent offence, with imprisonment which may extend to one year, or with fine which may extend to one thousand rupees, or with both.

7. Punishment for allowing places to be used for the commission of an offence or for selling or dealing in prepared opium.—Whoever,—

(a) being the owner, or occupier, or having the use, of any place, knowingly permits it to be used by any person other than a registered smoker for manufacturing or smoking prepared opium, or

(b) sells or otherwise deals in prepared opium,

shall be punishable with imprisonment which may extend to one year, or with fine which may extend to one thousand rupees, or with both.

8. Power to issue warrants.—Any district magistrate or sub-divisional magistrate who, upon information received and after such inquiry (if any) as he considers necessary, has reason to believe that any place is being or is likely to be used for the commission of an offence punishable under section 6 or section 7 may issue a warrant to an officer of the excise department, not below the rank of sub-inspector, empowering him—

(a) to enter such place by day or night with any person whose assistance such officer may consider necessary;

(b) to search all parts of such place in which such officer has reason to believe that any opium or appliance for the manufacture of prepared opium or for the smoking of opium is concealed and all or any persons whom he may find in such place;

(c) to arrest all persons—

(i) whom such officer may find in such place actually engaged in smoking prepared opium; or

(ii) whom such officer reasonably suspects of having smoked prepared opium in such place immediately before his entry therein; or

(iii) from whose possession, prepared opium is recovered;

(d) to seize all opium and appliances for the smoking of prepared opium or for the manufacture of prepared opium which may be found in such place.

9. Power of entry, search, seizure, arrest without warrant.—(1) Any officer of the excise department, not below the rank of sub-inspector, who has reason to believe from personal knowledge or upon information given by any person and taken down in writing that an offence punishable under section 6 or section 7 has been, is being, or is about to be, committed, or that an article liable to confiscation under this Act is kept or concealed in any place, may, between sunrise and sunset,—

(a) enter any such place;

(b) in case of resistance, break open any door and remove any such obstacle to such entry;

(c) seize all opium and appliances for the smoking of prepared opium or for the manufacture of prepared opium and any

other article which he has reason to believe to be liable to confiscation under section 14 and which may be found in such place;

(d) detain and search, and, if he thinks proper, arrest any person whom he has reason to believe to have committed an offence punishable under section 6 or section 7:

Provided that if such officer has reason to believe that a search warrant cannot be obtained without affording opportunity for the concealment of evidence or facility for the escape of an offender, he may enter and search such place at any time between sunset and sunrise after recording the grounds for his belief.

(2) Where an officer takes down any information in writing under sub-section (1), or records grounds for his belief under the proviso thereto, he shall forthwith send a copy thereof to his immediate official superior.

10. Searches how made.—The provisions of the Code of Criminal Procedure, 1898 (Act V of 1898), shall apply in so far as they are not inconsistent with the provisions of section 8 and section 9 to all warrants issued and arrests and searches made under the said sections.

11. Provision for bail and security.—When any person arrested under this Act is prepared to furnish bail, he shall be released on bail, or, in the discretion of the officer making the arrest, on his own bond.

12. Procedure after arrest and seizure.—(1) Whenever any person makes any arrest or seizure under this Act, he shall, within a period of twenty-four hours after such arrest or seizure—

(a) make a full report giving particulars of such arrest or seizure to his immediate official superior; and

(b) unless bail or, as the case may be, a bond has been accepted under section 11, produce the person arrested or the articles seized, if the arrest or seizure was made—

(i) in pursuance of a warrant issued under section 8, to the authority by whom the warrant was issued; or

(ii) under section 9, to the nearest magistrate.

(2) The authority or magistrate to whom any person or article is produced under sub-section (1) shall, with all convenient despatch, take such measures as may be necessary for the disposal according to law of such person or article.

13. Officers of certain departments to help excise officers.—Every officer of the police and the land revenue departments shall upon notice given or request made, be legally bound to give reasonable aid to any officer of the excise department in carrying out the provisions of this Act.

14. Forfeiture of illicit articles.—On the conviction of any person for any offence under this Act, the Court may order that any opium or any instrument or appliance in respect of, or by means of, which such offence has been committed, or any receptacle, package or covering in which such opium, instrument or appliance has been

found and any other contents of such receptacle, package or covering shall be forfeited to the Government.

15. Jurisdiction to try offences.—No magistrate other than a magistrate of the first class, or a magistrate of the second class specially empowered in this behalf shall try any offence punishable under this Act.

16. Indemnity.—No suit, prosecution or other legal proceeding whatever shall lie against any person in respect of anything which is in good faith done or intended to be done under this Act.

17. Power to make rules.—(1) The State Government may 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—

(a) the circumstances in which an entry in the register may be omitted;

(b) the authority by whom and the manner in which any error or defect in an entry in the register may be corrected or any entry may be omitted;

(c) the conditions and restrictions subject to which a registered smoker may manufacture, possess or smoke prepared opium;

(d) the payment of rewards out of fines imposed under this Act.

18. Repeal and savings.—(1) The Patiala Opium Smoking Act, 1988 BK. (I of 1988 BK.), is hereby repealed.

(2) The provisions of section 6 of the General Clauses Act, 1897 (X of 1897) shall apply in relation to the repeal of the said Act as if the said Act had been an enactment and this Act a Central Act.

RAJENDRA PRASAD,
President.

K. Y. BHANDARKAR,
Secy. to the Govt. of India.

Reasons for the enactment

The Act provides for the control of the practice of opium smoking with a view to securing its ultimate prohibition in the State of the Patiala and East Punjab States Union. A similar law exists in almost all other States. Under the Act, every person who is addicted to opium smoking and who is registered as a smoker of prepared opium will be entitled to manufacture prepared opium not exceeding half a tola and to keep such quantity of prepared opium in his possession

for his personal use only. Persons who are not registered are absolutely prohibited from smoking opium. The Government of the Patiala and East Punjab States Union is already maintaining a register of opium smokers which shall be deemed to be the register of opium smokers for the purposes of the Act. No fresh entry will be made in the register after the 30th September, 1953 in accordance with the decision of the Government of India.

2. In view of the provisions of the Act, the Patiala Smoking Act, 1988BK., which merely prohibits the smoking of opium in an assembly is being repealed.

3. The Committee appointed under the proviso to sub-section (2) of section 3 of the Patiala and East Punjab States Union Legislature (Delegation of Powers) Act, 1953, has approved the enactment of this measure.

C. S. VENKATACHAR,
Secy. to the Govt. of India,
Ministry of States.

The Gazette  of India

EXTRAORDINARY
PART II—Section 1
PUBLISHED BY AUTHORITY

No. 29] NEW DELHI, TUESDAY, OCTOBER 6, 1953

MINISTRY OF LAW

New Delhi, the 6th October, 1953

The following President's Act enacted on the 6th October, 1953 is published for general information:—

THE PATIALA AND EAST PUNJAB STATES UNION
LAND ACQUISITION ACT, 1953

No. 5 OF 1953

[6th October, 1953]

An Act to extend the Land Acquisition Act, 1894, to the State of Patiala and East Punjab States Union so as to provide for the acquisition of land for purposes other than purposes of the Union.

In exercise of the powers conferred by section 3 of the Patiala and East Punjab States Union Legislature (Delegation of Powers) Act, 1953 (22 of 1953), the President is pleased to enact as follows:—

1. Short title, extent and commencement.—(1) This Act may be called the Patiala and East Punjab States Union Land Acquisition Act, 1953.

(2) It extends to the whole of the State of Patiala and East Punjab States Union.

(3) It shall come into force at once.

2. Definition.—In this Act, 'the Land Acquisition Act' means the Land Acquisition Act, 1894 (I of 1894), as enacted by the Central Legislature and as in force immediately before the commencement of this Act.

3. Extension of Central Act I of 1894 to the State.—On and from the commencement of this Act, the Land Acquisition Act, in so far

as it relates to the acquisition of land for purposes other than purposes of the Union, shall extend to, and be in force in, the State of Patiala and East Punjab States Union subject to the modifications specified in the Schedule.

4. Validation of certain acquisitions, awards and agreements.— Notwithstanding any judgment, decree or order of any court,—

(a) all lands acquired before the commencement of this Act by the Government for any public purpose in the exercise or purported exercise of the powers conferred by the Patiala and East Punjab States Union Land Acquisition Act, 2006BK., possession whereof had been taken before such commencement, and

(b) all awards and agreements for the payment of compensation in respect of any such lands as are referred to in clause (a) made or entered into before the commencement of this Act,

shall be deemed to have been acquired, made or entered into in accordance with law, and the provisions of the Land Acquisition Act shall apply thereto as if the acquisition, award or agreement had been made or entered into in accordance with that Act.

