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PART I.—CENTRAL ACTS AMENDED, REPEALED OR OTHERWISE AFFECTED

Year of Act	No. of Act	Short title of Act	How affected	No. and Section of 1981 Act by which affected
1	2	3	4	5
1903	10	Victoria Memorial Act, 1903	Ss. 2 and 5 amended S. 6 inserted	32, ss. 2 and 3. <i>Ibid.</i> , s. 4.
1920	40	Aligarh Muslim University Act, 1920	Long title and preamble amended (w.e.f. 10-2-1982) Ss. 2, 5, 16, 17, 18, 21, 22, 26, 27, 29, 31 and 34 amended (w.e.f. 10-2-1982) Ss. 8, 23, 28 and 35 substituted (w.e.f. 10-2-1982) Ss. 20A and 26A inserted (w.e.f. 10-2-1982)	62, s. 2. <i>Ibid.</i> , ss. 3, 4, 6, 7, 8, 10, 11, 13, 15, 17, 18 and 19. <i>Ibid.</i> , ss. 5, 12, 16 and 20. <i>Ibid.</i> , ss. 9 and 14.
1922	8	Delhi University Act, 1922	S. 5 amended (w.e.f. 9-6-1981)	<i>Ibid.</i> , s. 21. 27, s. 2.
1934	2	Reserve Bank of India Act, 1934	Ss. 2, 17, 42 and 46C amended (w.e.f. 1-1-1982) Ss. 2, 8, 17, 33 and 42 amended (w.e.f. 12-7-1982) Ss. 45 and 54 substituted (w.e.f. 12-7-1982) Ss. 46A and 46B Substituted (w.e.f. 12-7-1982)	28, s. 40 and Second Schedule. 61, s. 61 and Second Schedule, Part I. <i>Ibid.</i> <i>Ibid.</i>
1944	1	Central Excises and Salt Act, 1944	First Schedule amended	16, s. 48 and Third Schedule.
1947	14	Industrial Disputes Act, 1947	S. 2 amended	28, s. 40 and Second Schedule. 61, Second Schedule, Part III.
1947	32	Coal Mines Labour Welfare Fund Act, 1947	S. 10 amended	25, s. 2.
1949	10	Banking Regulation Act, 1949	Ss. 18, 34A, 36AD and 56 amended Ss. 5, 23, 24, 25, 26, 27, 31, 34A, 35, 36AD, 47 and 56 amended (w.e.f.) S. 28 substituted (w.e.f.)	28, s. 40 and Second Schedule. 61, s. 61 and Second Schedule, Part II. <i>Ibid.</i>
			Throughout the Act the words "Agricultural Re-finance Corporation" substituted (w.e.f.)	<i>Ibid.</i>

1	2	3	4	5
1951	69	Plantations Labour Act, 1951	Ss. 1, 2, 4, 12, 19, 20, 30 and 58, ss. 2, 3, 5, 6, 9, 43 amended (w.e.f. 26-1-1982) 10, 11 and 14. Chapter IA, ss. 16A to 16G, Chapter VIA, and s. 37A inserted (w.e.f. 26-1-1982)	<i>Ibid.</i> , ss. 4, 8, 12 and 13.
1952	37	Cinematograph Act, 1952	Ss. 2, 3, 4, 5A, 5B, 6, 7A, 7B, 7C, 7D, 7E, 7F, 8 and 16 amended (w.e.f.) Ss. 5D, 5E, 5F and 6B inserted. S. 5C substituted (w.e.f....)	49, ss. 2, 3, 4, 5, 6, 9, 11, 12, 13, 14, 15, 16, 17, 18 and 19. <i>Ibid.</i> , ss. 8 and 10. <i>Ibid.</i> , s. 7.
1954	30	Salary, Allowances and Pension of Members of Parliament Act, 1954	S. 8A amended	21, s. 2.
1955	10	Essential Commodities Act, 1955	Ss. 2, 6A, 6C, 6E, 7, 8 and 10A amended (w.e.f.) S. 12 omitted (w.e.f.) S. 12A substituted (w.e.f....)	18, ss. 3, 4, 5, 6, 7, 8 and 9. <i>Ibid.</i> , s. 10. <i>Ibid.</i> , s. 11.
1955	16	Medicinal and Toilet Preparation (Excise Duties) Act, 1955	Schedule substituted	16, s. 52 and Fourth Schedule.
1955	45	Working Journalists and other Newspaper Employees (Conditions of Service) and Miscellaneous Provisions Act, 1955	S. 2 amended S. 16A inserted (w.e.f. 13-8-1980)	36, s. 2. <i>Ibid.</i> , s. 3.
1956	31	Life Insurance Corporation Act, 1956	S. 48 amended partly (w.e.f. 20-6-1979) and partly S. 49 amended (w.e.f. 31-1-1981)	1 s. 2 <i>Ibid.</i> s. 3.
1957	27	Wealth-tax Act, 1957	S. 5 amended (w.e.f. 12-1-1981) ss. 21, 41, amended (w.e.f. 1-4-1981) S. 21AA inserted (w.e.f. 1-4-1981) (Ss. 24, 26 and amended (w.e.f. 1-6-1981)	7, s. 6. 16, ss. 26 and 31. <i>Ibid.</i> , s. 27. <i>Ibid.</i> , s. 28, 29 and 30.
1957	58	Additional Duties of Excise (Goods of Special Importance) Act, 1957	First Schedule amended	16, s. 50.
1958	18	Gift-tax Act, 1958	S. 5 amended (w.e.f. 12-1-1981) Ss. 23, 25 and 26 amended (w.e.f. 1-6-1981)	7, s. 7. 16, ss. 32, 33 and 34.
1958	44	Merchant Shipping Act, 1958	Ss. 21, 25, 26, 29, 45, 406, 407, 415, 431 and 441 amended	43, ss. 2, 3, 4, 5, 6, 7, 8, 9, 10 and 11.
1959	43	Oil and Natural Gas Commission Act, 1959	Ss. 5, 15 and 32 amended	17, ss. 2, 3 and 4.
1961	43	Income-tax Act, 1961	Ss. 2 and 10 amended (w.e.f. 12-1-1981) Ss. 10A, 164A, 167A and 293A inserted (w.e.f. 1-4-1981). Ss. 16, 33A, 36, 42, 80D, 80M, Ninth Schedule and Eleventh Schedule amended (partly) (w.e.f. 1-4-1982).	7, s. 5. 16, s. 3, 15, 16 and 22. 16, ss. 4, 6, 7, 8, 9, 11, 23, and 24.

1	2	3	4	5
1961	43	Income-tax Act, 1961— <i>Contd.</i>	Ss. 32A, 80HHA, 80QQ, 80P, 16, ss. 5, 10, 12, 13, 86, 160, 252, 273 and Eleventh Schedule (partly) amended (w.e.f. 1-4-1981) Ss. 208, 253, 256 and 269G amended (w.e.f. 1-6-1981)	16, ss. 5, 10, 12, 13, 14, 18 and 25. <i>Ibid.</i> , ss. 17, 19, 20 and 21.
			Ss. 269A, 269B, 269D, 269F, 269-I, 269J and 269K amended (w.e.f. 1-7-1982)	22, ss. 2, 5, 6, %, 8 and 9.
			Ss. 269AB and 276AA inserted (w.e.f. 1-7-1982) Chapter XXB and s. 276E inserted (w.e.f. 11-7-1981)	<i>Ibid.</i> , ss. 3 and 10. 38, ss. 2 and 4.
			S. 269TT inserted	<i>Ibid.</i> , s. 3.
			Ss. 278A and 279 amended (w.e.f. 11-7-1981)	<i>Ibid.</i> , ss. 5 and 6.
1961	47	Deposit Insurance and Credit Guarantee Corporation Act, 1961.	S. 2 amended (w.e.f. 12-7-1982)	61, s. 61 and Second Schedule, Part IV.
1962	27	State of Nagaland Act, 1962	S. 22A inserted (w.e.f. 26-7-1981)	35, s. 2.
			S.32 amended (w.e.f. 26-7-1981)	<i>Ibid.</i> , s. 3.
1963	10	Agriculture Refinance and Development Corporation Act, 1963	Repealed (w.e.f. 12-7-1982)	
1964	7	Companies (Profits) Surtax Act, 1964	Ss. 2, 10, 11, 18 and First Schedule amended (w.e.f. 1-4-1981)	16, ss. 35, 38, 39, 41 and 43.
			S. 12 amended (w.e.f. 1-6-1981)	<i>Ibid.</i> , S. 40.
			S. 7A to 7D, 9A, 24AA inserted (w.e.f. 1-4-1981)	<i>Ibid.</i> , ss. 36, 37 and 42.
1965	21	Payment of Bonus Act, 1965	S. 32 amended (w.e.f. 12-7-1982)	61, s. 61, Schedule, Part V.
1969	43	Khuda Baksh Oriental Public Library Act, 1969	Ss. 27 and 28 amended	51, ss. 2 and 3.
1971	82	Delhi Sikh Gurdwaras Act, 1971	S. 16 amended (w.e.f. 21-1-1981)	6, s. 2.
1974	12	Economic Offences (Inapplicability of Limitation) Act, 1974	Schedule amended	46, s. 2.
1974	27	Cinematograph (Amendment) Act, 1974	Repealed (w.e.f.)	49, s. 20.
1974	38	Compulsory Deposit Scheme (Income-tax Payers) Act, 1974	Ss. 3, 4 amended (w.e.f. 1-4-1981)	16, s. 53
			S. 8 amended (w.e.f. 1-6-1981)	<i>Ibid.</i>
			S. 4 and Schedule amended (w.e.f. 11-7-1981)	23, ss. 2 and 3
1974	45	Interest-tax Act, 1974	S. 16 amended (w.e.f. 1-6-1981)	16, s. 44.
1974	47	Oil Industry (Development) Act, 1974	Schedule amended	45, s. 2.
1975	22	Rampur Raza Library Act, 1975	S. 28 amended	52, s. 2.

1	2	3	4	5
1975	51	Customs Tariff Act, 1975	First Schedule amended First Schedule amended (w.e.f. 26-7-1981)	16, ss. 46 and Second Schedule. 24, s. 2.
1976	56	Boedi-Workers Welfare Cess Act, 1976	Long title amended (w.e.f. 1-1-1982) Ss. 2 and 7 amended (w.e.f. 1-1-1982) S. 3 substituted (w.e.f. 1-1-1982)	47, s. 2. <i>Ibid.</i> , ss. 3 and 6. <i>Ibid.</i> , s. 4.
1976	89	Indian Iron and Steel Company (Acquisition of Shares) Act, 1976	Ss. 2, 7 and 11 amended	59, ss. 2, 3 and 4.
1978	40	Additional Duties of Excise (Textiles and Textile Articles) Act, 1978	S. 3 amended	16, s. 51.
1978	49	Sugar Undertakings (Taking over of Management) Act, 1978	S. 3 amended	44, s. 2.
1980	7	Prevention of Black-marketing and Maintenance of Supplies of Essential Commodities Act, 1980	S. 9 amended	19, s. 2.
1980	41	Essential Services Maintenance (Assam) Act, 1980	Ss. 2, 3 and 9 amended (w.e.f. 26-7-1981)	40, s. 13.
1980	54	Hotel-Receipts Tax Act, 1980	S. 19 amended (w.e.f. 1-6-1981)	16, s. 45.

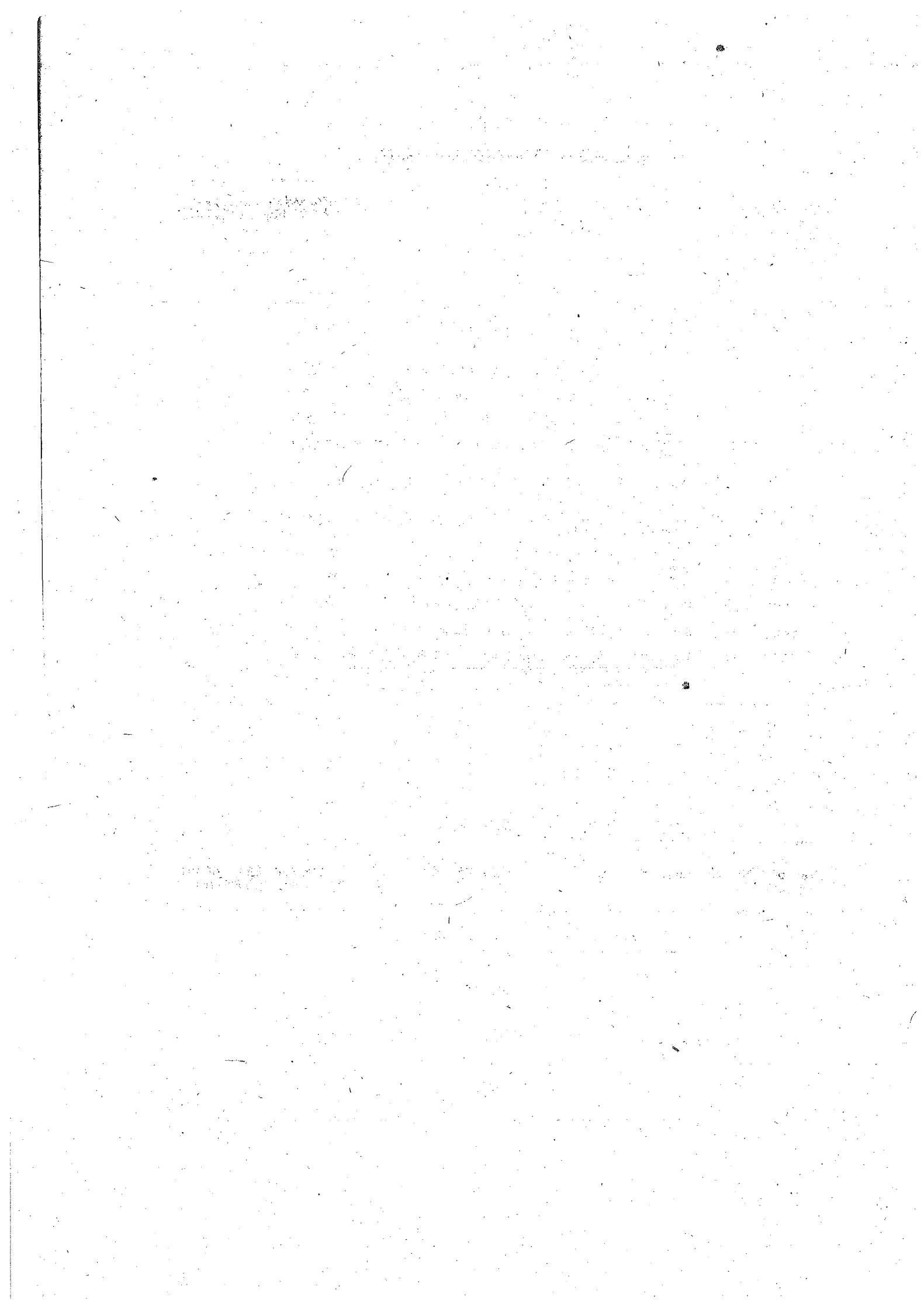
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PART-II.—CENTRAL ORDINANCES REPEALED

