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~~Indian Railway Establishment Code or any other rules or regulations that may be notified in this behalf by the appropriate Government in the Official Gazette, apply".~~

33. (1) The Industrial Disputes (Appellate Tribunal) Act, 1950 is ~~Repeal of Act 48 of 1950 and saving.~~ hereby repealed.

(2) Notwithstanding such repeal—

(a) if, immediately before the commencement of this section, there is any appeal or other proceeding pending before the Appellate Tribunal constituted under the said Act, the appeal or other proceeding shall be decided and disposed of by the Appellate Tribunal as if the said Act had not been repealed by this Act;

(b) the provisions of sections 22, 23, 23A of the said Act shall, in relation to any proceeding pending before the Appellate Tribunal, be deemed to be continuing in force;

(c) any proceeding transferred to an industrial tribunal under section 23A shall be disposed of under the provisions of the Industrial Disputes Act, 1947,

and save as aforesaid, no appeal or other proceeding shall be entertained by the Appellate Tribunal after the commencement of this section, and every decision or order of the Appellate Tribunal, pronounced or made, before or after the commencement of this section, shall be enforced in accordance with the provisions of the said Act.

THE STATES REORGANISATION ACT, 1956

ACT NO. 37 OF 1956

See India Code,
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THE STATES REORGANISATION ACT, 1956Act No. 37 OF 1956See India Code,
Vol. II B.

An Act to provide for the reorganisation of the States of India and for matters connected therewith.

[31st August, 1956]

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

PART I

PRELIMINARY

1. This Act may be called the States Reorganisation Act, 1956. Short title.

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

Definitions,

(a) "appointed day" means the 1st day of November, 1956;

(b) "article" means an article of the Constitution;

(c) "assembly constituency", "council constituency" and "parliamentary constituency" have the same meanings as in the Representation of the People Act, 1950;

(d) "corresponding new State" means, in relation to the existing State of Bombay, Madhya Pradesh, Mysore, Punjab or Rajasthan, the new State with the same name, and in relation to the existing State of Travancore-Cochin, the new State of Kerala;

(e) "corresponding State" means, in relation to the new State of Bombay, Madhya Pradesh, Mysore, Punjab or Rajasthan, the existing State with the same name, and in relation to the new State of Kerala, the existing State of Travancore-Cochin;

(f) "Election Commission" means the Election Commission appointed by the President under article 324;

(g) "existing State" means a State specified in the First Schedule to the Constitution at the commencement of this Act;

(h) "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 territory of India;

(i) "new State" means a Part A State formed by the provisions of Part II;

(j) "notified order" means an order published in the Official Gazette;

(k) "population ratio", in relation to the successor States of an existing State, means such ratio as the Central Government may by notified order specify to be the ratio in which the population of that existing State as ascertained at the last census is distributed territorially among the several successor States by virtue of the provisions of Part II;

(l) "prescribed" means prescribed by rules made under this Act;

(m) "principal successor State" means—

(i) in relation to the existing State of Bombay, Madhya Pradesh, Madras or Rajasthan, the State with the same name; and

(ii) in relation to the existing States of Hyderabad, Madhya Bharat and Travancore-Cochin, the States of Andhra Pradesh, Madhya Pradesh and Kerala, respectively;

(n) "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;

(o) "successor State", in relation to an existing State, means any State to which the whole or any part of the territories of that existing State is transferred by the provisions of Part II, and includes in relation to the existing State of Madras, also that State as territorially altered by the said provisions and the Union;

(p) "transferred territory" means any territory transferred from an existing State to another existing State or to a new State by the provisions of Part II;

(q) "treasury" includes a sub-treasury; and

(r) any reference to a district, taluk, tahsil or other territorial division of a State shall be construed as a reference to the area comprised within that territorial division on the 1st day of July, 1956.

Committed by the A.O. (No. 1), 1956.

PART II

TERRITORIAL CHANGES AND FORMATION OF NEW STATES

3. (1) As from the appointed day, there shall be added to the State of Andhra the territories comprised in—

- (a) the districts of Hyderabad, Medak, Nizamabad, Karimnagar, Warangal, Khammam, Nalgonda and Mahbubnagar;
- (b) Alampur and Gadwal taluks of Raichur district and Kodangal taluk of Gulbarga district;
- (c) Tandur taluk of Gulbarga district;
- (d) Zahirabad taluk (except Nirna circle), Nyalkal circle of Bidar taluk and Narayankhed taluk of Bidar district;
- (e) Bichkonda and Jukkal circles of Deglur taluk of Nanded district;
- (f) Mudhol, Bhiansa and Kuber circles of Mudhol taluk of Nanded district; and
- (g) Adilabad district except Islapur circle of Boath taluk, Kinwat taluk and Rajura taluk;

and thereupon the said territories shall cease to form part of the existing State of Hyderabad and the State of Andhra shall be known as the State of Andhra Pradesh.

(2) The territories referred to in clauses (b), (c), (d), (e) and (f) of sub-section (1) shall be included in, and become part of, Mahbubnagar, Hyderabad, Medak, Nizamabad and Adilabad districts, respectively, in the State of Andhra Pradesh.

4. As from the appointed day, there shall be added to the State of Madras the territories comprised in the Agastheeswaram, Thovala, Kalkulam and Vilavancode taluks of Trivandrum district and the Shencottah taluk of Quilon district; and thereupon—

- (a) the said territories shall cease to form part of the existing State of Travancore-Cochin;
- (b) the territories comprised in the Agastheeswaram, Thovala, Kalkulam and Vilavancode taluks shall form a separate district to be known as Kanya Kumari district in the State of Madras; and
- (c) the territories comprised in the Shencottah taluk shall be included in, and become part of, Tirunelveli district in the State of Madras.

Transfer
of territory
from
Hyderabad
to Andhra
and altera-
tion of
name.

Transfer of
territory
from
Travancore
Cochin to
Madras.

Formation
of Kerala
State.

5. (1) As from the appointed day, there shall be formed a new Part A State to be known as the State of Kerala comprising the following territories, namely:—

(a) the territories of the existing State of Travancore-Cochin, excluding the territories transferred to the State of Madras by section 4; and

(b) the territories comprised in—

(i) Malabar district, excluding the islands of Laccadive and Minicoy, and

(ii) Kasaragod taluk of South Kanara district;

and thereupon the said territories shall cease to form part of the States of Travancore-Cochin and Madras, respectively.

(2) The territories specified in clause (b) of sub-section (1) shall form a separate district to be known as Malabar district in the State of Kerala.

Laccadive,
Minicoy
and Amindivi
Islands.

6. As from the appointed day, there shall be formed a new Part C State to be known as the Laccadive, Minicoy and Amindivi Islands comprising the Laccadive and Minicoy Islands in the Malabar district and the Amindivi Islands in the South Kanara district; and thereupon the said Islands shall cease to form part of the existing State of Madras.

Formation
of a new
Mysore
State.

7. (1) As from the appointed day, there shall be formed a new Part A State to be known as the State of Mysore comprising the following territories, namely:—

(a) the territories of the existing State of Mysore;

(b) Belgaum district except Chandgad taluka and Bijapur, Dharwar and Kanara districts, in the existing State of Bombay;

(c) Gulbarga district except Kodangal and Tandur taluks, Raichur district except Alampur and Gadwal taluks, and Bidar district except Ahmadpur, Nilanga and Udgir taluks and the portions specified in clause (d) of sub-section (1) of section 3, in the existing State of Hyderabad;

(d) South Kanara district except Kasaragod taluk and Amindivi Islands, and Kollegal taluk of Coimbatore district, in the State of Madras; and

(e) the territories of the existing State of Coorg;

and thereupon the said territories shall cease to form part of the said existing States of Mysore, Bombay, Hyderabad, Madras and Coorg, respectively.

In omitted & subs. by the A.O. (No.1), 1956.

(2) The territory comprised in the existing State of Coorg shall form a separate district to be known as Coorg district, and the said Kollegal taluk shall be included in, and become part of, Mysore district, in the new State of Mysore.

8. (1) As from the appointed day, there shall be formed a new Formation of a new Part A State to be known as the State of Bombay comprising the following territories; namely:

(a) the territories of the existing State of Bombay, excluding—

(i) Bijapur, Dharwar and Kanara districts and Belgaum district except Chandgad taluka, and

(ii) Abu Road taluka of Banaskantha district;

(b) Aurangabad, Parbhani, Bhir and Osmanabad districts, Ahmadpur, Nilanga and Udgir taluks of Bidar district, Nanded district (except Bichkonda and Jukkal circles of Deglur taluk and Mudhol, Bhiansa and Kuber circles of Mudhol taluk) and Islapur circle of Boath taluk, Kinwat taluk and Rajura taluk of Adilabad district, in the existing State of Hyderabad;

(c) Buldana, Akola, Amravati, Yeotmal, Wardha, Nagpur, Bhandara and Chanda districts in the existing State of Madhya Pradesh;

(d) the territories of the existing State of Saurashtra; and

(e) the territories of the existing State of Kutch;

and thereupon the said territories shall cease to form part of the existing States of Bombay, Hyderabad, Madhya Pradesh, Saurashtra and Kutch, respectively.

(2) The said Chandgad taluka shall be included in, and become part of, Kolhapur district, the said Ahmadpur, Nilanga and Udgir taluks shall be included in, and become part of, Osmanabad district, the said Islapur circle of Boath taluk, Kinwat taluk and Rajura taluk shall be included in, and become part of, Nanded district and the territories comprised in the existing State of Kutch shall form a separate district to be known as Kutch district, in the new State of Bombay.

9. (1) As from the appointed day, there shall be formed a new Formation of a new Part A State to be known as the State of Madhya Pradesh comprising the following territories, namely:

(a) the territories of the existing State of Madhya Pradesh, except the districts mentioned in clause (c) of sub-section (1) of section 8;

omitted by the A.O. (No. 1), 1956.

12. As from the appointed day, in the First Schedule to the Constitution, for Part A, Part B and Part C, the following Parts shall be substituted, namely:—

Amendment
of the First
Schedule to
the Con-
stitution.

"PART A

Name	Territories
1. Andhra Pradesh	The territories specified in sub-section (i) of section 3 of the Andhra State Act, 1953, and the territories specified in sub-section (i) of section 3 of the States Reorganisation Act, 1956.
2 Assam	The territories which immediately before the commencement of this Constitution were comprised in the Province of Assam, the Khasi States and the Assam Tribal Areas, but excluding the territories specified in the Schedule to the Assam (Alteration of Boundaries) Act, 1951.
3 Bihar	The territories which immediately before the commencement of this Constitution were either comprised in the Province of Bihar or were being administered as if they formed part of that Province.
4. Bombay	The territories specified in sub-section (i) of section 8 of the States Reorganisation Act, 1956.
5. Kerala	The territories specified in sub-section (i) of section 5 of the States Reorganisation Act, 1956.
6. Madhya Pradesh	The territories specified in sub-section (i) of section 9 of the States Reorganisation Act, 1956.
7. Madras	The territories which immediately before the commencement of this Constitution were either comprised in the Province of Madras or were being administered as if they formed part of that Province and the territories specified in section 4 of the States Reorganisation Act, 1956, but excluding the territories specified in sub-section (i) of section 3 and sub-section (i) of section 4 of the Andhra State Act, 1953, and the territories specified in clause (b) of sub-section (i) of section 5, section 6 and clause (d) of sub-section (i) of section 7 of the States Reorganisation Act, 1956.

Name	Territories
8. Mysore	The territories specified in sub-section (i) of section 7 of the States Reorganisation Act, 1956.
9. Orissa	The territories which immediately before the commencement of this Constitution were either comprised in the Province of Orissa or were being administered as if they formed part of that Province.
10. Punjab	The territories specified in section 11 of the States Reorganisation Act, 1956.
11. Rajasthan	The territories specified in section 10 of the States Reorganisation Act, 1956.
✓12. Uttar Pradesh	The territories which immediately before the commencement of this Constitution were either comprised in the Province known as the United Provinces or were being administered as if they formed part of that Province.
13. West Bengal	The territories which immediately before the commencement of this Constitution were either comprised in the Province of West Bengal or were being administered as if they formed part of that Province and the territory of Chandernagore as defined in clause (c) of section 2 of the Chandernagore (Merger) Act, 1954.

PART B

Name	Territory
1. Jammu and Kashmir	The territory which immediately before the commencement of this Constitution was comprised in the Indian State of Jammu and Kashmir.

PART C

Name	Territory
1. Delhi	The territory which immediately before the commencement of this Constitution was comprised in the Chief Commissioner's Province of Delhi.
2. Himachal Pradesh	The territories which immediately before the commencement of the Himachal Pradesh and Bilaspur (New State) Act, 1954, were comprised in the States of Himachal Pradesh and Bilaspur.
3. Manipur	The territory which immediately before the commencement of this Constitution was being administered as if it were a Chief Commissioner's Province under the name of Manipur.
4. Tripura	The territory which immediately before the commencement of this Constitution was being administered as if it were a Chief Commissioner's Province under the name of Tripura.
5. The Laccadive, Minicoy and Amindivi Islands.	The territory specified in section 6 of the States Reorganisation Act, 1956."

13. Nothing in the foregoing provisions of this Part shall be deemed to affect the power of a State Government to alter after the appointed day the name, extent and boundaries of any district or division in the State. Saving powers of State Government.

PART III

ZONES AND ZONAL COUNCILS

14. In this Part, unless the context otherwise requires, "State" ~~Definition~~ does not include a Part C State.

15. As from the appointed day, there shall be a Zonal Council for each of the following five zones, namely:—

Establishment of Zonal Councils,

(a) the Northern Zone, comprising the States of Punjab, Rajasthan and Jammu and Kashmir and the ~~Part C States of~~ Delhi and Himachal Pradesh;

(b) the Central Zone, comprising the States of Uttar Pradesh and Madhya Pradesh;

(Union territories)

Omitted and subs. by the A.O. (No. II), 1956.

(c) the Eastern Zone, comprising the States of Bihar, West Bengal, Orissa and Assam, and the ~~Part C States~~ of Manipur and Tripura; *[Union territories]*

(d) the Western Zone, comprising the States of Bombay and Mysore; and

(e) the Southern Zone, comprising the States of Andhra Pradesh, Madras and Kerala.

Composition of the Councils. 16. (1) The Zonal Council for each zone shall consist of the following members, namely:—

(a) a Union Minister to be nominated by the President;

(b) the Chief Minister of each of the States included in the zone and two other Ministers of each such State to be nominated by the Sadar-i-Riyasat, in the case of Jammu and Kashmir, and by the Governor, in any other case, and if there is no Council of Ministers in any such State, three members from that State to be nominated by the President;

(c) where any ~~Part C State~~ is included in the zone, not more than two members from each ~~such State~~ to be nominated by the President; *[such territory]*

(d) in the case of the Eastern Zone, the person for the time being holding the office of the Adviser to the Governor of Assam for Tribal Areas.

(2) The Union Minister nominated under clause (a) of subsection (1) to a Zonal Council shall be its Chairman.

(3) The Chief Ministers of the States included in each zone shall act as Vice-Chairman of the Zonal Council for that zone by rotation, each holding office for a period of one year at a time:

Provided that if during that period there is no Council of Ministers in the State concerned, such member from that State as the President may nominate in this behalf shall act as Vice-Chairman of the Zonal Council.

(4) The Zonal Council for each zone shall have the following persons as Advisers to assist the Council in the performance of its duties, namely:—

(a) one person nominated by the Planning Commission;

(b) the Chief Secretary to the Government of each of the States included in the Zone; and

Subs. by the A.O. (No. 1), 1956.

(c) the Development Commissioner or any other officer nominated by the Government of each of the States included in the Zone.

(5) Every Adviser to a Zonal Council shall have the right to take part in the discussions of the Council or of any Committee thereof of which he may be named a member but shall not have a right to vote at a meeting of the Council or of any such Committee.

17. (1) Each Zonal Council shall meet at such time as the Chairman of the Council may appoint in this behalf and shall, subject to the other provisions of this section, observe such rules of procedure in regard to transaction of business at its meetings as it may, with the approval of the Central Government, lay down from time to time. Meetings of the Councils.

(2) The Zonal Council for each zone shall, unless otherwise determined by it, meet in the States included in that zone by rotation.

(3) The Chairman or in his absence the Vice-Chairman or in the absence of both the Chairman and the Vice-Chairman, any other Member chosen by the members present from amongst themselves shall preside at a meeting of the Council.

(4) All questions at a meeting of a Zonal Council shall be decided by a majority of votes of the members present and in the case of an equality of votes the Chairman or, in his absence any other person presiding shall have a second or casting vote.

(5) The proceedings of every meeting of a Zonal Council shall be forwarded to the Central Government and also to each State Government concerned.

18. (1) A Zonal Council may from time to time by resolution passed at a meeting appoint Committees of its members and Advisors for performing such functions as may be specified in the resolution and may associate with any such Committee, such Ministers either for the Union or for the States and such officers serving either in connection with the affairs of the Union or of the States as may be nominated in that behalf by the Council. Power to appoint Committees.

(2) A person associated with a Committee of a Zonal Council under sub-section (1) shall have the right to take part in the discussions of the Committee, but shall not have a right to vote at a meeting thereof.

(3) A Committee appointed under sub-section (1) shall observe such rules of procedure in regard to transaction of business at its meetings as the Zonal Council may, with the approval of the Central Government, lay down from time to time.

Staff of the Council.

19. (1) Each Zonal Council shall have a secretarial staff consisting of a Secretary, a Joint Secretary and such other officers as the Chairman may consider necessary to appoint.

(2) The Chief Secretaries of the States represented in such Council shall each be the Secretary of the Council by rotation and hold office for a period of one year at a time.

(3) The Joint Secretary of the Council shall be chosen from amongst officers not in the service of any of the States represented in the Council and shall be appointed by the Chairman.

Office of the Council.

20. (1) The office of the Zonal Council for each zone shall be located at such place within the zone as may be determined by the Council.

(2) The administrative expenses of the said office, including the salaries and allowances payable to or in respect of members of the secretarial staff of the Council other than the Secretary, shall be borne by the Central Government out of monies provided by Parliament for the purpose.

Functions of the Councils.

21. (1) Each Zonal Council shall be an advisory body and may discuss any matter in which some or all of the States represented in that Council, or the Union and one or more of the States represented in that Council, have a common interest and advise the Central Government and the Government of each State concerned as to the action to be taken on any such matter.

(2) In particular, and without prejudice to the generality of the provisions of sub-section (1), a Zonal Council may discuss, and make recommendations with regard to,—

(a) any matter of common interest in the field of economic and social planning;

(b) any matter concerning border disputes, linguistic minorities or inter-State transport; and

(c) any matter connected with, or arising out of, the reorganisation of the States under this Act.

22. (1) Where it is represented to the Zonal Council for any zone that a matter in which a State included in that zone and one or more States included in any other zone or zones have a common interest should be discussed at a joint meeting, it shall be lawful for the Zonal Councils concerned—

(a) to meet at such time and place as the Chairman thereof may, in consultation with each other, appoint in this behalf; and

(b) to discuss the said matter at such joint meeting and make recommendations to the Governments concerned as to the action to be taken on that matter.

(2) The Central Government may make rules for regulating the procedure at joint meetings of the Zonal Councils.

PART IV

REPRESENTATION IN THE LEGISLATURES

The Council of States

23. As from the appointed day, in the Fourth Schedule to the Constitution, for the Table of Seats, the following Table shall be substituted, namely:—

Amendment
of the Fourth
Schedule
to the
Constitution.

"Table of Seats"

1. Andhra Pradesh	18
2. Assam	6
3. Bihar	21
4. Bombay	27
5. Kerala	9
6. Madhya Pradesh	16
7. Madras	17
8. Mysore	12
9. Orissa	9
10. Punjab	11
11. Rajasthan	10
12. Uttar Pradesh	31
13. West Bengal	14
14. Jammu and Kashmir	4
15. Delhi	1
16. Himachal Pradesh	1
17. Manipur	1
18. Tripura }	1

Allocation
of sitting
members in
the Council
of States.

24. (1) The twelve sitting members representing the State of Andhra and such six of the eleven sitting members representing the State of Hyderabad as the Chairman shall by order specify shall, as from the appointed day, be deemed to have been duly elected to fill the eighteen seats allotted to the State of Andhra Pradesh.

(2) Such five of the six sitting members representing the State of Travancore-Cochin and such three of the eighteen sitting members representing the State of Madras as the Chairman shall by order specify shall, as from the appointed day, be deemed to have been duly elected to fill eight of the nine seats allotted to the State of Kerala.

(3) The eleven sitting members representing the States of Bhopal, Madhya Bharat and Vindhya Pradesh and such five of the twelve sitting members representing the State of Madhya Pradesh as the Chairman shall by order specify shall, as from the appointed day, be deemed to have been duly elected to fill the sixteen seats allotted to the new State of Madhya Pradesh.

(4) Such one of the six sitting members representing the State of Travancore-Cochin as the Chairman shall by order specify shall, as from the appointed day, be deemed to have been duly elected to fill one of the seats allotted to the State of Madras.

(5) The six sitting members representing the State of Mysore, and such four of the seventeen sitting members representing the State of Bombay, and such two of the eleven sitting members representing the State of Hyderabad, as the Chairman shall by order specify shall, as from the appointed day, be deemed to have been duly elected to fill the twelve seats allotted to the new State of Mysore.

(6) The eleven sitting members representing the existing States of Punjab and Patiala and East Punjab States Union shall, as from the appointed day, be deemed to have been duly elected to fill the eleven seats allotted to the new State of Punjab.

(7) The nine sitting members representing the State of Rajasthan and the sitting member representing the States of Ajmer and Coorg shall, as from the appointed day, be deemed to have been duly elected to fill the ten seats allotted to the new State of Rajasthan:

Provided that if the number of sitting members representing the State of Rajasthan is less than nine, such one of the sitting members representing the existing State of Bombay as the Chairman shall by order specify shall, as from the appointed day, be deemed to have been duly elected to fill one of the seats allotted to the new State of Rajasthan.