5. Repeals and savings.—(1) The Patiala Land Acquisition Act, 1995BK., and the Patiala and East Punjab States Union Land Acquisition Act, 2006BK., are hereby repealed:

Provided that anything done or any action taken, including any order, notification or rules made or issued in the exercise or purported exercise of the powers conferred by or under either of the Acts aforesaid shall, in so far as they are not inconsistent with the provisions of the Land Acquisition Act, be deemed to have been done or taken in the exercise of the powers conferred by or under the Land Acquisition Act as if that Act was in force on the date on which such thing was done or such action was taken.

(2) Notwithstanding anything contained in sub-section (1), where any petition for revision under the Patiala Land Acquisition Act, 1995, is pending for disposal before any authority immediately before the commencement of this Act, such application shall be disposed of by the Financial Commissioner (Revenue), in accordance with the provisions of that Act.

THE SCHEDULE

(See section 3)

MODIFICATIONS SUBJECT TO WHICH THE LAND ACQUISITION ACT EXTENDS TO THE STATE

1. In section 1, sub-sections (2) and (3) shall be omitted.
2. In section 3, clause (ee) shall be omitted.
3. Throughout the Act, for the words "appropriate Government" wherever they occur, the words "State Government" shall be substituted.
4. In sub-section (1) of section 23, for clause 'first' the following clause shall be substituted, namely:—

"first, the market value of the land at the date of the publication of the notification under sub-section (1) of section 4 or where more than three years have elapsed between the date of

publication of the notification under the said sub-section and the date of taking possession of such land (whether such possession is taken before or after the date of the award determining the compensation), the market value of the land immediately before the date of the award;”.

RAJENDRA PRASAD,
President.

K. Y. BHANDARKAR,
Secy. to the Govt. of India.

Reasons for the enactment

There is no uniform law in the Patiala and East Punjab States Union providing for compulsory acquisition of land for a public purpose. The enactment of a suitable law on the subject is therefore a matter of urgency. The present Act seeks to extend to the Patiala and East Punjab States Union the Land Acquisition Act, 1894, insofar as it relates to acquisition of land for public purposes, other than the purposes of the Union, subject to the modification that, where more than three years have elapsed between the date of the publication of a preliminary notification and the date of taking possession of the land, the market value of the land at the date of the award and not the market value of the land at the date of the publication of the preliminary notification should be taken into consideration for the purpose of determining the compensation.

2. The Committee appointed under the proviso to sub-section (2) of section 3 of the Patiala and East Punjab States Union Legislature (Delegation of Powers) Act, 1953 (22 of 1953), has approved the enactment of this measure.

C. S. VENKATACHAR,
*Secy. to the Govt. of India,
Ministry of States.*

The Gazette  of India

EXTRAORDINARY
PART II Section 1
PUBLISHED BY AUTHORITY

No. 31] NEW DELHI, MONDAY, OCTOBER 12, 1953

MINISTRY OF LAW

New Delhi, the 12th October, 1953

The following President's Act enacted on the 9th October, 1953 is published for general information :—

THE PATIALA AND EAST PUNJAB STATES UNION
EVACUEE INTEREST (SEPARATION) SUPPLEMENT-
ARY ACT, 1953

No. 6 OF 1953

[9th October, 1953]

An Act to supplement certain provisions of the Evacuee Interest
(Separation) Act, 1951.

In exercise of the powers conferred by section 3 of the Patiala and East Punjab States Union Legislature (Delegation of Powers) Act, 1953 (22 of 1953), the President is pleased to enact as follows:—

1. Short title, extent and commencement.—(1) This Act may be called the Patiala and East Punjab States Union Evacuee Interest (Separation) Supplementary Act, 1953.

(2) It extends to the whole of the State of Patiala and East Punjab States Union.

(3) It shall be deemed to have come into force on the 15th day of December, 1952.

2. Validation of certain provisions of Central Act No. LXIV of 1951.—So much of the Evacuee Interest (Separation) Act, 1951 (LXIV of 1951), as relates to matters with respect to which the State Legislature has, and Parliament has not, the power to make laws for the State of Patiala and East Punjab States Union, shall be as effective and valid in the State as if it had been enacted by the Patiala and East Punjab States Union Legislature.

3. Validation of certain actions taken.—Anything done or any action taken (including any order made or inquiry held or jurisdiction exercised) after the 14th day of December, 1952 and before the commencement of this Act under the provisions of the Evacuee Interest (Separation) Act, 1951 (LXIV of 1951), in so far as it relates to matters with respect to which the State Legislature has, and Parliament has not, the power to make laws for the State of Patiala and East Punjab States Union, shall be deemed to have been validly done or taken as if section 2 were in force in the State on the day on which such thing was done or action was taken.

RAJENDRA PRASAD,

President.

K. Y. BHANDARKAR,

Secy. to the Govt. of India.

Reasons for the enactment

In pursuance of a resolution passed under article 249 of the Constitution, the Evacuee Interest (Separation) Act was passed by Parliament in 1951. This law was enacted to make special provisions for the separation of evacuee interests from those of non-evacuees in properties in which both the evacuees and non-evacuees are jointly interested. As some of the provisions of the legislation may be relatable to matters in the State List, Parliament was empowered to enact the legislation by a resolution under article 249 of the Constitution. The effect of this resolution expired on December 14, 1952.

Doubts may arise as to the validity of certain provisions (which are relatable to matters in the State List) with effect from the 15th December, 1952. This Act seeks to remove those doubts and validate all proceedings held after 14th December, 1952.

C. S. VENKATACHAR,

Secy. to the Govt. of India,

Ministry of States.

REGISTERED No. D. 221

The Gazette of India



EXTRAORDINARY
PART II—Section 1
PUBLISHED BY AUTHORITY

No. 37] NEW DELHI, MONDAY, NOVEMBER 16, 1953

MINISTRY OF LAW

New Delhi, the 16th November 1953

The following President's Act enacted on the 14th November, 1953 is published for general information:—

THE PATIALA AND EAST PUNJAB STATES UNION GENERAL
CLAUSES ACT, 1953

No. 7 OF 1953

[14th November, 1953].

An Act to provide for the construction of enactments and for shortening the language thereof.

In exercise of the powers conferred by section 3 of the Patiala and East Punjab States Union Legislature (Delegation of Powers) Act, 1953 (22 of 1953), the President is pleased to enact as follows:—

PRELIMINARY

1. Short title and commencement.—(1) This Act may be called the Pepsu General Clauses Act, 1953.

(2) It shall come into force at once.

2. Application of Act.—Unless otherwise expressly provided or the context otherwise requires, the provisions of this Act with respect to the construction of enactments, apply—

(a) to this Act and all other enactments whether passed before or after the commencement of this Act; and

(b) where any such enactment confers upon any authority power to make rules or bye-laws, also to such rules or bye-laws.

3. General definitions.—In this Act, and in all enactments, unless the context otherwise requires,—

(1) “abet”, with its grammatical variations and cognate expressions, shall have the same meaning as in the Indian Penal Code (Act XLV of 1860);

(2) "act", used with reference to an offence or a civil wrong, shall include a series of acts, and words which refer to acts done extend also to illegal omissions;

(3) "affidavit" shall include affirmation and declaration in the case of persons by law allowed to affirm or declare instead of swearing;

(4) "Central Act" and "Central Government" shall have the meanings respectively assigned to them in the General Clauses Act, 1897 (X of 1897);

(5) "Chapter" shall mean a Chapter of the enactment in which the word occurs;

(6) "clause" shall mean a sub-division of a section when the sub-division itself is not a sub-section, and shall include a sub-division of a sub-section;

(7) "Collector" shall mean the chief officer in charge of the revenue-administration of a district and shall include a Deputy Commissioner;

(8) "commencement", used with reference to an enactment, shall mean the time at which the enactment comes into force;

(9) "Commissioner" shall mean the chief officer in charge of the revenue-administration of a division;

(10) "Constitution" shall mean the Constitution of India;

(11) "Covenant" shall mean the Covenant, entered into on the 5th day of May, 1948, by the Rulers of the former Indian States of Faridkot, Jind, Kalsia, Kapurthala, Malerkotla, Nabha, Nalagarh and Patiala for the formation of the State of Patiala and East Punjab States Union, as amended by the Supplementary Covenant entered into by the Rulers of the aforesaid States on the 9th day of April, 1949;

(12) "Deputy Commissioner" shall mean the chief officer in charge of the general administration of a district, and shall include a Nazim;

(13) "District Judge" shall mean the Judge of a principal civil court of original jurisdiction, but shall not include the High Court in the exercise of its ordinary or extraordinary original civil jurisdiction;