Year of Ordinance	No. of Ordinance	Short title of Ordinance	No. and section of 1981 Act by which repealed
1	2	3	4
1981	1	Special Bearer Bonds (Immunities and Exemptions) Ordinance, 1981	7, s. 9.
1981	2	Delhi Sikh Gurdwaras (Amendment) Ordinance, 1981	6, s. 3.
1981	3	Life Insurance Corporation (Amendment) Ordinance, 1981	1, s. 4.
1981	4	Delhi University (Amendment) Ordinance, 1981	27, s. 3.
1981	5	British India Corporation (Acquisition of Shares) Ordinance, 1981	29, s. 21.
1981	6	Dalmia Dadri Cement Limited (Acquisition and Transfer of Undertakings) Ordinance, 1981	31, s. 32.
1981	7	Compulsory Deposit Scheme (Income-tax Payers) Amendment Ordinance, 1981	23, s. 4.
1981	8	Income-tax (Amendment) Ordinance, 1981	38, s. 7.
1981	9	Customs Tariff (Amendment) Ordinance, 1981	24, s. 7.
1981	10	Essential Services Maintenance Ordinance, 1981	40, s. 14.
1981	11	State of Nagaland (Amendment) Ordinance, 1981	35, s. 4.
1981	12	Working Journalists and other Newspaper Employees (Conditions of Service) and Miscellaneous Provisions (Amendment) Ordinance, 1981	36, s. 4.

PART III.—STATE ACTS

Year of the Act	No. of Act	Short title	How affected	No. and section of 1981 Act by which affected
1965	16	Goa, Daman and Diu Civil Courts Act, 1965 (.....)	S. 16 amended (w.e.f.)	26, s. 12



THE LIFE INSURANCE CORPORATION (AMENDMENT)
ACT, 1981

NO. 1 OF 1981

[17th March, 1981.]

An Act further to amend the Life Insurance Corporation Act, 1956.

WHEREAS for securing the interests of the Life Insurance Corporation of India and its policy-holders and to control the cost of administration, it is necessary that revision of the terms and conditions of service applicable to the employees and agents of the Corporation should be undertaken expeditiously;

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

1. (1) This Act may be called the Life Insurance Corporation (Amendment) Act, 1981.

(2) It shall be deemed to have come into force on the 31st day of January, 1981.

31 of 1956. 2. In the Life Insurance Corporation Act, 1956 (hereinafter referred to as the principal Act), in section 48,—

(a) in sub-section (2), after clause (c), the following clause shall be inserted and shall be deemed to have been inserted with effect from the 20th day of June, 1979, namely:—

“(cc) the terms and conditions of service of the employees and agents of the Corporation, including those who became employees and agents of the Corporation on the appointed day under this Act;”;

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

“(2A) The regulations and other provisions as in force immediately before the commencement of the Life Insurance Corporation (Amendment) Act, 1981, with respect to the terms and conditions of service of employees and agents of the Corporation including those who became employees and agents of the Corporation on the appointed day under this Act, shall be

short title and commencement.

Amend-
ment of
section
48.

deemed to be rules made under clause (cc) of sub-section (2) and shall, subject to the other provisions of this section, have effect accordingly.

(2B) The power to make rules conferred by clause (cc) of sub-section (2) shall include—

(i) the power to give retrospective effect to such rules; and

(ii) the power to amend by way of addition, variation or repeal, the regulations and other provisions referred to in sub-section (2A), with retrospective effect,

from a date not earlier than the twentieth day of June, 1979.

(2C) The provisions of clause (cc) of sub-section (2) and sub-section (2B) and any rules made under the said clause (cc) shall have effect, and any such rule made with retrospective effect from any date shall also be deemed to have had effect from that date, notwithstanding any judgement, decree or order of any court, tribunal or other authority and notwithstanding anything contained in the Industrial Disputes Act, 1947 or any other law or any agreement, settlement, award or other instrument for the time being in force.”.

14 of 1947.

3. In section 49 of the principal Act,—

(a) in sub-section (2),—

(i) in clause (b), the words “and the terms and conditions of service of employees or agents” shall be omitted;

(ii) clause (bb) shall be omitted; and

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

“(3) Every regulation made under this section shall be laid, as soon as may be after it is made, before such House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the regulation or both Houses agree that the regulation should not be made, the regulation shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that regulation.”.

Amend-
ment
of section
49.

Repeal
and a
saving.

4. (1) The Life Insurance Corporation (Amendment) Ordinance, 1981 is hereby repealed.

3 of 1981.

(2) Notwithstanding such repeal, anything done or any action taken under the principal Act as amended by the said Ordinance shall be deemed to have been done or taken under the principal Act as amended by this Act.

THE APPROPRIATION (VOTE ON ACCOUNT) ACT, 1981

No. 2 OF 1981

[23rd March 1981.]

An Act to provide for the withdrawal of certain sums from and out of the Consolidated Fund of India for the services of a part of the financial year 1981-82.

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

1. This Act may be called the Appropriation (Vote on Account) Act, 1981. Short title.

2. From and out of the Consolidated Fund of India there may be withdrawn sums not exceeding those specified in column 3 of the Schedule amounting in the aggregate to the sum of fifteen thousand five hundred and seventy-eight crores, fifty-one lakhs and fifty-seven thousand rupees towards defraying the several charges which will come in course of payment during the financial year 1981-82. With-
drawal
of Rs.
15578,
51,57,000
from and
out of the
Consoli-
dated
Fund of
India
for the
financial
year
1981-82.

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

4. References to Ministries or Departments in the Schedule are to such Ministries or Departments as existing immediately before the 16th February, 1981 and shall, on or after that date, be construed as references to the appropriate Ministries or Departments as reconstituted from time to time. Construc-
tion
of refer-
ences
to Minis-
tries
and De-
partments
in the
Schedule

THE SCHEDULE

(See sections 2, 3 and 4)

No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consolida- ted Fund	Total
1	Department of Agriculture and Co-operation . . Revenue	53,08,000	2,000	53,10,000
2	Agriculture . . . Capital	12,63,88,000 209,96,10,000	.. 40,00,06,000	12,63,88,000 249,96,16,000
3	Fisheries . . . Revenue	2,98,19,000	..	2,98,19,000
	Capital	2,90,05,000	..	2,90,05,000
4	Animal Husbandry and Dairy Development . . Revenue	17,94,00,000	3,000	17,94,03,000
	Capital	2,63,58,000	58,000	2,64,16,000
5	Forest . . . Revenue	4,07,25,000	..	4,07,25,000
	Capital	13,50,000	87,42,000	1,00,92,000
6	Co-operation] . . . Revenue	2,76,92,000	..	2,76,92,000
	Capital	21,22,13,000	1,20,79,000	22,42,92,000
7	Department of Food . . Revenue	110,06,37,000	1,77,000	110,08,14,000
	Capital	8,59,62,000	17,000	8,59,79,000
8	Department of Agricultural Research and Education . . Revenue	5,58,000	..	5,58,000
9	Payments to Indian Council of Agricultural Research . . Revenue	16,96,82,000	..	16,96,82,000
10	Ministry of Civil Supplies . . Revenue	1,00,13,000	..	1,00,13,000
	Capital	1,39,79,000	62,42,000	2,02,21,000
11	Ministry of Commerce . . Revenue	30,52,000	..	30,52,000
12	Foreign Trade and Export Production . . Revenue	76,66,09,000	..	76,66,09,000
	Capital	10,39,67,000	..	10,39,67,000
13	Textiles, Handloom and Handicrafts . . Revenue	53,40,34,000	..	53,40,34,000
	Capital	8,40,33,000	1,76,11,000	10,16,44,000
14	Ministry of Communications . . Revenue	52,70,000	..	52,70,000
	Capital	2,69,00,000	..	2,69,00,000
15	Overseas Communications Service . . Revenue	3,56,36,000	..	3,56,36,000
	Capital	4,46,77,000	7,000	4,46,84,000
16	Posts and Telegraphs—Working Expenses . . Revenue	159,46,35,000	8,000	159,46,43,000
17	Posts and Telegraphs—Dividend to General Revenues, Appropriation to Reserve Funds and Repayment of Loans from General Revenues. . . Revenue	42,82,22,000	..	42,82,22,000
18	Capital Outlay on Posts and Telegraphs . . Capital	85,33,46,000	17,000	85,33,63,000
19	Ministry of Defence . . Revenue	26,13,07,000	..	26,13,07,000
	Capital	17,48,93,000	43,77,000	17,92,70,000
20	Defence Services—Army . . Revenue	404,07,09,000	16,67,000	404,23,76,000

No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consoli- dated Fund	Total
		Rs.	Rs.	Rs.
21	Defence Services—Navy . Revenue	49,87,58,000	25,000	49,87,83,000
22	Defence Services—Air Force Revenue	165,30,83,000	33,000	165,31,16,000
23	Defence Services—Pensions Revenue	47,19,28,000	13,000	47,19,41,000
24	Capital Outlay on Defence Services . Capital	67,27,33,000	41,67,000	67,69,00,000
25	Department of Education . Revenue	35,90,000	..	35,90,000
26	Education . . Revenue Capital	46,51,13,000 2,07,40,000	66,66,000	46,51,13,000 2,74,06,000
27	Department of Culture . Revenue	2,46,68,000	..	2,46,68,000
28	Archaeology . . Revenue	1,26,08,000	..	1,26,08,000
29	Department of Coal . Revenue Capital	17,27,42,000 110,64,17,000	..	17,27,42,000 110,64,17,000
30	Department of Power . Revenue Capital	14,83,35,000 123,97,03,000	3,11,83,000	14,83,35,000 127,08,86,000
31	Ministry of External Affairs . Revenue Capital	25,73,27,000 4,78,51,000	4,000	25,73,31,000 4,78,51,000
32	Ministry of Finance . Revenue Capital	7,10,18,000 25,42,000	4,000	7,10,22,000 25,42,000
33	Customs . . Revenue Capital	6,86,25,000 2,87,50,000	8,000	6,86,33,000 2,87,50,000
34	Union Excise Duties . Revenue	9,84,25,000	92,000	9,85,17,000
35	Taxes on Income, Estate Duty, Wealth Tax and Gift Tax . Revenue	10,19,85,000	34,000	10,20,19,000
36	Stamps . . Revenue Capital	4,48,21,000 188,70,000	..	4,48,21,000 188,70,000
37	Audit . . Revenue	12,08,04,000	22,55,000	12,30,59,000
38	Currency, Coinage and Mint . Revenue Capital	8,21,40,000 3,59,60,000	..	8,21,40,000 3,59,60,000
39	Pensions . . Revenue	13,61,00,000	8,33,000	13,69,33,000
40	Opium and Alkaloid Factories . Revenue Capital	25,55,31,000 18,95,000	1,000	25,55,32,000 18,95,000
41	Transfers to State Governments . Revenue Capital	368,28,93,000 ..	566,61,33,000 887,91,73,000	934,90,26,000 887,91,73,000
	CHARGED.—Interest Payments . Revenue	..	520,63,39,000	520,63,39,000
42	Other Expenditure of the Ministry of Finance . Revenue Capital	63,59,09,000 87,98,58,000	40,000	63,59,49,000 87,98,58,000
43	Loans to Government Servants, etc. . Capital	16,66,67,000	..	16,66,67,000

No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consolida- ted Fund	Total
		Rs.	Rs.	Rs.
	CHARGED.—Repayment of Debt			
	Capital	..	97,00,53,96,000	97,00,53,96,000
44	Ministry of Health and Family Welfare Revenue	19,18,000	..	19,18,000
45	Medical and Public Health Revenue Capital	31,34,14,000 11,86,21,000	.. 1,000	31,34,14,000 11,86,22,000
46	Family Welfare Revenue Capital	28,53,69,000 16,000	..	28,53,69,000 16,000
47	Ministry of Home Affairs Revenue	60,74,000	..	60,74,000
48	Cabinet Revenue	26,94,000	..	26,94,000
49	Department of Personnel and Administrative Reforms Revenue Capital	1,56,58,000 ..	1,000 33,33,000	1,56,59,000 33,33,000
50	Police Revenue Capital	49,43,57,000 1,72,88,000	22,000 83,50,000	49,43,79,000 2,56,38,000
51	Census Revenue	6,84,18,000	..	6,84,18,000
52	Other Expenditure of the Ministry of Home Affairs Revenue Capital	62,56,91,000 23,61,08,000	24,43,64,000 32,06,000	87,00,55,000 23,93,14,000
53	Delhi Revenue Capital	35,44,01,000 24,98,95,000	15,06,000 1,50,00,000	35,59,07,000 26,48,95,000
54	Chandigarh Revenue Capital	5,64,55,000 2,45,78,000	18,50,000 19,17,000	5,83,05,000 2,64,95,000
55	Andaman and Nicobar Islands Revenue Capital	5,80,26,000 3,54,89,000	1,000 ..	5,80,27,000 3,54,89,000
56	Dadra and Nagar Haveli Revenue Capital	59,21,000 83,64,000	59,21,000 83,64,000
57	Lakshadweep Revenue Capital	1,19,36,000 1,34,56,000	1,19,36,000 1,34,56,000
58	Ministry of Industry Revenue	62,06,000	..	62,06,000
59	Industries Revenue Capital	7,23,22,000 57,71,10,000	7,23,22,000 57,71,10,000
60	Village and Small Industries Revenue Capital	4,19,58,000 1,01,59,000	83,33,000 1,18,17,000	5,02,91,000 2,19,76,000
61	Ministry of Information and Broadcasting Revenue	16,87,000	..	16,87,000
62	Information and Publicity Revenue Capital	4,26,29,000 24,70,000	4,26,29,000 24,70,000
63	Broadcasting Revenue Capital	14,47,07,000 5,69,75,000	.. 16,000	14,47,07,000 5,69,91,000
64	Ministry of Irrigation Revenue Capital	13,51,77,000 2,21,96,000	.. 7,35,85,000	13,51,77,000 9,57,81,000
65	Ministry of Labour Revenue	16,21,000	..	16,21,000
66	Labour and Employment Revenue Capital	12,11,60,000 2,12,000	4,000 ..	12,11,64,000 2,12,000