(8) The five sitting members representing the States of Saurashtra and Kutch and the sitting members representing the existing States of Bombay, Hyderabad and Madhya Pradesh who have not been allocated under sub-sections (1), (3), (5) and (7) to Andhra Pradesh, Madhya Pradesh, Mysore or Rajasthan shall, as from the appointed day, be deemed to have been duly elected to fill the twenty-seven seats allotted to the new State of Bombay.

(9) In this section, "Chairman" means the Chairman of the Council of States.

25. As soon as may be after the appointed day, by-elections shall be held to fill the vacancies existing on the appointed day in the seats allotted to the States of Kerala and Madras. By-elections to fill vacancies.

26. In order that, as nearly as may be, one-third of the members may retire on the 2nd day of April, 1958, and on the expiration of every second year thereafter, the President shall, after consultation with the Election Commission, make by order such provisions as he thinks fit in regard to the terms of office of the members elected under section 25 and such modifications as he thinks fit in the terms of office of any of the sitting members. Term of office of members.

The House of the People

27. Nothing in Part II shall be deemed to affect the constitution Provision as or duration of the existing House of the People or the extent of the constituency of any sitting member of that House. to existing House.

The Legislative Assembly

28. (1) Where by virtue of the provisions of Part II the whole area of any Assembly constituency in an existing State is transferred to any other existing State or becomes part of a new State other than Kerala,-- Changes in composition and allocation of sitting members.

(a) that area shall, as from the appointed day, be deemed to form a constituency provided by law for the purpose of elections to the Legislative Assembly of such other existing State or of such new State, as the case may be; and

(b) the sitting member representing that constituency shall, as from the appointed day, be deemed to have been elected to the said Legislative Assembly by that constituency and shall cease to be a member of the Legislative Assembly of which he was a member immediately before that day.

(2) The sitting members representing the assembly constituencies in the State of Madras falling wholly or partly within the

territories of that State which, on the appointed day, become part of the new State of Kerala shall, as from that day, cease to be members of the Legislative Assembly of Madras.

(3) The provisions of the First Schedule shall apply in relation to the sitting members representing the Assembly constituencies specified therein, parts of which are by virtue of the provisions of Part II transferred from an existing State to another existing State or to a new State.

(4) The members of the electoral college for Kutch constituted under section 27A of the Representation of the People Act, 1950 ^{43 of 1950.} shall, as soon as may be after the commencement of this Act elect eight persons from among themselves in accordance with the system of proportional representation by means of the single transferable vote and in such manner as may be prescribed; and the persons so elected shall, as from the appointed day, be deemed to have been elected to the Legislative Assembly of Bombay by a constituency comprising the whole of Kutch district.

(5) The office of member of the Council of Advisers constituted for the State of Kutch under section 42 of the Government of Part C States Act, 1951, is hereby declared to be an office of profit ^{49 of 1951.} under the Government of India which shall not disqualify its holder for being elected under sub-section (4) or for becoming a member of the Legislative Assembly of Bombay as provided in that sub-section.

(6) The sitting members nominated under article 333 to represent the Anglo-Indian community in the Legislative Assemblies of Madhya Pradesh and Mysore shall, as from the appointed day, cease to be members of those Assemblies and shall be deemed to have been nominated under the said article by the respective Governors to the Legislative Assemblies of the corresponding new States.

Special provision
for elections
to the
Andhra
Pradesh
Legislative
Assembly.

29. When a general election is next held in the State of Andhra Pradesh for electing members to the House of the People, elections shall also be held to fill the seats allotted to the assembly constituencies into which the transferred territory in that State is divided in the order referred to in sub-section (2) of section 47, as if those seats had become vacant; and as from the date appointed under the Representation of the People Act, 1951 as the date before which the said elections shall be completed, all the persons who, having been sitting members of the Legislative Assembly of Hyderabad, become on the appointed day members of the Legislative Assembly of Andhra Pradesh under sub-section (1) or sub-section (3) of section 28 of this Act shall cease to be such members.

^{43 of 1951}

30. The period of five years referred to in clause (1) of article 172 shall, in the case of the Legislative Assembly of each new State except Kerala, as constituted by the provisions of section 28, be deemed to have commenced on the date on which it actually commenced in the case of the Legislative Assembly of the corresponding State.

31. (1) As from the appointed day and until the first meeting of the Legislative Assembly of a new State other than Kerala, the persons who immediately before the appointed day are the Speaker and Deputy Speaker of the Legislative Assembly of the corresponding State shall, if they are members of the Legislative Assembly of the new State, be the Speaker and Deputy Speaker, respectively, of that Assembly.

(2) As soon as may be after the appointed day, the Legislative Assembly of the State of Andhra Pradesh shall choose two members of the Assembly to be respectively Speaker and Deputy Speaker thereof and until they are so chosen, the persons who immediately before the appointed day are the Speaker and Deputy Speaker of the Legislative Assembly of the existing State of Andhra shall be the Speaker and Deputy Speaker, respectively, of the Legislative Assembly of the State of Andhra Pradesh.

32. Until rules are made under clause (1) of article 208 by the Legislative Assembly of a new State, the rules as to procedure and conduct of business in force immediately before the appointed day with respect to the Legislative Assembly of the corresponding State shall have effect in relation to the Legislative Assembly of the new State subject to such modifications and adaptations as may be made therein by the Speaker.

The Legislative Councils

33. (1) As from such date as the President may by order appoint, there shall be a Legislative Council for the new State of Madhya Pradesh. [90] {
Madhya Pradesh Legislative Council.

(2) In the said Council there shall be 62 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 24, 6 and 6 respectively; { 31, 8 and 8 } {
31 }

(b) the number to be filled by persons elected by the members of the Legislative Assembly in accordance with the provisions of sub-clause (d) of the said clause shall be 24, and { 31 } {
31 }

Subs. by Act 37 of 1957, s. 6.

*Legislative
Council Act,
1957.]*

(c) the number to be filled by persons nominated by the Governor in accordance with the provisions of sub-clause (e) of that clause shall be 12.

(3) As soon as may be after the commencement of this Act, the President, after consultation with the Election Commission, shall by order determine—

(a) the constituencies into which the said new State shall be divided for the purpose of elections to the Council under each of the sub-clauses (a), (b) and (c) of clause (3) of article 171;

(b) the extent of each constituency; and

(c) the number of seats allotted to each constituency.

(4) As soon as may be after ~~the appointed day~~, steps shall be taken to constitute the said Council in accordance with the provisions of this section and the provisions of the Representation of the People Act, 1950 and the Representation of the People Act, 1951:

43 of 1950.
43 of 1951.

~~Provided that the election referred to in clause (b) of sub-section (2) shall be held only after the general election to the Legislative Assembly of the new State of Madhya Pradesh has been held.~~

Bombay
Legislative
Council.

*[Until
otherwise
provided
by law]*

34. (1) As from such date¹ as the President may by order appoint, there shall be a Legislative Council for the new State of Bombay.

(2) Until the said Council has been reconstituted in accordance with the provisions of sub-sections (4) and (5) of this section and summoned to meet for the first time, the said Council shall consist of—

(a) all the sitting members of the Legislative Council of the existing State of Bombay, except those representing the Belgaum (Local Authorities), Bijapur (Local Authorities) and Dharwar (Local Authorities) constituencies; and

(b) 25 members to represent the territories specified in clauses (b), (c), (d) and (e) of sub-section (1) of section 8 who shall be chosen in such manner as may be prescribed.

(3) After such reconstitution as aforesaid, there shall be 72 seats in the said Council 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 24, 6 and 6 respectively;

(b) the number to be filled by persons elected by the members of the Legislative Assembly in accordance with the provisions of sub-clause (d) of the said clause shall be 24; and

¹ 1st September, 1956, vide Notification No. S. R. O. 2104, dated 17-9-1956, Gazette of India, Pt. II, Sec. 3, P. 1590.

3. Subs. omitted by Act 37 of 1957, s. 5 (retrospectively).

3. Subs. & omitted, ibid., S. 62A & 112.

(e) the number to be filled by persons nominated by the Governor in accordance with the provisions of sub-clause (e) of that clause shall be 12.

(4) As soon as may be after the commencement of this Act, the President, after consultation with the Election Commission, shall by order determine—

(a) the constituencies into which the said new State shall be divided for the purpose of elections to the Council under each of the sub-clauses (a), (b) and (c) of clause (3) of article 171;

(b) the extent of each constituency; and

(c) the number of seats allotted to each constituency.

(5) As soon as may be after the appointed day, steps shall be taken to constitute the said Council in accordance with the provisions of this section and the provisions of the Representation of the People Act, 1950 and the Representation of the People Act, 1951:

~~Provided that the election referred to in clause (b) of sub-section (3) shall be held only after the general election to the Legislative Assembly of the new State of Bombay has been held.~~

35. (1) In the Legislative Council of Madras, as from the appointed day, there shall be 48 seats of which [50] ~~48~~ of the Madras Legislative Council.

(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 16, 4 and 4 respectively; [16, 6 and 4] ~~48~~

(b) the number to be filled by persons elected by the members of the Legislative Assembly in accordance with the provisions of sub-clause (d) of the said clause shall be 16; and

(c) the number to be filled by persons nominated by the Governor in accordance with the provisions of sub-clause (e) of that clause shall be 8.

(2) As from the appointed day, the Delimitation of Council Constituencies (Madras) Order, 1951 shall have effect subject to the modifications directed by the Second Schedule, and in the said Order,—

(a) any reference to the State of Madras shall be construed as including the territory added to that State by section 4 and as excluding the territory which ceases to be part of that State by virtue of section 5, section 6 or section 7;

Subs. by Act 47 of 1956, s.2 (from 1.1.56).

(b) any reference to Tirunelveli district shall be construed as including the territory added to that district by section 4; and

(c) any reference to Coimbatore district shall be construed as excluding Kollegal taluk.

(3) The two sitting members of the said Council representing the West Coast (Local Authorities) Constituency and such two of the six sitting members representing the Madras (Graduates) Constituency, and such two of the eighteen sitting members elected by the members of the Legislative Assembly, as the Chairman of the said Council shall by order specify shall, on the appointed day, cease to be members of the said Council.

(4) If, immediately before the appointed day, the total number of sitting members nominated by the Governor is nine, such one of them as the Governor shall by order specify shall, on the appointed day, cease to be a member of the said Council.

(5) Save as provided by sub-section (3), every sitting member of the said Council representing a council constituency the extent of which is altered by virtue of sub-section (2) shall, as from the appointed day, be deemed to have been elected to the said Council by that constituency as so altered.

(6) As soon as may be after the appointed day, by-elections shall be held in all the local authorities constituencies to fill the vacancies existing on that day in the said Council.

(7) In order that, as nearly as may be, one-third of the members of the said Council may retire on the 20th April, 1958, and on the expiration of every second year thereafter, the Governor shall after consultation with the Election Commission, make by order such provisions as he thinks fit in regard to the terms of office of the members elected under sub-section (6) and such modifications as he thinks fit in the terms of office of any of the sitting members.

Mysore
Legislative
Council.

36. (1) As from the appointed day there shall be a Legislative Council for the new State of Mysore.

(2) Until otherwise provided by law.
Until the said Council has been reconstituted in accordance with the provisions of sub-sections (3) and (4) of this section and summoned to meet for the first time the said Council shall consist of—

(a) all the sitting members of the Legislative Council of the existing State of Mysore, and

1. Omitted by Act 67 of 1956, s.2 (w.e.f. 1.11.56).
2. Subs. by Act 37 of 1957, s.8 (retrospectively).

(b) 12 members to represent the territories specified in clauses (b), (c), (d) and (e) of sub-section (1) of section 7 who shall be chosen in such manner as may be prescribed.

~~(2) After such reconstitution as aforesaid, there shall be 52 seats in the said Council 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 18, 4 and 4 respectively;~~

~~(b) the number to be filled by persons elected by the members of the Legislative Assembly 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 in accordance with the provisions of sub-clause (e) of that clause shall be 8.~~

~~(4) The provisions of sub-sections (4) and (5) of section 34 shall apply in relation to the said Council as they apply in relation to the Legislative Council for the new State of Bombay.~~

37. (1) As from the appointed day there shall be a Legislative Council for the new State of Punjab.

Punjab
Legislative
Council.

~~(2) Until otherwise provided by law,~~
~~Until the said Council has been reconstituted in accordance with the provisions of sub-sections (3) and (4) of this section and of any other law for the time being in force and has been summoned to meet for the first time, the said Council shall consist of—~~

~~(a) all the sitting members of the Legislative Council of the existing State of Punjab; and~~

~~(b) six persons to be elected in such manner as may be prescribed by the members of the Legislative Assembly of the existing State of Patiala and East Punjab States Union from amongst persons who are not members of that Assembly.~~

~~(3) After such reconstitution as aforesaid, there shall be 40 seats in the said Council 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 13, 3 and 3 respectively;~~

~~(b) the number to be filled by persons elected by the members of the Legislative Assembly in accordance with the provisions of sub-clause (d) of the said clause shall be 13; and~~

~~(c) the number to be filled by persons nominated by the Governor in accordance with the provisions of sub-clause (e) of that clause shall be 8.~~

~~§ omitted by Act 37 of 1957 s.8 (retrospectively).~~

~~2 Subs. & omitted, ibid. s.9 (retrospectively).~~

~~(v) The provisions of sub-sections (1) and (5) of section 34 shall apply in relation to the said Council as they apply in relation to the Legislative Council for the new State of Bombay.~~

Chairman
and Deputy
Chairman.

38. As from the appointed day and until the first meeting of the Legislative Council of the new State of Bombay, Mysore or Punjab, as the case may be, the persons who immediately before the appointed day are the Chairman and Deputy Chairman of the Legislative Council of the corresponding State shall be the Chairman and Deputy Chairman, respectively, of that Council.

Rules of
procedure.

39. Until rules are made under clause (1) of article 208 by the Legislative Council of the new State of Bombay, Mysore or Punjab, the rules as to procedure and conduct of business in force immediately before the appointed day with respect to the Legislative Council of the corresponding State shall have effect in relation to the Legislative Council of the new State subject to such modifications and adaptations as may be made therein by the Chairman.

Delimitation of Constituencies

Allocation
of seats in
the House
of the
People and
assignment
of seats of
State Legis-
lative
Assemblies.

40. The number of seats in the House of the People allotted to each of the States and the number of seats assigned to the Legislative Assembly of each Part A State and of each Part B State other than Jammu and Kashmir by order of the Delimitation Commission under the Delimitation Commission Act, 1952 (hereinafter in this Part referred to as "the former Commission" and "the former Act", respectively) shall be modified as shown in the Third Schedule.

81 of 1952.

Modification
of the
Scheduled
Castes and
Scheduled
Tribes
Orders.

41. As soon as may be after the commencement of this Act, the President shall by order make such modifications in the Constitution (Scheduled Castes) Order, 1950, the Constitution (Scheduled Castes) (Part C States) Order, 1951, the Constitution (Scheduled Tribes) Order, 1950 and the Constitution (Scheduled Tribes) (Part C States) Order, 1951, as he thinks fit having regard to the territorial changes and formation of new States under the provisions of Part II.

Determina-
tion of
population
of Scheduled
Castes and
Scheduled
Tribes.

42. (1) After the said Orders have been so modified, the population as at the last census of the scheduled castes and of the scheduled tribes in the territory which, as from the appointed day, will be comprised in each of the States of Andhra Pradesh, Bombay, Kerala, Madhya Pradesh, Madras, Mysore, Punjab and Rajasthan, shall be ascertained or estimated by the census authority in such manner as may be prescribed and shall be notified by that authority in the Gazette of India.

(A. D. 1950) No. 12-201 p. 52 of 1952.
(A. D. 1950) No. 12-202 p. 53 of 1952.

(2) The population figures so notified shall be taken to be the relevant population figures as ascertained at the last census and shall supersede any figures previously published.

43. (1) As soon as may be after the commencement of this Act, the Central Government shall constitute a Commission to be called the Delimitation Commission which shall consist of three members as follows:—

(a) two members each of whom shall be a person who is, or has been, Judge of the Supreme Court or of a High Court, to be appointed by the Central Government; and

(b) the Chief Election Commissioner, *ex officio*.

(2) The Central Government shall nominate one of the members appointed under clause (a) of sub-section (1) to be the Chairman of the Commission.

44. It shall be the duty of the Commission—

Duties of
the Com-
mission.

(a) to determine on the basis of the population figures notified under section 42 the number of seats, if any, to be reserved for the scheduled castes and scheduled tribes of each of the States mentioned in that section in the House of the People and in the Legislative Assembly of the State, having regard to the relevant provisions of the Constitution and of this Act;

(b) to determine the parliamentary and assembly constituencies into which each new State shall be divided, the extent of, and the number of seats to be allotted to each such constituency, and the number of seats, if any, to be reserved for the scheduled castes and the scheduled tribes of the State in each such constituency; and

(c) to revise or cancel any of the orders of the former Commission made under section 8 of the former Act so as to provide, having regard to the provisions of the Constitution and of this Act, for a proper delimitation of all parliamentary and assembly constituencies.

45. (1) For the purpose of assisting the Commission in the performance of its functions under clause (b) of section 44, the Commission shall associate with itself in respect of each new State such five persons as the Central Government shall by order specify, being persons who are members either of the House of the People or of the Legislative Assembly of an existing State:

Associate
members.

Provided that such persons shall be chosen, so far as practicable, from among those members who were associated with the former Commission in delimiting constituencies in any part of the territories of the new State.

(2) None of the associate members shall have a right to vote or to sign any decision of the Commission.

**Casual
vacancies.**

46. If, owing to death or resignation, the office of the Chairman or of a member or of an associate member falls vacant, it shall be filled as soon as may be practicable by the Central Government in accordance with the provisions of section 43 or, as the case may be, of section 45.

**Procedure
as to deli-
mitation.**

47. (1) The provisions of section 7 of the former Act shall apply in relation to the Commission as it applied in relation to the former Commission; and in determining the matters referred to in clauses (b) and (c) of section 44, the Commission shall have regard to the provisions contained in clauses (a) to (e) of sub-section (2) of section 8 of the former Act.

(2) After determining all the matters referred to in section 44, the Commission shall prepare an order, to be known as the Delimitation of Parliamentary and Assembly Constituencies Order, 1956 and send authenticated copies thereof to the Central Government and to each of the State Governments; and thereupon, that Order shall supersede all the orders made by the former Commission and have the full force of law and shall not be called in question in any court.

(3) As soon as may be after the said Order is received by the Central Government or a State Government, it shall be laid before the House of the People or, as the case may be, the Legislative Assembly of the State.

(4) Subject to the provisions of sub-section (5), the readjustment of the representation of the several constituencies in the House of the People or in the Legislative Assembly of a State and the delimitation of those constituencies provided for in the said Order shall apply in relation to every election to the House of the People or to the Legislative Assembly of a State, as the case may be, held after the appointed day, and shall so apply in supersession of the provisions contained in any other law.

(5) Nothing in this section shall affect the representation in the House of the People or in the Legislative Assembly of a State until the dissolution of the House or the Assembly, as the case may be, existing or brought into existence on the appointed day.

(6) At any time within six months of the date of the said Order, any printing mistake found therein and any other error arising therein from an accidental slip or omission may be corrected by the Chief Election Commissioner by order published in the Gazette of India.

48. Where any election is held during the year commencing on the appointed day to fill a seat or seats in the Council of States allotted to a new or reorganised State or a seat or seats in the Legislative Assembly or Legislative Council, if any, of such State, any person who is for the time being an elector for a parliamentary constituency or assembly constituency in any of the connected States, shall, for the purpose of sub-section (1) of section 3, clause (c) of section 5 or sub-section (1) of section 6, as the case may be, of the Representation of the People Act, 1951, be deemed to be an elector for a parliamentary constituency or assembly constituency, as the case may be, of that new or reorganised State.

Explanation.—In this section “new or reorganised State” means any of the States specified in the first column of the following Table, and “connected States”, in relation to a new or reorganised State, means the States specified against that new or reorganised State in the second column:

<i>New or reorganised State</i>	<i>Connected States</i>
1. Andhra Pradesh	Bombay and Mysore
2. Bombay	Andhra Pradesh, Madhya Pradesh and Mysore
3. Kerala	Madras
4. Madhya Pradesh	Bombay
5. Madras	Kerala and Mysore
6. Mysore	Andhra Pradesh, Bombay and Madras.

PART V

HIGH COURTS

49. (1) The High Courts exercising immediately before the appointed day jurisdiction in relation to the existing States of Bombay, Madhya Pradesh and Punjab shall, as from the appointed day, be deemed to be the High Courts for the new States of Bombay, Madhya Pradesh and Punjab, respectively.

(2) As from the appointed day, there shall be established a High Court for each of the new States of Kerala, Mysore and Rajasthan.

Abolition of certain Courts.

50. (1) As from the appointed day, the High Courts of all the existing Part B States, except Jammu and Kashmir, and the Courts of the Judicial Commissioners for Ajmer, Bhopal, Kutch and Vindhya Pradesh shall cease to function and are hereby abolished.

(2) Nothing in sub-section (1) shall prejudice or affect the continued operation of any notice served, injunction issued, direction given or proceedings taken before the appointed day by any of the courts abolished by that sub-section under the powers then conferred upon that court.

(3) Every such judge of a High Court abolished by sub-section (1) as the President after consultation with the Chief Justice of India may, by order made before the appointed day, specify shall, as from that day, become a judge, or if so specified the Chief Justice, of such High Court as the President may in that order specify.

Principal seat and other places of sitting of High Courts for new States.

51. (1) The principal seat of the High Court for a new State shall be at such place as the President may, by notified order, appoint.

(2) The President may, after consultation with the Governor of a new State and the Chief Justice of the High Court for that State, by notified order, provide for the establishment of a permanent bench or benches of that High Court at one or more places within the State other than the principal seat of the High Court and for any matters connected therewith.

(3) Notwithstanding anything contained in sub-section (1) or sub-section (2), the judges and division courts of the High Court for a new State may also sit at such other place or places in that State as the Chief Justice may, with the approval of the Governor, appoint.

Jurisdiction of High Courts for new States.