(14) "document" shall include any matter written, expressed, inscribed or described upon any substance by means of letters, figures or marks, or by more than one of those means which is intended to be used, or which may be used, for the purpose of recording that matter;

(15) "enactment" shall mean a Pepsu Act, and shall include—

(a) an Ordinance promulgated under article 238 read with article 213 of the Constitution; and

(b) also any provision contained in any Pepsu Act or Ordinance as aforesaid;

(16) "father", in the case of any one whose personal law permits adoption, shall include an adoptive father;

(17) "Financial Commissioner" shall mean the Financial Commissioner for the time being for the State of Patiala and East Punjab States Union;

(18) "financial year" shall mean the year commencing on the 1st day of April;

(19) a thing shall be deemed to be done in "good faith", where it is in fact done honestly, whether it is done negligently or not;

(20) "Government" or "the Government" shall include both the Central Government and any State Government;

(21) "High Court" shall mean the High Court for the State of Patiala and East Punjab States Union;

(22) "immovable property" shall include land, benefits to arise out of land, and things attached to the earth or permanently fastened to anything attached to the earth;

(23) "imprisonment" shall mean imprisonment of either description as defined in the Indian Penal Code (Act XLV of 1860);

(24) "India" shall mean all the territories for the time being comprised in the territory of India;

(25) "local authority" shall mean a municipal committee, small town committee, district board or other authority legally entitled to, or entrusted by the Government with, the control or management of a municipal, small town or local fund;

(26) "magistrate" shall include every person exercising all or any of the powers of a magistrate under the Code of Criminal Procedure, 1898 (Act V of 1898);

(27) "month" shall mean a month reckoned according to the British calendar;

(28) "movable property" shall mean property of every description except immovable property;

(29) "notification" shall mean a notification published in the Official Gazette;

(30) "oath" shall include an affirmation and a declaration in the case of persons by law allowed to affirm or declare instead of swearing;

(31) "offence" shall mean any act or omission made punishable by any law for the time being in force;

(32) "Official Gazette" or "Gazette" shall mean the Official Gazette of the State of Patiala and East Punjab States Union;

(33) "Part" shall mean a Part of the enactment in which the word occurs;

(34) "Pepsu" shall mean the Patiala and East Punjab States Union;

(35) "Pepsu Act" shall mean an Act of the Legislature of the State of Patiala and East Punjab States Union and shall include—

(a) any Act or Ordinance made or promulgated by the Ruler of the former Patiala State and made applicable to Pepsu by virtue of section 3 of the Patiala and East Punjab States Union General Provisions (Administration) Ordinance, 2005Bk. ; and

(b) an Ordinance made and promulgated by the Rajpramukh under Article X of the Covenant;

(36) "person" shall include any company or association or body of individuals, whether incorporated or not;

(37) "prescribed" shall mean prescribed by rules made under an enactment;

(38) "public nuisance" shall mean a public nuisance as defined in the Indian Penal Code (Act XLV of 1860);

(39) "registered", used with reference to a document shall mean registered under any law for the time being in force for the registration of documents;

(40) "rule" shall mean a rule made in exercise of a power conferred by any enactment, and shall include a regulation made as a rule under any enactment;

(41) "Schedule" shall mean a Schedule to the enactment in which the word occurs;

(42) "section" shall mean a section of the enactment in which the word occurs;

(43) "ship" shall include every description of vessel used in navigation not exclusively propelled by oars;

(44) "sign", with its grammatical variations and cognate expressions, used with reference to a person who is unable to write his name, shall include "mark", with its grammatical variations and cognate expressions;

(45) "son", in the case of any one whose personal law permits adoption, shall include an adopted son;

(46) "State Government" shall mean, in relation to anything done or to be done after the commencement of the Constitution, the Rajpramukh;

(47) "sub-section" shall mean a sub-section of the section in which the word occurs;

(48) "swear", with its grammatical variations and cognate expressions, shall include affirming and declaring in the case of persons by law allowed to affirm or declare instead of swearing;

(49) "vessel" shall include any ship or boat or any other description of vessel used in navigation;

(50) "will" shall include a codicil and every writing making a voluntary posthumous disposition of property;

(51) expressions referring to "writing" shall be construed as including references to printing, lithography, photography and other modes of representing or reproducing words in a visible form;

(52) "year" shall mean a year reckoned according to the British calendar.

4. Extent of Acts generally.—Every Act of the Legislature of Pepsu passed after the commencement of this Act shall, unless the contrary is expressly provided therein, apply to the whole of the State of Patiala and East Punjab States Union.

5. Coming into force of enactments.—(1) Where any Pepsu Act passed after the commencement of this Act is not expressed to come into force on a particular day, then it shall come into force on the day on which the assent of the Rajpramukh or the President, as the case may be, is first published in the Official Gazette.

(2) Unless the contrary intention is expressed, an Ordinance promulgated under article 238 read with article 213 of the Constitution shall come into force on the date on which it is promulgated.

(3) Unless the contrary intention is expressed, every Pepsu Act and every such Ordinance shall be construed as coming into force immediately on the expiration of the day preceding its commencement.

6. Gender and number.—In all enactments, unless a different intention appears,—

(a) words importing the masculine gender shall be taken to include females, and

(b) words in the singular shall include the plural and *vice versa*.

7. Commencement and termination of time.—In any enactment, it shall be sufficient, for the purpose of excluding the first of a series of days or any other period of time, to use the word "from", and for the purpose of including the last in a series of days or any other period of time, to use the word "to".

8. Computation of time.—Where, by any enactment, any act or proceeding is directed or allowed to be done or taken in any court or office on a certain day or within a prescribed period, then, if the court or office is closed on that day or the last day of the prescribed period, the act or proceeding shall be considered as done or taken in due time if it is done or taken on the next day afterwards on which the court or office is open:

Provided that nothing in this section shall apply to any act or proceeding to which the Indian Limitation Act, 1908 (IX of 1908), applies.

9. Duty to be taken *pro rata* in enactments.—Where, by any enactment any duty of excise, or in the nature thereof, is leviable on any

given quantity, by weight, measure or value of any goods or merchandise, then a like duty is leviable according to the same rate on any greater or less quantity.

10. Measurement of distances.—In the measurement of any distance, for the purposes of any enactment, that distance shall, unless a different intention appears, be measured in a straight line on a horizontal plane.

REPEAL OF ENACTMENTS

11. Effect of repeal.—Where this Act or any Pepsu Act or any Ordinance made under article 238 read with article 213 of the Constitution, repeals any enactment, then, unless a different intention appears, the repeal shall not—

(a) revive anything not in force or existing at the time at which the repeal takes effect; or

(b) affect the previous operation of any enactment so repealed or anything duly done or suffered thereunder; or

(c) affect any right, privilege, obligation or liability acquired, accrued or incurred under any enactment so repealed; or

(d) affect any penalty, forfeiture or punishment incurred in respect of any offence committed against any enactment so repealed; or

(e) affect 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 the repealing Act or Ordinance had not been passed.

12. Repeal of law making textual amendment in other laws.—Where any Pepsu Act or Ordinance made under article 238 read with article 213 of the Constitution repeals any enactment by which the text of any Pepsu Act or such Ordinance was amended by the express omission, insertion or substitution of any matter, then unless a different intention appears, the repeal shall not affect the continuance of any such amendment made by the enactment so repealed and in operation at the time of such repeal.

13. Construction of references to repealed enactments.—Where this Act or any Pepsu Act or Ordinance made under article 238 read with article 213 of the Constitution repeals and re-enacts, with or without modification, any provision of a former enactment, then references in any other enactment or in any instrument to the provision so repealed shall, unless a different intention appears, be construed as references to the provision so re-enacted.

14. Revival of repealed enactments.—In any Pepsu Act or Ordinance made under article 238 read with article 213 of the Constitution, it shall be necessary, for the purpose of reviving either wholly or partially any enactment wholly or partially repealed expressly to state that purpose.

POWERS AND FUNCTIONARIES

15. Powers conferred to be exercisable from time to time.—Where, by an enactment any power is conferred or a duty is imposed, then, unless a different intention appears, that power may be exercised and that duty shall be performed from time to time as occasion requires.

16. Power to appoint to include power to appoint ex-officio.—Where, by any enactment a power to appoint any person to fill any office or execute any function is conferred, then, unless it is otherwise expressly provided any such appointment may be made either by name or by virtue of office.

17. Power to appoint to include power to suspend, remove or dismiss.—Where, by any enactment a power to make any appointment is conferred, then, unless a different intention appears, the authority having for the time being power to make the appointment shall also have power to suspend, remove or dismiss any person appointed whether by itself or any other authority in exercise of that power.