1 No. of Vote	2 Services and purposes	3 Sums not exceeding			
		Voted by Parliament	Charged on the Consoli- dated Fund	Total	
67	Ministry of Law, Justice and Company Affairs	Revenue Capital	Rs. 3,92,89,000 16,000	Rs.	Rs. 3,92,89,000 16,000
68	Administration of Justice	Revenue	18,83,000	19,03,000	37,86,000
69	Ministry of Petroleum, Chemicals and Fertilizers	Revenue	19,39,000	..	19,39,000
70	Petroleum and Petro-Chemicals Industries	Revenue Capital	17,06,52,000 34,09,69,000	17,06,52,000 34,09,69,000
71	Chemicals and Fertilizers Industries	Revenue Capital	74,15,17,000 47,48,01,000	74,15,17,000 47,48,01,000
72	Ministry of Planning	Revenue	73,000	..	73,000
73	Statistics	Revenue	2,98,11,000	..	2,98,11,000
74	Planning Commission	Revenue	92,90,000	..	92,90,000
75	Ministry of Rural Reconstruction	Revenue Capital	75,12,68,000 12,25,88,000	1,000 ..	75,12,68,000 12,25,88,000
76	Ministry of Shipping and Transport	Revenue	60,57,000	1,000	60,58,000
77	Roads	Revenue Capital	23,34,24,000 22,75,65,000	5,000 2,68,83,000	23,34,29,000 25,44,48,000
78	Ports, Lighthouses and Shipping	Revenue Capital	11,86,67,000 30,09,62,000	1,000 25,00,000	11,86,68,000 30,34,62,000
79	Road and Inland Water Transport	Revenue Capital	35,27,000 4,14,03,000	.. 7,35,000	35,27,000 4,21,38,000
80	Ministry of Social Welfare	Revenue Capital	7,93,23,000 15,61,000	7,93,23,000 15,61,000
81	Department of Steel	Revenue Capital	2,56,72,000 93,45,90,000	.. 98,55,000	2,56,72,000 94,44,45,000
82	Department of Mines	Revenue Capital	11,54,78,000 36,16,17,000	64,000 1,83,000	11,55,42,000 36,18,00,000
83	Department of Supply	Revenue	4,53,000	..	4,53,000
84	Supplies and Disposals	Revenue	1,58,10,000	4,17,000	1,62,27,000
85	Department of Rehabilitation	Revenue Capital	4,38,64,000 1,43,82,000	20,000 1,72,36,000	4,38,84,000 3,16,18,000
86	Ministry of Tourism and Civil Aviation	Revenue	12,18,000	..	12,18,000
87	Meteorology	Revenue Capital	2,95,63,000 1,26,21,000	2,95,83,000 1,26,21,000
88	Aviation	Revenue Capital	5,17,15,000 15,66,71,000	3,000 33,000	5,17,18,000 15,67,04,000
89	Tourism	Revenue Capital	91,79,000 2,09,26,000	91,79,000 2,09,26,000

No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consoli- dated Fund	Total
		Rs.	Rs.	Rs.
90	Ministry of Works and Housing . . . Revenue	24,61,000	..	24,61,000
91	Public Works . . . Revenue Capital	20,68,56,000 6,66,96,000	17,000 2,50,000	20,68,73,000 6,69,46,000
92	Water Supply and Sewerage . . . Revenue	19,57,50,000	..	19,57,50,000
93	Housing and Urban Development . . . Revenue Capital	4,43,41,000 8,66,66,000	15,27,000 3,23,24,000	4,58,62,000 11,89,90,000
94	Stationery and Printing . . . Revenue	7,96,22,000	1,000	7,96,23,000
95	Department of Atomic Energy . . . Revenue	11,35,000	..	11,35,000
96	Atomic Energy Research, Development and Industrial Projects . . . Revenue Capital	19,72,86,000 27,51,26,000	..	19,72,86,000 27,51,26,000
97	Nuclear Power Schemes . . . Revenue Capital	13,64,03,000 13,83,82,000	..	13,64,03,000 13,83,82,000
98	Department of Electronics . . . Revenue Capital	2,36,34,000 1,50,67,000	..	2,36,34,000 1,50,67,000
99	Department of Environment . . . Revenue	1,00,52,000	..	1,00,52,000
100	Department of Science and Technology . . . Revenue Capital	6,70,38,000 32,00,000	..	6,70,38,000 32,00,000
101	Survey of India . . . Revenue Capital	4,61,87,000 96,000	..	4,61,87,000 96,000
102	Grants to Council of Scientific and Industrial Research . . . Revenue	12,46,66,000	..	12,46,66,000
103	Department of Space . . . Revenue Capital	9,70,62,000 15,77,61,000	.. 17,000	9,70,62,000 15,77,78,000
104	Lok Sabha . . . Revenue	1,22,13,000	29,000	1,22,42,000
105	Rajya Sabha . . . Revenue	42,98,000	17,000	42,45,000

1 No. of Vote	2 Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Consoli- dated Fund	Total
106	Department of Parliamentary Affairs . . Revenue	Rs. 4,30,000	Rs. ..	Rs. 4,30,000
	CHARGED—Staff, <i>Household and Allowances</i> <i>of the President</i> . . Revenue	..	12,98,000	12,98,000
107	Secretariat of the Vice-President . . Revenue	Rs. 1,07,000	Rs. ..	Rs. 1,07,000
	CHARGED—Union Public Service Commission . . Revenue	..	52,03,000	52,03,000
	TOTAL . .	Rs 3805,79,22,000	Rs 11772,72,35,000	Rs 15578,51,57,000

THE APPROPRIATION ACT, 1981

NO. 3 OF 1981

[23rd March, 1981.]

An Act to authorise payment and appropriation of certain further sums from and out of the Consolidated Fund of India for the services of the financial year 1980-81.

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

Short title.

Issue of
Rs. 4873,
11,95,000
out of
the Con-
solidated
Fund of
India
for the
year
1980-81.

Approp-
riation.

1. This Act may be called the Appropriation Act, 1981.
2. From and out of the Consolidated Fund of India there may be paid and applied sums not exceeding those specified in column 3 of the Schedule amounting in the aggregate to the sum of four thousand eight hundred and seventy-three crores, eleven lakhs and ninety-five thousand rupees towards defraying the several charges which will come in course of payment during the financial year 1980-81, in respect of the services specified in column 2 of the Schedule.
3. The sums authorised to be paid and applied from and out of the Consolidated Fund of India by this Act shall be appropriated for the services and purposes expressed in the Schedule in relation to the said year.

THE SCHEDULE

(See sections 2 and 3)

1 No. of Vote	2 Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
1	Department of Agriculture and Co-operation . . Revenue	1,50,000	..	1,50,000
2	Agriculture . . Revenue	..	11,000	11,000
3	Fisheries . . Revenue	..	14,000	14,000
	Capital	1,000	..	1,000
6	Co-operation . . Capital	10,00,00,000	..	10,00,00,000
7	Department of Food . Revenue	47,56,79,000	..	47,56,79,000
8	Department of Agricultural Research and Education . Revenue	2,07,000	..	2,07,000
11	Ministry of Commerce . . Revenue	12,26,000	..	12,26,000
12	Foreign Trade and Export Production . Revenue	16,72,60,000	..	16,72,60,000
	Capital	1,000	..	1,000
13	Textiles, Handloom and Handicrafts . Revenue	1,21,64,000	..	1,21,64,000
	Capital	14,78,50,000	..	14,78,50,000
14	Ministry of Civil Supplies . . Revenue	1,000	..	1,000
16	Overseas Communications Service . Revenue	3,36,91,000	..	3,36,91,000
19	Capital Outlay on Posts and Telegraphs . Capital	2,000	..	2,000
20	Ministry of Defence . Revenue	21,41,52,000	..	21,41,52,000
	Capital	12,20,000	..	12,20,000
21	Defence Services—Army . . Revenue	101,96,52,000	15,00,000	102,11,52,000
22	Defence Services—Navy . . Revenue	17,99,90,000	..	17,99,90,000
23	Defence Services—Air Force . . Revenue	82,46,80,000	..	82,46,80,000
24	Defence Services—Pensions . . Revenue	34,67,87,000	..	34,67,87,000
25	Capital Outlay on Defence Services . Capital	..	75,00,000	75,00,000
27	Education . . Revenue	1,000	..	1,000

No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
30	Ministry of Energy	Revenue	6,56,29,000	..
		Capital	4,000	..
31	Ministry of External Affairs	Revenue	1,10,18,000	..
		Capital	69,53,000	..
32	Ministry of Finance	Revenue	3,32,46,000	..
34	Union Excise Duties	Revenue	2,52,33,000	26,000
36	Stamps	Revenue	3,06,48,000	..
37	Audit	Revenue	1,29,02,000	4,26,000
39	Pensions	Revenue	11,33,00,000	..
41	Transfers to State Governments	Revenue	13,68,97,000	113,96,12,000
		Capital	..	72,99,00,000
	Interest Payments	Revenue	..	67,75,00,000
42	Other Expenditure of the Ministry of Finance	Revenue	1,000	..
		Capital	171,65,00,000	..
43	Loans to Government Servants, etc.	Capital	7,50,00,000	..
	Repayment of Debt	Capital	..	3761,51,39,000
45	Medical and Public Health	Revenue	1,000	..
47	Ministry of Home Affairs	Revenue	25,76,000	..
48	Cabinet	Revenue	10,58,000	..
49	Department of Personnel and Administrative Reforms	Revenue	18,49,000	..
50	Police	Revenue	10,74,37,000	..
		Capital	..	3,75,00,000
51	Census	Revenue	11,98,17,000	..
52	Other Expenditure of the Ministry of Home Affairs	Revenue	4,25,57,000	..
		Capital	5,18,40,000	..

1 No. of Veto	2 Services and purposes	3 Sums not exceeding		
		Voted by Parlia- ment	Charged on the Consolidated Fund	Total
53	Delhi . . . Revenue	15,45,29,000	9,73,000	15,55,02,000
	Capital	3,47,61,000	1,84,98,000	5,32,59,000
54	Chandigarh . . . Revenue	2,56,26,000	28,61,000	2,84,87,000
	Capital	..	95,53,000	95,53,000
55	Andaman and Nico- bar Islands . . . Revenue	41,60,000	..	41,60,000
58	Ministry of Industry . . . Revenue	7,17,000	..	7,17,000
59	Industries . . . Capital	1,000	..	1,000
61	Ministry of Informa- tion and Broad- casting . . . Revenue	10,23,000	..	10,23,000
62	Information and Publicity . . . Revenue	65,29,000	14,56,000	79,79,000
	Capital	56,00,000	..	56,00,000
63	Broadcasting . . . Revenue	2,25,65,000	..	2,25,65,000
	Capital	..	29,000	29,000
64	Ministry of Labour . . . Revenue	4,76,000	..	4,76,000
67	Administration of Justice . . . Revenue	..	3,23,000	3,23,000
69	Petroleum and Petro- chemicals Industries . . . Capital	34,54,33,000	..	34,54,33,000
70	Chemicals and Ferti- lizers Industries . . . Capital	9,66,17,000	..	9,66,17,000
75	Ministry of Shipping and Transport . . . Revenue	6,04,000	..	6,04,000
76	Roads . . . Revenue	11,02,27,000	4,32,000	11,06,59,000
	Capital	10,80,69,000	3,98,19,000	14,78,88,000
77	Ports, Lighthouses and Shipping . . . Revenue	2,000	..	2,000
	Capital	3,000	..	3,000
80	Department of Steel . . . Capital	86,96,00,000	..	86,96,00,000
81	Department of Mines . . . Revenue	1,000	..	1,000
	Capital	6,00,00,000	..	6,00,00,000
84	Supplies and Disposals . . . Revenue	..	73,000	73,000
88	Aviation . . . Capital	31,46,01,000	..	31,46,01,000
89	Tourism . . . Capital	55,92,000	..	55,92,000

1 No. of Vote	2 Services and purposes	3 Sums not exceeding		
		Voted by Parlia- ment	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
90	Ministry of Works and Housing . . . Revenue	7,39,000	..	7,39,000
91	Public Works . . . Revenue	14,49,03,000	..	14,49,03,000
93	Housing and Urban Development . . . Capital	1,000	..	1,000
97	Nuclear Power Schemes Revenue	5,43,00,000	..	5,43,00,000
105	Department of Parlia- mentary Affairs . . . Revenue	1,56,000	..	1,56,000
	<i>Union Public Service Commission . . . Revenue</i>	..	20,41,000	20,41,000
	TOTAL	844,60,15,000	4028,51,80,000	4873,11,95,000

THE APPROPRIATION (No. 2) ACT, 1981

No. 4 OF 1981

[23rd March, 1981.]

An Act to provide for the authorisation of appropriation of moneys out of the Consolidated Fund of India to meet the amount spent on certain services during the financial year ended on the 31st day of March, 1978, in excess of the amounts granted for those services and for that year.