52. The High Court for a new State shall have, in respect of any part of the territories included in that new State, all such original, appellate and other jurisdiction as, under the law in force immediately before the appointed day, is exercisable in respect of that part of the said territories by any High Court or Judicial Commissioner's Court for an existing State.

Power to enrol Advocates, etc.

53. (1) The High Court for a new State shall have the like powers 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 appointed day, exercisable by the High Court for the corresponding State.

(2) The right of audience in the High Court for a new State shall be regulated in accordance with the like principles as,

immediately before the appointed day, are in force with respect to the right of audience in the High Court for the corresponding State:

Provided that, subject to any rule made or direction given by the High Court for a new State in exercise of the power conferred by this section, any person who, immediately before the appointed day, is an advocate entitled to practise, or an attorney entitled to act in any such High Court or Judicial Commissioner's Court as may be specified in this behalf by the Chief Justice of the High Court for the new State, shall be recognised as an advocate or an attorney entitled to practise or to act, as the case may be, in the High Court for the new State.

54. Subject to the provisions of this Part, the law in force ^{Practice and Procedure.} immediately before the appointed day with respect to practice and procedure in the High Court for the corresponding State shall, with the necessary modifications, apply in relation to the High Court for a new State, and accordingly, the High Court for the new State shall have all such powers to make rules and orders with respect to practice and procedure as are, immediately before the appointed day, exercisable by the High Court for the corresponding State:

Provided that any rules or orders which are in force immediately before the appointed day with respect to practice and procedure in the High Court for the corresponding State shall, until varied or revoked by rules or orders made by the High Court for a new State, apply with the necessary modifications in relation to practice and procedure in the High Court for the new State as if made by that Court.

55. The law in force immediately before the appointed day with respect to the custody of the seal of the High Court for the corresponding State shall, with the necessary modifications, apply with respect to the custody of the seal of the High Court for a new State. ^{Custody of seal of the High Court.}

56. The law in force immediately before the appointed day with respect to the form of writs and other processes used, issued or awarded by the High Court for the corresponding State shall, with the necessary modifications, apply with respect to the form of writs and other processes used, issued or awarded by the High Court for a new State. ^{Form of writs and other processes.}

57. The law in force immediately before the appointed day relating to the powers of the Chief Justice, single judges and division courts of the High Court for the corresponding State and with respect to matters ancillary to the exercise of those powers shall, with the necessary modifications, apply in relation to the High Court for a new State. ^{Powers of Judges.}

Procedure
as to
appeals to
the Supreme
Court.

58. The law in force immediately before the appointed day relating to appeals to the Supreme Court from the High Court for the corresponding State and the judges and division courts thereof shall, with the necessary modifications, apply in relation to the High Court for a new State.

Transfer
of proceed-
ings to Bom-
bay High
Court.

59. (1) Except as hereinafter provided, the High Court at Nagpur (which on the appointed day becomes the High Court for the new State of Madhya Pradesh and is referred to in this Act as the High Court of Madhya Pradesh) shall, as from that day, have no jurisdiction in respect of the territory transferred from the existing State of Madhya Pradesh to the new State of Bombay.

(2) Such proceedings pending in the High Court at Nagpur or the High Court of Hyderabad 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 for the new State of Bombay (referred to in this Act as the High Court of Bombay) shall, as soon as may be after such certification, be transferred to the High Court of Bombay.

(3) All proceedings pending in the High Court of Saurashtra or in the Court of the Judicial Commissioner for Kutch immediately before the appointed day shall stand transferred to the High Court of Bombay.

(4) Notwithstanding anything contained in sub-sections (1) and (2), but save as hereinafter provided, the High Court of Madhya Pradesh shall have, and the High Court of Bombay shall not have, jurisdiction to entertain, hear or dispose of appeals, applications for leave to appeal to the Supreme Court, applications for review and other proceedings, where any such proceedings seek any relief in respect of any orders passed by the High Court at Nagpur before the appointed day:

Provided that if after any such proceedings have been entertained by the High Court of Madhya Pradesh it appears to the Chief Justice of that High Court that they ought to be transferred to the High Court of Bombay, he shall order that they shall be so transferred, and such proceedings shall thereupon be transferred accordingly.

(5) Any order made before the appointed day by any court referred to in sub-section (2) or sub-section (3) in any proceedings transferred to the High Court of Bombay by virtue of sub-section (2) or sub-section (3) shall for all purposes have effect, not only as an order of that court, but also as an order of the High Court of Bombay:

and any order made by the High Court of Madhya Pradesh in any proceedings with respect to which that court retains jurisdiction by virtue of sub-section (4) shall for all purposes have effect, not only as an order of that High Court, but also as an order of the High Court of Bombay.

60. (1) As from the appointed day the jurisdiction of the High Court for the State of Kerala (referred to in this Act as the High Court of Kerala) shall extend to the ~~Part C State~~ of the Laccadive, Minicoy and Amindivi Islands. *[Union territory]*

Extension
of jurisdic-
tion of, and
transfer of
proceedings
to, Kerala
High Court,

(2) Except as hereinafter provided, the High Court at Madras shall, as from the appointed day, have no jurisdiction in respect of the said ~~Part C State~~ or in respect of any territory transferred from the State of Madras to the State of Kerala.

*[Union
territory]*

(3) 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 Kerala shall, as soon as may be after such certification, be transferred to the High Court of Kerala.

(4) 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 Kerala shall not have, jurisdiction to entertain, hear or dispose of appeals, applications for leave to appeal to the Supreme Court, applications for review and other proceedings, where any such proceedings seek any relief in respect of any order passed by the High Court at Madras before the appointed day:

Provided that if after 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 Kerala, he shall order that they shall be so transferred, and such proceedings shall thereupon be transferred accordingly.

(5) Any order made by the High Court at Madras—

(a) before the appointed day in any proceedings transferred to the High Court of Kerala by virtue of sub-section (3); or

(b) in any proceedings with respect to which the High Court at Madras retains jurisdiction by virtue of sub-section (4),

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 Kerala.

{ Subs. by the A.O. (No. 1), 1956.

(6) All proceedings pending in the High Court of Travancore-Cochin immediately before the appointed day other than those certified by the Chief Justice of that High Court under sub-section (2) of section 66 shall stand transferred to the High Court of Kerala, and any order made before the appointed day by the first mentioned High Court in any such proceedings shall for all purposes have effect, not only as an order of that High Court, but also as an order of the High Court of Kerala.

Transfer of
proceedings
to Madhya
Pradesh
High Court.

61. (1) Such proceedings pending in the High Court of the existing State of Rajasthan 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 Madhya Pradesh shall, as soon as may be after such certification, be transferred to the High Court of Madhya Pradesh.

(2) All proceedings pending in the High Court of Madhya Bharat or in the Court of the Judicial Commissioner for Bhopal or in the Court of the Judicial Commissioner for Vindhya Pradesh, immediately before the appointed day, shall stand transferred to the High Court of Madhya Pradesh.

(3) Any order made before the appointed day by any court referred to in sub-section (1) or sub-section (2) shall for all purposes have effect not only as an order of that court but also as an order of the High Court of Madhya Pradesh.

Transfer of
proceedings
to Mysore
High Court.

62. (1) Except as hereinafter provided, neither the High Court of Bombay nor the High Court at Madras shall, as from the appointed day, have jurisdiction in respect of any territory transferred from the existing State of Bombay or the State of Madras, as the case may be, to the new State of Mysore.

(2) Such proceedings pending in the High Court of Hyderabad or the High Court at Bombay or 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 for the new State of Mysore (referred to in this Act as 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 of Bombay or, as the case may be, the High Court at Madras shall have, and the

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High Court of Mysore shall not have jurisdiction to entertain, hear or dispose of appeals, applications for leave to appeal to the Supreme Court, applications for review and other proceedings, where any such proceedings seek any relief in respect of any order passed by the High Court at Bombay or Madras before the appointed day:

Provided that if after any such proceedings have been entertained by the High Court of Bombay or 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 of Hyderabad before the appointed day in any proceedings transferred to the High Court of Mysore by virtue of sub-section (2) shall, for all purposes, have effect not only as an order of the High Court of Hyderabad, but also as an order made by the High Court of Mysore.

(5) Any order made by the High Court at Bombay or Madras—

(a) before the appointed day in any proceedings transferred to the High Court of Mysore by virtue of sub-section (2), or

(b) the said High Court shall be known as the High Court of Bombay or 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 of Bombay or at Madras, but also as an order of the High Court of Mysore.

(6) All proceedings pending in the High Court of the existing State of Mysore immediately before the appointed day, shall stand transferred to the High Court of Mysore; and any order made before the appointed day by the first mentioned High Court in any such proceedings shall for all purposes have effect, not only as an order of that High Court, but also as an order of the High Court of Mysore.

63. (1) All proceedings pending in the High Court of Patiala and East Punjab States Union immediately before the appointed day shall stand transferred to the High Court for the new State of Punjab (referred to in this Act as the High Court of Punjab). Transfer of proceedings to Punjab High Court.

(2) Any order made before the appointed day by the High Court of Patiala and East Punjab States Union shall for all purposes have effect, not only as an order of that Court, but also as an order made by the High Court of Punjab.

Transfer of proceedings 64. (1) As from the appointed day, the High Court of Bombay to Rajasthan shall have no jurisdiction in respect of the territory transferred from High Court. the existing State of Bombay, to the new State of Rajasthan.

(2) Such proceedings pending in the High Court at Bombay or the High Court of Madhya Bharat 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 for the new State of Rajasthan (referred to in this Act as the High Court of Rajasthan) shall, as soon as may be after such certification, be transferred to the High Court of Rajasthan.

(3) All proceedings pending in the High Court of the existing State of Rajasthan immediately before the appointed day other than those certified under sub-section (1) of section 61 and all proceedings pending in the Court of the Judicial Commissioner for Ajmer immediately before the appointed day shall stand transferred to the High Court of Rajasthan.

(4) Any order made before the appointed day by any court referred to in sub-section (2) or sub-section (3) in any proceedings transferred to the High Court of Rajasthan by virtue of sub-section (2) or sub-section (3) shall, for all purposes, have effect not only as an order of that court, but also as an order of the High Court of Rajasthan.

High Court of Andhra Pradesh.

65. (1) As from the appointed day,—

(a) the jurisdiction of the High Court of the existing State of Andhra shall extend to the whole of the territories transferred to that State from the existing State of Hyderabad;

(b) the said High Court shall be known as the High Court of Andhra Pradesh; and

(c) the principal seat of the said High Court shall be at Hyderabad.

(2) All proceedings pending in the High Court of Hyderabad immediately before the appointed day, other than those certified by the Chief Justice of that High Court under sub-section (2) of section 59 or under sub-section (2) of section 62, shall stand transferred to the High Court of Andhra Pradesh.

(3) Any order made by the High Court of Hyderabad before the appointed day in any proceedings transferred to the High Court of Andhra Pradesh by virtue of sub-section (2) shall, for all pur-

poses, have effect not only as an order of the High Court of Hyderabad but also as an order made by the High Court of Andhra Pradesh.

(4) Any person who, immediately before the appointed day is an advocate entitled to practise in the High Court of Hyderabad shall, as from the appointed day, be recognised as an advocate entitled to practise in the High Court of Andhra Pradesh:

Provided that if any such person makes, within one year from the appointed day, an application to the High Court of Bombay or to the High Court of Mysore for being recognised as an advocate entitled to practise in that High Court, he shall be so recognised, and on such recognition, he shall cease to be recognised as an advocate entitled to practise in the High Court of Andhra Pradesh.

66. (1) Except as hereinafter provided the jurisdiction of the High Court at Madras shall, as from the appointed day, extend to the whole of the territories transferred to the State of Madras from the State of Travancore-Cochin.

High Court
for the areas
added to
Madras.

(2) Such proceedings pending in the High Court of Travancore-Cochin immediately before the appointed day as are certified before 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 at Madras shall, as soon as may be after such certification, be transferred to the High Court at Madras.

(3) Notwithstanding anything contained in sub-sections (1) and (2), but save as hereinafter provided, the High Court of Kerala shall have, and the High Court at Madras shall not have, jurisdiction to entertain, hear or dispose of appeals, applications for leave to appeal to the Supreme Court, applications for review and other proceedings where any such proceedings seek any relief in respect of any order passed by the High Court of Travancore-Cochin before the appointed day:

Provided that if, after any such proceedings have been entertained by the High Court of Kerala, it appears to the Chief Justice of that High Court that they ought to be transferred to the High Court at Madras, he shall order that they shall be so transferred, and such proceedings shall thereupon be transferred accordingly.

(4) Any order made—

(a) by the High Court of Travancore-Cochin before the appointed day in any proceedings transferred to the High Court at Madras by virtue of sub-section (2); or

(b) by the High Court of Kerala in any proceedings with respect to which that High Court retains jurisdiction by virtue of sub-section (3),

shall, for all purposes, have effect, not only as an order of the High Court of Travancore-Cochin or the High Court of Kerala, as the case may be, but also as an order made by the High Court at Madras.

(5) Subject to any rule made or direction given by the High Court at Madras, any such person who immediately before the appointed day is an advocate entitled to practise in the High Court of Travancore-Cochin as may be specified in this behalf by the Chief Justice of the High Court at Madras having regard to the transfer of territories from Travancore-Cochin to Madras, shall be recognised as an advocate entitled to practise in the High Court at Madras.

Right to appear or act in proceedings transferred to other High Courts. 67. Any person who immediately before the appointed day is an advocate entitled to practise, or an attorney entitled to act, in the High Court for an existing State and was authorised to appear or to act in any proceedings transferred from that High Court to any other High Court under any of the foregoing provisions of this Part shall have the right to appear or to act, as the case may be, in the other High Court in relation to those proceedings.

Interpretation. 68. For the purposes of sections 59 to 66,—

(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 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.

Savings. 69. Nothing in this Part shall affect the application to the High Court for a new State of any provisions of the Constitution, and this Part shall have effect subject to any provision that may be made on or after the appointed day with respect to that High Court by any Legislature or other authority having power to make such provision.

PART VI

AUTHORISATION OF EXPENDITURE

70. In the case of every new State, the Governor or Rajpramukh of the corresponding State may at any time before the appointed day authorise such expenditure from the Consolidated Fund of the new State as he deems necessary for any period not extending beyond the 31st day of March, 1957:

Authorisa-
tion of
expenditure
of new
States.

Provided that the Governor of the new State may, after the appointed day, authorise such further expenditure from the Consolidated Fund of the State as he deems necessary for the said period.

71. (1) As from the appointed day, any Act passed by the Legislature of the State of Andhra or 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 1956-57 shall have effect also in relation to the transferred territory in that State, and it shall be lawful for the State Government to spend any amount in such transferred territory out of the amount authorised by such Act to be expended for any service in that State.

Appropria-
tion of
moneys for
expenditure
in transfe-
red terri-
tories under
existing
Appropri-
ation Acts.

(2) The Governor of Andhra Pradesh or of Madras may, after the appointed day, authorise such expenditure from the Consolidated Fund of the State as he deems necessary for any purpose or service in the transferred territory of the State for any period not extending beyond the 31st day of March, 1957.

72. (1) Where the whole or any part of the territory of an existing State has been transferred to another existing State or to a new State by the provisions of Part II, the reports of the Comptroller and Auditor-General of India referred to in clause (2) of article 151 relating to the accounts of that existing State in respect of any period prior to the appointed day, shall be submitted to the Governor of such State or of each of such States as the President may by order specify and the Governor shall thereupon cause them to be laid before the Legislature of that State.

Reports re-
lating to the
accounts
of certain
States.

(2) The President may by order—

(a) declare any expenditure incurred out of the Consolidated Fund of Bombay, Madhya Pradesh or Punjab or of any Part B or Part C State on any service during the financial year 1955-56 or any earlier financial year in excess of the amount granted for that service and for that year as disclosed in the reports referred to in sub-section (1) to have been duly authorised, and

(b) provide for any action to be taken on any matter arising out of the said reports.

Allowances 73. The allowances and privileges of the Governor of Andhra Pradesh or of Madras or of each new State shall, until provision in the Constitution is made by Parliament by law under clause (3) of article 158, be such as the President may, by order, determine.

Distribution of revenues. 74. (1) Section 3 of the Union Duties of Excise (Distribution) Act, 1953 and paragraphs 3 and 5 of the Constitution (Distribution of Revenues) Order, 1953, shall, in respect of the financial year 1956-57, have effect in the modified form set out in the Fourth Schedule.

(2) There shall be charged on the Consolidated Fund of India in respect of each of the three financial years 1957-58, 1958-59 and 1959-60 as grants-in-aid of—

- (a) the State of Bombay, the sum, if any, by which 8·58 per cent. of the total of the amounts payable to that State under articles 270 and 272 falls short of 248·04 lakhs of rupees;
- (b) the State of Kerala, the sum, if any, by which 61·91 per cent. of the total of the amounts payable to that State under the said articles falls short of 232·38 lakhs of rupees;
- (c) the State of Madras, the sum, if any, by which 2·97 per cent. of the total of the amounts payable to that State under the said articles falls short of 24·65 lakhs of rupees;
- (d) the State of Mysore, the sum, if any, by which 46·75 per cent. of the total of the amounts payable to that State under the said articles falls short of 289·80 lakhs of rupees.

PART VII

APPORTIONMENT OF ASSETS AND LIABILITIES OF CERTAIN PART A AND PART B STATES

Application of Part.

75. The provisions of this Part shall apply in relation to the apportionment of the assets and liabilities immediately before the appointed day of every Part A or Part B State the whole or any part of whose territories is transferred to another State or becomes a Part C State by virtue of the provisions of Part II; and the expression "existing State" shall accordingly be construed to mean any such Part A State or Part B State.

{Union
territory}

& Subs. by the Ad. (No. 1), 1956.

76. (1) Subject to the other provisions of this Part, all land and Land and goods, all stores, articles and other goods belonging to an existing State shall—

(a) if within the existing State, pass to the successor State in which they are situated; or

(b) if outside the existing State, pass to the successor State or if there be two or more successor States, to the principal successor State:

Provided that where there are two or more successor States and the Central Government is of opinion that any goods or class of goods should be distributed among them otherwise than according to the situation of the goods, the Central Government may issue such directions as it thinks fit for a just and equitable distribution of the goods and the goods shall pass to the successor States accordingly.

(2) Any unissued stores of any class in an existing State shall pass to the successor State, or if there be two or more successor States, shall be divided between them in proportion to the total indents for stores of that class made in the period of three years ending with the 31st day of March, 1956, for the territories of the existing State included respectively in each of those successor States excluding the indents relating to the Secretariat and offices of Heads of Departments having jurisdiction over the whole of the existing State:

Provided that nothing in this sub-section shall apply to stores held for specific purposes, such as use or utilisation in particular institutions, workshops or undertakings or on particular works under construction.

(3) In this section, the expression "land" includes immovable property of every kind and any rights in or over such property, and the expression "goods" does not include coins, bank notes and currency notes.

77. The total of the cash balances in all treasuries of an existing State and the credit balances of that State with the Reserve Bank of India immediately before the appointed day shall pass to the successor State, or, if there be two or more successor States, be divided between them according to the population ratio:

Provided that for the purpose 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 successor States in the books of the Reserve Bank of India on the appointed day:

Provided further that if any successor State has no account with the Reserve Bank of India the adjustment shall be made in such manner as the Central Government may by order direct.

Arrears of taxes.

78. The right to recover arrears of any tax or duty on property, including arrears of land revenue, shall belong to the successor State in which the property is situated, and the right to recover arrears of any other tax or duty shall belong to the successor State in whose territories the place of assessment of that tax or duty is included.

Right to recover loans and advances.

79. (1) The right to recover any loans or advances made before the appointed day by an existing State to any local body, society, agriculturist or other person in an area within that State shall belong to the successor State in which that area is included.

(2) The right to recover any loans or advances made before the appointed day by an existing State to any person or institution outside that State shall belong to the successor State or, if there be two or more successor States, to the principal successor State:

Provided that where there are two or more successor States, any sum recovered in respect of any such loan or advance shall be divided between all the successor States according to the population ratio.

Credits in certain funds.

80. The investments in the cash balance investments account, the famine relief fund and the general fund of an existing State and the sums at the credit of an existing State in the central road fund shall pass to the successor State or, if there be two or more successor States, be divided between them according to the population ratio; and the investments in any special fund the objects of which are confined to a local area in an existing State shall pass to the successor State in which that area is included.

Assets and liabilities of State undertakings.

81. (1) The assets and liabilities relating to any commercial or industrial undertaking of an existing State shall pass to the successor State in which the undertaking is located.

(2) Where a depreciation reserve fund is maintained by an existing State for any commercial or industrial undertaking, the securities held in respect of investments made from that fund shall pass to the successor State in which the undertaking is located.

Public debt.

82. (1) The public debt of the existing State of Hyderabad attributable to loans raised by the issue of Government securities and outstanding with the public immediately before the 31st day of October, 1956, shall as from that day be the debt of the Union, and immediately on such transfer of the debt, the Central Government

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shall be deemed to have made a loan to that State of an amount equal to the debt so transferred on the same terms in regard to interest and repayment as are applicable to the loans so raised by that State.

(2) The public debt of any other existing State attributable to loans raised by the issue of Government securities and outstanding with the public immediately before the appointed day shall, as from that day, be the debt of the successor State or, if there be two or more successor States, be the debt of such one of them as the Central Government may, by order, specify; and in the latter case,—

(a) the other successor States shall be liable to pay to the successor State so specified their shares of the sums due from time to time for the servicing and repayment of the debt, and

(b) for the purpose of determining the said shares, the debt shall be deemed to be divided between the successor States as if it were a debt referred to in sub-section (3).

(3) The public debt of an existing State attributable to loans taken from the Central Government, the Reserve Bank of India or any other bank before the appointed day, including in the case of Hyderabad the loan deemed to have been made by the Central Government under sub-section (1), shall pass to the successor State, or if there be two or more successor States, be divided between them in proportion to the total expenditure on all capital works and other capital outlays incurred up to the appointed day in the territories of the existing State included respectively in each of those successor States:

Provided that for the purposes of such division, only expenditure on assets for which capital accounts have been kept shall be taken into account:

Provided further that any loan taken from the Central Government by the Government of an existing State before the appointed day in connection with the construction of buildings, roads or other works for the capital of a new State or any State affected by the provisions of Part II or for purposes incidental thereto shall, to the extent of the expenditure so incurred until that day, be wholly the liability of the successor State in which the capital is included.