18. Substitution of functionaries.—In any enactment it shall be sufficient, for the purpose of indicating the application of a law to every person or number of persons for the time being executing the functions of an office, to mention the official title of the officer at present executing the functions, or that of the officer by whom the functions are commonly executed.

19. Successors.—In any enactment it shall be sufficient for the purposes of indicating the relation of a law to the successors of any functionaries or of corporations having perpetual succession to express its relation to the functionaries or corporations.

20. Official chiefs and subordinates.—In any enactment, it shall be sufficient, for the purpose of expressing that a law relative to the chief or superior of an office shall apply to the deputies or subordinates lawfully performing the duties of that office in the place of their superior, to prescribe the duty of the superior.

PROVISIONS AS TO NOTIFICATIONS, ORDERS, RULES, ETC., MADE UNDER ENACTMENTS

21. Construction of notifications, orders, etc., issued under enactments.—Where, by any enactment, a power to issue any notification, order, scheme, rule, form, or bye-law is conferred, then expressions used in the notification, order, scheme, rule, form, or bye-law shall, unless a different intention appears, have the same respective meanings as in the enactment conferring the power.

22. Power to make, to include power to add to, amend, vary or rescind notifications, etc.—Where, by any enactment, a power to issue notifications or make orders, rules or bye-laws is conferred, then, that power includes a power, exercisable in the like manner and subject to the like sanctions and conditions (if any), to add to, amend, vary or rescind any notifications, orders, rules or bye-laws so issued or made.

23. Making of rules or bye-laws and issuing of orders between passing and commencement of enactment.—Where, by any enactment,

which is not to come into force immediately on the passing thereof, a power is conferred to make rules or bye-laws, or to issue orders with respect to the application of the enactment, or with respect to the establishment of any court or office or the appointment of any judge or officer thereunder, or with respect to the person by whom, or the time when, or the place where, or the manner in which, or the fees for which, anything is to be done under the enactment, then, that power may be exercised at any time after the passing of the enactment, but rules, bye-laws or orders so made or issued shall not take effect till the commencement of the enactment:

Provided that where all the provisions contained in an enactment do not come into force simultaneously, the rules, bye-laws or orders so made or issued shall not take effect till the commencement of the provision or enactment with respect to which they are so made or issued.

24. Provisions applicable to making of rules or bye-laws after previous publication.—Where, by any enactment, a power to make rules or bye-laws is expressed to be given subject to the condition of the rules or bye-laws being made after previous publication, then, unless such enactment otherwise provides, the following provisions shall apply, namely:—

(1) the authority having power to make the rules or bye-laws shall, before making them, publish a draft of the proposed rules or bye-laws for the information of persons likely to be affected thereby;

(2) the publication shall be made in such manner as that authority deems to be sufficient, or, if the condition with respect to previous publication so requires, in such manner as the Government concerned prescribes;

(3) there shall be published with the draft a notice specifying a date on or after which the draft will be taken into consideration;

(4) the authority having power to make the rules or bye-laws, and, where the rules or bye-laws are to be made with the sanction, approval or concurrence of another authority, that authority also, shall consider any objection or suggestion which may be received by the authority having power to make the rules or bye-laws from any person with respect to the draft before the date so specified;

(5) the publication in the Official Gazette of a rule or bye-law purporting to have been made in exercise of a power to make rules or bye-laws after previous publication shall be conclusive proof that the rule or bye-law has been duly made.

25. Continuation of orders, etc., issued under enactments repealed and re-enacted.—Where any enactment is repealed and re-enacted with or without modification, then, unless it is otherwise expressly provided, any appointment, notification, order, scheme, rule, form or bye-law, made or issued under the repealed enactment, shall, so far as it is not inconsistent with the provisions re-enacted, continue in

force, and be deemed to have been made or issued under the provisions so re-enacted, unless and until it is superseded by any appointment notification, order, scheme, rule, form or bye-law made or issued under the provisions so re-enacted.

CITATION OF ENACTMENTS

26. Citation of enactments.—(1) In any Pepsu Act or Ordinance made under article 238 read with article 213 of the Constitution, and in any rule, bye-law, instrument or document, made under, or with reference to any such Act or Ordinance, any enactment may be cited by reference to the title or short title (if any) conferred thereon, or by reference to the number and year thereof, and any provision in an enactment may be cited by reference to the section or sub-section of the enactment in which the provision is contained.

(2) Any such citation of, or reference to, any enactment shall, unless a different intention appears, be deemed to be citation of, or reference to, such enactment as amended.

(3) In any Pepsu Act or Ordinance made under article 238 read with article 213 of the Constitution, a description or citation of a portion of another enactment shall, unless a different intention appears, be construed as including the word "section" or other part mentioned or referred to as forming the beginning or as forming the end of the portion comprised in the description or citation.

MISCELLANEOUS

27. Recovery of fines.—Sections 63 to 70 of the Indian Penal Code (Act XLV of 1860), and the provisions of the Code of Criminal Procedure, 1898 (Act V of 1898), in relation to the issue and the execution of warrants for the levy of fines, shall apply to all fines imposed under any enactment, rule or bye-law, unless the enactment, rule or bye-law contains express provision to the contrary.

28. Provision as to offences punishable under two or more enactments.—Where an act or omission constitutes an offence under two or more enactments, then the offender shall be liable to be prosecuted and punished under either or any of those enactments but shall not be liable to be punished twice for the same offence.

29. Meaning of service by post.—Where any enactment authorises or requires any document to be served by post, whether the expression "serve" or either of the expressions "give" or "send" or any other expression is used, then, unless a different intention appears, the service shall be deemed to be effected by properly addressing, pre-paying and posting by registered post, a letter containing the document, and, unless the contrary is proved, to have been effected at the time at which the letter would be delivered in the ordinary course of post.

30. References to Central and Punjab Acts to be construed as references to those Acts as in force in Pepsu.—Any reference in any enactment to any Central Act or Punjab Act shall be construed as a reference to that Act as in force in the State of Patiala and East Punjab States Union,

Explanation.—In this section, the expression “Punjab Act” shall have the meaning assigned to it by clause (46) of section 2 of the Punjab General Clauses Act, 1898 (I of 1898).

31. Effect of expiry of Ordinances and temporary Pepsu Acts.—The provisions of section 11 shall apply—

(a) on the expiry or withdrawal of any Ordinance promulgated under article 238 read with article 213 of the Constitution, and

(b) on the expiry of any Pepsu Act, the duration of which is expressed to be for a specified period,

as if such Ordinance or Act had been an enactment and had then been repealed by a Pepsu Act.

32. Repeal and saving.—The Patiala General Clauses Act, 2002 Bk. (XII of 2002 Bk.) is hereby repealed:

Provided that, notwithstanding such repeal, the said Act shall continue to apply to any Act or law made by the President in exercise of the powers of the Legislature of the State conferred upon him by the Patiala and East Punjab States Union Legislature (Delegation of Powers) Act, 1953 (22 of 1953).

RAJENDRA PRASAD,
President.

K. Y. BHANDARKAR,
Secy. to the Govt. of India.

Reasons for the enactment

The Patiala General Clauses Act, 2002 Bk., originally applied to the Patiala State only but was extended to the whole of the Patiala and East Punjab States Union by virtue of section 3 of the Patiala and East Punjab States Union General Provisions (Administration) Ordinance, 2005 Bk. At the time the Patiala Act was extended to the whole State, it was not suitably modified with the result that the question whether the Patiala Act as extended to the whole State applied to Ordinances made by the Rajpramukh under Article X of the Covenant and to Ordinances promulgated under article 238 read with article 213 of the Constitution became doubtful. The Patiala Act also contains certain archaic and anomalous definitions the meaning of which is not quite clear in the context of the present conditions. It has therefore become necessary to have a new General Clauses Act on the lines of the one in force at the Centre and in Part A States. The object of this Act is to enact such a law.

C. S. VENKATACHAR,
Secy. to the Govt. of India,
Ministry of States.

The Gazette of India



EXTRAORDINARY
PART II—Section 1
PUBLISHED BY AUTHORITY

No. 38] NEW DELHI, WEDNESDAY, NOVEMBER 18, 1953

MINISTRY OF LAW

New Delhi, the 18th November, 1953

The following President's Act enacted on the 18th November, 1953 is published for general information:—

THE PATIALA AND EAST PUNJAB STATES UNION
TENANCY AND AGRICULTURAL LANDS ACT, 1953

No. 8 OF 1953

[18th November, 1953]

An Act to amend and consolidate the law relating to tenancies of agricultural lands and to provide for certain measures of land reforms.