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

1. This Act may be called the Appropriation (No. 2) Act, 1981.
Short title.
2. From and out of the Consolidated Fund of India, the sums specified in column 3 of the Schedule amounting in the aggregate to the sum of forty-one crores, six lakhs, four thousand, two hundred and thirty-nine rupees shall be deemed to have been authorised to be paid and applied to meet the amount spent for defraying the charges in respect of the services specified in column 2 of the Schedule during the financial year ended on the 31st day of March, 1978, in excess of the amounts granted for those services and for that year.
Issue of Rs. 41,06,04,239 out of the Consolidated Fund of India to meet certain excess expenditure for the year ended on the 31st March, 1978.
3. The sums deemed to have been authorised to be paid and applied from and out of the Consolidated Fund of India under this Act shall be deemed to have been appropriated for the services and purposes expressed in the Schedule in relation to the financial year ended on the 31st day of March, 1978.
Appropriation.

THE SCHEDULE
(See sections 2 and 3)

1 No. of Vote	2 Services and purposes	3 Excess		
		Voted portion	Charged portion	Total
9	Payments to Indian Council of Agricultural Research . . Revenue	Rs. 9,42,850	..	Rs. 9,42,850
16	Foreign Trade and Export Production Capital	32,85,07,635	..	32,85,07,635
23	Defence Services—Army . . Revenue	..	1,86,990	1,86,990
26	Defence Services—Pensions . . Revenue	1,62,46,413	..	1,62,46,413
28	Department of Education . . Revenue	1,43,073	..	1,43,073
34	Ministry of External Affairs . . Revenue	1,81,60,333	..	1,81,60,333
45	Union Excise Duties Revenue	..	43,235	43,235
48	Ministry of Health and Family Welfare Revenue	2,62,458	..	2,62,458
54	Police . . Capital	6,91,636	..	6,91,636
78	Survey of India . . Revenue	5,10,080	..	5,10,080
95	Public Works . . Revenue	4,49,09,536	..	4,49,09,536
	TOTAL . . .	41,03,74,014	2,30,225	41,06,04,239

THE APPROPRIATION (No. 3) ACT, 1981

No. 5 OF 1981

[23rd March, 1981.]

An Act to provide for the authorisation of appropriation of moneys out of the Consolidated Fund of India to meet the amounts spent on certain services during the financial year ended on the 31st day of March, 1979, in excess of the amounts granted for those services and for that year.

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

1. This Act may be called the Appropriation (No. 3) Act, 1981. Short title.
2. From and out of the Consolidated Fund of India, the sums specified in column 3 of the Schedule amounting in the aggregate to the sum of twenty-nine crores, twenty-seven lakhs, fifty-two thousand and fifty-three rupees shall be deemed to have been authorised to be paid and applied to meet the amount spent for defraying the charges in respect of the services specified in column 2 of the Schedule during the financial year ended on the 31st day of March, 1979, in excess of the amounts granted for those services and for that year. Issue of Rs. 29,27, 52,053 out of the Consolidated Fund of India to meet certain excess expenditure for the year ended on the 31st March, 1979.
3. The sums deemed to have been authorised to be paid and applied from and out of the Consolidated Fund of India under this Act shall be deemed to have been appropriated for the services and purposes expressed in the Schedule in relation to the financial year ended on the 31st day of March, 1979. Appropriation.

THE SCHEDULE
(See sections 2 and 3)

No. of Vote	Services and purposes	3		
		Excess		
		Voted portion	Charged portion	Total
19	Ministry of Defence Revenue	14,00,769	..	14,00,769
24	Capital Outlay on Defence Services . Capital	..	3,05,348	3,05,348
39	Pensions . Revenue	6,02,45,538	..	6,02,45,538
43	Loans to Government Servants, etc. Capital	21,78,69,418	..	21,78,69,418
53	Delhi . Revenue	..	73,047	73,047
90	Public Works . Revenue	1,28,53,254	..	1,28,53,254
92	Housing and Urban Development . Revenue	..	4,679	4,679
	TOTAL . . .	29,28,68,979	3,83,074	29,27,52,953

THE DELHI SIKH GURDWARAS (AMENDMENT) ACT, 1981

No. 6 OF 1981

[25th March, 1981.]

An Act further to amend the Delhi Sikh Gurdwaras Act, 1971.

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

1. (1) This Act may be called the Delhi Sikh Gurdwaras (Amendment) Act, 1981.

Short title and commencement.

(2) It shall be deemed to have come into force on the 21st day of January, 1981.

82 of 1971

2. In the Delhi Sikh Gurdwaras Act, 1971 (hereinafter referred to as the principal Act), sub-section (3) of section 16 shall be omitted.

Amendment of section 16.

2 of 1981.

3. (1) The Delhi Sikh Gurdwaras (Amendment) Ordinance, 1981, is hereby repealed.

Repeal and saving.

(2) Notwithstanding such repeal, anything done or any action taken under the principal Act, as amended by the said Ordinance, shall be deemed to have been done or taken under the principal Act, as amended by this Act.

THE SPECIAL BEARER BONDS (IMMUNITIES AND
EXEMPTIONS) ACT, 1981

No. 7 OF 1981

[27th March, 1981.]

An Act to provide for certain immunities to holders of Special Bearer Bonds, 1991 and for certain exemptions from direct taxes in relation to such bonds and for matters connected therewith.

WHEREAS for effective economic and social planning it is necessary to canalise for productive purposes black money which has become a serious threat to the national economy;

AND WHEREAS with a view to such canalisation the Central Government has decided to issue at par certain bearer bonds to be known as the Special Bearer Bonds, 1991, of the face value of ten thousand rupees and redemption value, after ten years, of twelve thousand rupees;

AND WHEREAS it is expedient to provide for certain immunities and exemptions to render it possible for persons in possession of black money to invest the same in the said Bonds;

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

Short title,
extent
and
com-
menc-
ment.

1. (1) This Act may be called the Special Bearer Bonds (Immunities and Exemptions) Act, 1981.

(2) It extends to the whole of India.

(3) It shall be deemed to have come into force on the 12th day of January, 1981.

Defini-
tion.

2. In this Act, "Special Bearer Bonds" means the Special Bearer Bonds, 1991, issued by the Central Government.

Immu-
nities.

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

(a) no person who has subscribed to or has otherwise acquired Special Bearer Bonds shall be required to disclose, for any purpose whatsoever, the nature and source of acquisition of such Bonds;

(b) no inquiry or investigation shall be commenced against any person under any such law on the ground that such person has subscribed to or has otherwise acquired Special Bearer Bonds; and

(c) the fact that a person has subscribed to or has otherwise acquired Special Bearer Bonds shall not be taken into account and shall be inadmissible as evidence in any proceedings relating to any offence or the imposition of any penalty under any such law.

(2) Nothing in sub-section (1) shall apply in relation to prosecution for any offence punishable under Chapter IX or Chapter XVII of the Indian Penal Code, the Prevention of Corruption Act, 1947 or any offence which is punishable under any other law and which is similar to an offence punishable under either of those Chapters or under that Act or for the purpose of enforcement of any civil liability.

Explanation.—For the purposes of this sub-section, “civil liability” does not include liability by way of tax under any law for the time being in force.

4. Without prejudice to the generality of the provisions of section 3, the subscription to, or acquisition of, Special Bearer Bonds by any person shall not be taken into account for the purpose of any proceedings under the Income-tax Act, 1961 (hereinafter referred to as the Income-tax Act), the Wealth-tax Act, 1957 (hereinafter referred to as the Wealth-tax Act) or the Gift-tax Act, 1958 (hereinafter referred to as the Gift-tax Act) and, in particular, no person who has subscribed to, or has otherwise acquired, the said Bonds shall be entitled—

Acquisition, etc.,
of Bonds
not to be
taken into
account
for cer-
tain pro-
ceedings

(a) to claim any set-off or relief in any assessment, re-assessment, appeal, reference or other proceeding under the Income-tax Act or to reopen any assessment or re-assessment made under that Act on the ground that he has subscribed to or has otherwise acquired the said Bonds;

(b) to claim, in relation to any period before the date of maturity of the said Bonds, that any asset which is includable in his net wealth for any assessment year under the Wealth-tax Act has been converted into the said Bonds; or

(c) to claim, in relation to any period before the date of maturity of the said Bonds, that any asset held by him or any sum credited in his books of account or otherwise held by him represents the consideration received by him for the transfer of the said Bonds.

5. In the Income-tax Act,—

(a) in section 2, in clause (14), after sub-clause (iv), the following sub-clause shall be inserted, namely:—

“(v) Special Bearer Bonds, 1991, issued by the Central Government;”;

(b) in section 10, in clause (15), after sub-clause (ia), the following sub-clause shall be inserted, namely:—

“(ib) premium on the redemption of Special Bearer Bonds, 1991;”.

Amend-
ment
of Act 43
of 1961.

Amend-
ment of
Act 27
of 1957.

6. In section 5 of the Wealth-tax Act, in sub-section (1), after clause (xviA), the following clause shall be inserted, namely:—

“(xvib) Special Bearer Bonds, 1991;”.

Amend-
ment of
Act 18
of 1958.

7. In section 5 of the Gift-tax Act, in sub-section (1), after clause (iiiA), the following clause shall be inserted, namely:—

“(iiib) of property in the form of Special Bearer Bonds, 1991;”.

Power to
remove
difficul-
ties.

8. (1) If any difficulty arises in giving effect to the provisions of this Act, the Central Government may, by order, not inconsistent with the provisions of this Act, remove the difficulty.

(2) Every order made under this section shall, as soon as may be after it is made, be laid before each House of Parliament.

Repeal
and
saving.

9. (1) The Special Bearer Bonds (Immunities and Exemptions) Ordinance, 1981, is hereby repealed.

1 of 1981.

(2) Notwithstanding such repeal, anything done or any action taken under the Ordinance so repealed shall be deemed to have been done or taken under the corresponding provisions of this Act.

THE APPROPRIATION (RAILWAYS) ACT, 1981

No. 8 OF 1981

[27th March, 1981.]

An Act to authorise payment and appropriation of certain sums from and out of the Consolidated Fund of India for the services of the financial year 1981-82 for the purposes of Railways.

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

- | | |
|--|---|
| <ol style="list-style-type: none">1. This Act may be called the Appropriation (Railways) Act, 1981.2. From and out of the Consolidated Fund of India there may be paid and applied sums not exceeding those specified in column 3 of the Schedule amounting in the aggregate to the sum of five thousand eight hundred and seven crores, eighty-three lakhs and twenty-four thousand rupees towards defraying the several charges which will come in course of payment during the financial year 1981-82, in respect of the services relating to railways specified in column 2 of the Schedule.3. The sums authorised to be paid and applied from and out of the Consolidated Fund of India by this Act shall be appropriated for the services and purposes expressed in the Schedule in relation to the said year, | <p>Short title.</p> <p>Issue of Rs. 5807, 83,24,000 out of the Consolidated Fund of India for the financial year 1981-82.</p> <p>Appropriation.</p> |
|--|---|

THE SCHEDULE
(See sections 2 and 3)

No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parlia- ment	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
1	Railway Board . . .	3,25,95,000	..	3,25,95,000
2	Miscellaneous Expen- diture (General) . . .	21,03,75,000	8,00,000	21,11,75,000
3	General Superinten- dence and Services . . .	148,24,04,000	4,00,000	148,28,04,000
4	Repairs and Mainte- nance of Permanent Way and Works . . .	260,19,68,000	4,79,000	260,24,47,000
5	Repairs and Mainte- nance of Motive Power . . .	237,47,60,000	1,81,000	237,49,41,000
6	Repairs and Main- tenance of Carriages and Wagons . . .	295,18,32,000	1,99,000	295,20,31,000
7	Repairs and Mainte- nance of Plant and Equipment . . .	141,50,08,000	1,04,000	141,51,12,000
8	Operating Expenses— Rolling Stock and Equipment . . .	288,98,30,000	5,46,000	289,03,76,000
9	Operating Expenses— Traffic . . .	305,29,24,000	23,11,000	305,52,35,000
10	Operating Expenses— Fuel . . .	623,86,66,000	1,10,000	623,87,76,000
11	Staff Welfare and Amenities . . .	100,88,35,000	1,16,000	100,89,51,000
12	Miscellaneous Work- ing Expenses . . .	139,63,84,000	3,37,28,000	143,01,12,000
13	Provident Fund, Pen- sion and other Re- tirement Benefits . . .	117,75,34,000	1,00,000	117,76,34,000
14	Appropriation to Funds	499,39,47,000	..	499,39,47,000
15	Dividend to General Revenues, Repay- ment of loan taken from General Re- venues and Amorti- zation of Over- Capitalization . . .	373,09,55,000	..	373,09,55,000
16	Assets—Acquisition, Con- struction and Re- placement. Revenue Other Expenditure	9,99,50,000 2237,56,33,000	50,000 56,00,000	10,00,00,000 2238,12,33,000
	TOTAL . . .	5803,36,00,000	4,47,34,000	5807,83,24,000

THE APPROPRIATION (RAILWAYS) NO. 2 ACT, 1981

NO. 9 OF 1981

[27th March, 1981.]

An Act to authorise payment and appropriation of certain further sums from and out of the Consolidated Fund of India for the services of the financial year 1980-81 for the purposes of Railways.

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

1. This Act may be called the Appropriation (Railways) No. 2 Act, 1981.

Short title.

2. From and out of the Consolidated Fund of India there may be paid and applied sums not exceeding those specified in column 3 of the Schedule amounting in the aggregate to the sum of two hundred and six crores, seventy-one lakhs and twenty-eight thousand rupees towards defraying the several charges which will come in course of payment during the financial year 1980-81, in respect of the services relating to Railways specified in column 2 of the Schedule.

Issue of
Rs. 206,71,
28,000.
out of the
Consoli-
dated
fund of
India for
the finan-
cial year
1980-81,

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

Appro-
priation.