(4) Where a sinking fund or depreciation fund is maintained by an existing State for the repayment of any loan raised by it, the securities held in respect of investments made from that fund shall pass to the successor State or, if there be two or more successor States, be divided between them in the same proportion as the public debt referred to in sub-section (3).

(5) In this section, the expression "Government security" means a security created and issued by a State Government for the purpose of raising a public loan and having any of the forms specified in, or prescribed under, clause (2) of section 2 of the Public Debt Act, 1944.¹⁸ of

Réfund of taxes collected in excess.

Deposits.

Provident funds.

Pensions

Contracts.

83. The liability of an existing State to refund any tax or duty on property, including land revenue, collected in excess shall be the liability of the successor State in which the property is situated, and the liability of an existing State to refund any other tax or duty collected in excess shall be the liability of the successor State in whose territories the place of assessment of that tax or duty is included.

84. The liability of an existing State in respect of any civil deposit or local fund deposit shall, as from the appointed day, be the liability of the successor State in whose area the deposit has been made.

85. The liability of an existing State in respect of the provident fund account of a Government servant in service on the appointed day shall, as from that day, be the liability of the successor State to which that Government servant is permanently allotted.

86. The liability of the existing States in respect of pensions shall pass to, or be apportioned between, the successor States in accordance with the provisions contained in the Fifth Schedule.

87. (1) Where before the appointed day an existing State has made any contract in the exercise of its executive power for any purposes of the State, that contract shall be deemed to have been made in the exercise of the executive power—

(a) if there be only one successor State,—of that State;

(b) if there be two or more successor States and the purposes of the contract are, as from the appointed day, exclusively purposes of any one of them,—of that State; and

(c) if there be two or more successor States and the purposes of the contract are, as from that day, not exclusively purposes of any one of them,—of the principal successor State;

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 existing State, be rights or liabilities of the successor State or the principal successor State specified above:

Provided that in any such case as is referred to in clause (c), the initial allocation of rights and liabilities made by this sub-section shall be subject to such financial adjustment as may be agreed upon between all the successor States concerned, or in default of such agreement, as the Central Government may by order direct.

(2) For the purposes of this section, there shall be deemed to be included in the liabilities which have accrued or may accrue under any contract—

(a) any liability to satisfy an order or award made by any court or other tribunal in proceedings relating to the contract; and

(b) any liability in respect of expenses incurred in or in connection with any such proceedings.

(3) This section shall have effect subject to the other provisions of this Part relating to the apportionment of liabilities in respect of loans, guarantees and other financial obligations; and bank balances and securities shall notwithstanding that they partake of the nature of contractual rights, be dealt with under those provisions.

88. Where, immediately before the appointed day, an existing State is subject to any liability in respect of an actionable wrong other than breach of contract, that liability shall—

(a) if there be only one successor State, be a liability of that State;

(b) if there be two or more successor States and the cause of action arose wholly within the territories which as from that day are the territories of one of them, be a liability of that successor State; and

(c) in any other case, be initially a liability of the principal successor State, but subject to such financial adjustment as may be agreed upon between all the successor States concerned, or in default of such agreement, as the Central Government may by order direct.

89. Where, immediately before the appointed day, an existing State is liable as guarantor in respect of any liability of a registered co-operative society, that liability of the existing State shall—

(a) if there be only one successor State, be a liability of that State;

(b) if there be two or more successor States and the area of the society's operations is limited to the territories which as from that day are the territories of one of them, be a liability of that successor State; and

(c) in any other case, be a liability of the principal successor State:

Provided that in any such case as is referred to in clause (c), the initial allocation of liabilities under this section shall be subject to such financial adjustment as may be agreed upon between all the successor States, or in default of such agreement, as the Central Government may by order direct.

Items in suspense.

90. If any item in suspense is ultimately found to affect an asset or liability of the nature referred to in any of the foregoing provisions of this Part, it shall be dealt with in accordance with that provision.

Residuary provision.

91. The benefit or burden of any assets or liabilities of an existing State not dealt with in the foregoing provisions of this Part shall—

(a) if there be only one successor State, pass to that State, and

(b) if there be two or more successor States, pass to the principal successor State in the first instance, subject to such financial adjustment as may be agreed upon between all the successor States before the 1st day of October, 1957, or in default of such agreement, as the Central Government may by order direct.

Power of the Central Government to order allocation or adjustment in certain cases.

92. Where by virtue of any of the provisions of this Part, any of the successor States becomes entitled to any property or obtains any benefits or becomes subject to any liability, and the Central Government is of opinion, on a reference made within a period of three years from the appointed day by any State that it is just and equitable that that property or those benefits should be transferred to or shared with, one or more of the other successor States, or that a contribution towards that liability should be made by one or more of the other successor States, the said property or benefits shall be allocated in such manner, or the other successor State or States shall make to the State primarily subject to the liability such contribution in respect thereof, as the Central Government may, after consultation with the State Governments concerned by order determine.

Certain expenditure to be charged on the Consolidated Fund.

93. All sums payable by the Union to any State or by any State to any other State or to the Union by virtue of the provisions of this Part shall be charged on the Consolidated Fund of India or, as the case may be, the Consolidated Fund of the State by which such sums are payable.

PART VIII

APPORTIONMENT OF CERTAIN ASSETS AND LIABILITIES OF THE UNION

94. In this Part,—

Definitions.

(a) "existing State" means any of the existing Part C States of Ajmer, Bhopal, Coorg, Kutch and Vindhya Pradesh;

(b) "Union purposes" mean the purposes of Government relatable to any of the matters mentioned in the Union List.

95. Subject to the other provisions of this Part—

Passing of certain assets and liabilities of the Union to successor States.

(a) such of the assets of the Union within an existing State as are immediately before the appointed day held by the Union for purposes of the governance of that State shall, as from that day, pass to the successor State, unless the purposes for which the assets are so held are Union purposes; and

(b) all liabilities of the Union arising out of, or in relation to, the governance of an existing State shall, as from the appointed day, be liabilities of the successor State, unless the liabilities are relatable to a Union purpose.

96. The right to recover arrears of any tax (including land Arrears of revenue) due in an existing State, being a tax enumerated in the taxes. State List, shall pass to the successor State.

97. The right to recover any loans or advances made before the appointed day to any local body, society, agriculturist or other person in an existing State shall belong to the successor State unless the loan or advance was made in connection with a Union purpose.

98. Any debt of an existing State attributable to any loan given by the Central Government on or after the 1st day of April, 1954, and outstanding immediately before the appointed day shall be a debt due by the successor State to the Central Government.

Debts due to Central Government.

99. The liability of the Union in respect of the provident fund account of a Government servant serving immediately before the appointed day in an existing State under the administrative control of the Lieutenant-Governor or Chief Commissioner thereof shall, as from that day, be the liability of the successor State:

Provident fund.

Provided that the Central Government shall transfer to the successor State funds equal to the liability of the Union as on the appointed day.

100. Where a Government servant under the administrative control of the Lieutenant-Governor or Chief Commissioner of an existing State has, before the appointed day, retired or proceeded on leave Pensions.

preparatory to retirement, any outstanding claim in respect of his pension shall be settled by the successor State; but the liability in respect of the pension sanctioned to any such Government servant, whether before or after the appointed day, shall be the liability of the Union.

Contracts.

101. (1) Any contract made before the appointed day by the Union in the exercise of its executive power for purposes of the governance of an existing State shall, as from that day, be deemed to have been made in the exercise of the executive power of the successor State, unless the purposes of the contract are Union purposes; 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 and liabilities of the Union if this Act had not been passed, be rights and liabilities of the successor State.

(2) The provisions of sub-sections (2) and (3) of section 87 shall apply in relation to any such contract as they apply in relation to a contract to which sub-section (1) of that section applies.

PART IX

PROVISIONS AS TO CERTAIN CORPORATIONS AND INTER-STATE AGREEMENTS AND ARRANGEMENTS

Provision as
to certain
State Finan-
cial Corpora-
tions.

102. (1) As from the appointed day, the Financial Corporations established under the State Financial Corporations Act, 1951, for the existing States of Madhya Bharat, Punjab, Rajasthan and Travancore-Cochin shall be deemed to be the Financial Corporations established under the said Act for the new States of Madhya Pradesh, Punjab, Rajasthan and Kerala, respectively. 63 of 1951.

(2) The States of Kerala, Madhya Pradesh and Rajasthan shall be liable to pay to the States of Madras, Rajasthan and Madhya Pradesh, respectively, on account of the share of each of the last-named States in the paid-up capital of the Financial Corporations for the existing States of Travancore-Cochin, Madhya Bharat and Rajasthan, respectively, such amount as the Central Government may by order determine.

(3) As from the appointed day, the Financial Corporations established under the State Financial Corporations Act, 1951, for the existing States of Andhra and Hyderabad shall stand amalgamated and shall be deemed to be the Financial Corporation established under the said Act for the State of Andhra Pradesh. 63 of 1951.

(4) After consulting the Governments of the existing States of Andhra and Hyderabad, the Central Government may, before the appointed day, by notified order, provide for the constitution of the

Board of Directors of the Financial Corporation for the State of Andhra Pradesh and for such consequential, incidental and supplemental matters as may, in the opinion of the Central Government, be necessary to give effect to the provisions of sub-section (3).

(5) The State of Andhra Pradesh shall be liable to pay to each of the new States of Mysore and Bombay on account of its share of the paid-up capital of the Financial Corporation for the existing State of Hyderabad such amount as the Central Government may, by order, determine.

(6) As from the appointed day, the Financial Corporations established under the State Financial Corporations Act, 1951, for the existing States of Bombay and Saurashtra shall stand amalgamated and shall be deemed to be the Financial Corporation established under the said Act for the new State of Bombay.

(7) After consulting the Governments of the existing States of Bombay and Saurashtra, the Central Government may, before the appointed day, by notified order, provide for the constitution of the Board of Directors of the Financial Corporation for the new State of Bombay and for such consequential, incidental and supplemental matters as may, in the opinion of the Central Government, be necessary to give effect to the provisions of sub-section (6).

(8) The new State of Bombay shall be liable to pay to each of the new States of Mysore and Rajasthan on account of its share of the paid-up capital of the Financial Corporation for the existing State of Bombay such amount as the Central Government may, by order, determine.

103. (1) As from the appointed day, the Madras Industrial Investment Corporation constituted for the existing State of Madras shall be deemed to have been constituted for that State with its area as altered by the provisions of Part II.

Provisions as to the Madras Industrial Investment Corporation.

(2) The State of Madras shall be liable to pay to each of the new States of Kerala and Mysore on account of its share of the paid-up capital of the said Corporation such amount as the Central Government may by order determine.

104. With effect from the appointed day, the following amendments shall be made in the Reserve Bank of India Act, 1934, namely:—

Amendment of Act 2 of 1934.

(1) in section 2, in the proviso to clause (f), for the words "any Central co-operative society in that State to be a State co-operative bank", the words "any one or more co-operative

societies carrying on business in that State to be a State co-operative bank or banks" shall be substituted.

(2) in section 20,—

(a) the words and letter "and the Governments of Part A States" shall be omitted;

(b) for the words "their accounts respectively", the words "its account" shall be substituted;

(c) for the words "their exchange", the words "its exchange" shall be substituted;

(d) after the words "public debt", the words "of the Union" shall be inserted;

(3) in section 21,—

(a) in sub-section (1),—

(i) the words "and the State Governments" wherever they occur, shall be omitted;

(ii) for the word "their", at both places where it occurs, the word "its" shall be substituted;

(iii) in the proviso, the words "or any State Government" shall be omitted, and for the word "they" the word "it" shall be substituted;

(b) in sub-section (2), the words "and each State Government" shall be omitted;

(c) for sub-section (4), the following sub-section shall be substituted, namely:—

"(4) Any agreement made under this section shall be laid, as soon as may be after it is made, before Parliament"; and

(d) sub-section (5) shall be omitted;

(4) in sub-section (1) of section 21-A, the word and letter "Part B" shall be omitted;

(5) after section 21-A, the following section shall be inserted, namely:—

"21-B. (1) Any agreement made under section 21 or section 21-A between the Bank and the Government of a State specified in the *Explanation* below and in force immediately before the 1st day of November, 1956, shall, as from that day have effect as if it were an agreement made on that day

under section 21-A between the Bank and the Government States before of the corresponding State subject to such modifications, if ^{the 1st} November, any, being of a character not affecting the general operation ^{1956.} of the agreement, as may be agreed upon between the Bank and the Government of the corresponding State, or in default of such agreement, as may be made therein by order of the Central Government.

Explanation.—In this sub-section “corresponding State” means,—

- (a) in relation to the agreement between the Bank and the State of Andhra, the State of Andhra Pradesh;
- (b) in relation to the agreement between the Bank and any other Part A State as it existed before the 1st day of November, 1956, the State with the same name; and
- (c) in relation to the agreement between the Bank and the Part B State of Mysore or Travancore-Cochin as it existed before the 1st day of November, 1956, the State of Mysore or Kerala respectively.

(2) Any agreement made under section 21-A between the Bank and the Government of the Part B State of Hyderabad, Madhya Bharat or Saurashtra shall be deemed to have terminated on the 31st day of October, 1956.”.

105. In the Multi-Unit Co-operative Societies Act, 1942, after ^{Amendment of Act 6 of 1942.} section 5, the following sections shall be inserted, namely:—

“5A. (1) Where by virtue of the provisions of Part II of the States Reorganisation Act, 1956, any co-operative society which, immediately before the 1st day of November, 1956, had its objects confined to one State becomes, as from that day, a multi-unit co-operative society, it shall be deemed to be a co-operative society to which this Act applies and shall be deemed to be actually registered in the State in which the principal place of business of the co-operative society is situated.

(2) If it appears to the Central Registrar of Co-operative Societies necessary or expedient that any such society should be reconstituted or reorganised in any manner or that it should be dissolved, the Central Registrar may, with the approval of the Central Government, place before a meeting of the general body of the society held in such manner as may be prescribed by rules made under this Act, a scheme for the reconstitution, reorganisation or dissolution of the society, including proposals

regarding the formation of new co-operative societies and the transfer thereto of the assets and liabilities of that society.

(3) If the scheme is sanctioned by a resolution passed by a majority of the members present at the said meeting, either without modifications or with modifications to which the Central Registrar agrees, he shall certify the scheme and upon such certification, the scheme shall, notwithstanding anything to the contrary contained in any law, regulation or bye-law for the time being in force, be binding on all the societies affected by the scheme, as well as the shareholders and creditors of all such societies.

(4) If the scheme is not sanctioned under sub-section (3), the Central Registrar may refer the scheme to such Judge of the appropriate High Court as may be nominated in this behalf by the Chief Justice thereof, and the decision of that Judge in regard to the scheme shall be final and shall be binding on all the societies affected by the scheme as well as the shareholders and creditors of all such societies.

Explanation.—In this sub-section “appropriate High Court” means the High Court within whose jurisdiction the principal place of business of the multi-unit co-operative society is situated.

Power to delegate.

5B. The Central Government may, by notification in the Official Gazette, direct that any power or authority exercisable by the Central Registrar of Co-operative Societies under this Act shall, in relation to such matters and subject to such conditions as may be specified in the direction, be exercisable also by such Registrar of Co-operative Societies of a State or by such officer subordinate to the Central Government or to a State Government as may be specified in the notification.”.

Provision as to certain State Electricity Boards and apportionment of their assets and liabilities.

106. (1) The State Electricity Board constituted under the Electricity (Supply) Act, 1948, for any of the existing States of Bombay, ^{54 of 1948} Madhya Pradesh and Saurashtra shall as from the appointed day continue to function in those areas in respect of which it was functioning immediately before that day, subject to the provisions of this section and to such directions as may from time to time be issued by the Central Government.

(2) Any directions issued by the Central Government under sub-section (1) in respect of any such Board shall include a direction that the said Act shall in its application to that Board have effect subject to such exceptions and modifications as the Central Government thinks fit.

(3) A State Electricity Board continued under sub-section (1) shall cease to function as from, and shall be deemed to be dissolved, on, the 1st day of November, 1957, or such earlier date as the Central Government may by order appoint; and upon such dissolution, its assets and liabilities shall,—

(a) in the case of the Board for Saurashtra, pass to the State of Bombay, and

(b) in the case of the Board for the existing State of Bombay or Madhya Pradesh, be apportioned between the successor States in such manner as may be agreed upon between them within one year of the dissolution of the Board or if no agreement is reached, in such manner as the Central Government may by order determine.

(4) Nothing in the preceding provisions of this section shall be construed as preventing the Government of any of the successor States to the existing States of Bombay, Madhya Pradesh and Saurashtra from constituting at any time after the appointed day a State Electricity Board for that successor State under the provisions of the said Act; and if such a Board is so constituted before the dissolution of a Board continued under sub-section (1) and functioning in any part of that successor State,—

(a) provision may be made by order of the Central Government enabling the new Board to take over from the existing Board all or any of its undertakings, assets and liabilities in that State, and

(b) upon the dissolution of the existing Board, any assets and liabilities which would otherwise have passed to the successor State by or under the provisions of sub-section (3) shall pass to the new Board instead of to the successor State.

107. If it appears to the Central Government that the arrangement in regard to the generation or supply of electric power or the supply of water for any area or in regard to the development of any project for such generation or supply has been or is likely to be modified to the disadvantage of that area by reason of the fact that it has been transferred by the provisions of Part II from the State in which the power stations and other installations for the generation and supply of such power, or the catchment areas are reservoirs and other works for the supply of water, as the case may be, are located, the Central Government may give such directions as it deems proper to the State Government or other authority concerned for the maintenance, so far as practicable, of the previous arrangement.

Continuance
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Continuance
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certain
irrigation,
power or
multi-pur-
pose projects.

108. (1) Any agreement or arrangement entered into between the Central Government and one or more existing States or between two or more existing States relating to—

(a) the administration, maintenance and operation of any project executed before the appointed day, or

(b) the distribution of benefits, such as, the right to receive and utilise water or electric power, to be derived as a result of the execution of such project,

which was subsisting immediately before the appointed day shall continue in force, subject to such adaptations and modifications, if any (being of a character not affecting the general operation of the agreement or arrangement) as may be agreed upon between the Central Government and the successor State concerned or between the successor States concerned, as the case may be, by the 1st day of November, 1957, or, if no agreement is reached by the said date, as may be made therein by order of the Central Government.

(2) Where a project concerning one or more of the existing States affected by the provisions of Part II has been taken in hand, but not completed, or has been accepted by the Government of India for inclusion in the Second Five Year Plan before the appointed day, neither the scope of the project nor the provisions relating to its administration, maintenance or operation or to the distribution of benefits to be derived from it shall be varied,—

(a) in the case where a single successor State is concerned with the project after the appointed day, except with the previous approval of the Central Government, and

(b) in the case where two or more successor States are concerned with the project after that day, except by agreement between those successor States, or if no agreement is reached, except in such manner as the Central Government may by order direct,

and the Central Government may from time to time give such directions as may appear to it to be necessary for the due completion of the project and for its administration, maintenance and operation thereafter.

(3) In this section, the expression "project" means a project for the promotion of irrigation, water supply or drainage or for the development of electric power or for the regulation or development of any inter-State river or river valley.

109. (1) Save as otherwise expressly provided by the foregoing General provisions of this Part, where any body corporate has been constituted under a Central Act, State Act or Provincial Act for an existing State the whole or any part of which is by virtue of the provisions of Part II transferred to any other existing State or to a new State, then, notwithstanding such transfer, the body corporate shall, as from the appointed day, continue to function and operate in those areas in respect of which it was functioning and operating immediately before that day, subject to such directions as may from time to time be issued by the Central Government, until other provision is made by law in respect of the said body corporate.

(2) Any directions issued by the Central Government under subsection (1) in respect of any such body corporate shall include a direction that any law by which the said body corporate is governed shall in its application to that body corporate have effect subject to such exceptions and modifications as may be specified in the direction.

of 1939.

110. (1) Notwithstanding anything contained in section 63 of the Motor Vehicles Act, 1939, a permit granted by the State or a Regional Transport Authority in an existing State, the whole or any part of the territories of which is transferred to another existing State or to a new State shall, if such permit was, immediately before the appointed day, valid and effective in any area in the territories so transferred, be deemed to continue to be valid and effective in that area after that day subject to the provisions of that Act as for the time being in force in that area; and it shall not be necessary for any such permit to be countersigned by any other State or Regional Transport Authority for the purpose of validating it for use in such transferred territories:

Provided that the Central Government may, after consultation with the State Government or Governments concerned, add to, amend or vary the conditions attached to the permit by the Authority by which the permit was granted.

(2) No tolls, entrance fees or other charges of a like nature shall be levied after the appointed day in respect of any transport vehicle for its operations in any transferred territory under any such permit, if such vehicle was, immediately before that day, exempt from the payment of any such toll, entrance fees or other charges for its operations beyond the boundaries of the State in which such permit was granted:

Provided that the Central Government may, after consultation with the State Government or Governments concerned, authorise the

General
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Temporary
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levy of any such toll, entrance fees or other charges, as the case may be.

Special provision relating to retrenchment compensation in certain cases.

111. Where on account of the reorganisation of the States under this Act, any body corporate constituted under a Central Act, State Act or Provincial Act, any co-operative society registered under any law relating to co-operative societies or any commercial or industrial undertaking of an existing State, is reconstituted or reorganised in any manner whatsoever or is amalgamated with any other body corporate or undertaking, or is dissolved, and in consequence of such reconstitution, reorganisation, amalgamation or dissolution, any workman employed by such body corporate or in any such undertaking is transferred to, or re-employed by, any other body corporate or undertaking, then, notwithstanding anything contained in section 25F of the Industrial Disputes Act, 1947, such transfer or re-employment shall not entitle him to any compensation under that section: 14 of 19

Provided that—

(a) the terms and conditions of service applicable to the workman after such transfer or re-employment are not less favourable to the workman than those applicable to him immediately before the transfer or re-employment; and

(b) the employer in relation to the body corporate or the undertaking where the workman is transferred or re-employed, is by agreement or otherwise legally liable to pay to the workman, in the event of his retrenchment, compensation under section 25F of the Industrial Disputes Act, 1947, on the basis that his service has been continuous and has not been interrupted by the transfer or re-employment.