In exercise of the powers conferred by section 3 of the Patiala and East Punjab States Union Legislature (Delegation of Powers) Act, 1953 (22 of 1953), the President is pleased to enact as follows:—

CHAPTER I

PRELIMINARY

1. Short title, extent and commencement.—(1) This Act may be called the Patiala and East Punjab States Union Tenancy and Agricultural Lands Act, 1953.

(2) It extends to the whole of the State of Patiala and East Punjab States Union.

(3) It shall come into force on such date as the State Government may, by notification in the Official Gazette, appoint.

2. Definitions.—(1) In this Act, unless the context otherwise requires,—

(a) 'allottee' means a displaced person or a group of such persons to whom land is allotted in pursuance of the scheme contained in the notification of the Department of Rehabilitation

No. 9R, dated the 23rd July, 1949 or in pursuance of any other scheme for allotment of evacuee land to displaced persons which the State Government may, by notification in the Official Gazette, specify for the purposes of this Act, and includes—

(i) the legal representatives of such displaced person; and

(ii) in the case of an allotment to a group of displaced persons, each such person and his legal representatives;

(b) 'banjar land' means land which has remained uncultivated for a continuous period of not less than four years immediately preceding the date on which the question whether such land is banjar or not arises;

(c) 'Commissioner' has the meaning assigned to it in the Punjab Land Revenue Act, 1887 (Punjab Act XVII of 1887) and includes any other officer specially empowered by the State Government to perform all or any of the functions assigned to the Commissioner under this Act;

(d) 'evacuee land' means land which is or which is deemed to be evacuee property under the Administration of Evacuee Property Act, 1950 (XXXI of 1950);

(e) 'khana damad' means a person who having married the daughter of a landowner having no male issue lives along with his wife in the house of his father-in-law and who according to the custom is treated by him as his son;

(f) 'landowner' has the meaning assigned to it in the Punjab Land Revenue Act, 1887 (Punjab Act XVII of 1887) and includes an allottee;

(g) the expression 'to cultivate personally' with its grammatical variations and cognate expressions means to cultivate on one's own account—

(1) by one's own labour, or

(2) by the labour of such of one's relatives, as may be prescribed, or

(3) by servants on hired labour;

(h) 'prescribed' means prescribed by rules made under this Act;

(i) 'standard acre' is a measure of land convertible with reference to the yield from, and the quality of, the soil, into an ordinary acre according to the prescribed scale;

(j) 'State' means the State of Patiala and East Punjab States Union;

(k) 'tenant' has the meaning assigned to it in the Punjab Tenancy Act, 1887 (Punjab Act XVI of 1887), but does not include a person—

(i) who holds a right of occupancy, or

(ii) who is a relative of the tenant within the meaning of sub-clause (2) of clause (g);

(1) all other words and expressions used herein and not defined but defined in the Punjab Tenancy Act, 1887 (Punjab Act XVI of 1887), or the Punjab Land Revenue Act, 1887 (Punjab Act XVII of 1887) shall have the meanings assigned to them in either of those Acts.

(2) References in this Act to the Punjab Tenancy Act, 1887 (Punjab Act XVI of 1887) or the Punjab Land Revenue Act, 1887 (Punjab Act XVII of 1887) shall be construed as references to those Acts as in force in the State.

3. Permissible limit.—(1) 'Permissible limit' for the purposes of this Act means thirty standard acres of land and where such thirty standard acres on being converted into ordinary acres exceed sixty acres, such sixty acres:

Provided that the permissible limit shall not exceed one-half of the holding of a landowner:

Provided further that where the holding of a landowner exceeds ten standard acres, the minimum area of permissible limit shall be ten standard acres and where the holding is ten standard acres or less, the permissible limit shall be an area equal to the holding of the landowner.

(2) For the purposes of computing the permissible limit under sub-section (1)—

(a) where a person holds some land as a landowner and some other land as an allottee both kinds of land shall be included;

(b) land occupied by an occupancy tenant shall not be included in the holding of the landowner but it shall be included in the holding of the occupancy tenant in whom proprietary rights in respect of such land vest under the Patiala and East Punjab States Union Occupancy Tenants (Vesting of Proprietary Rights) Act, 1953;

(c) where a landowner owns land jointly with other landowners his share of such land as ascertained from the record of rights shall alone be included;

(d) where a landowner dies within a period of six months from the commencement of this Act, the permissible limit shall be determined with reference to the land which has devolved upon each of his successors-in-interest, including any land held by such successors-in-interest immediately before the death of the landowner.

(e) any transfer of land made by the landowner after the commencement of this Act shall be disregarded.

(f) any class of land which the State Government may, by notification in the Official Gazette, specify, shall be excluded.

4. Act to override other laws.—Save as otherwise expressly provided in this Act, the provisions of this Act shall have effect notwithstanding anything inconsistent therewith contained in any other law for the time being in force or any instrument having effect by virtue of any such law or any usage, agreement, settlement, grant, sanad or any decree or order of any court or other authority.

CHAPTER II

RESERVATION OF LAND FOR PERSONAL CULTIVATION

5. Reservation of land for personal cultivation.—(1) Subject to the provisions of this section, every landowner owning land exceeding thirty standard acres shall be entitled to select for personal cultivation from the land held by him in the State as a landowner any parcel or parcels of land not exceeding in aggregate area the permissible limit and reserve such land for personal cultivation by intimating his selection in the prescribed form and manner to the Collector:

Provided that in making such selection, the landowner shall include to the extent of the permissible limit, all land which he held for personal cultivation immediately before the commencement of this Act.

(2) The right conferred by this section on a landowner to reserve land for personal cultivation shall cease if it is not exercised within a period of six months from the commencement of this Act.

6. Land reserved for personal cultivation to be notified.—(1) The Collector shall in respect of every landowner notify in such form and manner as may be prescribed the particulars of all lands reserved for the personal cultivation of the landowner under section 5.

(2) A copy of every notification issued under sub-section (1) shall, as soon as may be, be served upon the landowner concerned in the prescribed manner.

CHAPTER III

GENERAL RIGHTS OF TENANTS

7. Termination of tenancy.—(1) No tenancy shall be terminated except in accordance with the provisions of this Act or except on any of the following grounds, namely:—

(a) that the land comprising the tenancy has been reserved by the landowner for his personal cultivation in accordance with the provisions of Chapter II:

Provided that no tenant shall be ejected under this clause after the expiry of a period of five years from the commencement of this Act.

Explanation.—The said period of five years shall commence—

(a) in the case of a widow, on the termination of the life interest of the widow;

(b) in the case of a minor, on the attainment of majority; and

(c) in the case of a member of the Armed Forces of the Union, on his discharge or retirement from service, as the case may be;

(b) that the tenant has failed to pay rent within a period of six months after it falls due;

(c) that the tenant, not being a widow, a minor or a member of the Armed Forces of the Union has, after the commencement

of this Act, sublet without the consent in writing of the landowner, the land comprising his tenancy or any part thereof;

(d) that the tenant has, without sufficient cause, failed to cultivate personally such land, in the manner and to the extent customary in the locality in which such land is situated;

(e) that the tenant has used such land or any part thereof in a manner which is likely to render the land unfit for the purpose for which it was leased to him;

(f) that the tenant, on demand in writing by the landowner, has refused to execute a kabuliyat agreeing to pay rent in respect of his tenancy in accordance with the provisions of sections 9 and 10.

(2) Notwithstanding anything contained in clause (a) of sub-section (1), a landowner holding thirty standard acres or less of land may, within a period of five years from the commencement of this Act, eject any tenant from such land within the permissible limit if he requires such land for personal cultivation.

Explanation 1.—For the purposes of determining the permissible limit, all lands held by the landowner as such landowner for personal cultivation immediately before the commencement of this Act shall be included.

Explanation 2.—In the case of a widow, minor or a member of the Armed Forces of the Union, the *Explanation* to clause (a) of sub-section (1) shall apply.

8. Restoration of possession of land to tenant if landowner fails to cultivate land personally.—(1) Where a landowner who has taken possession of any land by ejecting any tenant therefrom on the ground that he requires the land for personal cultivation fails to cultivate such land personally within one year from the date on which he took possession thereof or ceases to cultivate such land personally in any year during a period of four years next following, the tenant may make an application to the prescribed authority for restoration of such land to him.

(2) On receipt of an application under sub-section (1), the prescribed authority after giving to the landowner concerned an opportunity of being heard and after holding such enquiry as it may deem fit may restore possession of such land to the tenant.

9. Maximum amount of rent payable.—Notwithstanding any agreement, usage, decree or order of a court or any law for the time being in force, the maximum rent payable by a tenant in respect of the land leased to him shall not exceed one-third of the produce of the land or the value of such produce, as the case may be.