THE SCHEDULE

(See sections 2 and 3)

1 No. of Vote	2 Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Conso- lidated Fund	Total
3	General Superintendence and Services	4,15,71,000	1,58,000	4,17,29,000
4	Repairs and Maintenance of Permanent Way and Works	8,14,78,000	87,000	8,15,65,000
5	Repairs and Maintenance of Motive Power	2,52,74,000	..	2,52,74,000
6	Repairs and Maintenance of Carriages and Wagons	1,79,57,000	..	1,79,57,000
7	Repairs and Maintenance of Plant and Equipment	3,94,64,000	..	3,94,64,000
8	Operating Expenses—Rolling Stock and Equipment	..	38,000	38,000
9	Operating Expenses—Traffic	7,50,03,000	..	7,50,03,000
10	Operating Expenses—Fuel	34,77,22,000	11,000	34,77,33,000
11	Staff Welfare and Amenities	9,86,000	..	9,86,000
12	Miscellaneous Working Expenses	5,70,92,000	23,76,000	5,94,68,000
13	Provident Fund, Pension and other Retirement Benefits	6,52,17,000	..	6,52,17,000
16	Assets—Acquisition, Construction and Replacement . . Other Expenditure	131,26,94,000	..	131,26,94,000
	TOTAL . .	206,44,58,000	36,70,000	206,71,28,000

THE APPROPRIATION (RAILWAYS) No. 3 ACT, 1981

No. 10 OF 1981

[27th March, 1981.]

An Act to provide for the authorisation of appropriation of moneys out of the Consolidated Fund of India to meet the amounts spent on certain services for the purposes of Railways during the financial year ended on the 31st day of March, 1978, in excess of the amounts granted for those services and for that year.

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

1. This Act may be called the Appropriation (Railways) No. 3 Act, 1981.
Short title.
2. From and out of the Consolidated Fund of India, the sums specified in column 3 of the Schedule amounting in the aggregate to the sum of forty-one crores, thirty-five lakhs, seventy-four thousand, eight hundred and sixty-four rupees shall be deemed to have been authorised to be paid and applied to meet the amounts spent for defraying the charges in respect of the services relating to Railways specified in column 2 of the Schedule during the financial year ended on the 31st day of March, 1978, in excess of the amounts granted for those services and for that year.
Issue of
Rs. 41,35,
74,864 out
of the
Consoli-
dated
Fund of
India
to meet
certain
expendi-
ture for
the year
ended on
the 31st
March,
1978.
3. The sums deemed to have been authorised to be paid and applied from and out of the Consolidated Fund of India under this Act shall be deemed to have been appropriated for the services and purposes expressed in the Schedule in relation to the financial year ended on the 31st day of March, 1978.
Appro-
priation,

THE SCHEDULE
(See sections 2 and 3)

No. of Vote	Services and purposes	Sums aggregating to		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
16	Pensionary Charges—Pension Fund	4,30,00,263	..	4,30,00,263
17	Repayment of Loans from General Revenues and Interest thereon—Development Fund	677	..	677
18	Appropriation to Development Fund	42,26,070	..	42,26,070
19	Appropriation to Revenue Reserve Fund	36,48,97,048	..	36,48,97,048
20	Payment towards Amortisation of Over-capitalisation, Repayment of loans from General Revenues and Interest thereon—Revenue Reserve Fund	59	..	59
21	Appropriation to Accident Compensation, Safety and Passenger Amenities Fund	14,50,747	..	14,50,747
TOTAL		41,35,74,864	..	41,35,74,864

THE APPROPRIATION (RAILWAYS) NO. 4 ACT, 1981

NO. II OF 1981

[27th March, 1981.]

An Act to provide for the authorisation of appropriation of moneys out of the Consolidated Fund of India to meet the amounts spent on certain services for the purposes of Railways during the financial year ended on the 31st day of March, 1979, in excess of the amounts granted for those services and for that year.

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

1. This Act may be called the Appropriation (Railways) No. 4 Act, 1981. Short title.
2. From and out of the Consolidated Fund of India, the sums specified in column 3 of the Schedule amounting in the aggregate to the sum of thirteen crores, eleven thousand, one hundred and sixty-one rupees shall be deemed to have been authorised to be paid and applied to meet the amounts spent for defraying the charges in respect of the services relating to Railways specified in column 2 of the Schedule during the financial year ended on the 31st day of March, 1979, in excess of the amounts granted for those services and for that year. Issue of Rs. 13,00,11,161 out of the Consolidated Fund of India to meet certain expenditure for the year ended on the 31st March, 1979.
3. The sums deemed to have been authorised to be paid and applied from and out of the Consolidated Fund of India under this Act shall be deemed to have been appropriated for the services and purposes expressed in the Schedule in relation to the financial year ended on the 31st day of March, 1979. Appropriation.

THE SCHEDULE
(See sections 2 and 3)

No. of Vote	Services and purposes	Sums aggregating to		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
14	Construction of New Lines—Capital and Depreciation Reserve Fund . . .	2,79,24,770	..	2,79,24,770
16	Pensionary Charges—Pension Fund . . .	7,16,26,776	..	7,16,26,776
17	Repayment of Loans from General Revenues and Interest thereon—Development Fund . . .	15,13,723	..	15,13,723
18	Appropriation to Development Fund . . .	2,89,45,892	..	2,89,45,892
	TOTAL . . .	13,00,11,161	..	13,00,11,161

THE MANIPUR APPROPRIATION (VOTE ON
ACCOUNT) ACT, 1981

No. 12 OF 1981

[29th March, 1981.]

An Act to provide for the withdrawal of certain sums from and out of the Consolidated Fund of the State of Manipur for the services of a part of the financial year 1981-82.

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

1. This Act may be called the Manipur Appropriation (Vote on Account) Act, 1981.
Short title.
2. From and out of the Consolidated Fund of the State of Manipur there may be withdrawn sums not exceeding those specified in column 3 of the Schedule amounting in the aggregate to the sum of fifty-seven crores, sixty-two lakhs and seventy-four thousand rupees towards defraying the several charges which will come in course of payment during the financial year 1981-82.
Withdrawal of
Rs. 57,62,74,000
from and out
of the Consoli-
dated Fund of
the State of
Manipur for the
financial year
1981-82.
3. The sums authorised to be withdrawn from and out of the Consolidated Fund of the State of Manipur by this Act shall be appropriated for the services and purposes expressed in the Schedule in relation to the said year.
Appropriation.

THE SCHEDULE

(See sections 2 and 3)

No. of Vote	Services and purposes for which the sum is required	Sums not exceeding		
		Voted by Parliament	Charged on the Consoli- dated Fund	Total
1	Legislature, Election and Administration of Justice . Revenue	35,60,000	2,30,000	37,90,000
2	Confidential and Cabinet Department . . . Revenue	7,20,000	1,85,000	9,05,000
3	Secretariat . . . Revenue	57,10,000	..	57,10,000
4	Land Revenue, Stamps and Registration, District Administration, Rehabilitation and Gratuitous Relief and Planning Revenue . Capital	71,80,000 40,000	..	71,80,000 40,000
5	Sales Tax, Debt Obligations, Treasury and Accounts Administration, Pension, Other Social Security and Welfare and Loans to Government Servants Revenue Capital	57,85,000 22,50,000	1,89,05,000 3,63,35,000	2,46,90,000 3,85,85,000
6	Motor Vehicles and Road Transport Department . Revenue Capital	3,90,000 18,75,000	..	3,90,000 18,75,000
7	Police, Jails, Fire Protection, Home Guards, Civil Defence and Rehabilitation Schemes Revenue Capital	5,11,04,000 20,85,000	..	5,11,04,000 20,85,000
8	Public Works . . . Revenue Capital	2,56,80,000 5,36,65,000	95,000 ..	2,57,75,000 5,36,65,000
9	Information and Public Relation and Tourism . . . Revenue Capital	11,60,000 2,50,000	..	11,60,000 2,50,000
10	Education, Stationery and Printing and other Works Revenue Capital	6,85,68,000 49,55,000	..	6,85,68,000 49,55,000
11	Medical, Health and Family Welfare . . . Revenue Capital	1,88,30,000 30,65,000	..	1,88,30,000 30,65,000

No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consoli- dated Fund	Total
			Rs.	Rs.
12	Local Self Government	Revenue Capital	16,90,000 13,75,000
13	Labour and Employment	Revenue	9,20,000	.. 9,20,000
14	Tribal and Backward Class Welfare	Revenue	1,32,70,000	.. 1,32,70,000
15	Food and Civil Supply	Revenue Capital	8,40,000 1,99,40,000 8,40,000 1,99,40,000
16	Co-operation	Revenue Capital	40,55,000 43,30,000 40,55,000 43,30,000
17	Agriculture, Soil Conservation, Area Development and Fisheries	Revenue Capital	2,13,80,000 1,54,75,000 2,13,80,000 1,54,75,000
18	Animal Husbandry and Veterinary Department including Dairy Farming	Revenue Capital	65,40,000 4,55,000 65,40,000 4,55,000
19	Forest and Soil Conservation	Revenue	67,75,000	.. 67,75,000
20	Community Development and Panchayat	Revenue	97,45,000	.. 97,45,000
21	Industries and Weights and Measures	Revenue Capital	1,51,40,000 52,40,000 1,51,40,000 52,40,000
22	Water Supply and Irrigation	Revenue Capital	1,07,50,000 6,19,40,000	2,000 .. 1,07,52,000 6,19,40,000
23	Power Projects	Revenue Capital	3,80,85,000 1,69,85,000 3,80,85,000 1,69,85,000
24	Miscellaneous Departments	Revenue	2,45,000	4,30,000 .. 6,75,000
25	Sports and Physical Training, Arts and Culture and Social Welfare	Revenue Capital	77,75,000 2,70,000 77,75,000 2,70,000
TOTAL		52,00,92,000	5,61,83,000	57,62,74,070

THE MANIPUR APPROPRIATION ACT, 1981

NO. 13 OF 1981

[29th March, 1981.]

An Act to authorise payment and appropriation of certain further sums from and out of the Consolidated Fund of the State of Manipur for the services of the financial year 1980-81.

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

Short title.

1. This Act may be called the Manipur Appropriation Act, 1981.

Issue of
Rs. 7,62,31,000
out of the
Consolidated
Fund of the
State of Mani-
pur for the
financial year
1980-81.

2. From and out of the Consolidated Fund of the State of Manipur there may be paid and applied sums not exceeding those specified in column 3 of the Schedule amounting in the aggregate to the sum of seven crores, sixty-two lakhs and thirty-one thousand rupees towards defraying the several charges which will come in course of payment during the financial year 1980-81, in respect of the services specified in column 2 of the Schedule.

Appropriation.

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

THE SCHEDULE

(See sections 2 and 3)

I No. of Vote	2 Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Consoli- dated Fund	Total
		Rs.	Rs.	Rs.
1	Legislature, Election and Justice (Revenue only)	4,15,000	..	4,15,000
2	Confidential and Cabinet Department (Revenue only)	93,000	1,86,000	2,79,000
3	Secretariat (Revenue only)	1,14,59,000	..	1,14,59,000
4	Land Revenue, Stamps & Re- gistration, District Adminis- tration, Gratuitous Relief and State Excise (Revenue only)	16,12,000	..	16,12,000
5	Sales Tax, Interest Payment, Treasury & Accounts Ad- ministration, Pension, etc. (Revenue) (Capital)	13,41,000 1,66,000	66,70,000	13,41,000 68,36,000
	Total—Demand No. 5	15,07,000	66,70,000	81,77,000
6	Motor Vehicle & Road Trans- port Department (Revenue only)	94,000	..	94,000
7	Police, Jails, Fire Protection and Home Guards (Revenue only)	1,000	..	1,000
8	Public Works, Housing, Building and Roads (Revenue) (Capital)	.. 7,03,000	1,29,000 ..	1,29,000 7,03,000
	Total—Demand No. 8	7,03,000	1,29,000	8,32,000
9	Publicity, Information and Tourism Department (Revenue only)	1,88,000	..	1,88,000
10	Education Department (Revenue) (Capital)	19,00,000 13,35,000	..	19,00,000 13,35,000
	Total—Demand No. 10	32,35,000	..	32,35,000
12	Local Self Government (Revenue) (Capital)	2,71,000 10,36,000	..	2,71,000 10,36,000
	Total—Demand No. 12	13,07,000	..	13,07,000

No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consoli- dated Fund	Total
		Rs.	Rs.	Rs.
13	Labour & Employment (Revenue only) . . .	36,000	..	36,000
14	Tribal & Backward Classes Welfare (Revenue only) . . .	6,87,000	..	6,87,000
15	Food & Civil-Supply (Capital only) . . .	25,64,000	..	25,64,000
17	Agriculture, Soil Conservation, Area Development & Fisheries (Revenue) (Capital)	36,45,000 3,14,000	36,45,000 3,14,000
	Total—Demand No. 17 . . .	39,59,000	..	39,59,000
18	Animal Husbandry and Veter- inary Department including Dairy Farming (Revenue only) . . .	1,000	..	1,000
19	Forest and Soil Conservation (Revenue only) . . .	2,62,000	..	2,62,000
20	Community Development (Revenue only) . . .	11,80,000	..	11,80,000
21	Industries and Weights and Measures (Revenue only) . . .	30,38,000	..	30,38,000
22	Irrigation, Flood Control and Water Supply Department (Capital only) . . .	1,59,42,000	..	1,59,42,000
23	Power Project (Revenue) (Capital)	92,98,000 70,00,000	92,98,000 70,00,000
	Total—Demand No. 23 . . .	1,62,98,000	..	1,62,98,000
24	Miscellaneous (Revenue only) . . .	7,000	1,88,000	1,95,000
25	Sports and Physical Training, Arts & Culture and Social Welfare (Revenue) (Capital)	44,45,000 25,000	44,45,000 25,000
	Total—Demand No. 25 . . .	44,70,000	..	44,70,000
	GRAND TOTAL . . .	6,90,58,000	71,73,000	7,62,31,000

**THE AIR (PREVENTION AND CONTROL OF POLLUTION)
ACT, 1981**

ARRANGEMENT OF SECTIONS

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2. Definitions.

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4. State Boards for the Prevention and Control of Water Pollution to be State Boards for the Prevention and Control of Air Pollution.
5. Constitution of State Boards.
6. Central Board to exercise the powers and perform the functions of a State Board in the Union territories.
7. Terms and conditions of service of members.
8. Disqualifications.
9. Vacation of seats by members.
10. Meetings of Board.
11. Constitution of committees.
12. Temporary association of persons with Board for particular purposes.
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Arrangement of Sections

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54. Power of State Government to make rules.