Provision as to the Devaswom Surplus Fund of Travancore

112. (1) As from the appointed day, there shall be established in the State of Madras a Devaswom Fund for the management of Hindu temples and shrines in the territories transferred to that State from the State of Travancore-Cochin.

(2) The assets as on the appointed day of the Devaswom Surplus Fund constituted by section 26 of the Travancore-Cochin Hindu Religious Institutions Act, 1950, shall be divided into two parts in the ratio of 37·5 to 13·5 in such manner as the Central Government may, by order, direct, and the smaller part shall, as from the appointed day, be transferred to the Fund mentioned in sub-section (1).

Continuance of facilities in certain State institutions.

113. The Central Government may, in respect of the institutions of the categories specified in the Sixth Schedule located in a new State or in the State of Andhra Pradesh or Madras, direct that such facilities as may be specified in the direction shall be provided to

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States Reorganisation

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the Government and the people of one or more adjoining States for such period as may be so specified; and thereupon those facilities shall be provided for the said period upon such terms and conditions as may be agreed upon between the State Governments concerned before the 31st day of March, 1957, or, if no agreement is reached by the said date, as may be fixed by order of the Central Government.

PART X

PROVISIONS AS TO SERVICES

114. (1) In this section, the expression "State cadre"—

Provisions
relating to
All-India
Services.

(a) in relation to the Indian Administrative Service, has the meaning assigned to it in the Indian Administrative Service (Cadre) Rules, 1954, and

(b) in relation to the Indian Police Service, has the meaning assigned to it in the Indian Police Service (Cadre) Rules, 1954.

(2) As from the appointed day, there shall be constituted for each of the new States a State cadre of the Indian Administrative Service and a State cadre of the Indian Police Service.

(3) The initial strength and composition of each of the said cadres shall be such as the Central Government may by order determine before the appointed day.

(4) The cadres of each of the said services for the existing States of Bombay, Madhya Pradesh, Punjab and Vindhya Pradesh and for the existing Part B States shall, as from the appointed day, cease to exist, and the members of each of the said services borne on those cadres shall be allocated to the State cadres of the same service for the new States or for the other existing States in such manner and with effect from such date or dates as the Central Government may by order specify.

(5) Nothing in this section shall be deemed to affect the operation after the appointed day of the All-India Services Act, 1951, or the rules made thereunder in relation to the State cadres of the said services constituted under sub-section (2) and in relation to the members of those services born on the said cadres.

16 of 1951. 115. (1) Every person who immediately before the appointed day is serving in connection with the affairs of the Union under the administrative control of Lieutenant-Governor or Chief Commissioner in any of the existing States of Ajmer, Bhopal, Coorg, Kutch and Vindhya Pradesh, or is serving in connection with the affairs of any of the existing States of Mysore, Punjab, Patiala and

Provisions
relating to
other ser-
vices.

East Punjab States Union and Saurashtra shall, as from that day, be deemed to have been allotted to serve in connection with the affairs of the successor State to that existing State.

(2) Every person who immediately before the appointed day is serving in connection with the affairs of an existing State part of whose territories is transferred to another State by the provisions of Part II shall, as from that day, provisionally continue to serve in connection with the affairs of the principal successor State to that existing State, unless he is required by general or special order of the Central Government to serve provisionally in connection with the affairs of any other successor State.

(3) As soon as may be after the appointed day, the Central Government shall, by general or special order, determine the successor State to which every person referred to in sub-section (2) shall be finally allotted for service and the date with effect from which such allotment shall take effect or be deemed to have taken effect.

(4) Every person who is finally allotted under the provisions of sub-section (3) to a successor State shall, if he is not already serving therein be made available for serving in that successor State from such date as may be agreed upon between the Governments concerned, and in default of such agreement, as may be determined by the Central Government.

(5) The Central Government may by order establish one or more Advisory Committees for the purpose of assisting it in regard to—

(a) the division and integration of the services among the new States and the States of Andhra Pradesh and Madras; and

(b) the ensuring of fair and equitable treatment to all persons affected by the provisions of this section and the proper consideration of any representations made by such persons.

(6) The foregoing provisions of this section shall not apply in relation to any person to whom the provisions of section 114 apply.

(7) Nothing in this section shall be deemed to affect after the appointed day the operation of the provisions of Chapter I of Part XIV of the Constitution in relation to the determination of the conditions of service of persons serving in connection with the affairs of the Union or any State:

Provided that the conditions of service applicable immediately before the appointed day to the case of any person referred to in

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sub-section (1) or sub-section (2) shall not be varied to his disadvantage except with the previous approval of the Central Government.

116. (1) Every person who immediately before the appointed day is holding or discharging the duties of any post or office in connection with the affairs of the Union or of an existing State in any area which on that day falls within another existing State or a new Part A State or a Part C State shall, except where by virtue or in consequence of the provisions of this Act such post or office ceases to exist on that day, continue to hold the same post or office in the other existing State or new Part A State or Part C State in which such area is included on that day, and shall be deemed as from that day to have been duly appointed to such post or office by the Government of, or other appropriate authority in, such State, or by the Central Government or other appropriate authority in such Part C State, as the case may be.

Provisions
as to conti-
nuance of
officers in
the same
posts.

(2) Nothing in this section shall be deemed to prevent a competent authority, after the appointed day, from passing in relation to any such person any order affecting his continuance in such post or office.

117. The Central Government may at any time before or after the appointed day give such directions to any State Government as may appear to it to be necessary for the purpose of giving effect to the foregoing provisions of this Part and the State Government shall comply with such directions.

Power of
Central Gov-
ernment to
give direc-
tions.

118. (1) The Public Service Commissions for the existing States of Bombay, Mysore, Punjab, Rajasthan and Travancore-Cochin shall as from the appointed day, be deemed to be the Public Service Commissions for the corresponding new States.

Provisions
as to State
Public Ser-
vice Com-
missions.

(2) As from the appointed day, the Public Service Commissions for the existing States of Hyderabad, Madhya Bharat, Madhya Pradesh, Patiala and East Punjab States Union and Saurashtra shall cease to exist.

(3) Every person holding office immediately before the appointed day as chairman or other member of any of the Commissions mentioned in sub-section (2)—

(a) shall become a member, and if so specified also the chairman, of such one of the Public Service Commissions for the States of Andhra Pradesh, Bombay, Madhya Pradesh, Punjab and Mysore as the President shall by order specify; and

(b) shall, as such member or chairman, be entitled to receive from the Government of the State conditions of service not less favourable than those to which he was entitled under the provisions applicable to him immediately before the appointed day.

(4) Every person who becomes a member of a Public Service Commission on the appointed day under sub-section (1) or sub-section (3) shall, subject to the proviso to clause (2) of article 316, hold office or continue to hold office until the expiration of his term of office as determined under the provisions applicable to him immediately before the appointed day.

PART XI

LEGAL AND MISCELLANEOUS PROVISIONS

Territorial extent of laws.

119. 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 an existing State shall, until otherwise provided by a competent Legislature or other competent authority, be construed as meaning the territories within that State immediately before the appointed day.

Power to adapt laws.

120. For the purpose of facilitating the application of any law in relation to any of the States formed or territorially altered by the provisions of Part II, the appropriate Government may, before the expiration of one year from the appointed day, by order make such adaptations and modifications of the law, whether by way of repeal or amendment, as may be necessary or expedient, and thereupon every such law shall have effect subject to the adaptations and modifications so made until altered, repealed or amended by a competent Legislature or other competent authority.

Explanation.—In this section, the expression "appropriate Government" means—

(a) as respects any law relating to a matter enumerated in the Union List, the Central Government; and

(b) as respects any other law,—

(i) in its application to a Part A State, the State Government, and

(ii) in its application to a Part C State, the Central Government.

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121. Notwithstanding that no provision or insufficient provision has been made under section 120 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 any State formed or territorially altered by the provisions of Part II, construe the law in such manner, without affecting the substance, as may be necessary or proper in regard to the matter before the court, tribunal or authority. Power to construe laws.

122. The Central Government, as respects any Part C State, and the State Government as respects any new State or any 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. Power to name authorities, etc., for exercising statutory functions.

123. Where immediately before the appointed day, the Union or an existing State is a party to any legal proceedings with respect to any property, rights or liabilities subject to apportionment under this Act, the successor 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 Union or the existing State as a party to those proceedings, or added as a party thereto, as the case may be, and the proceedings may continue accordingly. Legal proceedings.

124. Any person who immediately before the appointed day, is enrolled as a pleader entitled to practise in any subordinate courts in an existing State which is affected by the provisions of Part II shall, for a period of six months from that day, continue to be entitled to practise in those courts, notwithstanding that the whole or any part of the territories within the jurisdiction of those courts has been transferred to another State. Right of pleaders to practise in certain courts.

125. (1) Every proceeding pending immediately before the appointed day before a court (other than a High Court), tribunal, authority or officer in any area which on that day falls within a State shall, if it is a proceeding relating exclusively to any part of the territories which as from that day are the territories of another State, stand transferred to the corresponding court, tribunal, authority or officer in the other State. Provisions as to certain pending proceedings.

(2) If any question arises as to whether any proceeding should stand transferred under sub-section (1), it shall be referred to the High Court having jurisdiction in respect of the area in which the court, tribunal, authority or officer before which or whom such

proceeding is pending on the appointed day, is functioning and the decision of that High Court shall be final.

(3) In this section—

(a) "proceeding" includes any suit, case or appeal; and

(b) "corresponding court, tribunal, authority or officer" in a State means—

(i) the court, tribunal, authority or officer in that State in which, or before whom, the proceeding would have lain if the proceeding had been instituted after the appointed day, or

(ii) in case of doubt, such court, tribunal, authority or officer in that State as may be determined after the appointed day by the Government of that State, or before the appointed day by the Government of the corresponding State, to be the corresponding court, tribunal, authority or officer.

Declaration
of certain
ancient
monuments,
etc., in Part
C States to
be of na-
tional im-
portance.

126. (1) All ancient and historical monuments in Part C States which, before the 1st day of April, 1956, have either been declared by the Central Government to be protected monuments within the meaning of the Ancient Monuments Preservation Act, 1904, or which have been taken possession of by the Central Government as protected monuments are hereby declared to be ancient and historical monuments of national importance.

7 of 1904

(2) All archaeological sites and remains in Part C States which, before the 1st day of April, 1956 have either been declared by the Central Government to be protected areas or which have been taken possession of by the Central Government as protected areas are hereby declared to be archaeological sites and remains of national importance.

(3) With effect from the appointed day, the following amendments shall be made in the Ancient and Historical Monuments and Archaeological Sites and Remains (Declaration of National Importance) Act, 1951, namely:—

71 of 1951.

(a) in the long title, the words and letters "in Part A States and Part B States" shall be omitted; and

(b) in the Schedule, in item I of Part I and item I of Part II, for the words and letters "in Part A States and Part B States which, before the commencement of this Act" the words and figures "which, before the 1st day of April, 1956" shall be substituted.

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127. The provisions of this Act shall have effect notwithstanding anything inconsistent therewith contained in any other law.

Effect of the
provisions of
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laws.

128. 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.

129. (1) The Central Government may, by notification in the Official Gazette, make rules to give effect to the provisions of this Act.

Power to re-
move diffi-
culties.

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

Power to
make rules.

130. (1) The Government of Part C States Act, 1951, is repealed with effect from the appointed day.

Repeal of
Act 49
of 1951.

(2) The said repeal shall not affect any laws made by the Legislature of a Part C State by virtue of any power conferred on that Legislature by the Act so repealed, and all such laws in force immediately before the appointed day shall continue in force, subject to such adaptations and modifications as may be made therein under section 120, until altered, repealed or amended by a competent Legislature or other competent authority.

THE FIRST SCHEDULE

[See section 28 (3)]

Every sitting member representing a constituency specified in the first column of the Table below in the Legislative Assembly of the existing State specified against it in the second column shall, as from the appointed day, be deemed to have been elected to the Legislative Assembly of the State specified against that constituency in the third column and cease to be a member of the Legislative Assembly of which he was a member immediately before that day:

Name of Constituency (1)	Existing State (2)	State to which transferred (3)
1. Palanpur-Abu-Vadagam-Danta	Bombay	Bombay
2. Chandgad	Bombay	Bombay
3. Halsur	Hyderabad	Bombay
4. Udgir	Hyderabad	Bombay

(1)	(2)	(3)
5. Kodangal	Hyderabad	Andhra Pradesh.
6. Tandur-Seram	Hyderabad	Mysore.
7. Bidar	Hyderabad	Mysore.
8. Zahirabad	Hyderabad	Andhra Pradesh.
9. Mudhol	Hyderabad	Andhra Pradesh.
10. Deglur	Hyderabad	Bombay.
11. Kinwat	Hyderabad	Bombay.
12. Asifabad	Hyderabad	Andhra Pradesh.
13. Bhanpura	Madhya Bharat	Madhya Pradesh
14. Panemangalore	Madras	Mysore.

THE SECOND SCHEDULE

[See section 35 (2)]

MODIFICATIONS IN THE DELIMITATION OF COUNCIL
CONSTITUENCIES (MADRAS) ORDER, 1951

In the Table—

(a) for the entry relating to the Madras (Graduates) Constituency, substitute:—

“Madras (Graduates) Entire State 4”;

(b) for the entry in the second column relating to the Madras (Teachers) Constituency, substitute “Entire State”;

(c) in the third column, for the figure “3” wherever it occurs, substitute “4”; and

(d) omit the entry relating to the West Coast (Local Authorities) Constituency.

THE THIRD SCHEDULE

[See section 40]

ALLOCATION OF SEATS IN THE HOUSE OF THE PEOPLE AND ASSIGNMENT OF SEATS TO STATE LEGISLATIVE ASSEMBLIES

The number of seats in the House of the People to be allotted to each of the States and the number of seats to be assigned to the

Legislative Assembly of each Part A State shall be as shown in the following Table:—

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TABLE

State	Number of seats in the House of the People	Number of seats in the Legisla- tive Assembly
1. Andhra Pradesh	43	301
2. Assam	12	108
3. Bihar	55	330
4. Bombay	66	396
5. Kerala	18	126
6. Madhya Pradesh	36	288
7. Madras	41	205
8. Mysore	26	208
9. Orissa	20	140
10. Punjab	22	154
11. Rajasthan	22	176
12. Uttar Pradesh	86	430
13. West Bengal	34	238
14. Jammu and Kashmir	6	
15. Delhi	5	
16. Himachal Pradesh	4	
17. Manipur	2	
18. Tripura	2	

THE FOURTH SCHEDULE

[See section 74(1)]

I. MODIFIED FORM OF SECTION 3 OF THE UNION DUTIES OF EXCISE (DISTRIBUTION) ACT, 1953

3. (1) During the first half of the financial year commencing on the 1st day of April, 1956, 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 for the half year as is set out against it in column 2:

TABLE

State	Percentage
Andhra	5·92
Assam	2·61

State	Percentage
Bihar	11·60
Bombay	10·37
Hyderabad	5·39
Madhya Bharat	2·29
Madhya Pradesh	6·13
Madras	10·30
Mysore	2·84
Orissa	4·22
Patiala and East Punjab States Union	1·00
Punjab	3·66
Rajasthan	4·41
Saurashtra	1·19
Travancore-Cochin	2·68
Uttar Pradesh	18·23
West Bengal	7·16

(2) During the second half of the said financial year, 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 for the half year as is set out against it in column 2 and such additional percentage, if any, of the said duties as is set out against it in column 3:

TABLE

State	Percentage	Additional percentage
Andhra Pradesh	9·03	..
Assam	2·61	..
Bihar	11·60	..
Bombay	12·57	1·19
Kerala	1·49	2·42
Madhya Pradesh	6·25	..
Madras	8·39	0·26
Mysore	2·90	2·62
Orissa	4·22	..
Punjab	4·66	..
Rajasthan	4·40	..
Uttar Pradesh	18·23	..
West Bengal	7·16	..

(3) For the purposes of this section—

(a) the first half and the second half of the financial year commencing on the 1st day of April, 1956, shall be deemed to

be the first seven months and the remaining five months, respectively, of that financial year;

(b) the distributable Union duties of excise for the first half and for the second half of the said financial year shall be deemed to be seven-twelfths and five-twelfths, respectively, of the distributable Union duties of excise for that financial year.

II. MODIFIED FORM OF PARAGRAPHS 3 AND 5 OF THE CONSTITUTION (DISTRIBUTION OF REVENUES) ORDER, 1953

3. (1) For the purposes of clause (2) of article 270, the proceeds attributable to Part C States for the first half and for the second half, of the financial year commencing on the 1st day of April, 1956 shall be taken to be $2\frac{1}{2}$ per cent. and 1 per cent. respectively, of so much of the net proceeds of taxes on income for the half year as does not represent the net proceeds of taxes payable in respect of Union emoluments.

(2) The percentage of the net proceeds of taxes on income, except in so far as those proceeds represent proceeds attributable to Part C States or to taxes payable in respect of Union emoluments, which is to be assigned to Part A States and Part B States (other than the State of Jammu and Kashmir) under clause (2) of article 270 in the first half of the said financial year shall be 55 per cent.; and the total amount to be so assigned shall be distributed among the said States as follows:—

State	Percentage
Andhra	5·49
Assam	2·25
Bihar	9·75
Bombay	17·50
Hyderabad	4·50
Madhya Bharat	1·75
Madhya Pradesh	5·25
Madras	9·56
Mysore	2·45
Orissa	3·50
Patiala and East Punjab States Union	0·75
Punjab	3·25
Rajasthan	3·50
Saurashtra	1·00
Travancore-Cochin	2·50
Uttar Pradesh	15·75
West Bengal	11·25

(3) The percentage of the net proceeds of the taxes on income, except in so far as those proceeds represent proceeds attributable to Part C States or the taxes payable in respect of Union emoluments, which is to be assigned to Part A States under clause (2) of article 270 in the second half of the said financial year shall be 55 per cent.; and the total amount to be so assigned shall be distributed among the said States as follows:—

State	Percentage	Additional percentage
Andhra Pradesh	8.09	..
Assam	2.25	..
Bihar	9.75	..
Bombay	18.10	1.00
Kerala	1.38	2.26
Madhya Pradesh	5.14	..
Madras	7.79	0.24
Mysore	3.74	2.25
Orissa	3.50	..
Punjab	4.00	..
Rajasthan	3.51	..
Uttar Pradesh	15.75	..
West Bengal	11.25	..

(4) For the purposes of this paragraph—

(a) the first half and the second half of the financial year commencing on the 1st day of April, 1956, shall be deemed to be the first seven months and the remaining five months, respectively, of that financial year;

(b) the net proceeds of taxes on income for the first half and for the second half of the said financial year shall be deemed to be seven-twelfths and five-twelfths, respectively, of the net proceeds of such taxes for that financial year.

5. (1) In accordance with the provisions of clause (1) of article 275, there shall be charged on the Consolidated Fund of India—

(a) in the first seven months of the said financial year, as grants-in-aid of the revenues of each of the States specified below, the sum specified against it:

(i) For general purposes—

Assam	58.33 lakhs of rupees.
Mysore	23.33 lakhs of rupees.
Orissa	43.75 lakhs of rupees.
Punjab	72.92 lakhs of rupees.
Saurashtra	23.33 lakhs of rupees.
Travancore-Cochin	26.25 lakhs of rupees.
West Bengal	46.67 lakhs of rupees.

(ii) For the expansion of primary education—

Bihar	48.42 lakhs of rupees.
Hyderabad	23.33 lakhs of rupees.
Madhya Bharat	10.50 lakhs of rupees.
Madhya Pradesh	29.17 lakhs of rupees.
Orissa	18.67 lakhs of rupees.
Patiala and East Punjab States Union	5.25 lakhs of rupees.
Punjab	16.33 lakhs of rupees.
Rajasthan	23.33 lakhs of rupees.

(b) in the remaining five months of the said financial year, as grants-in-aid of the revenues of each of the States specified below, the sum specified against it:

(i) For general purposes—

Assam	41.67 lakhs of rupees.
Mysore	16.67 lakhs of rupees.
Orissa	31.25 lakhs of rupees.
Punjab	52.08 lakhs of rupees.
Bombay	16.67 lakhs of rupees.
Kerala	16.93 lakhs of rupees.
Madras	1.82 lakhs of rupees.
West Bengal	33.33 lakhs of rupees.

(ii) For the expansion of primary education—

Bihar	34.58 lakhs of rupees.
Andhra Pradesh	9.62 lakhs of rupees.
Mysore	2.41 lakhs of rupees.
Bombay	12.10 lakhs of rupees.
Madhya Pradesh	20.98 lakhs of rupees.
Orissa	13.33 lakhs of rupees.
Punjab	15.42 lakhs of rupees.
Rajasthan	16.56 lakhs of rupees.

(2) There shall also be charged on the Consolidated Fund of India—

(a) in the first seven months of the said financial year, as grants-in-aid of each of the States of Mysore, Saurashtra and

Travancore-Cochin, the sum by which the total of the amounts payable to that State under sub-paragraph (2) of paragraph 3 of this Order and under sub-section (1) of section 3 of the Union Duties of Excise (Distribution) Act, 1953 falls short of 201.25 lakhs of rupees, 160.42 lakhs of rupees and 163.33 lakhs of rupees, respectively; and

(b) in the remaining five months of the said financial year, as grants-in-aid of each of the States of Mysore, Bombay, Kerala and Madras, the sum by which the total of the amounts payable to that State as additional percentages under sub-paragraph (3) of paragraph 3 of this Order and under sub-section (2) of section 3 of the said Act falls short of 143.75 lakhs of rupees, 114.58 lakhs of rupees, 105.38 lakhs of rupees and 11.29 lakhs of rupees, respectively.