10. Determination of rent.—(1) Subject to the provisions of section 9, the rent payable by a tenant shall be—

(a) where the rent is fixed by an agreement in writing, the rent so agreed upon;

(b) where there is no such agreement, the rent payable for the agricultural year immediately preceding the period in respect of which the rent falls to be determined;

(c) where it is not practicable to ascertain the rent for the previous agricultural year referred to in clause (b), the rent payable according to the usage of the locality;

(d) where the case does not fall under any of the aforesaid clauses, a reasonable rent.

(2) The reasonable rent referred to in clause (d) of sub-section (1) shall be determined by the prescribed authority who in determining such rent shall have regard to the following matters, namely:—

(a) the rental value of any land leased for similar purposes in the locality;

(b) the income from similar lands in the locality;

(c) the prices of foodgrains and other commodities in the locality;

(d) such other matters as may be prescribed.

11. Receipt for rent.—(1) Every landowner shall give or cause to be given a receipt for the rent received by him or on his behalf in such form and manner as may be prescribed.

Explanation.—A receipt shall be deemed to have been given within the meaning of this sub-section, if it is handed over to the prescribed authority within seven days of the receipt of rent by the landowner or by any person on his behalf.

(2) If any landowner makes default in complying with the provisions of sub-section (1), the prescribed authority may, by order in writing, direct him to pay a penalty not exceeding three times the amount of land revenue payable in respect of the land relating to which the default is made.

12. Prohibition against recovery of excessive rent.—Notwithstanding anything in any agreement, usage or law for the time being in force, it shall not be lawful for any landowner—

(a) to recover from a tenant rent in excess of the amount specified in section 9 or section 10, as the case may be, or

(b) to demand from a tenant any cess, rate or tax or service or payment of any description or denomination whatsoever, in addition to the rent lawfully recoverable under this Act.

13. Liability to refund amount unlawfully recovered.—If the prescribed authority, after making such enquiry as he may deem fit, is satisfied that a landowner has recovered any rent, cess rate or tax or received any service from any tenant in contravention of the provisions of section 12, the prescribed authority may direct the landowner—

(a) to pay to the Government as penalty a sum not exceeding ten times the excess amount recovered; and

(b) to refund to the tenant the excess amount recovered from him; or

(c) where the landowner has received any service from any tenant, to pay to the tenant such sum by way of compensation as the prescribed authority may think fit.

14. Bar on eviction from dwelling-house.—(1) If in any *Abadi Deh* or *Gorah Deh* a tenant is in occupation of a dwelling-house built on a site belonging to the landowner, the tenant shall not be ejected from such dwelling-house or the land immediately appurtenant thereto and necessary for his enjoyment unless—

(a) the landowner proves that the dwelling-house was not built at the expense of the tenant; and

(b) such tenant makes default for a period exceeding one year in the payment of rent, if any, which he has been paying for the use and occupation of such house:

Provided that in the case of a tenant under an allottee, this sub-section shall have effect as if for the word 'and' in sub-clause (a) the word 'or' were substituted.

(2) The provisions of this section and the next succeeding section shall not apply to a dwelling-house which is situated on any land used for the purpose of agriculture in respect of which the tenancy has been terminated under the provisions of this Act.

Explanation.—In this section and the next succeeding section, the expression 'landowner' in relation to evacuee land means the Custodian of Evacuee Property within the meaning of the Administration of Evacuee Property Act, 1950 (XXXI of 1950).

15. Option to tenant to purchase site of dwelling-house.—(1) A tenant who is in occupation of a dwelling-house built at his own expense on a site belonging to the landowner shall have the right to purchase such site from the landowner at the price agreed upon in writing between him and the landowner or in the absence of any such agreement at such price as may be determined by the prescribed authority.

(2) A tenant who intends to purchase the site of a dwelling-house in pursuance of the provisions of sub-section (1) shall give to the landowner a notice in writing in the prescribed manner of his intention to do so.

(3) Where a landowner has received notice under sub-section (2), he shall within one month of the receipt thereof, communicate in writing to the tenant the price at which he is willing to sell to him the site of the dwelling-house.

(4) Where a landowner fails to communicate to the tenant the price in respect of the site of the dwelling-house under sub-section (3), or where the tenant is not willing to pay the price demanded by the landowner for such site, the tenant may make an application in the prescribed form to the prescribed authority within the prescribed period for determination of the market value of the site.

(5) On receipt of an application under sub-section (4), the prescribed authority shall, after giving the parties an opportunity of being heard, determine, by an order in writing the market value of the site.

(6) An order made under sub-section (5) shall be served upon the landowner and the tenant and if the tenant deposits with the prescribed authority the market value of the site of the dwelling-house as determined under that sub-section within six months from the date of the service of the order upon him, the site shall be deemed to have been transferred to the tenant, and the amount so deposited shall be paid to the landowner.

(7) The prescribed authority shall, on payment of the prescribed fee, issue to the tenant a certificate containing the prescribed particulars in respect of the site of the dwelling-house deemed to have been transferred to the tenant under sub-section (6) and notwithstanding anything contained in the Indian Registration Act, 1908 (XVI of 1908) no such certificate shall require to be registered under that Act.

(8) Where a tenant fails to deposit the market value of the site of the dwelling-house under sub-section (6), he shall be deemed to have relinquished his right to purchase such site.

16. Right of tenant to make improvements on land.—(1) A tenant may at any time apply in writing to the landowner for permission to make improvements at his own expense on the land leased to him.

(2) If, within one month of the receipt of such application, the landowner fails or refuses, without reasonable cause, to grant the required permission to the tenant, the tenant may make an application within the prescribed period to the prescribed authority for the grant of such permission.

(3) Where an application is made to the prescribed authority under sub-section (2), the prescribed authority, after giving the parties an opportunity of being heard, may make such order thereon as he may deem fit.

(4) Where a tenant makes any improvements on the land leased to him, in accordance with an order made by the prescribed authority under sub-section (3), the tenant shall be deemed to have made such improvements with the permission of the landowner.

(5) In this section, the expression 'tenant' includes a sub-tenant.

17. Compensation for improvements.—(1) A tenant who has made any improvements at his own expense on the land leased to him in accordance with the provisions of section 16, shall, if his tenancy is terminated under the provisions of this Act, be entitled to receive compensation for such improvements before he can be ejected from such land.

(2) The compensation payable to a tenant under sub-section (1), shall be determined by the prescribed authority in accordance with the value of such improvements at the date of termination of the tenancy and in determining such compensation, the prescribed authority shall have regard to the following matters, namely:—

(a) the amount by which the value of land has increased by reason of the improvements;

(b) the condition of the improvements at the date of the determination of the value thereof and the probable duration of their effect;

(c) the labour and capital involved in the making of the improvements; and

(d) the reduction or remission of rent, if any, or other advantage secured by the tenant in consideration of the improvements made by him.

18. Devolution of tenancy on death of tenant.—(1) If a tenant dies during the term of his tenancy, the tenancy shall subject to the provisions of sub-section (2) devolve—

(a) on his lineal male descendants, in the male line of descent, if any;

(b) failing such descendants, on his widow, if any:

Provided that such widow shall cease to enjoy the tenancy rights if she remarries or abandons the land or is ejected therefrom in accordance with the provisions of this Act;

(c) failing such descendants and widow, or in case there is a widow if and when she ceases to enjoy the tenancy rights under the proviso to clause (b), on a khana damad, if any.

(2) No person shall be entitled to succeed to a tenancy under sub-section (1), unless he is willing to cultivate personally the land comprising the tenancy.

19. Rights and privileges of tenants under other laws not affected.—Nothing contained in this Chapter shall be construed to limit or prejudice the rights and privileges of any tenant under any other law for the time being in force or any usage, or arising from any contract, grant, decree or order of a court or otherwise, howsoever.

CHAPTER IV

ACQUISITION OF PROPRIETARY RIGHTS BY TENANTS

20. Definition of 'tenant'.—In this Chapter, the expression 'tenant' means a tenant as defined in clause (k) of sub-section (1) of section 2,—

(a) who is not liable to be ejected under clause (a) of sub-section (1) of section 7; or under sub-section (2) of that section, or

(b) who is not ejected within a period of five years specified in the proviso to clause (a) of sub-section (1) of section 7 or sub-section (2) of that section,

and includes a person who is restored possession of land under section 8.

Explanation.—For the purpose of clause (a), a tenant shall not be liable to be ejected under sub-section (2) of section 7—

(i) if, at any time before the expiry of the period of five years specified in that sub-section, the landowner has taken possession of land for personal cultivation to the extent of the permissible tenant; and

(ii) the land held by the tenant is situated outside the permissible limit.

21. Application of this Chapter to evacuee lands.—The provisions of this Chapter shall apply to evacuee lands with effect from such date as the State Government may, by notification in the Official Gazette, specify.