THE SCHEDULE.

THE AIR (PREVENTION AND CONTROL OF POLLUTION)
ACT, 1981

No. 14 OF 1981

[29th March, 1981.]

An Act to provide for the prevention, control and abatement of air pollution, for the establishment, with a view to carrying out the aforesaid purposes, of Boards, for conferring on and assigning to such Boards powers and functions relating thereto and for matters connected therewith.

WHEREAS decisions were taken at the United Nations Conference on the Human Environment held in Stockholm in June, 1972, in which India participated, to take appropriate steps for the preservation of the natural resources of the earth which, among other things, include the preservation of the quality of air and control of air pollution;

AND WHEREAS it is considered necessary to implement the decisions aforesaid in so far as they relate to the preservation of the quality of air and control of air pollution;

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

CHAPTER I

PRELIMINARY

1. (1) This Act may be called the Air (Prevention and Control of Pollution) Act, 1981.

Short title,
extent
and
commencement.

(2) It extends to the whole of India.

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

¹16th May 1981, vide Notification No. G.S.R. 351(E), dated 15-5-1981, Gazette of India, Extraordinary, Pt. II, Sec. 3(i), p. 944.

Definitions.

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

(a) "air pollutant" means any solid, liquid or gaseous substance present in the atmosphere in such concentration as may be or tend to be injurious to human beings or other living creatures or plants or property or environment;

(b) "air pollution" means the presence in the atmosphere of any air pollutant;

(c) "approved appliance" means any equipment or gadget used for the burning of any combustible material or for generating or consuming any fume, gas or particulate matter and approved by the State Board for the purposes of this Act;

(d) "approved fuel" means any fuel approved by the State Board for the purposes of this Act;

(e) "automobile" means any vehicle powered either by internal combustion engine or by any method of generating power to drive such vehicle by burning fuel;

(f) "Board" means the Central Board or a State Board;

(g) "Central Board" means the Central Board for the Prevention and Control of Water Pollution constituted under section 3 of the Water (Prevention and Control of Pollution) Act, 1974;

6 of 1974.

(h) "chimney" includes any structure with an opening or outlet from or through which any air pollutant may be emitted;

(i) "control equipment" means any apparatus, device, equipment or system to control the quality and manner of emission of any air pollutant and includes any device used for securing the efficient operation of any industrial plant;

(j) "emission" means any solid or liquid or gaseous substance coming out of any chimney, duct or flue or any other outlet;

(k) "industrial plant" means any plant used for any industrial or trade purposes and emitting any air pollutant into the atmosphere;

(l) "member" means a member of the Central Board or a State Board, as the case may be, and includes the Chairman thereof;

(m) "occupier", in relation to any factory or premises, means the person who has control over the affairs of the factory or the premises and where the said affairs are entrusted to a managing agent, such agent shall be deemed to be the occupier of the factory or the premises;

(n) "prescribed" means prescribed by rules made under this Act by the Central Government or, as the case may be, the State Government;

6 of 1974.

(o) "State Board" means,—

(i) in relation to a State in which the Water (Prevention and Control of Pollution) Act, 1974, is in force and the State Government has constituted for that State a State Board for the Prevention and Control of Water Pollution under section 4 of that Act, the said State Board; and

(ii) in relation to any other State, the State Board for the Prevention and Control of Air Pollution constituted by the State Government under section 5 of this Act.

CHAPTER II

CENTRAL AND STATE BOARDS FOR THE PREVENTION AND CONTROL OF AIR POLLUTION

5 of 1974.

3. The Central Board for the Prevention and Control of Water Pollution constituted under section 3 of the Water (Prevention and Control of Pollution) Act, 1974, shall, without prejudice to the exercise and performance of its powers and functions under that Act, exercise the powers and perform the functions of the Central Board for the Prevention and Control of Air Pollution under this Act.

6 of 1974.

4. In any State in which the Water (Prevention and Control of Pollution) Act, 1974, is in force and the State Government has constituted for that State a State Board for the Prevention and Control of Water Pollution under section 4 of that Act, such State Board shall be deemed to be the State Board for the Prevention and Control of Air Pollution constituted under section 5 of this Act and accordingly that State Board for the Prevention and Control of Water Pollution shall, without prejudice to the exercise and performance of its powers and functions under that Act, exercise the powers and perform the functions of the State Board for the Prevention and Control of Air Pollution under this Act.

6 of 1974.

5. (1) In any State in which the Water (Prevention and Control of Pollution) Act, 1974, is not in force, or that Act is in force but the State Government has not constituted a State Board for the Prevention and Control of Water Pollution under that Act, the State Government shall, with effect from such date as it may, by notification in the Official Gazette, appoint, constitute a State Board for the Prevention and Control of Air Pollution under such name as may be specified in the notification, to exercise the powers conferred on, and perform the functions assigned to, that Board under this Act.

(2) A State Board constituted under this Act shall consist of the following members, namely:—

(a) a Chairman, being a person having special knowledge or practical experience in respect of matters relating to environmental protection, to be nominated by the State Government:

Provided that the Chairman may be either whole-time or part-time as the State Government may think fit;

Central Board for the Prevention and Control of Air Pollution.

State Boards for the Prevention and Control of Water Pollution to be State Boards for the Prevention and Control of Air Pollution.

Constitution of State Boards.

(b) such number of officials, not exceeding five, as the State Government may think fit, to be nominated by the State Government to represent that Government;

(c) such number of persons, not exceeding five, as the State Government may think fit, to be nominated by the State Government from amongst the members of the local authorities functioning within the State;

(d) such number of non-officials, not exceeding three, as the State Government may think fit, to be nominated by the State Government to represent the interests of agriculture, fishery or industry or trade or labour or any other interest, which, in the opinion of that Government, ought to be represented;

(e) two persons to represent the companies or corporations owned, controlled or managed by the State Government, to be nominated by that Government;

(f) a full-time member-secretary having practical experience in respect of matters relating to environmental protection and having administrative experience, to be appointed by the State Government:

Provided that the State Government shall ensure that not less than two of the members are persons having special knowledge or practical experience in respect of matters relating to the improvement of the quality of air or the prevention, control or abatement of air pollution.

(3) Every State Board constituted under this Act shall be a body corporate with the name specified by the State Government in the notification issued under sub-section (1), having perpetual succession and a common seal with power, subject to the provisions of this Act, to acquire and dispose of property and to contract, and may by the said name sue or be sued.

6. No State Board shall be constituted for a Union territory and in relation to a Union territory, the Central Board shall exercise the powers and perform the functions of a State Board under this Act for that Union territory:

Provided that in relation to any Union territory the Central Board may delegate all or any of its powers and functions under this section to such person or body of persons as the Central Government may specify.

Central Board to exercise the powers and perform the functions of a State Board in the Union territories.

Terms and conditions of service of members.

7. (1) Save as otherwise provided by or under this Act, a member of a State Board constituted under this Act, other than the member-secretary, shall hold office for a term of three years from the date on which his nomination is notified in the Official Gazette:

Provided that a member shall, notwithstanding the expiration of his term, continue to hold office until his successor enters upon his office.

(2) The term of office of a member of a State Board constituted under this Act and nominated under clause (b) or clause (e) of sub-section (2) of section 5 shall come to an end as soon as he ceases to hold the office under the State Government or, as the case may be, the company or corporation owned, controlled or managed by the State Government, by virtue of which he was nominated.

(3) A member of a State Board constituted under this Act, other than the member-secretary, may at any time resign his office by writing under his hand addressed—

(a) in the case of the Chairman, to the State Government; and

(b) in any other case, to the Chairman of the State Board, and the seat of the Chairman or such other member shall thereupon become vacant.

(4) A member of a State Board constituted under this Act, other than the member-secretary, shall be deemed to have vacated his seat, if he is absent without reason, sufficient in the opinion of the State Board, from three consecutive meetings of the State Board or where he is nominated under clause (c) of sub-section (2) of section 5, he ceases to be a member of the local authority and such vacation of seat shall, in either case, take effect from such date as the State Government may, by notification in the Official Gazette, specify.

(5) A casual vacancy in a State Board constituted under this Act shall be filled by a fresh nomination and the person nominated to fill the vacancy shall hold office only for the remainder of the term for which the member whose place he takes was nominated.

(6) A member of a State Board constituted under this Act shall be eligible for re-nomination but not for more than two terms.

(7) The other terms and conditions of service of the Chairman and other members (except the member-secretary) of a State Board constituted under this Act shall be such as may be prescribed.

8. (1) No person shall be a member of a State Board constituted under this Act, who—

Disqualifications.

(a) is, or at any time has been, adjudged insolvent, or

(b) is of unsound mind and has been so declared by a competent court, or

(c) is, or has been, convicted of an offence which, in the opinion of the State Government, involves moral turpitude, or

(d) is, or at any time has been, convicted of an offence under this Act, or

(e) has directly or indirectly by himself or by any partner, any share or interest in any firm or company carrying on the business of manufacture, sale, or hire of machinery, industrial plant, control equipment or any other apparatus for the improvement of the quality of air or for the prevention, control or abatement of air pollution, or

(f) is a director or a secretary, manager or other salaried officer or employee of any company or firm having any contract with the Board, or with the Government constituting the Board or with a local authority in the State, or with a company or corporation owned, controlled or managed by the Government, for the carrying out of programmes for the improvement of the quality of air or for the prevention, control or abatement of air pollution, or

(g) has so abused, in the opinion of the State Government, his position as a member, as to render his continuance or the State Board detrimental to the interests of the general public.

(2) The State Government shall, by order in writing, remove any member who is, or has become, subject to any disqualification mentioned in sub-section (1):

Provided that no order of removal shall be made by the State Government under this section unless the member concerned has been given a reasonable opportunity of showing cause against the same.

(3) Notwithstanding anything contained in sub-section (1) or sub-section (6) of section 7, a member who has been removed under this section shall not be eligible to continue to hold office until his successor enters upon his office, or, as the case may be, for re-nomination as a member.

Constitu-
tion of
by mem-
bers.

9. If a member of a State Board constituted under this Act becomes subject to any of the disqualifications specified in section 8, his seat shall become vacant.

Meetings
of Board.

10. (1) For the purposes of this Act, a Board shall meet at least once in every three months and shall observe such rules of procedure in regard to the transaction of business at its meetings as may be prescribed:

Provided that if, in the opinion of the Chairman, any business of an urgent nature is to be transacted, he may convene a meeting of the Board at such time as he thinks fit for the aforesaid purpose.

(2) Copies of the minutes of the meetings under sub-section (1) shall be forwarded to the Central Board and to the State Government concerned.

Constitu-
tion of
commit-
tees.

11. (1) A Board may constitute as many committees consisting wholly of members or partly of members and partly of other persons and for such purpose or purposes as it may think fit.

(2) A committee constituted under this section shall meet at such time and at such place, and shall observe such rules of procedure in regard to the transaction of business at its meetings, as may be prescribed.

(3) The members of a committee other than the members of the Board shall be paid such fees and allowances, for attending its meetings and for attending to any other work of the Board as may be prescribed.

Tempo-
rary asso-
ciation of
persons
with

Board for
particular
purpose.

12. (1) A Board may associate with itself in such manner, and for such purposes, as may be prescribed, any person whose assistance or advice it may desire to obtain in performing any of its functions under this Act.

(2) A person associated with the Board under sub-section (1) for any purpose shall have a right to take part in the discussions of the Board relevant to that purpose, but shall not have a right to vote at a meeting of the Board and shall not be a member of the Board for any other purpose.

(3) A person associated with a Board under sub-section (1) shall be entitled to receive such fees and allowances as may be prescribed.

13. No act or proceeding of a Board or any committee thereof shall be called in question on the ground merely of the existence of any vacancy in, or any defect in the constitution of, the Board or such committee, as the case may be.

Vacancy
in Board
not to
invalidate
acts or
proceed-
ings.

14. (1) The terms and conditions of service of the member-secretary of a State Board constituted under this Act shall be such as may be prescribed.

Member-
secretary
and offi-
cers and
other em-
ployees
of State
Boards.

(2) The member-secretary of a State Board, whether constituted under this Act or not, shall exercise such powers and perform such duties as may be prescribed.

(3) Subject to such rules as may be made by the State Government in this behalf, a State Board, whether constituted under this Act or not, may appoint such officers and other employees as it considers necessary for the efficient performance of its functions under this Act.

(4) The method of appointment, the conditions of service and the scales of pay of the officers (other than the member-secretary) and other employees of a State Board appointed under sub-section (3) shall be such as may be determined by regulations made by the State Board under this Act.

(5) Subject to such conditions as may be prescribed, a State Board constituted under this Act may from time to time appoint any qualified person to be a consultant to the Board and pay him such salary and allowances or fees, as it thinks fit.

15. A State Board may, by general or special order, delegate to the Chairman or the member-secretary or any other officer of the Board subject to such conditions and limitations, if any, as may be specified in the order, such of its powers and functions under this Act as it may deem necessary.

Delega-
tion of
powers.

CHAPTER III

POWERS AND FUNCTIONS OF BOARDS

6 of 1974.

16. (1) Subject to the provisions of this Act, and without prejudice to the performance of its functions under the Water (Prevention and Control of Pollution) Act, 1974, the main functions of the Central Board shall be to improve the quality of air and to prevent, control or abate air pollution in the country.

Functions
of Central
Board.

(2) In particular and without prejudice to the generality of the foregoing functions, the Central Board may—

(a) advise the Central Government on any matter concerning the improvement of the quality of air and the prevention, control or abatement of air pollution;

(b) plan and cause to be executed a nation-wide programme for the prevention, control or abatement of air pollution;

(c) co-ordinate the activities of the State Boards and resolve disputes among them.