(3) Any sum or sums payable under this paragraph shall be in addition to any sum or sums payable to the States under each of the provisos to clause (1) of article 275.

THE FIFTH SCHEDULE

[See section 86]

APPORTIONMENT OF LIABILITY IN RESPECT OF PENSIONS

1. Subject to the adjustments mentioned in paragraph 3, the successor State or each of the successor States shall, in respect of pensions granted before the appointed day by an existing State, pay the pensions drawn in its treasuries.

2. Subject to the said adjustments, the liability in respect of pensions of officers serving in connection with the affairs of an existing State 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 successor State, or, if there be two or more successor States, of such one of them as the Central Government may by order specify.

3. In any case where there are two or more successor States, there shall be computed, in respect of the period commencing on the appointed day and ending on the 31st day of March, 1957 and in respect of each subsequent financial year, the total payments made in all the successor States in respect of the pensions referred to in paragraphs 1 and 2. That total representing the liability of the existing State in respect of pensions shall be apportioned between the successor States in the population ratio and any successor State

paying more than its due share shall be reimbursed the excess amount by the successor State or States paying less.

4. (1) The liability in respect of the pension of any officer serving immediately before the appointed day in connection with the affairs of an existing State and retiring on or after that day, shall be that of the successor State granting the pension; but the portion of the pension attributable to the service of any such officer before the appointed day in connection with the affairs of that existing State shall, if there be two or more successor States, be allocated between them in the population ratio, and the Government granting the pension shall be entitled to receive from each of the other successor States its share of this liability.

(2) If any such officer was serving after the appointed day in connection with the affairs of more than one successor State, the successor State or States other than the one granting the pension shall reimburse to the Government by which the pension is granted an amount which bears to the portion of the pension attributable to his service after the appointed day the same ratio as the period of his qualifying service after the appointed day under that successor State bears to the total qualifying service of such officer after the appointed day reckoned for the purposes of pension.

(3) In reckoning the said total qualifying service, any service of such officer before the appointed day in connection with the affairs of the Union under the administrative control of the Lieutenant-Governor or Chief Commissioner in any of the existing States of Ajmer, Bhopal, Coorg, Kutch and Vindhya Pradesh shall be added as if the said service had been service after the appointed day in connection with the affairs of the successor State to that existing State.

5. Any reference in this Schedule to a pension shall be construed as including a reference to the commuted value of the pension.

THE SIXTH SCHEDULE

[See section 113]

- (1) Engineering Colleges and Schools of Technology.
- (2) Medical Colleges.
- (3) Agricultural Colleges.
- (4) Veterinary Colleges.
- (5) Government hospitals providing for special treatment, such as,
 - (i) tuberculosis hospitals and sanatoria,
 - (ii) Cancer hospitals,

- (iii) radium institutes,
 - (iv) mental hospitals;
 - (v) leprosy hospitals and sanatoria, and
 - (vi) hospitals providing for Unani or Ayurvedic treatment.
- (6) Research Institute, such as,—
- (i) irrigation research institutes,
 - (ii) Government analysts' departments, and
 - (iii) serum institutes.
- (7) Central Jails.
- (8) Borstal Schools, Reformatory Schools and Certified Schools.
- (9) Police Training Colleges and Institutes.
- (10) Fire Services Training Schools.
- (11) Hostels for Scheduled Castes, Scheduled Tribes and Backward Classes.
- (12) Photo Registry Offices.
- (13) Central Records Offices.
- (14) Forest Schools.
- (15) Finger Print Bureaux.

Rep. by Act. 38 of 1950, S. 2 T.S.C.A I (wif 26.12.60).

THE RESERVE BANK OF INDIA (AMENDMENT)
ACT, 1956

Act No. 38 of 1956

An Act further to amend the Reserve Bank of India Act, 1934.

[1st September, 1956]

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

Short title
and com-
mencement.

1. (1) This Act may be called the Reserve Bank of India (Amendment) Act, 1956.

(2) It shall come into force on such date¹ as the Central Government may, by notification in the Official Gazette, appoint, and different dates may be appointed for different provisions of this Act.

Amendment
of section 19.

2. In section 19 of the Reserve Bank of India Act, 1934 (hereinafter referred to as the principal Act), after the figures "18", the figures "42" shall be inserted.

¹ 6th October, 1956, vide notification No. S.R.O. 2228, dated 1-10-1956 Gazette of India, Pt. II, Sec. 3, p. 1682.

3. In section 33 of the principal Act,—

Amendment
of section 33.

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

"(2) Of the total amount of the assets, the amount of gold coin or gold bullion and the amount of foreign securities shall not at any time be less than one hundred and fifteen crores of rupees and four hundred crores of rupees respectively in value.”;

(b) in sub-section (4), for the figures “8.47512”, the figures “2.88” shall be substituted.

4. For section 37 of the principal Act, the following section shall be substituted, namely:—

Substitution
of new
section for
section 37.

Suspension
of assets re-
quirements
as to foreign
securities.

“37. Notwithstanding anything contained in the foregoing provisions, the Bank may, with the previous sanction of the Central Government, for periods not exceeding six months in the first instance, which may, with the like sanction, be extended from time to time by periods not exceeding three months at a time, hold as assets foreign securities of less amount in value than that required by sub-section (2) of section 33:

Provided that the amount of foreign securities so held shall not at any time be less than three hundred crores of rupees in value.”

5. In section 42 of the principal Act,—

Amendment
of section 42

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

“(1) Every bank included in the Second Schedule shall maintain with the Bank an average daily balance the amount of which shall not be less than five per cent. of the demand liabilities and two per cent. of the time liabilities in India of such bank as shown in the return referred to in sub-section (2):

Provided that the Bank may, by notification in the Gazette of India, increase the said rates to such higher rates as may be specified in the notification so however, that the rate shall not be more than twenty per cent., in the case of demand liabilities and more than eight per cent., in the case of time liabilities.

*Explanation.—*For the purposes of this section,—

(a) ‘average daily balance’ shall mean the average of the balances held at the close of business on each day of a week;

(b) 'week' shall mean the period from Saturday to the following Friday, both days inclusive;

(c) 'liabilities' shall not include the paid-up capital or the reserves, or any credit balance in the profit and loss account of the bank or the amount of any loan taken from the Bank, the State Bank, or any other bank notified by the Central Government in this behalf.

(1A) Notwithstanding anything contained in sub-section (1), the Bank may, by notification in the Gazette of India, direct that every scheduled bank shall, with effect from such date as may be specified in the notification, maintain with the Bank, in addition to the balance prescribed by or under sub-section (1), an additional average daily balance the amount of which shall not be less than the rates specified in the notification, such additional balance being calculated with reference to the excess of the demand and time liabilities of the bank as shown in the return referred to in sub-section (2) over its demand and time liabilities at the close of business on the date specified in the notification as shown by such return so however, that the additional balance shall, in no case, be more than such excess:

Provided that nothing in this sub-section shall make it necessary for any scheduled bank to maintain with the Bank any balance which shall be more than twenty per cent. of its demand liabilities and eight per cent. of its time liabilities as shown in the return referred to in sub-section (2).

(1B) Where any scheduled bank maintains, in pursuance of a notification issued under the proviso to sub-section (1) or under sub-section (1A), any balance with the Bank the amount of which is not less than that required to be maintained by such notification, the Bank may pay to the scheduled bank interest at such rate or rates as may be determined by the Bank from time to time on the amount by which such balance actually maintained is in excess of the balance which the scheduled bank would have to maintain, if no such notification was issued:

Provided that no interest shall be payable on any such amount actually maintained as is in excess of the balance required to be maintained by or under sub-section (1) or under sub-section (1A).";

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

“(3) If the average daily balance held at the Bank by a scheduled bank during any week is below the minimum prescribed by or under sub-section (1) or sub-section (1A), such scheduled bank shall be liable to pay to the Bank in respect of that week penal interest at a rate of three per cent. above the bank rate on the amount by which such balance with the Bank falls short of the prescribed minimum, and if during the next succeeding week, such average daily balance is still below the prescribed minimum, the rates of penal interest shall be increased to a rate of five per cent. above the bank rate in respect of that week and each subsequent week during which the default continues on the amount by which such balance at the Bank falls short of the prescribed minimum.”;

(c) in sub-section (3A), for the portion commencing with the words “if thereafter on the day fixed for the next return” and ending with the words “receiving after the said day any fresh deposit”, the following shall be substituted, namely:—

“if thereafter the average daily balance held at the Bank during the next succeeding week is still below the prescribed minimum,—

(a) every director, manager or secretary of the scheduled bank, who is knowingly and wilfully a party to the default, shall be punishable with fine which may extend to five hundred rupees and with a further fine which may extend to five hundred rupees for each subsequent week during which the default continues, and

(b) the Bank may prohibit the scheduled bank from receiving after the said week any fresh deposit.”.

6. In clause (b) of sub-section (2) of section 46A of the principal Amendment of section 46A.

(a) the words “for agricultural purposes” shall be omitted; and

(b) after the words “by the Bank”, the words “and such loans and advances may be made for agricultural purposes or for such other purposes connected with the agricultural activities as the Central Board may, from time to time, by regulation or otherwise, determine” shall be inserted.

Rep. by Act 58 of 1960

730 Code of Criminal Procedure (Amendment) [ACTS 38, 39 & 40]

Amendment 7. In sub-section (2) of section 24 of the Banking Companies Act, or section 24 of 1949, for the words, brackets and figures "sub-section (1) of section 10 of 1949, of the Banking Companies Act, 1949, 42", the word and figures "section 42" shall be substituted.

Rep. by Act 58 of 1960, S. 2 & Sch I (w.e.f. 26-12-60)

THE CODE OF CRIMINAL PROCEDURE
(AMENDMENT) ACT, 1956

ACT NO. 39 OF 1956

An Act further to amend the Code of Criminal Procedure, 1898.

[1st September, 1956]

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

Short title. 1. This Act may be called the Code of Criminal Procedure (Amendment) Act, 1956.

Amendment of section 435. 2. In sub-section (1) of section 435 of the Code of Criminal Procedure, 1898 (hereinafter referred to as the principal Act), after the words "any sentence", the words "or order" shall be inserted.

Amendment of section 438. 3. In sub-section (1) of section 438 of the principal Act,—

- (a) after the words "a sentence", the words "or an order" shall be inserted; and
- (b) after the words "such sentence", the words "or order" shall be inserted.

*See India Code,
Vol. II B.*
THE BIHAR AND WEST BENGAL (TRANSFER OF
TERRITORIES) ACT, 1956

Act No. 40 of 1956

ARRANGEMENT OF SECTIONS

SECTIONS

PART I

PRELIMINARY

1. Short title.
2. Definitions.

PART II

TRANSFER OF TERRITORIES

3. Transfer of territories from Bihar to West Bengal.
4. Amendment of First Schedule to the Constitution.

(f) the custody of moneys required for the current expenditure of the Commission and investment of moneys not so required;

(g) the maintenance of accounts; and

(h) the form in which certificates of genuineness of khadi and products of village industries may be granted by the Commission.

(3) The Central Government may, by notification in the Official Gazette, rescind any regulation which it has sanctioned and thereupon the regulation shall cease to have effect.

THE SCHEDULE

[See sections 2(h) and 3(1)]

1. Bee keeping.
2. Cottage match industry.
3. Cottage pottery industry.
4. Cottage soap industry.
5. Flaying, curing and tanning of hides and skins and ancillary industries connected with the same and cottage leather industry.
6. Ghani oil industry.
7. Hand-made paper.
8. Manufacture of cane-gur and *khandsari*.
9. Palm-gur making and other palm-products industry.
10. Processing of cereals and pulses.

THE JAMMU AND KASHMIR (EXTENSION OF LAWS

ACT, 1956

*see India Code,
vol. II B -*

ACT NO. 62 OF 1956

An Act to provide for the extension of certain laws to the State of Jammu and Kashmir.

[25th September, 1956]

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

1. (1) This Act may be called the Jammu and Kashmir (Extension of Laws) Act, 1956.

*Short title
and com-
mencement.*

(2) It shall come into force on such date¹ as the Central Government may, by notification in the Official Gazette, appoint.

Extension
and amend-
ment of cer-
tain laws.

2. (1) The Acts and Ordinance mentioned in the Schedule and all rules, orders and regulations made thereunder are hereby extended to, and shall be in force in, the State of Jammu and Kashmir.

(2) With effect from the commencement of this Act, the Acts and Ordinance mentioned in the Schedule shall be amended as specified therein.

Construction
of references
to laws not
in force in
Jammu and
Kashmir.

3. Any reference in any Act or in the Ordinance mentioned in the Schedule to a law which is not in force in the State of Jammu and Kashmir shall, in relation to that State, be construed as a reference to the corresponding law, if any, in force in that State.

Construction
of references
to authorities
where new
authorities
have been
constituted.

4. Any reference by whatever form of words in any law for the time being in force in the State of Jammu and Kashmir to any authority competent at the date of the passing of that law to exercise any powers or discharge any functions in that State shall, where a corresponding new authority has been constituted by or under any law now extended to that State, have effect as if it were a reference to the new authority.

Repeals and
savings.

5. If immediately before the commencement of this Act there is in force in the State of Jammu and Kashmir any law corresponding to any Act or Ordinance now extended to that State, that law shall, save as otherwise expressly provided in this Act, stand repealed on such commencement:

Provided that the repeal shall not affect—

(a) the previous operation of any law so repealed or anything duly done or suffered thereunder;

(b) any right, privilege, obligation or liability acquired, accrued or incurred under any law so repealed;

(c) any penalty, forfeiture or punishment incurred in respect of any offence committed against any law so repealed, or

(d) any investigation, legal proceeding or remedy in respect of any such right, privilege, obligation, liability, penalty, forfeiture or punishment as aforesaid;

and any such investigation, legal proceeding or remedy may be instituted, continued or enforced, and any such penalty, forfeiture or punishment may be imposed, as if this Act had not been passed:

¹ 1st November, 1956, S.R.O. No. 2327, dated 10.10.1956, Gazette of India, 1956, Pt. II, Sec. 3, G. 1728.

Provided further that, subject to the preceding proviso, anything done or any action taken (including any appointment or delegation made, notification, instruction or direction issued, form, bye-law or scheme framed, certificate obtained, permit or licence granted or registration effected) under any such law shall be deemed to have been done or taken under the corresponding provisions of the Act or Ordinance now extended to that State, and shall continue to be in force accordingly unless and until superseded by anything done or any action taken under the said Act or Ordinance.

6. (1) If any difficulty arises in giving effect to the provisions of any Act or Ordinance now extended to the State of Jammu and Kashmir, the Central Government may, by order notified in the Official Gazette, make such provisions or give such directions as appear to it necessary for the removal of the difficulty.

(2) In particular, and without prejudice to the generality of the foregoing power, any such notified order may,—

(a) specify the corresponding authorities within the meaning of section 4,

(b) provide for the transfer of any matter pending immediately before the commencement of this Act before any court, tribunal or other authority, to any corresponding court, tribunal or authority for disposal,

(c) specify the areas or circumstances in which, or the extent to which, or the conditions subject to which, anything done or any action taken (including any of the matters specified in the second proviso to section 5) under any law repealed by that section shall be recognised or given effect to under the corresponding provision of the Act or Ordinance now extended.

*Power to
remove
difficulties.*

THE SCHEDULE

(See section 2)

ACTS

The Opium Act, 1857

(13 of 1857)

Section 1.—In sub-section (2), omit “except the State of Jammu and Kashmir”.

The Government Savings Banks Act, 1873

(5 of 1873)

Section 1.—Omit “except the State of Jammu and Kashmir”.

The Negotiable Instruments Act, 1881

(26 of 1881)

Section 1.—Omit “except the State of Jammu and Kashmir”.**Section 3.**—Omit the definition of “India”.**Section 137.**—Omit “or the State of Jammu and Kashmir”.*The Police Act, 1888*

(3 of 1888)

Section 1.—For sub-section (2), substitute—

“(2) It extends to the whole of India.”

The Indian Merchandise Marks Act, 1889

(4 of 1889)

Section 1.—In sub-section (2), omit “except the State of Jammu and Kashmir”.**Section 2.**—Omit clause (6).*The Live-stock Importation Act, 1898*

(9 of 1898)

Section 1.—In sub-section (2), omit “except the State of Jammu and Kashmir”.**Section 2.**—In clause (c), for “the territories to which this Act extends”, substitute “India”.**Section 3.**—In sub-section (1), for “the territories to which this Act extends”, substitute “India”.*The Indian Coinage Act, 1906*

(3 of 1906)

Section 1.—In sub-section (2), omit “except the State of Jammu and Kashmir”.**Section 23.**—For “the territories to which this Act extends”, substitute “India”.*The Indian Patents and Designs Act, 1911*

(2 of 1911)

Section 1.—In sub-section (2), omit “except the State of Jammu and Kashmir”.**Section 2.**—(a) To clause (1), add “and in relation to the State of Jammu and Kashmir, the Advocate-General for that State”.

(b) Omit clause (7A).

Section 80.—(a) In the opening paragraph of sub-section (1), for the portion beginning with the words “If immediately” and ending with the words “to which this Act extends”, substitute—

“If immediately before—

(i) the 18th day of April, 1950, in relation to any Part B State other than the State of Jammu and Kashmir, and

(ii) the date of commencement of the Jammu and Kashmir (Extension of Laws) Act, 1956, in relation to the State of Jammu and Kashmir,

there was in force in the Part B State concerned”.

of 1951. (b) In sub-section (2), after “Part B States (Laws) Act, 1951,”, insert “or section 5 of the Jammu and Kashmir (Extension of Laws) Act, 1956.”.

The Destructive Insects and Pests Act, 1914

(2 of 1914)

Section 1.—In sub-section (2), omit “except the State of Jammu and Kashmir”.

Section 2.—Omit clause (d).

Omit section 4C.

Section 5A.—Omit “or exports or attempts to export from India to the State of Jammu and Kashmir any article or insect in respect of which a notification under section 4C has been issued”.

The Indian Copyright Act, 1914

(3 of 1914)

Section 1.—In sub-section (2), omit “except the State of Jammu and Kashmir”.

Section 2.—Omit clause (1A).*The Indian Cotton Cess Act, 1923*

(14 of 1923)

Section 1.—For sub-section (2), substitute—

“(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 levy and collection of the cess specified therein.”.

Section 3.—(a) In sub-section (1), for “the territories to which this Act extends” and “the said territories”, substitute “India”.

(b) In sub-section (2), for “the territories to which this Act extends”, substitute “India”.

The Indian Soldiers (Litigation) Act, 1925

(4 of 1925)

Section 1.—In sub-section (2), omit “except the State of Jammu and Kashmir”.

The Dangerous Drugs Act, 1930

(2 of 1930)

Throughout the Act, for “the States”, substitute “India”.

Section 1.—In sub-section (2), omit “except the State of Jammu and Kashmir”.

Section 2.—Omit clause (ii).

The Indian Lac Cess Act, 1930

(24 of 1930)

Section 1.—For sub-section (2), substitute—

“(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 levy and collection of the cess specified therein.”.

The Reserve Bank of India Act, 1934

(2 of 1934)

Section 1.—In sub-section (2), omit “except the State of Jammu and Kashmir”.

Section 2.—Omit clause (g).

After section 26, insert—

“26A. Notwithstanding anything contained in section 26, no bank note of the denominational value of five hundred rupees, one thousand rupees or ten thousand rupees issued before the 13th day of January, 1946, shall be legal tender in payment or on account for the amount expressed therein.”.

Certain bank
notes to
cease to be
legal tender.

The Petroleum Act, 1934

(30 of 1934)

Section 1.—In sub-section (2), omit “except the State of Jammu and Kashmir”.

Section 2.—For clause (d), substitute—

“(d) ‘to transport petroleum’ means to move petroleum from one place to another in India;”.

In clause (e), for “the territories to which this Act extends”, substitute “India”.

The Insurance Act, 1938

(4 of 1938)

Throughout the Act, for “the States” and “the States of India”, substitute “India”.

Section 1.—In sub-section (2), omit “except the State of Jammu and Kashmir”.

Section 2.—Omit clause (14A).

Section 114.—In clause (b) of sub-section (2), omit “in India or” and “as the case may be”.

The Trade Marks Act, 1940

(5 of 1940)

Section 1.—In sub-section (2), omit “except the State of Jammu and Kashmir”.

Section 2.—In sub-section (1), omit clause (dd).

The Agricultural Produce Cess Act, 1940

(27 of 1940)

Section 1.—In sub-section (2), omit “except the State of Jammu and Kashmir”.

Section 3.—In sub-section (1), for “the territories to which this Act extends”, substitute “India”.

The Indian Coconut Committee Act, 1944

(10 of 1944)

Section 1.—For sub-section (2), substitute—

“(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 levy and collection of the duty of excise specified therein."

Section 3.—In sub-section (1), for "the territories to which this Act extends" and "the said territories", substitute "India".

The Indian Oilseeds Committee Act, 1946

(9 of 1946)

Section 1.—For sub-section (2), substitute—

"(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 levy and collection of the duty of excise and the duty of customs specified therein."

Section 3.—In sub-section (1),—

(a) for "the territories to which this Act extends", substitute "India";

(b) for "the said territories" occurring in two places, substitute "India".

The Delhi Special Police Establishment Act, 1946

(25 of 1946)

Section 1.—In sub-section (2), omit "except the State of Jammu and Kashmir".

The Foreign Exchange Regulation Act, 1947

(7 of 1947)

Throughout the Act, for "the States", substitute "India".

Section 1.—In sub-section (2), omit "except the State of Jammu and Kashmir".

Section 2.—Omit clause (m) and re-letter clause (n) as clause (m).

The Antiquities (Export Control) Act, 1947

(31 of 1947)

Section 1.—In sub-section (2), omit "except the State of Jammu and Kashmir".

Section 2.—In clause (b), for "the territories to which this Act extends", substitute "India".

The Atomic Energy Act, 1948

(29 of 1948)

Section 1.—In sub-section (2), omit “except the State of Jammu and Kashmir”.

Section 15.—In sub-section (3), for “Advocate-General of India”, substitute “Attorney-General for India”.