22. Acquisition of proprietary rights by tenants.—(1) Subject to the other provisions contained in this Act, a tenant shall be entitled to acquire from his landowner in respect of the land comprising his tenancy the right, title and interest of the landowner in such land (hereinafter referred to as the 'proprietary rights') in the manner and subject to the conditions hereinafter provided.

(2) Every tenant intending to acquire proprietary rights shall make an application in writing to the prescribed authority in the prescribed manner, containing the following particulars, namely:—

(a) the area and location of the land in respect of which the application is made;

(b) the name of the landowner from whom proprietary rights are to be acquired;

(c) such other particulars as may be prescribed.

(3) The right conferred upon a tenant to acquire proprietary rights in respect of any land under this section may, if such tenant has sub-let the land, be exercised by the sub-tenant to the exclusion of the tenant.

23. Determination of compensation for acquisition of proprietary rights.—(1) On receipt of an application under section 22, the prescribed authority after satisfying himself that the applicant is entitled to acquire proprietary rights in any land under this Chapter shall determine the compensation payable in respect thereof in accordance with the principles set out in section 26.

(2) On determination of such compensation the prescribed authority shall by order in writing require the applicant to deposit the first instalment of the compensation as prescribed under section 27 in a Government treasury or a sub-treasury or with the prescribed authority and to produce before him a receipt for the same within a period of fifteen days from the date of the service of such order:

Provided that the prescribed authority may, on sufficient cause being shown, extend the period specified in this sub-section, so however that the aggregate period does not exceed one month.

(3) Where the first instalment of compensation has been deposited in accordance with the provisions of sub-section (2), the prescribed authority shall issue to the applicant a certificate in the prescribed form declaring him to be the landowner in respect of the land specified in the certificate.

(4) On and from the date of the issue of a certificate under sub-section (3), the proprietary rights of the landowner in the land specified in the certificate shall be deemed to have been extinguished and

such proprietary rights shall vest in the applicant free from all encumbrances and as from such date the applicant shall cease to be liable to pay any rent in respect of such land to the landowner:

Provided that—

(a) the amount of compensation payable by the applicant shall be a first charge on such land;

(b) the amount of any encumbrance existing on such land on the date of the issue of the certificate shall be a valid charge on the amount of compensation payable by the applicant under this Act.

(5) Every certificate issued under sub-section (3) shall be conclusive evidence of the acquisition by the applicant of proprietary rights in the land specified therein and notwithstanding anything contained in the Indian Registration Act, 1908 (XVI of 1908), no such certificate shall be required to be registered under that Act.

24. Tenant may abandon his intention to acquire proprietary rights.—(1) Any person who is entitled to acquire proprietary rights in respect of any land under this Chapter may at any time after the amount of the first instalment of compensation is deposited under sub-section (2) of section 23 but before a certificate is issued to him under sub-section (3) of that section make a declaration in writing in the prescribed manner before the prescribed authority that he has abandoned his intention to acquire proprietary rights in such land.

(2) Where any declaration is made under sub-section (1), the amount of the first instalment of compensation deposited by the tenant under sub-section (2) of section 23 shall be refunded to him.

25. Forfeiture of right to acquire proprietary rights.—If any person upon whom the right to acquire proprietary rights is conferred under this Chapter fails to comply with any order made under sub-section (2) of section 23 he shall forfeit his right to acquire such proprietary rights.

26. Principles of compensation for acquisition of proprietary rights.—(1) Where any person has acquired proprietary rights in respect of any land under this Chapter he shall be liable to pay to the landowner from whom such rights have been acquired compensation at the rate of ninety times the land revenue (including rents and cesses) payable for such land or two hundred rupees per acre, whichever is less.

(2) The compensation payable under this section shall be determined by the prescribed authority who shall specify the person or persons to whom the compensation shall be paid.

(3) If there is any dispute as to the person or persons who are entitled to the payment of compensation, the prescribed authority shall decide the dispute and if the prescribed authority finds that more than one person are entitled to compensation he shall apportion the amount thereof among such persons.

27. Compensation payable in instalments.—(1) The compensation payable under section 26 may be paid in such annual instalments not exceeding six as may be prescribed.

(2) Every instalment of compensation shall be deposited in a Government treasury or a sub-treasury or paid to such authority as may be prescribed within fifteen days of the date of its becoming due and a receipt therefor shall be furnished to the prescribed authority.

(3) Where any instalment of compensation is not deposited in a Government treasury or a sub-treasury or paid to the prescribed authority within the period of fifteen days specified in sub-section (2), the prescribed authority shall, of his own motion or on the application of the landowner concerned, take steps within one month from the expiry of the said period of fifteen days for the recovery of such instalment in the manner provided in section 49.

(4) Interest at the rate of $2\frac{1}{2}$ per cent. per annum shall be payable on the amount of any instalment which is not paid within time from the date when the instalment became due.

28. Payment of compensation to landowner.—Subject to the provisions of sub-section (2) of section 24, the prescribed authority shall, as soon as may be, after the amount of any instalment of compensation has been deposited under section 23 or section 27 pay the same to the person entitled to it on his executing a receipt for the same.

29. Acquisition of proprietary rights in shamlat lands.—(1) Where any person has acquired any proprietary rights from a landowner in respect of any land under this Chapter, then, notwithstanding anything to the contrary contained in any law, custom or usage for the time being in force, such person shall be entitled to acquire similar rights in respect of the share of the landowner in the shamlat in proportion to that land.

(2) The provisions of this Chapter shall, so far as may be, apply in relation to the acquisition of proprietary rights in shamlat lands as they apply in relation to the acquisition of such rights in other lands:

Provided that in any case where the shamlat is not liable to the payment of land revenue, the land revenue in respect thereof shall, for the purpose of computing the compensation payable under section 26 be deemed to be assessed at the lowest rate prevalent in the village in respect of *barani* land and the amount of compensation shall be forty-five times the land revenue so assessed or one hundred rupees per acre whichever is less.

30. Proprietary rights to devolve on heir.—If any tenant or sub-tenant dies before exercising his right to acquire proprietary rights in respect of any land under this Chapter such right shall, on his death, devolve upon his lineal male descendants in the male line of descent, if any, and shall be exercisable by them in the like manner and subject to the like conditions as the tenant or the sub-tenant, as the case may be.

31. Bar of transfer of ownership rights.—(1) No land in respect of which proprietary rights have been acquired under this Chapter shall be transferred by sale, mortgage, gift or otherwise during a period of six years from the date of a certificate issued under sub-section (3) of section 23.

(2) Any transfer of land made in contravention of sub-section (1) shall be void and no registering authority shall register any document evidencing such transfer under the Indian Registration Act, 1908 (XVI of 1908).

32. Certain transfers not to affect rights of tenants under this Chapter.—(1) No transfer of land made by a landowner after the commencement of this Act shall affect the right of any person to acquire proprietary rights in such land under this Chapter.

(2) If any question arises whether any transfer of land does or does not affect the right of any person to acquire proprietary rights in such land, the question shall be referred to the prescribed authority for his decision.

CHAPTER V

ACQUISITION AND DISPOSAL OF BANJAR LANDS

33. Acquisition of banjar lands.—(1) If the State Government is of opinion that any banjar land is needed or is likely to be needed for a public purpose, the State Government shall call upon the landowner by notice in writing to show cause within thirty days of the date of service of such notice on him, why such land should not be acquired.

(2) If, after considering the cause, if any, shown by the landowner, the State Government is satisfied that it is necessary or expedient to acquire such land for a public purpose, the State Government may publish in the Official Gazette a notification to the effect that the State Government has decided to acquire the land in pursuance of this section.

(3) When a notification as aforesaid is published in the Official Gazette, the acquired land shall on and from the beginning of the date on which the notification is so published vest absolutely in the State Government free from all encumbrances.

(4) In the case of joint land-owners, the Collector or any other officer authorised by the State Government in this behalf, shall have the power to partition the land according to the shares of the joint landowners and deliver possession of the shares which are not acquired under this section to the landowners entitled thereto.

(5) In this section, 'public purpose' includes—

(i) a purpose connected with the settlement on land of persons who are willing to cultivate such land personally under a scheme made in pursuance of section 38;

(ii) development of co-operative farms; and

(iii) efficient management of land.

34. Possession of acquired lands.—(1) The Collector may by order in writing direct a landowner whose land is acquired under this Chapter to deliver possession thereof within ten days of the service of the order on him to such officer as may be specified in the order.

(2) If any landowner refuses or fails without reasonable cause to comply with an order made under sub-section (1), the Collector

may take possession of the acquired land and may, for that purpose, use such force as may be necessary.