- (d) provide technical assistance and guidance to the State Boards, carry out and sponsor investigations and research relating to problems of air pollution and prevention, control or abatement of air pollution;
- (e) plan and organise the training of persons engaged or to be engaged in programmes for the prevention, control or abatement of air pollution on such terms and conditions as the Central Board may specify;
- (f) organise through mass media a comprehensive programme regarding the prevention, control or abatement of air pollution;
- (g) collect, compile and publish technical and statistical data relating to air pollution and the measures devised for its effective prevention, control or abatement and prepare manuals, codes or guides relating to prevention, control or abatement of air pollution;
- (h) lay down standards for the quality of air;
- (i) collect and disseminate information in respect of matters relating to air pollution;
- (j) perform such other functions as may be prescribed.

(3) The Central Board may establish or recognise a laboratory or laboratories to enable the Central Board to perform its functions under this section efficiently.

(4) The Central Board may—

- (a) delegate any of its functions under this Act generally or specially to any of the committees appointed by it;
- (b) do such other things and perform such other acts as it may think necessary for the proper discharge of its functions and generally for the purpose of carrying into effect the purposes of this Act.

**Functions
of State
Boards.**

17. (1) Subject to the provisions of this Act, and without prejudice to the performance of its functions, if any, under the Water (Prevention and Control of Pollution) Act, 1974, the functions of a State Board shall be—

6 of 1974.

- (a) to plan a comprehensive programme for the prevention, control or abatement of air pollution and to secure the execution thereof;
- (b) to advise the State Government on any matter concerning the prevention, control or abatement of air pollution;
- (c) to collect and disseminate information relating to air pollution;
- (d) to collaborate with the Central Board in organising the training of persons engaged or to be engaged in programmes relating to prevention, control or abatement of air pollution and to organise mass-education programme relating thereto;
- (e) to inspect, at all reasonable times, any control equipment, industrial plant or manufacturing process and to give, by order, such directions to such persons as it may consider necessary to take steps for the prevention, control or abatement of air pollution;

(f) to inspect air pollution control areas at such intervals as it may think necessary, assess the quality of air therein and take steps for the prevention, control or abatement of air pollution in such areas;

(g) to lay down, in consultation with the Central Board and having regard to the standards for the quality of air laid down by the Central Board, standards for emission of air pollutants into the atmosphere from industrial plants and automobiles or for the discharge of any air pollutant into the atmosphere from any other source whatsoever not being a ship or an aircraft:

Provided that different standards for emission may be laid down under this clause for different industrial plants having regard to the quantity and composition of emission of air pollutants into the atmosphere from such industrial plants;

(h) to advise the State Government with respect to the suitability of any premises or location for carrying on any industry which is likely to cause air pollution;

(i) to perform such other functions as may be prescribed or as may, from time to time, be entrusted to it by the Central Board or the State Government;

(j) to do such other things and to perform such other acts as it may think necessary for the proper discharge of its functions and generally for the purpose of carrying into effect the purposes of this Act.

(2) A State Board may establish or recognise a laboratory or laboratories to enable the State Board to perform its functions under this section efficiently.

18. In the performance of its functions under this Act—

(a) the Central Board shall be bound by such directions in writing as the Central Government may give to it; and

(b) every State Board shall be bound by such directions in writing as the Central Board or the State Government may give to it:

Power to
give
direc-
tions.

Provided that where a direction given by the State Government is inconsistent with the direction given by the Central Board, the matter shall be referred to the Central Government for its decision.

CHAPTER IV

PREVENTION AND CONTROL OF AIR POLLUTION

19. (1) The State Government may, after consultation with the State Board, by notification in the Official Gazette, declare in such manner as may be prescribed, any area or areas within the State as air pollution control area or areas for the purposes of this Act.

Power to
declare
air pollu-
tion con-
trol areas.

(2) The State Government may, after consultation with the State Board, by notification in the Official Gazette,—

(a) alter any air pollution control area whether by way of extension or reduction;

(b) declare a new air pollution control area in which may be merged one or more existing air pollution control areas or any part or parts thereof.

(3) If the State Government, after consultation with the State Board, is of opinion that the use of any fuel, other than an approved fuel, in any air pollution control area or part thereof, may cause or is likely to cause air pollution, it may, by notification in the Official Gazette, prohibit the use of such fuel in such area or part thereof with effect from such date (being not less than three months from the date of publication of the notification) as may be specified in the notification.

(4) The State Government may, after consultation with the State Board, by notification in the Official Gazette, direct that with effect from such date as may be specified therein, no appliance, other than an approved appliance, shall be used in the premises situated in an air pollution control area:

Provided that different dates may be specified for different parts of an air pollution control area or for the use of different appliances.

(5) If the State Government, after consultation with the State Board, is of opinion that the burning of any material (not being fuel) in any air pollution control area or part thereof may cause or is likely to cause air pollution, it may, by notification in the Official Gazette, prohibit the burning of such material in such area or part thereof.

Power to give instructions for ensuring standards for emission from automobiles.

Restrictions on use of certain industrial plants.

20. With a view to ensuring that the standards for emission of air pollutants from automobiles laid down by the State Board under clause (g) of sub-section (1) of section 17 are complied with, the State Government shall, in consultation with the State Board, give such instructions as may be deemed necessary to the concerned authority in charge of registration of motor vehicles under the Motor Vehicles Act, 1939, and such authority shall, notwithstanding anything contained in that Act or the rules made thereunder be bound to comply with such instructions.

4 of 1939.

21. (1) Subject to the provisions of this section, no person shall, without the previous consent of the State Board, operate any industrial plant for the purpose of any industry specified in the Schedule in an air pollution control area.

(2) An application for consent of the State Board under sub-section (1) shall be accompanied by such fees as may be prescribed and shall be made in the prescribed form and shall contain the particulars of the industrial plant and such other particulars as may be prescribed:

Provided that where any person, immediately before the declaration of any area as an air pollution control area, operates in such area any industrial plant for the purpose of any industry specified in the Schedule, such person shall make the application under this sub-section within such period (being not less than three months from the date of such declaration) as may be prescribed and where such person makes such application, he shall be deemed to be operating such industrial plant with the consent of the State Board until the consent applied for has been refused.

(3) The State Board may make such inquiry as it may deem fit in respect of the application for consent referred to in sub-section (1) and

in making any such inquiry, shall follow such procedure as may be prescribed.

(4) Within a period of four months after the receipt of the application for consent referred to in sub-section (1), the State Board shall, by order in writing, either grant or refuse, for reasons to be recorded in the order, the consent applied for.

(5) Every person to whom consent has been granted by the State Board under sub-section (4), shall comply with the following conditions, namely:—

(i) the control equipment of such specifications as the State Board may approve in this behalf shall be installed and operated in the premises where the industry is carried on or proposed to be carried on;

(ii) the existing control equipment, if any, shall be altered or replaced in accordance with the directions of the State Board;

(iii) the control equipment referred to in clause (i) or clause (ii) shall be kept at all times in good running condition;

(iv) chimney, wherever necessary, of such specifications as the State Board may approve in this behalf shall be erected or re-erected in such premises;

(v) such other conditions as the State Board may specify in this behalf; and

(vi) the conditions referred to in clauses (i), (ii) and (iv) shall be complied with within such period as the State Board may specify in this behalf:

Provided that in the case of a person operating any industrial plant for the purpose of any industry specified in the Schedule in an air pollution control area immediately before the date of declaration of such area as an air pollution control area, the period so specified shall not be less than six months:

Provided further that—

(a) after the installation of any control equipment in accordance with the specifications under clause (i), or

(b) after the alteration or replacement of any control equipment in accordance with the directions of the State Board under clause (ii), or

(c) after the erection or re-erection of any chimney under clause (iv),

no control equipment or chimney shall be altered or replaced or, as the case may be, erected or re-erected except with the previous approval of the State Board.

(6) If due to any technological improvement or otherwise the State Board is of opinion that all or any of the conditions referred to in sub-section (5) require or requires variation (including the change of any

control equipment, either in whole or in part), the State Board shall, after giving the person to whom consent has been granted an opportunity of being heard, vary all or any of such conditions and thereupon such person shall be bound to comply with the conditions as so varied.

(7) Where a person to whom consent has been granted by the State Board under sub-section (4) transfers his interest in the industry to any other person, such consent shall be deemed to have been granted to such other person and he shall be bound to comply with all the conditions subject to which it was granted as if the consent was granted to him originally.

Persons carrying on industry, etc., not to allow emission of air pollutants in excess of the standards laid down by State Board.

Furnishing of information to State Board and other agencies in certain cases.

Power of entry and inspection.

22. No person carrying on any industry specified in the Schedule or operating any industrial plant, in any air pollution control area shall discharge or cause or permit to be discharged the emission of any air pollutant in excess of the standards laid down by the State Board under clause (g) of sub-section (1) of section 17.

23. (1) Where in any air pollution control area the emission of any air pollutant into the atmosphere in excess of the standards laid down by the State Board occurs or is apprehended to occur due to accident or other unforeseen act or event, the person in charge of the premises from where such emission occurs or is apprehended to occur shall forthwith intimate the fact of such occurrence or the apprehension of such occurrence to the State Board and to such authorities or agencies as may be prescribed.

(2) On receipt of information with respect to the fact or the apprehension of any occurrence of the nature referred to in sub-section (1), whether through intimation under that sub-section or otherwise, the State Board and the authorities or agencies shall, as early as practicable, cause such remedial measures to be taken as are necessary to mitigate the emission of such air pollutants.

(3) Expenses, if any, incurred by the State Board, authority or agency with respect to the remedial measures referred to in sub-section (2) together with interest (at such reasonable rate, as the State Government may, by order, fix) from the date when a demand for the expenses is made until it is paid, may be recovered by that Board, authority or agency from the person concerned, as arrears of land revenue, or of public demand.

24. (1) Subject to the provisions of this section, any person empowered by a State Board in this behalf shall have a right to enter, at all reasonable times with such assistance as he considers necessary, any place—

(a) for the purpose of performing any of the functions of the State Board entrusted to him;

(b) for the purpose of determining whether and if so in what manner, any such functions are to be performed or whether any provisions of this Act or the rules made thereunder or any notice, order, direction or authorisation served, made, given or granted under this Act is being or has been complied with;

(c) for the purpose of examining and testing any control equipment, industrial plant, record, register, document or any other material object or for conducting a search of any place in which he has reason to believe that an offence under this Act or the rules made thereunder has been or is being or is about to be committed and for seizing any such control equipment, industrial plant, record, register, document or other material object if he has reasons to believe that it may furnish evidence of the commission of an offence punishable under this Act or the rules made thereunder.

(2) Every person carrying on any industry specified in the Schedule and every person operating any control equipment or any industrial plant, in an air pollution control area shall be bound to render all assistance to the person empowered by the State Board under sub-section (1) for carrying out the functions under that sub-section and if he fails to do so without any reasonable cause or excuse, he shall be guilty of an offence under this Act.

(3) If any person wilfully delays or obstructs any person empowered by the State Board under sub-section (1) in the discharge of his duties, he shall be guilty of an offence under this Act.

2 of 1974.

(4) The provisions of the Code of Criminal Procedure, 1973, or, in relation to the State of Jammu and Kashmir, or any area in which that Code is not in force, the provisions of any corresponding law in force in that State or area, shall, so far as may be, apply to any search or seizure under this section as they apply to any search or seizure made under the authority of a warrant issued under section 94 of the said Code or, as the case may be, under the corresponding provisions of the said law.

25. For the purposes of carrying out the functions entrusted to it, the State Board or any officer empowered by it in that behalf may call for any information (including information regarding the types of air pollutants emitted into the atmosphere and the level of the emission of such air pollutants) from the occupier or any other person carrying on any industry or operating any control equipment or industrial plant and for the purpose of verifying the correctness of such information, the State Board or such officer shall have the right to inspect the premises where such industry, control equipment or industrial plant is being carried on or operated.

Power to obtain information.

26. (1) A State Board or any officer empowered by it in this behalf shall have power to take, for the purpose of analysis, samples of air or emission from any chimney, flue or duct or any other outlet in such manner as may be prescribed.

Power to take samples of air or emission and procedure to be followed in connection therewith.

(2) The result of any analysis of a sample of emission taken under sub-section (1) shall not be admissible in evidence in any legal proceeding unless the provisions of sub-sections (3) and (4) are complied with.

(3) Subject to the provisions of sub-section (4), when a sample of emission is taken for analysis under sub-section (1), the person taking the sample shall—

(a) serve on the occupier or his agent, a notice, then and there, in such form as may be prescribed, of his intention to have it so analysed;

(b) in the presence of the occupier or his agent, collect a sample of emission for analysis;

(c) cause the sample to be placed in a container or containers which shall be marked and sealed and shall also be signed both by the person taking the sample and the occupier or his agent;

(d) send, without delay, the container or containers to the laboratory established or recognised by the State Board under section 17 or, if a request in that behalf is made by the occupier or his agent when the notice is served on him under clause (a), to the laboratory established or specified under sub-section (1) of section 28.

(4) When a sample of emission is taken for analysis under sub-section (1) and the person taking the sample serves on the occupier or his agent, a notice under clause (a) of sub-section (3), then,—

(a) in a case where the occupier or his agent wilfully absents himself, the person taking the sample shall collect the sample of emission for analysis to be placed in a container or containers which shall be marked and sealed and shall also be signed by the person taking the sample, and

(b) in a case where the occupier or his agent is present at the time of taking the sample but refuses to sign the marked and sealed container or containers of the sample of emission as required under clause (c) of sub-section (3), the marked and sealed container or containers shall be signed by the person taking the sample,

and the container or containers shall be sent without delay by the person taking the sample for analysis to the laboratory established or specified under sub-section (1) of section 28 and such person shall inform the Government analyst appointed under sub-section (1) of section 29, in writing, about the wilful absence of the occupier or his agent, or, as the case may be, his refusal to sign the container or containers.

**Reports
of the
result of
analysis
on sam-
ples
taken
under
section
28.**

27. (1) Where a sample of emission has been sent for analysis to the laboratory established or recognised by the State Board, the Board analyst appointed under sub-section (2) of section 29 shall analyse the sample and submit a report in the prescribed form of such analysis in triplicate to the State Board.

(2) On receipt of the report under sub-section (1), one copy of the report shall be sent by the State Board to the occupier or his agent referred to in section 26, another copy shall be preserved for production before the court in case any legal proceedings are taken against him and the other copy shall be kept by the State Board.