The Banking Companies Act, 1949

(10 of 1949)

Section 1.—In sub-section (2), omit “except the State of Jammu and Kashmir”.

Section 5.—In sub-section (1), omit clause (gg).

Section 11.—In the *Explanation* to sub-section (3), for “in India”, substitute “in a State”.

The Banking Companies (Legal Practitioners' Clients' Accounts) Act, 1949

(46 of 1949)

Section 1.—In sub-section (2), omit “except the State of Jammu and Kashmir”.

The Emblems and Names (Prevention of Improper Use) Act, 1950

(12 of 1950)

Section 1.—In sub-section (2), omit “except the State of Jammu and Kashmir”.

*Public
The Government Premises (Eviction) Act, 1950*

(27 of 1950)

Section 1.—In sub-section (2), omit “except the State of Jammu and Kashmir”.

Section 2.—For clause (b), substitute—

“(b) ‘Government premises’ means,—

(i) in relation to the State of Jammu and Kashmir, any premises or land belonging to, or taken on lease by or on behalf of the Central Government, or acquired or requisitioned on behalf of the Central Government by the State Government; and

Subs. + omitted by Act 36 of 1957 s.3 + sch. II (respectively).

(ii) in relation to the rest of India, any premises or land belonging to, or taken on lease or requisitioned by, the Central Government or requisitioned by the competent authority under the Requisitioning and Acquisition of Immovable Property Act, 1952, and, in relation to the State ³⁰ of 1952, of Delhi, includes also any premises or land belonging to any municipality in Delhi or any land belonging to the Improvement Trust, Delhi, whether such land is in the possession of, or leased out by, the Improvement Trust".

The State Financial Corporations Act, 1951

(63 of 1951)

Section 1.—In sub-section (2), omit "except the State of Jammu and Kashmir".

The State Armed Police Forces (Extension of Laws) Act, 1952

(63 of 1952)

Section 1.—In sub-section (2), omit "except the State of Jammu and Kashmir".

The Khadi and other Handloom Industries Development (Additional Excise Duty on Cloth) Act, 1953

(12 of 1953)

Section 1.—In sub-section (2), omit "except the State of Jammu and Kashmir".

Section 2.—For clause (a), substitute—

"(a) 'appointed day' means,—

(i) in relation to the State of Jammu and Kashmir, the date on which the Jammu and Kashmir (Extension of Laws) Act, 1956, comes into force in that State; and

(ii) in relation to the rest of India, the 15th day of February, 1953;".

Section 3.—In sub-section (1), for "the territories to which this Act extends", substitute "India".

The Salt Cess Act, 1953

(49 of 1953)

Section 1.—In sub-section (2), omit "except the State of Jammu and Kashmir".

Section 3.—For "the territories to which this Act extends", substitute "India".

Subs. & omitted by Act 36 of 1957, S. 3 + Sch. II (retrospective)

The Companies Act, 1956

(1 of 1956)

Section 1.—For sub-section (3), substitute—

“(3) 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 incorporation, regulation and winding up of banking, insurance and financial corporations.”.

Section 2.—Omit clause (20).**Section 3.**—In sub-section(1), for sub-clause (f) of clause (ii), substitute—

“(f) Any law corresponding to any of the Acts or the Ordinance aforesaid and in force—

(1) in the merged territories or in a Part B State (other than the State of Jammu and Kashmir), or any part thereof, before the extension thereto of the Indian Companies Act, 1913; or

(2) in the State of Jammu and Kashmir, or any part thereof, before the commencement of the Jammu and Kashmir (Extension of Laws) Act, 1956;”.

In sub-section (2), omit clause (b).

Section 226.—In clause (a) of sub-section (2), before “entitling him to act”, insert “or of the Jammu and Kashmir (Extension of Laws) Act, 1956, as the case may be.”.**Section 558.**—In sub-section (1), omit the *Explanation*.**Section 565.**—In sub-section (3), omit “or in the State of Jammu and Kashmir”.**Section 582.**—In sub-clause (iii) of clause (a), omit “or in the State of Jammu and Kashmir immediately before the 26th January, 1950”.**ORDINANCE***The Currency Ordinance, 1940*

(4 of 1940)

Section 1.—In sub-section (2), omit “except the State of Jammu and Kashmir”.**Section 2.**—For “the territories to which this Ordinance extends”, and “the said territories”, substitute “India”.

CHAPTER IV**REPEALS AND SAVINGS****Repeals.**

29. The Hindu Married Women's Right to Separate Residence and Maintenance Act, 1946, and sub-section (2) of section 30 of the 19 of 1946. Hindu Succession Act, 1956, are hereby repealed. 30 of 1956.

Savings.

30. Nothing contained in this Act shall affect any adoption made before the commencement of this Act, and the validity and effect of any such adoption shall be determined as if this Act had not been passed.

THE STATE BANK OF HYDERABAD ACT, 1956

*See India Code,
Vol. I*

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2. Definitions.

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4. Head Office and branches of Hyderabad Bank.
5. Transfer of share capital of Hyderabad State Bank to Reserve Bank.
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7. Certain officers of the Hyderabad State Bank to vacate office.
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13. Term of office of directors.
14. Disqualification for directorship.
15. Vacation of office of directors.
16. Chairman of the Board of Directors.
17. Managing director.
18. Remuneration of directors.
19. Removal from office of director.
20. Appointment of another person for discharging the duties of the managing director during his absence.
21. Casual vacancies among directors.
22. Meetings of the Board of Directors.
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28. Disposal of profits.
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32. Right of Reserve Bank to seek relief in respect of certain transactions.
33. Staff of the Hyderabad Bank.
34. Cost of development programme.
35. Obligation as to fidelity and secrecy.
36. Bar to liquidation of the Hyderabad Bank.
37. Indemnity of directors.
38. Defects in the appointment or constitution not to invalidate acts or proceedings.
39. Exercise of powers and functions on behalf of the Reserve Bank.
40. Protection of action taken under this Act.
41. Power of Central Government to make rules.
42. Power of the Reserve Bank to make regulations.

SECTIONS

43. Amendment of certain enactments.
44. References to Hyderabad State Bank in other laws.
45. Saving.
46. Repeal and saving.

THE FIRST SCHEDULE.

THE SECOND SCHEDULE.

THE STATE BANK OF HYDERABAD ACT, 1956Act No. 79 of 1956Vol. I.

An Act to transfer the share capital of the Hyderabad State Bank to the Reserve Bank of India and to provide for its proper management and other matters connected therewith or incidental thereto.

[22nd December, 1956]

WHEREAS in view of the reorganisation of States, it is necessary to provide for the devolution of the functions of the State Government of Hyderabad in relation to the Hyderabad State Bank on one single authority;

AND WHEREAS in order to secure the more efficient performance of banking and treasury functions by the Hyderabad State Bank as agent to the Reserve Bank of India and to enable the Reserve Bank of India to assist the Hyderabad State Bank, by the grant of subsidies or otherwise, to extend banking facilities to the public on a larger scale, it is expedient and necessary to provide for the transfer of the share capital of the Hyderabad State Bank to the Reserve Bank of India and for its proper management and for other matters connected therewith or incidental thereto.

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

CHAPTER I

PRELIMINARY

Short title
and
commencement.

1. (1) This Act may be called the State Bank of Hyderabad Act, 1956.

(2) It shall be deemed to have come into force on the 22nd day of October, 1956.

Definitions

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

(a) "appointed day" means the 22nd day of October, 1956;

(b) "Hyderabad Bank" means the Hyderabad State Bank re-named under sub-section (1) of section 3, as the State Bank of Hyderabad;

(c) "Hyderabad State Bank" means the Hyderabad State Bank constituted and incorporated under the Hyderabad State Bank Act, 1350F;

(d) "prescribed" means prescribed by regulations made under this Act;

(e) "Reserve Bank" means the Reserve Bank of India constituted under the Reserve Bank of India Act, 1934.

CHAPTER II

RE-NAMING OF THE HYDERABAD STATE BANK AND TRANSFER OF ITS SHARE CAPITAL TO THE RESERVE BANK

3. (1) On the appointed day, the body corporate constituted by the Hyderabad State Bank Act, 1350F, and known as the Hyderabad State Bank shall be re-named as the State Bank of Hyderabad and shall, as from that day, carry on the business of banking and other business in accordance with the provisions of this Act and shall have power to acquire and hold property whether movable or immovable for the purposes of this Act and to dispose of the same.

(2) The said body corporate shall consist of the persons who for the time being hold the office of Governor or Deputy Governor of the Reserve Bank and such other persons, if any, as the Central Government may, from time to time, appoint in this behalf.

(3) The change of name of the Hyderabad State Bank by sub-section (1) shall not affect any rights or obligations of that bank, or render defective any legal proceedings by or against it; and any legal proceedings which might have been continued or commenced by or against the Hyderabad State Bank by its former name may be continued by or against it by its new name.

4. (1) Unless otherwise directed by the Central Government by notification in the Official Gazette, the Head Office of the Hyderabad Bank shall be at Hyderabad.

Head Office
and branches
of Hyderabad
Bank.

(2) The Hyderabad Bank shall continue to maintain every branch and agency of the Hyderabad State Bank in existence immediately before the appointed day, and shall not discontinue any such branch or agency or establish any new branch or agency except with the previous approval of the Reserve Bank.

Transfer of
share capi-
tal of
Hyderabad
State
Bank to
Reserve
Bank.

Compensa-
tion to share-
holders of
Hyderabad
State Bank.

5. On the appointed day, all shares in the capital of the Hyderabad State Bank shall be transferred to, and shall vest in, the Reserve Bank free of all trusts, liabilities and encumbrances.

6. (1) The Reserve Bank shall pay to the State Government of Hyderabad and every other person who, immediately before the appointed day, is registered as a holder of shares in the Hyderabad State Bank, as compensation for the transfer of such shares to the Reserve Bank under section 5, an amount calculated at the rate of ninety-four rupees four annas and six pies in Indian currency for each share of the face value of one hundred Osmania Sicca rupees.

(2) Notwithstanding the transfer of the shares in the capital of the Hyderabad State Bank to the Reserve Bank, any share-holder who, immediately before the appointed day, was entitled to payment of dividend on the shares of the Hyderabad State Bank held by him shall be entitled to receive from the Hyderabad Bank all dividends declared by the Hyderabad State Bank in respect of his shares for any year which ended before the appointed day and remaining unpaid.

(3) Notwithstanding anything contained in the Hyderabad State Bank Act, 1350F, no such shareholder shall be entitled as of right to any dividend on the shares of the Hyderabad State Bank held by him in respect of any period before the appointed day for which that Bank had not declared a dividend:

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1350F

Provided that the Central Government may, in respect of any such period, authorise the payment of dividend at such rate as it may specify if it is satisfied that there is sufficient balance of profits available after such provisions and contributions for the purposes referred to in section 28 as the Reserve Bank considers necessary have been made.

(4) Nothing contained in sub-section (1) shall affect the rights *inter se* between the holder of any share in the Hyderabad State Bank and any other person who may have an interest in such share and such other person shall be entitled to enforce his interest against the compensation awarded to the holder of such share but not against the Reserve Bank.

Certain
officers of
the Hydera-
bad State
Bank to
vacate
office.

7. (1) Every person holding office as director (including the President and the managing director) or as deputy managing director, in the Hyderabad State Bank immediately before the appointed day, shall be deemed to have vacated that office on the appointed day, and notwithstanding anything contained in this Act or in any other law for the time being in force or in any agreement

or contract, such person shall not be entitled to any compensation for the loss of office or for the premature termination of any agreement or contract relating to his employment, except such pension, compensation or other benefit, as the Hyderabad Bank may, with the previous approval of the Reserve Bank, grant to him having regard to what he would have received, if this Act had not been passed and if his employment had ceased on the appointed day in the ordinary course.

(2) Nothing in sub-section (1) shall be deemed to prevent the Hyderabad Bank from re-appointing or re-employing with the previous permission in writing of the Reserve Bank, the managing director or the deputy managing director of the Hyderabad State Bank on such terms and conditions as are agreed upon between him and the Hyderabad Bank and are approved by the Reserve Bank.

8. (1) Notwithstanding anything contained in any law or contract of service or other document, no appointment made or promotion, increment in salary, pension or allowance or any other benefit granted to any person by the Hyderabad State Bank after the 19th day of December, 1954, and before the appointed day which would not ordinarily have been made or granted or which would not ordinarily have been admissible under the rules or authorisations of the Hyderabad State Bank, or of any provident, pension, or other fund in force before the 19th day of December, 1954, shall have effect or be payable or claimable from the Hyderabad Bank, or from any provident, pension or other fund or from any authority administering any such fund, unless the Reserve Bank has, by general or special order, confirmed the appointment, promotion or increment or has directed the grant of the pension, allowance or other benefit, as the case may be.

Special provisions regarding existing officers and employees.

(2) Where any officer or other employee of the Hyderabad State Bank has, whether before or after the appointed day, received any amount by reason of any such appointment, promotion or increment or the grant of any such pension, allowance or other benefit, as is referred to in sub-section (1), which has not been confirmed or sanctioned by the Reserve Bank in pursuance of the powers conferred on it by that sub-section, such officer or other employee shall be bound to refund such amount to the Hyderabad Bank and that bank shall be entitled to take all such steps as may be necessary for recovering such amount.

(3) Where any managing director, deputy managing director or other employee of the Hyderabad State Bank has, after the 19th day of December, 1954, and before the appointed day, been paid any sum by way of compensation or gratuity, the Hyderabad Bank shall

be entitled to claim refund of any sum so paid if the payment is not confirmed by the Reserve Bank by general or special order.

(4) Notwithstanding anything contained in any law for the time being in force, the re-naming of the Hyderabad State Bank or the transfer of its share capital to the Reserve Bank shall not entitle any officer or other employees of that bank to any compensation to which he may be entitled under any such law, and no such claim shall be entertained by any court, tribunal or other authority.

CHAPTER III

CAPITAL OF THE HYDERABAD BANK

Authorised capital.

9. The authorised capital of the Hyderabad Bank shall be one crore of rupees:

Provided that the Reserve Bank may, with the previous sanction of the Central Government, authorise an increase or reduction in the authorised capital of the Hyderabad Bank.

Issued capital.

10. (1) Out of the amount in the capital account of the Hyderabad State Bank on the appointed day,

(a) a sum of fifty lakhs of rupees shall be retained as the issued capital of the Hyderabad Bank and such capital shall on that day stand allotted to the Reserve Bank in lieu of the compensation payable by it under section 6;

(b) any amount in excess of the sum of rupees fifty lakhs aforesaid shall on that day stand transferred to the Reserve Fund Account of the Hyderabad Bank.

(2) The Reserve Bank may, with the previous sanction of the Central Government, authorise an increase in the issued capital of the Hyderabad Bank, and such increased capital shall be provided by the Reserve Bank.

CHAPTER IV

MANAGEMENT OF THE HYDERABAD BANK

Management.

11. (1) The Reserve Bank may, from time to time, give directions and instructions to the Hyderabad Bank in regard to any of its affairs and business, and that bank shall be bound to comply with the directions and instructions so given.

(2) Subject to any such directions and instructions, the general superintendence and conduct of the affairs and business of the Hyderabad Bank shall, as from the appointed day, vest in a Board of

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Directors who may exercise all powers and do all such acts and things as may be exercised or done by that bank.

(3) The Board of Directors in discharging its functions under this Act, shall act on business principles, regard being had to public interest.

12. (1) The Board of Directors of the Hyderabad Bank shall consist of the following:—

Composition
of Board of
Directors.

(a) a managing director to be appointed by the Reserve Bank with the approval of the Central Government;

(b) an officer of the Central Government to be nominated by that Government;

(c) an officer of the Reserve Bank to be nominated by that bank;

(d) such number of other directors not exceeding three, to be nominated by the Reserve Bank with the approval of the Central Government.

(2) If a director nominated under clause (b) or clause (c) of sub-section (1) is, for any reason, unable to attend any meeting of the Board of Directors or any of its committees, the Central Government or the Reserve Bank, as the case may be, may depute any other person to attend the said meeting and such other person shall have the right to speak in and otherwise take part in the proceedings of the meeting and shall also be entitled to vote at such meeting.

13. (1) The managing director shall hold office for such term not exceeding four years as the Reserve Bank may specify at the time of his appointment.

Term of
office of
directors.

(2) A director nominated under clause (b) or clause (c) of sub-section (1) of section 12 shall hold office at the pleasure of the authority nominating him.

(3) A director nominated under clause (d) of sub-section (1) of section 12 shall hold office for three years:

Provided that he shall continue to hold office until his successor is duly nominated.

(4) A director relinquishing his office shall be eligible for re-appointment or re-nomination, as the case may be.

14. (1) A person shall be disqualified to be a director of the Hyderabad Bank, if—

Disqualifica-
tion for
directorship.

(a) he holds the office of director, provisional director, promoter, agent, or manager of any banking company or a banking

company for the formation of which a prospectus has been issued; or

(b) he has been removed or dismissed from the service of Government; or

(c) he holds any office of profit under the Hyderabad Bank, other than the office of a managing director; or

(d) he is, or at any time has been adjudicated an insolvent or has suspended payment of his debts or has compounded with his creditors; or

(e) he is declared a lunatic or becomes of unsound mind; or

(f) he is or has been convicted of any offence involving moral turpitude.

(2) No two persons who are partners of the same firm or are directors of the same private company or one of whom is an agent of the other or holds a power of attorney from a firm of which the other is a partner may be directors at the same time.

(3) The appointment or nomination as a director of any person who is a member of either House of Parliament or the Legislature of a State shall be void unless within two months of the date of appointment or nomination, as the case may be, he ceases to be a member of Parliament or the Legislature of the State, and if any director is elected or nominated as a member of Parliament or the Legislature of a State, he shall cease to be a director as from the date of such election or nomination, as the case may be.

(4) In this section,—

(a) 'banking company' has the same meaning as in the Banking Companies Act, 1949;

(b) 'manager' means the chief executive officer of a banking company by whatever name called;

(c) 'private company' has the same meaning as in the Companies Act, 1956.

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Vacation of
office of
directors.

15. If a director—

(a) becomes subject to any of the disqualifications mentioned in section 14, or

(b) resigns his office by giving notice in writing under his hand to the Reserve Bank, and his resignation is accepted by that bank, or

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(c) is absent without leave of the Board of Directors for more than three consecutive meetings thereof,

his seat shall thereupon become vacant.

16. (1) The chairman of the Board of Directors shall be such one Chairman of the Board of Directors, not being the managing director, as the Reserve Bank may, with the approval of the Central Government, nominate.

(2) The chairman shall hold office for two years or until his successor is nominated:

Provided that the chairman shall, so long as he is a director, be eligible for re-nomination as chairman.

17. The managing director—

Managing director.

(a) shall be a whole-time officer of the Hyderabad Bank;

(b) subject to the general control of the Board of Directors, shall exercise such powers and perform such duties as may be prescribed; and

(c) shall receive such salary and allowances as may be determined by the Reserve Bank.

18. A director, shall be paid for attending the meetings of the Board of Directors or of any of its committees and for attending to any other business of the Hyderabad Bank such fees and allowances as may be prescribed:

Provided that no fee shall be payable to the managing director or any other director who is an officer of the Central Government or the Reserve Bank.

19. The Reserve Bank may, with the previous approval of the Central Government, remove from office—

Removal from office of director.

(a) the managing director of the Hyderabad Bank, or

(b) a director nominated under clause (d) of sub-section (1) of section 12:

Provided that no such managing director or director shall be removed from office unless he has been given an opportunity of showing cause against the proposed removal.

20. If the managing director of the Hyderabad Bank is rendered incapable of discharging his duties by reason of infirmity or otherwise or is absent on leave or otherwise in circumstances not involving the vacation of his office, the Reserve Bank may appoint another person to discharge the duties of the managing director until the date on which the managing director resumes his duties.

Appointment of another person for discharging the duties of the managing director during his absence.

Casual
vacancies
among
directors.

21. (1) Where any vacancy occurs before the expiry of the term of office of a director nominated under clause (d) of sub-section (1) of section 12, the vacancy shall be filled by nomination by the Reserve Bank with the approval of the Central Government.

(2) A person nominated under sub-section (1) shall hold office for the unexpired portion of the term of his predecessor.

Meetings of
the Board of
Directors.

22. (1) The Board of Directors shall meet at such times and places and shall observe such rules of procedure in regard to the transaction of business at its meetings as may be prescribed.

(2) The chairman of the Board of Directors shall preside at all meetings of the Board, but if for any reason, the chairman is unable to be present at a meeting, a director other than the managing director authorised by the chairman in writing in this behalf and in the absence of such authorisation, any such director elected by the directors present from among themselves shall preside at the meeting.

(3) All questions at a meeting of the Board of Directors shall be decided by a majority of the votes of the directors present, and in case of equality of votes, the chairman or any other director presiding at the meeting shall have a second or casting vote.

(4) A director who is directly or indirectly concerned or interested in any contract, loan, arrangement or proposal, entered into or proposed to be entered into by or on behalf of the Hyderabad Bank shall, at the earliest possible opportunity, disclose the nature of his interest to the Board of Directors and shall not be present at any meeting of the Board when any such contract, loan, arrangement or proposal is discussed, unless his presence is required by the other directors for the purpose of eliciting information and where any director is so required to be present, he shall not vote on any such contract, loan, arrangement or proposal.

(5) A copy of the minutes of every meeting of the Board of Directors together with copies of all connected papers shall be forwarded to the Reserve Bank as soon as possible.

Executive
Committee
of Board of
Directors.

23. (1) There shall be an executive committee of the Board of Directors consisting of the managing director and such other directors as may be prescribed.

(2) Subject to any regulations made under this Act, the executive committee may deal with any matter within the competence of the Board of Directors.

(3) The minutes of every meeting of the executive committee shall be laid before the Board of Directors as soon as possible after the meeting.

CHAPTER V

BUSINESS TO BE CARRIED ON BY THE HYDERABAD BANK

24. (1) The Hyderabad Bank shall, if so required by the Reserve Bank, act as agent of the Reserve Bank at any place in India where it has a branch and where there is no branch of the banking department of the Reserve Bank, for—

Hyderabad
Bank to act
as agent
of the
Reserve
Bank.