35. Principles of compensation for acquisition of banjar lands.—

(1) Where any banjar land is acquired under this Chapter, there shall be paid compensation therefor which shall be determined in the manner and in accordance with the principles hereinafter set out, that is to say:—

(a) where the amount of compensation can be fixed by agreement, it shall be paid in accordance with such agreement;

(b) where no such agreement can be reached the Collector shall determine the compensation at the rate of forty-five times the land revenue payable in respect of an equal area of any *barani* land in the village concerned or where there is no such land in the village, in the nearest village, which is assessed to land revenue at the lowest rate, or at the rate of one hundred rupees per acre, whichever is less.

(2) If there is any dispute as to the person or persons who are entitled to such compensation, the Collector shall, after giving the persons interested an opportunity of being heard, decide the dispute, and if the Collector finds that more persons than one are entitled to compensation he shall apportion the amount thereof among such persons.

36. Payment of compensation for acquisition of banjar land.—The amount of compensation payable under this Chapter shall, subject to any rules made under this Act, be paid by the State Government to the person or persons entitled thereto in such instalments as may be prescribed.

37. Powers of Collector for determining compensation.—For the purpose of determining compensation under this Chapter, the Collector shall have all such powers as are vested in a Collector under the law relating to the acquisition of land for the time being in force in the State.

38. Scheme for settlement of persons on acquired lands.—(1) The State Government may, by notification in the Official Gazette, frame a Scheme for the purpose of settling on any banjar land acquired under this Chapter such persons as are willing to cultivate the land personally.

(2) Any such scheme may provide for all or any of the following matters, namely:—

(a) the method of selecting persons who are to be settled on acquired lands;

(b) the terms and conditions on which such lands are to be transferred for personal cultivation; and

(c) such other matters as may be prescribed.

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

(4) Where any Scheme is revoked under this section, the State Government shall make an offer to the landowner from whom any land included in the Scheme was acquired to purchase it at a price equivalent to the compensation he received for such land and where any such offer is accepted such land shall be transferred to the landowner at that price.

CHAPTER VI

MISCELLANEOUS

39. Appeals and revision.—(1) Any person aggrieved by any decision or order of the prescribed authority may, within thirty days from the date of the decision or order, prefer an appeal to the Collector in such form and manner as may be prescribed:

Provided that the Collector may entertain the appeal after the expiry of the said period of thirty days if he is satisfied that the appellant was prevented by sufficient cause from filing the appeal in time.

(2) Any person aggrieved by any decision or order of the Collector, not being a decision or order made in an appeal under subsection (1), may, within thirty days from the date of the decision or order, prefer an appeal to the Commissioner in such form and manner as may be prescribed:

Provided that the Commissioner may entertain the appeal after the expiry of the said period of thirty days if he is satisfied that the appellant was prevented by sufficient cause from filing the appeal in time.

(3) With respect to all matters dealt with under this Act, the Financial Commissioner shall have the same power to call for, examine and revise the proceedings of the prescribed authority or the Collector or the Commissioner as is provided in section 84 of the Punjab Tenancy Act, 1887 (Punjab Act XVI of 1887).

40. Correction of clerical errors.—Clerical or arithmetical mistakes in any order passed by any officer or authority under this Act or errors arising therein from any accidental slip or omission may at any time be corrected by such officer or authority either of his own motion or on an application received in this behalf from any of the parties.

41. Officers holding enquiries to have powers of civil courts.—Any officer or authority holding an enquiry or hearing an appeal or a revision under this Act shall have the powers of a civil court under the Code of Civil Procedure, 1908 (Act V of 1908), relating to—

- (a) proof of facts by affidavits;
- (b) enforcing attendance of any person and his examination on oath;
- (c) production of documents;
- (d) issue of commission;

and every such officer or authority shall be deemed to be a civil court within the meaning of sections 480 and 482 of the Code of Criminal Procedure, 1898 (Act V of 1898).

42. Penalty for making false statements.—If, during the course of any proceedings under this Act, any person makes a declaration or a statement or furnishes any information which is false or which he knows or has reason to believe to be false or which he does not believe to be true, he shall be punishable with imprisonment which may extend to six months, or with fine which may extend to one thousand rupees, or with both.

43. Summary eviction and fine.—(1) Any person who is in wrongful or unauthorised possession of any land—

(a) the transfer of which either by the act of parties or by the operation of law is invalid under the provisions of this Act, or

(b) to the use and occupation of which he is not entitled under the provisions of this Act,

may, after summary enquiry, be ejected by the Collector, who may also impose on such person a penalty not exceeding five hundred rupees.

(2) The Collector may direct that the whole or any part of the penalty imposed under sub-section (1) shall be paid to the person who has sustained any loss or damage by the wrongful or unauthorised possession of the land.

44. Certain officers to be public servants.—Every officer acting under or in pursuance of the provisions of this Act or any rules made thereunder shall be deemed to be a public servant within the meaning of section 21 of the Indian Penal Code (Act XLV of 1860).

45. Procedure.—In all enquiries and proceedings under this Act, the Collector and any other officer shall have such powers and follow such procedure as may be prescribed.

46. Court fees.—Notwithstanding anything contained in the Court-fees Act, 1870 (VII of 1870) as adapted and applied to the State, every application, appeal or other proceeding under this Act shall bear a court-fee stamp of such value as may be prescribed.

47. Bar of jurisdiction.—(1) No civil court shall have jurisdiction to settle, decide or deal with any matter which is under this Act required to be settled, decided or dealt with by the Financial Commissioner, the Commissioner, the Collector or the prescribed authority.

(2) No order of the Financial Commissioner, the Commissioner, the Collector or the prescribed authority made under or in pursuance of this Act shall be called in question in any court.

48. Protection of action taken under this Act.—(1) No suit, prosecution or other legal proceeding shall lie against any person in respect of anything which is in good faith done or intended to be done under or in pursuance of this Act or any rules made thereunder.

(2) No suit or other legal proceeding shall lie against the State Government for any damage caused or likely to be caused or any injury suffered or likely to be suffered by virtue of any provisions contained in this Act or any rules made thereunder.

49. Mode of recovery of compensation and penalty.—The amount of any compensation or other sum payable under this Act and the amount of any penalty imposed under this Act may be recovered as an arrear of land revenue.

50. Delegation.—The State Government may, by notification in the Official Gazette, direct that the powers exercisable by it under this Act shall, in such circumstances and under such conditions, if any, as may be specified in the notification, be exercisable also by an officer subordinate to the State Government. /

51. Exemption of certain lands.—The provisions of this Act shall not apply to—

- (a) lands owned by or vested in the State Government;
- (b) lands belonging to any religious or charitable institution;
- (c) lands which are granted to any members of the Armed Forces of the Union for gallantry; and
- (d) private lands leased by the Government.

52. Power to make rules.—(1) The State 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—

- (a) the appointment and powers of prescribed authorities and the areas within which they may exercise their jurisdiction;
- (b) the form in which and the period within which any application may be made under this Act;
- (c) the form and manner of holding enquiries under this Act;
- (d) the form and manner in which a receipt for payment of rent may be given;
- (e) the form of any statement to be furnished under this Act and the particulars to be included therein;
- (f) the manner in which land for personal cultivation may be reserved under this Act;
- (g) the instalments in which any compensation may be paid under this Act;
- (h) the manner of service of any order or notice under this Act;
- (i) the form in which any certificate may be issued under this Act;
- (j) the powers of the Collector and other authorities and the procedure to be followed by them in the conduct of enquiries;
- (k) the fees to be paid in respect of any application or other proceeding under this Act;
- (l) any other matter which is to be or may be prescribed under this Act.

53. Repeal and saving.—(1) The Pepsu Tenancy (Temporary Provisions) Act, 2008 Bk. (Pepsu Act XXX of 2008 Bk.) is hereby repealed.

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

RAJENDRA PRASAD,
President.

K. Y. BHANDARKAR,
Secy. to the Govt. of India.

REASONS FOR THE ENACTMENT

Relationship between the landlords and tenants in Pepsu are strained resulting in an extremely explosive situation. Legislation to amend and consolidate the existing laws in the State relating to tenancies of agricultural lands and to provide for certain measures of land reform on the lines undertaken by the adjoining State of Punjab is not only necessary but also urgent. Hence the present Bill. The Bill also seeks to give effect to some of the recommendations made by the Pepsu Agrarian Reforms Committee appointed by the Government of India to examine the system of land tenure in the State.

2. The Committee appointed under the proviso to sub-section (2) of section 3 of the Pepsu Legislature (Delegation of Powers) Act, 1953 (22 of 1953) has approved the enactment of this measure.

C. S. VENKATACHAR,
Secy. to the Govt. of India,
Ministry of States.