(a) paying, receiving, collecting and remitting money, bullion and securities on behalf of any Government in India, and

(b) undertaking and transacting any other business which the Reserve Bank may, from time to time, entrust to it.

(2) The terms and conditions on which any such agency business shall be carried on by the Hyderabad Bank on behalf of the Reserve Bank shall be such as may be determined by the Reserve Bank after consultation with the Hyderabad Bank.

(3) The Hyderabad Bank may transact any business or perform any functions entrusted to it under sub-section (1) either by itself or through an agent approved by the Reserve Bank.

(4) Until a new arrangement is made under this section, the Hyderabad Bank shall continue to act as agent of the Reserve Bank at the same places where and for the same purposes for which, and on the same terms and conditions on which, the Hyderabad State Bank was acting as the agent of the Reserve Bank immediately before the appointed day.

25. (1) Subject to the other provisions contained in this Act, the Hyderabad Bank may carry on and transact the business of banking as defined in clause (b) of sub-section (1) of section 5 of the Banking Companies Act, 1949, and may engage in such one or more of the other forms of business, as are specified in sub-section (1) of section 6 of the said Act.

(2) The Central Government may, after previous consultation with the Reserve Bank, by order in writing—

(a) authorise the Hyderabad Bank to do such other forms of business as the Central Government may consider necessary or expedient;

(b) direct that any form of business as is mentioned in the order, shall be carried on subject to such restrictions, conditions and safeguards as may be specified therein, or

(c) prohibit the Hyderabad Bank from carrying on or transacting any form of business which, but for this clause, it is lawful for the Hyderabad Bank to engage in.

(3) Subject to the provisions of sub-section (2), the Hyderabad Bank shall not engage in any form of business other than that referred to in sub-section (1).

**Acquisition
of business
of other
banks.**

26. (1) The Hyderabad Bank may, with the previous approval of the Reserve Bank, and shall, if so directed by the Reserve Bank with the previous approval of the Central Government, enter into negotiations for acquiring the business, including the assets and liabilities of any other banking institution.

(2) If the terms and conditions relating to the acquisition of any such banking institution are approved by the Board of Directors of the Hyderabad Bank and the directorate or management of the banking institution concerned and are also approved by the Reserve Bank, they shall be submitted to the Central Government, and, if sanctioned by that Government by order in writing, shall, notwithstanding anything to the contrary contained in this Act or the Companies Act, 1956, or the Banking Companies Act, 1949, or in any other law for the time being in force or in the memorandum or articles of association or other document regulating the constitution, of the banking institution, be operative and binding on the Hyderabad Bank and the banking institution as well as their shareholders and creditors, if any.

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^{10 of 1949.}

(3) On the day fixed in this behalf in the order of sanction made by the Central Government under sub-section (2), such assets and liabilities of the banking institution as are specified therein shall, by virtue of this section stand transferred to, and be vested in, or as the case may be, become the liabilities of, the Hyderabad Bank.

CHAPTER VI

RESERVE FUND ACCOUNTS AND AUDIT

**Reserve
Fund.**

27. (1) The Hyderabad Bank shall establish a Reserve Fund which shall consist of—

(a) subject to the provisions of sub-section (2), the amount in credit immediately before the appointed day, in the Reserve Fund Account of the Hyderabad State Bank, together with such amount as is transferred to it under sub-section (1) of section 10; and

(b) such further amounts as may be transferred to it by the Hyderabad Bank out of its annual net profit, before transferring the balance of profits to the Reserve Bank.

(2) The Hyderabad Bank shall, as soon as may be after the appointed day, consider whether any adjustments in its Reserve Fund Account are necessary by way of transfer towards provision

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for bad and doubtful debts, depreciation in assets, contingencies, reserve and such other purposes and make, with the previous approval of the Reserve Bank, the necessary adjustments.

28. The Hyderabad Bank shall after making provision for bad debts, depreciation in assets, contribution to staff and superannuation funds and for all other matters for which provision is necessary by or under this Act or which are usually provided for by banking companies, transfer the balance of its profits to the Reserve Bank.

29. (1) The Hyderabad Bank shall cause its books to be closed and balanced on the thirty-first day of December in each year:

Closing of
annual
accounts.

Provided that the Hyderabad Bank may, with the previous approval of the Reserve Bank and shall, when so directed by it,—

(a) not close or balance its accounts on the thirty-first day of December in any year, or

(b) close and balance its books on any other day of the year or for any period other than a calendar year.

(2) Where in pursuance of the proviso to sub-section (1), the Hyderabad Bank closes and balances its accounts on any day other than the thirty-first day of December or for any period more or less than a year, the provisions of this Act relating to the annual closing and audit of annual balance sheet and accounts shall apply to such closing and balancing of accounts *mutatis mutandis*.

30. (1) The accounts of the Hyderabad Bank shall be audited by an auditor duly qualified to act as an auditor of companies under sub-section (1) of section 226 of the Companies Act, 1956, who shall be appointed by the Reserve Bank, with the approval of the Central Government.

(2) The auditor shall receive such remuneration as the Reserve Bank may fix.

(3) No director or an officer of the Hyderabad Bank shall be eligible to be its auditor during his continuance in office as such director or officer.

(4) The auditor shall be supplied with a copy of the annual balance sheet and profit and loss account, and a list of all books kept by the Hyderabad Bank, and it shall be the duty of the auditor to examine the balance sheet and profit and loss account with the accounts and vouchers relating thereto, and in the performance of his duties, the auditor—

(a) shall have, at all reasonable times, access to the books, accounts and other documents of the Hyderabad Bank;

- (b) may, at the expense of the Hyderabad Bank, employ accountants or other persons to assist him in investigating such accounts, and
- (c) may, in relation to such accounts, examine any director or any officer of the Hyderabad Bank.

(5) The auditor shall hold office for such term not exceeding one year as the Reserve Bank may fix at the time of his appointment; and if any vacancy arises before the expiry of the term of an auditor, the vacancy may be filled by the Reserve Bank, with the approval of the Central Government.

(6) The auditor shall on relinquishing office be eligible for re-appointment.

(7) The auditor shall make a report to the Reserve Bank upon the annual balance sheet and accounts, of the Hyderabad Bank, and in every such report he shall state—

- (a) whether, in his opinion, the balance sheet is a full and fair balance sheet containing all the necessary particulars and is properly drawn up so as to exhibit a true and correct view of the affairs of the Hyderabad Bank, and in case he has called for any explanation or information, whether it has been given and whether it is satisfactory;
- (b) whether or not the transactions of the Hyderabad Bank which have come to his notice have been within the competence of the bank;
- (c) whether or not the returns received from the offices and branches of the Hyderabad Bank have been found adequate for the purpose of his audit;
- (d) whether the profit and loss account shows a true balance of profit or loss for the period covered by such account; and
- (e) any other matter which he considers should be brought to the notice of the Reserve Bank.

(8) The auditor shall forward a copy of the audit report to the Hyderabad Bank and to the Central Government.

(9) Without prejudice to the foregoing provisions, the Central Government may at any time appoint such auditors as it thinks fit to examine and report on the accounts of the Hyderabad Bank and such auditors shall have all the rights, privileges and authority in relation to the audit of the accounts of the Hyderabad Bank which an auditor appointed by the Reserve Bank has under this section.

31. (1) The Hyderabad Bank shall furnish to the Reserve Bank— Returns to
be furnished
by the
Hyderabad
Bank.

(a) within two months from the date on which its accounts are closed and balanced, its balance sheet, together with the profit and loss account and the auditor's report, and a report by the Board of Directors, on the working of the Hyderabad Bank during the period covered by the accounts; and

(b) any other information relating to the affairs and business of the Hyderabad Bank which the Reserve Bank may require.

(2) The balance sheet and the profit and loss account of the Hyderabad Bank shall be signed by the managing director and a majority of the other directors, including the chairman.

CHAPTER VII

MISCELLANEOUS

32. (1) Where the Hyderabad State Bank had at any time within two years before the appointed day,— Right of
Reserve Bank
to seek relief
in respect of
certain trans-
actions.

(a) made any payment to any person without or for insufficient consideration;

(b) made any loan or advance without adequate security or other safeguards;

(c) sold or disposed of any property of the bank without consideration or for an inadequate consideration;

(d) acquired any property or rights for an excessive consideration, in satisfaction of any loan or advance or other debt or otherwise;

(e) entered into or varied any agreement so as to require the payment of excessive consideration by the bank;

(f) relinquished any claim or any part thereof or entered into any compromise or released any security or part thereof;

(g) entered into any other transaction of such an onerous nature as to cause a loss to or impose a liability on the bank exceeding any benefit accrued to it;

and the payment, loan or advance, sale or disposal, acquisition, agreement or variation, relinquishment, compromise or release or other transaction was not proper or not reasonably necessary for the purpose of the business of the bank or was made with an unreasonable lack of prudence on the part of the bank, regard being had to the circumstances at the time, the Reserve Bank may apply for relief to the High Court for the State in which the Head Office of the

bank for the time being is situated, in respect of such transaction, and all parties to the transaction (including the managing director, deputy managing director or any officer or other employee of the bank associated with the transaction) shall, unless the High Court otherwise directs, be made parties to the application.

(2) The High Court may make such order against any of the parties to the application as it thinks just, having regard to the extent to which those parties were respectively responsible for the transaction or benefited from it and to the circumstances of the case.

(3) Where an application is made to the High Court under this section in respect of any transaction and the application is determined in favour of the Reserve Bank, the High Court shall have exclusive jurisdiction to determine any claim outstanding in respect of the transaction.

(4) No application made by the Reserve Bank under this section shall be entertained after the expiry of one year from the appointed day.

Staff of the Hyderabad Bank.

33. (1) Subject to the provisions of any regulations made under this Act, the Hyderabad Bank may appoint such number of officers, advisers and employees as it considers necessary or desirable for the efficient performance of its functions and on such terms and conditions as it may deem fit.

(2) For the removal of doubts, it is hereby declared that the officers, advisers and employees of the Hyderabad Bank, in whatever capacity engaged, shall not be deemed to be officers, advisers or employees of the Reserve Bank for any purpose, unless otherwise provided in the contract or agreement of service of any such officer, adviser or employee.

Cost of development programme.

(a) the cost of any specific programme of development undertaken by the Hyderabad Bank with the approval of the Reserve Bank; and

(b) such losses or expenditure as may be approved by the Reserve Bank, with the consent of the Central Government.

Obligation as to fidelity and secrecy.

35. (1) The Hyderabad Bank shall observe, except as otherwise required by law, the practices and usages customary among bankers, and, in particular, it shall not divulge any information relating to or to the affairs of its constituents except in circumstances in which it is, in accordance with the law or practice and usage customary among bankers, necessary or appropriate for that bank to divulge such information.

(2) Every director, auditor, adviser, officer or other employee of the Hyderabad Bank shall, before entering upon his duties, make a declaration of fidelity and secrecy as in the form set out in the First Schedule.

36. (1) No provision of law relating to the winding up of companies shall apply to the Hyderabad Bank nor shall it be placed in liquidation, save by order of the Central Government and in such manner as the Central Government may direct.

(2) In any such event, the Reserve Bank shall not be called upon to contribute any amounts to meet the liabilities of the Hyderabad Bank but the surplus assets thereof, if any, shall be transferred to the Reserve Bank.

37. (1) Every director of the Hyderabad Bank shall be indemnified by that bank against all losses and expenses incurred by him in or in relation to the discharge of his duties except such as are caused by his own wilful act or default.

(2) A director of the Hyderabad Bank shall not be responsible for any loss or expense caused to the bank by the insufficiency or deficiency of the value of or title to, any property or security acquired or taken on behalf of the bank or by the insolvency or wrongful act of any customer or debtor or by anything done in, or in relation to, the execution of the duties of his office or otherwise than for his wilful act or default.

38. (1) No act or proceeding of the Board of Directors of the Hyderabad Bank shall be questioned on the ground merely of the existence of any vacancy in or defect in the constitution of, the Board.

(2) All acts done by any person acting in good faith as a director of the Hyderabad Bank shall, notwithstanding that he was disqualified to be a director or that there was any other defect in his appointment, be deemed to be valid.

39. Any powers, duties or functions conferred, imposed or entrusted by this Act on, or to, the Reserve Bank shall be exercised or performed by the Governor of the Reserve Bank or, in his absence, a Deputy Governor nominated under sub-section (3) of section 7 of the Reserve Bank of India Act, 1934, or, subject to such conditions and limitations and in respect of such matters as the Governor of the Reserve Bank may specify, such officer or officers of the Reserve Bank as may be prescribed.

40. No suit or other legal proceeding shall lie against the Central Government or the Reserve Bank or any officer of the Central Government or the Reserve Bank for any damage caused or likely to be caused by, anything which is in good faith done or intended to be done in pursuance of this Act.

Power of the Central Government to make rules. 41. (1) The Central Government may, in consultation with the Reserve Bank, by notification in the Official Gazette, make rules to give effect to the provisions of this Act.

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

(a) the manner of, and the procedure for payment of, compensation under this Act, including the requirements subject to which the payment shall be made;

(b) the determination of persons to whom the said compensation shall be payable in all cases including cases where shares have been held by more than one person, or where they have been transferred before the appointed day, but the transfer has not been registered or where the shareholder is dead;

(c) the circumstances under which claims for payment of the said compensation from persons claiming through or under a shareholder may be entertained;

(d) the requirements to be complied with before receipt of the said compensation by a shareholder, whose share certificate has been lost, destroyed, mutilated or stolen;

(e) the requirements, subject to which information regarding the payment of the said compensation may be granted or refused and the conditions subject to which such information may be given.

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

Power of the Reserve Bank to make Regulations. 42. (1) The Reserve Bank may, with the previous approval of the Central Government, and except in the case of the first regulations, in consultation with the Board of Directors of the Hyderabad Bank, make regulations not inconsistent with this Act and the rules made thereunder, to provide for all matters for which provision is necessary or expedient for the purpose of giving effect to the provisions of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, such regulations may provide for—

(a) the powers and duties of the managing director of the Hyderabad Bank;

(b) the fees and allowances which may be paid to directors for attending any meetings of the Board of Directors or of its committees or for attending to any other work of the Hyderabad Bank;

(c) the time and place at which, and the manner in which, the business of the Board of Directors shall be transacted and the procedure to be followed at the meetings thereof;

(d) the constitution of the executive committee of the Board of Directors and the conditions and limitations subject to which the executive committee may exercise its powers and the procedure to be followed at the meetings thereof;

(e) the formation of any other committees of the Board of Directors and the delegation of powers and functions of the Board to such committees and the conduct of business in such committees;

(f) the delegation of powers and functions of the Board of Directors to the managing director or other directors or officers or other employees of the Hyderabad Bank;

(g) the conditions and limitations subject to which the Hyderabad Bank may appoint officers, advisers and other employees and fix their remuneration and other terms and conditions of service;

(h) the duties and conduct of officers, advisers and other employees of the Hyderabad Bank;

(i) the establishment and maintenance of pension, provident or other funds for the benefit of officers and employees or for the purposes of the Hyderabad Bank;

(j) the conduct and defence of legal proceedings by or against the Hyderabad Bank and the manner of signing pleadings;

(k) the provision of a seal for the Hyderabad Bank and the manner and effect of its use;

(l) the form and manner in which contracts binding on the Hyderabad Bank may be executed;

(m) the maximum amounts which may be advanced or lent or for which bills may be discounted by the Hyderabad Bank, the conditions under which advances may be made and the extent to which accounts may be overdrawn;

(n) the conditions subject to which advances may be made by the Hyderabad Bank to its directors or officers or the relatives of such directors or officers or to companies, firms or individuals with which or with whom such directors or officers or relatives are connected as partners, directors, managers, servants, shareholders or otherwise;

(o) the persons or authorities who shall administer any pension, provident or other fund constituted by the Hyderabad State Bank before the appointed day, for the benefit of the officers or employees, or for the purposes of the said bank; and the amalgamation of any such fund with any similar fund established by the Hyderabad Bank after the appointed day;

(p) the circumstances in which the specific approval of the Reserve Bank shall be required to the grant of loans and advances and investment of funds by the Hyderabad Bank, or to any contract, arrangement or proposal entered into or proposed to be entered into by the Hyderabad Bank;

(q) the preparation and submission to the Reserve Bank of statements of programmes of activities and financial statements of the Hyderabad Bank and the periods for which and the time within which, such statements and estimates are to be prepared and submitted;

(r) the person or persons in the Reserve Bank by whom any powers, duties or functions conferred, imposed or entrusted on or to the Reserve Bank under this Act may be exercised or performed;

(s) the periodical inspection of the affairs and business of the Hyderabad Bank by the Reserve Bank;

(t) the statements, returns and forms that are required for the purposes of this Act; and

(u) generally for the efficient conduct of the affairs of the Hyderabad Bank.

Amendment
of certain
enactments.

43. The enactments specified in the Second Schedule shall be amended in the manner directed therein and such amendments shall be deemed to have taken effect on the appointed day notwithstanding anything to the contrary contained in section 43 of the State Bank of Hyderabad Ordinance, 1956.

5 of 1956.

44. On and from the appointed day, any reference to the Hyderabad State Bank in any law (other than this Act) or in any contract or other instrument shall, except as otherwise provided in any general or special order made by the Central Government, be deemed to be a reference to the Hyderabad Bank.

References to
Hyderabad
State Bank in
other laws.

45. Nothing in this Act shall be deemed to affect the power of the State Bank of India constituted under the State Bank of India Act, 1955, to acquire the business of the Hyderabad Bank in accordance with the provisions of section 35 of that Act, and where the business of the Hyderabad Bank has been so acquired, the bank shall, on such acquisition, stand dissolved and the provisions of this Act shall cease to apply thereto.

Saving.

46. (1) The State Bank of Hyderabad Ordinance, 1956, is hereby repealed.

Repeal and
saving.

(2) Notwithstanding such repeal, anything done or any action taken (including any appointment, order, rule or regulation made or direction or instruction given) in the exercise of any powers conferred by or under the said Ordinance shall be deemed to have been done or taken in the exercise of the powers conferred by or under this Act, as if this Act were in force on the date on which such thing was done or action was taken.

THE FIRST SCHEDULE

[See section 35]

DECLARATION OF FIDELITY AND SECRECY

I do hereby declare that I will faithfully, truly and to the best of my skill and ability execute and perform the duties required of me as director, auditor, adviser, officer or other employee (as the case may be) of the State Bank of Hyderabad and which properly relate to the office or position held by me in the said bank.

I further declare that I will not communicate or allow to be communicated to any person not legally entitled thereto any information relating to the affairs of the State Bank of Hyderabad or to the affairs of any person having any dealing with the said bank; nor will I allow any such person to inspect or have access to any books or documents belonging to or in the possession of the State Bank of Hyderabad and relating to the business of the said bank or to the business of any person having any dealing with the said bank.

THE SECOND SCHEDULE

[See section 43]

I. AMENDMENTS TO THE HYDERABAD STATE BANK ACT, 1350F.

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1350F.

1. In section 2, omit clauses (b) to (k).
2. In section 3, in sub-section (1), omit the words "for the purposes of this Act and for carrying on business in accordance with the provisions of this Act".
3. Omit sections 4 to 28 and Schedules I and II.

II. AMENDMENTS TO THE RESERVE BANK OF INDIA ACT, 1934.

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1. In section 10, in clause (e) of sub-section (1), for the words "or any of its subsidiary banks", substitute the following, namely:—
"or any other bank notified by the Central Government in this behalf".
2. In section 17,—
 - (i) in clause (8A), for the words "or any of its subsidiary banks", substitute the following, namely:—
"or any other bank notified by the Central Government in this behalf".
 - (ii) after clause (14), insert the following, namely:—
"(14A) the granting of subsidies to the State Bank of Hyderabad for any of the purposes mentioned in section 34 of the State Bank of Hyderabad Act, 1956".

3. Section 45 shall be re-numbered as sub-section (1) thereof, and—

- (i) in sub-section (1) as so re-numbered, for the provis., substitute the following, namely:—
"Provided that nothing herein contained shall affect the provisions of any agreement subsisting on the 1st day of July, 1955, between the Bank and any other banking institution for the conduct of Government business or other matters."; and

(ii) after sub-section (1) as so re-numbered insert the following sub-sections, namely:—

"(2) Notwithstanding anything contained in sub-section (1), the Bank may employ or continue to employ as its agent—

(i) the Hyderabad Bank as defined in the State Bank of Hyderabad Act, 1956, at such places where, and for such purposes for which, the said bank was agent of the Reserve Bank immediately before the 1st day of November, 1956; and

(ii) any other banking institution notified by the Central Government in this behalf for the conduct of Government business or other matters at such places in India as may be approved by the Central Government.

(3) Notwithstanding anything to the contrary contained in any agreement between the Bank and the State Bank, it shall be lawful for the Bank to exclude from the operation of such agreement any place where any of the banking institutions referred to in sub-section (2) may have an office or branch."

4. In the Second Schedule, for the words "Hyderabad State Bank, Hyderabad (Deccan)", substitute "State Bank of Hyderabad".

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III. AMENDMENTS TO THE BANKING COMPANIES ACT, 1949.

1. In section 39, for the words "the Reserve Bank or the State Bank of India, as the case may be", substitute the following, namely:—

"the Reserve Bank, the State Bank of India or any other bank notified by the Central Government in this behalf".

2. For section 51, substitute the following, namely:—

5. "51. Without prejudice to the provisions of the State Bank Application of certain India Act, 1955, or any other enactment, the provisions of provisions sections 10, 13 to 15, 17, 19 to 21, 23 to 28, 29 [excluding sub-section (3)], 31, 34 to 36, 37, 45, 46 to 48, 50, 52 and 53 shall of India also apply; so far as may be, to and in relation to the State and other notified Central Government in this behalf as they apply to and in relation to banking companies:

Provided that nothing contained in section 46 shall apply to any officer of the Central Government or the Reserve Bank nominated as director of the State Bank of India or any other banking institution notified by the Central Government under this section.".