(3) Where a sample has been sent for analysis under clause (d) of sub-section (3) or sub-section (4) of section 26 to any laboratory mentioned therein, the Government analyst referred to in the said sub-section (4) shall analyse the sample and submit a report in the prescribed form of the result of the analysis in triplicate to the State Board which shall comply with the provisions of sub-section (2).

(4) Any cost incurred in getting any sample analysed at the request of the occupier or his agent as provided in clause (d) of sub-section (3) of section 26 or when he wilfully absents himself or refuses to sign the marked and sealed container or containers of sample of emission under sub-section (4) of that section, shall be payable by such occupier or his agent and in case of default the same shall be recoverable from him as arrears of land revenue or of public demand.

28. (1) The State Government may, by notification in the Official Gazette,—

State
Air Laboratory.

(a) establish one or more State Air Laboratories; or

(b) specify one or more laboratories or institutes as State Air Laboratories to carry out the functions entrusted to the State Air Laboratory under this Act.

(2) The State Government may, after consultation with the State Board, make rules prescribing—

(a) the functions of the State Air Laboratory;

(b) the procedure for the submission to the said Laboratory of samples of air or emission for analysis or tests, the form of the Laboratory's report thereon and the fees payable in respect of such report;

(c) such other matters as may be necessary or expedient to enable that Laboratory to carry out its functions.

29. (1) The State Government may, by notification in the Official Gazette, appoint such persons as it thinks fit and having the prescribed qualifications to be Government analysts for the purpose of analysis of samples of air or emission sent for analysis to any laboratory established or specified under sub-section (1) of section 28.

Analysts.

(2) Without prejudice to the provisions of section 14, the State Board may, by notification in the Official Gazette, and with the approval of the State Government, appoint such persons as it thinks fit and having the prescribed qualifications to be Board analysts for the purpose of analysis of samples of air or emission sent for analysis to any laboratory established or recognised under section 17.

30. Any document purporting to be a report signed by a Government analyst or, as the case may be, a State Board analyst may be used as evidence of the facts stated therein in any proceeding under this Act.

Reports
of ana-
lysts.

31. (1) Any person aggrieved by an order made by the State Board under this Act may, within thirty days from the date on which the order is communicated to him, prefer an appeal to such authority (hereinafter referred to as the Appellate Authority) as the State Government may think fit to constitute:

Appeals.

Provided that the Appellate Authority may entertain the appeal after the expiry of the said period of thirty days if such authority is satisfied that the appellant was prevented by sufficient cause from filing the appeal in time.

(2) The Appellate Authority shall consist of a single person or three persons as the State Government may think fit to be appointed by the State Government.

(3) The form and the manner in which an appeal may be preferred under sub-section (1), the fees payable for such appeal and the procedure to be followed by the Appellate Authority shall be such as may be prescribed.

(4) On receipt of an appeal preferred under sub-section (1), the Appellate Authority shall, after giving the appellant and the State Board an opportunity of being heard, dispose of the appeal as expeditiously as possible.

CHAPTER V

FUND, ACCOUNTS AND AUDIT

Contributions by Central Government.

32. The Central Government may, after due appropriation made by Parliament by law in this behalf, make in each financial year such contributions to the State Boards as it may think necessary to enable the State Boards to perform their functions under this Act:

Provided that nothing in this section shall apply to any State Board for the Prevention and Control of Water Pollution constituted under section 4 of the Water (Prevention and Control of Pollution) Act, 1974, which is empowered by that Act to expend money from its fund thereunder also for performing its functions, under any law for the time being in force relating to the prevention, control or abatement of air pollution.

6 of 1974.

Fund of Board.

33. (1) Every State Board shall have its own fund for the purposes of this Act and all sums which may, from time to time, be paid to it by the Central Government and all other receipts (by way of contributions, if any, from the State Government, fees, gifts, grants, donations, benefactions or otherwise) of that Board shall be carried to the fund of the Board and all payments by the Board shall be made therefrom.

(2) Every State Board may expend such sums as it thinks fit for performing its functions under this Act and such sums shall be treated as expenditure payable out of the fund of that Board.

(3) Nothing in this section shall apply to any State Board for the Prevention and Control of Water Pollution constituted under section 4 of the Water (Prevention and Control of Pollution) Act, 1974, which is empowered by that Act to expend money from its fund thereunder also for performing its functions, under any law for the time being in force relating to the prevention, control or abatement of air pollution.

6 of 1974.

Budget.

34. The Central Board or, as the case may be, the State Board shall, during each financial year, prepare, in such form and at such time as may be prescribed, a budget in respect of the financial year next ensuing showing the estimated receipt and expenditure under this Act, and copies thereof shall be forwarded to the Central Government or, as the case may be, the State Government.

Annual report.

35. (1) The Central Board shall, during each financial year, prepare, in such form and at such time as may be prescribed, an annual report giving full account of its activities under this Act during the previous financial year and copies thereof shall be forwarded to the Central Government and that Government shall cause every such report to be laid before both Houses of Parliament within six months of the date on which it is received by that Government.

(2) Every State Board shall, during each financial year, prepare, in such form and at such time as may be prescribed, an annual report giving full account of its activities under this Act during the previous financial year and copies thereof shall be forwarded to the State Government and that Government shall cause every such report to be laid before the State Legislature within a period of nine months of the date on which it is received by that Government.

36. (1) Every Board shall, in relation to its functions under this Act, maintain proper accounts and other relevant records and prepare an annual statement of accounts in such form as may be prescribed by the Central Government or, as the case may be, the State Government.

1 of 1956.

Accounts and audit.

(2) The accounts of the Board shall be audited by an auditor duly qualified to act as an auditor of companies under section 226 of the Companies Act, 1956.

(3) The said auditor shall be appointed by the Central Government or, as the case may be, the State Government on the advice of the Comptroller and Auditor-General of India.

(4) Every auditor appointed to audit the accounts of the Board under this Act shall have the right to demand the production of books, accounts, connected vouchers and other documents and papers and to inspect any of the offices of the Board.

(5) Every such auditor shall send a copy of his report together with an audited copy of the accounts to the Central Government or, as the case may be, the State Government.

(6) The Central Government shall, as soon as may be after the receipt of the audit report under sub-section (5), cause the same to be laid before both Houses of Parliament.

(7) The State Government shall, as soon as may be after the receipt of the audit report under sub-section (5), cause the same to be laid before the State Legislature.

CHAPTER VI

PENALTIES AND PROCEDURE

Failure to comply with the provisions of section 21(5) or section 22 or with orders or directions issued under the Act.

37. (1) Whoever fails to comply with the provisions of sub-section (5) of section 21 or section 22 or with any order or direction given under this Act shall, in respect of each such failure, be punishable with imprisonment for a term which may extend to three months or with fine which may extend to ten thousand rupees, or with both, and in case the failure continues, with an additional fine which may extend to one hundred rupees for every day during which such failure continues after the conviction for the first such failure.

(2) If the failure referred to in sub-section (1) continues beyond a period of one year after the date of conviction, the offender shall be punishable with imprisonment for a term which may extend to six months.

Penalties
for cer-
tain
acts

38. Whoever—

(a) destroys, pulls down, removes, injures or defaces any pillar, post or stake fixed in the ground or any notice or other matter put up, inscribed or placed, by or under the authority of the Board, or

(b) obstructs any person acting under the orders or directions of the Board from exercising his powers and performing his functions under this Act, or

(c) damages any works or property belonging to the Board, or

(d) fails to furnish to the Board or any officer or other employee of the Board any information required by the Board or such officer or other employee for the purpose of this Act, or

(e) fails to intimate the occurrence of the emission of air pollutants into the atmosphere in excess of the standards laid down by the State Board or the apprehension of such occurrence, to the State Board and other prescribed authorities or agencies as required under sub-section (1) of section 23, or

(f) in giving any information which he is required to give under this Act, makes a statement which is false in any material particular, or

(g) for the purpose of obtaining any consent under section 21, makes a statement which is false in any material particular,

shall be punishable with imprisonment for a term which may extend to three months or with fine which may extend to five hundred rupees or with both.

Penalty
for con-
traven-
tion of
certain
provision
of the
Act.

Offences
by com-
panies.

39. Whoever contravenes any of the provisions of this Act, for which no penalty has been elsewhere provided in this Act, shall be punishable with fine which may extend to five thousand rupees, and in the case of continuing contravention, with an additional fine which may extend to one hundred rupees for every day during which such contravention continues after conviction for the first such contravention.

40. (1) Where an offence under this Act has been committed by a company, every person who, at the time the offence was committed, was directly in charge of, and was responsible to, the company for the conduct of the business of the company, as well as the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly:

Provided that nothing contained in this sub-section shall render any such person liable to any punishment provided in this Act, if he proves that the offence was committed without his knowledge or that he exercised all due diligence to prevent the commission of such offence.

(2) Notwithstanding anything contained in sub-section (1), where an offence under this Act has been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or is attributable to any neglect on the part of, any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall also be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

Explanation.—For the purposes of this section,—

(a) "company" means any body corporate, and includes a firm or other association of individuals; and

(b) "director", in relation to a firm, means a partner in the firm.

41. (1) Where an offence under this Act has been committed by any Department of Government, the Head of the Department shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly:

Provided that nothing contained in this section shall render such Head of the Department liable to any punishment if he proves that the offence was committed without his knowledge or that he exercised all due diligence to prevent the commission of such offence.

(2) Notwithstanding anything contained in sub-section (1), where an offence under this Act has been committed by a Department of Government and it is proved that the offence has been committed with the consent or connivance of, or is attributable to any neglect on the part of, any officer, other than the Head of the Department, such officer shall also be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

42. No suit, prosecution or other legal proceeding shall lie against the Government or any officer of the Government or any member or any officer or other employee of the Board in respect of anything which is done or intended to be done in good faith in pursuance of this Act or the rules made thereunder.

43. No court shall take cognizance of any offence under this Act except on a complaint made by, or with the previous sanction in writing of, the State Board, and no court inferior to that of a Metropolitan Magistrate or a Judicial Magistrate of the first class shall try any offence punishable under this Act.

44. All the members and all officers and other employees of a Board when acting or purporting to act in pursuance of any of the provisions of this Act or the rules made thereunder shall be deemed to be public servants within the meaning of section 21 of the Indian Penal Code.

Offences
by Gov-
ernment
Depart-
ments.

Protection
of action
taken in
good
faith.

Cogni-
zance of
offences.

Members,
officers
and em-
ployees
of Board
to be
public
servants.

Reports
and
returns.

45. The Central Board shall, in relation to its functions under this Act, furnish to the Central Government, and a State Board shall, in relation to its functions under this Act, furnish to the State Government and to the Central Board such reports, returns, statistics, accounts and other information as that Government, or, as the case may be, the Central Board may, from time to time, require.

Bar of
jurisdi-
ction.

46. No civil court shall have jurisdiction to entertain any suit or proceeding in respect of any matter which an Appellate Authority constituted under this Act is empowered by or under this Act to determine, and no injunction shall be granted by any court or other authority in respect of any action taken or to be taken in pursuance of any power conferred by or under this Act.

CHAPTER VII

MISCELLANEOUS

Power of
State
Govern-
ment to
supersede
State
Board.

47. (1) If at any time the State Government is of opinion—

(a) that a State Board constituted under this Act has persistently made default in the performance of the functions imposed on it by or under this Act, or

(b) that circumstances exist which render it necessary in the public interest so to do,

the State Government may, by notification in the Official Gazette, supersede the State Board for such period, not exceeding six months, as may be specified in the notification:

Provided that before issuing a notification under this sub-section for the reasons mentioned in clause (a), the State Government shall give a reasonable opportunity to the State Board to show cause why it should not be superseded and shall consider the explanations and objections, if any, of the State Board.

(2) Upon the publication of a notification under sub-section (1) superseding the State Board,—

(a) all the members shall, as from the date of supersession, vacate their offices as such;

(b) all the powers, functions and duties which may, by or under this Act, be exercised, performed or discharged by the State Board shall, until the State Board is reconstituted under sub-section (3), be exercised, performed or discharged by such person or persons as the State Government may direct;

(c) all property owned or controlled by the State Board shall, until the Board is reconstituted under sub-section (3), vest in the State Government.

(3) On the expiration of the period of supersession specified in the notification issued under sub-section (1), the State Government may—

(a) extend the period of supersession for such further term, not exceeding six months, as it may consider necessary; or

(b) reconstitute the State Board by a fresh nomination or appointment, as the case may be, and in such case any person who vacated his office under clause (a) of sub-section (2) shall also be eligible for nomination or appointment:

Provided that the State Government may at any time before the expiration of the period of supersession, whether originally specified under sub-section (1) or as extended under this sub-section, take action under clause (b) of this sub-section.

6 of 1974.

48. Where the Central Board or any State Board constituted under the Water (Prevention and Control of Pollution) Act, 1974, is superseded by the Central Government or the State Government, as the case may be, under that Act, all the powers, functions and duties of the Central Board or such State Board under this Act shall be exercised, performed or discharged during the period of such supersession by the person or persons, exercising, performing or discharging the powers, functions and duties of the Central Board or such State Board under the Water (Prevention and Control of Pollution) Act, 1974, during such period.

Special provision in the case of supersession of the Central Board or the State Boards constituted under the Water (Prevention and Control of Pollution) Act, 1974.

6 of 1974.

49. (1) As and when the Water (Prevention and Control of Pollution) Act, 1974, comes into force in any State and the State Government constitutes a State Board for the Prevention and Control of Water Pollution under that Act, the State Board constituted by the State Government under this Act shall stand dissolved and the Board first-mentioned shall exercise the powers and perform the functions of the Board second-mentioned in that State.

Dissolution of State Boards constituted under the Act.

(2) On the dissolution of the State Board constituted under this Act,—

(a) all the members shall vacate their offices as such;

(b) all moneys and other property of whatever kind (including the fund of the State Board) owned by, or vested in, the State Board, immediately before such dissolution, shall stand transferred to and vest in the State Board for the Prevention and Control of Water Pollution;

(c) every officer and other employee serving under the State Board immediately before such dissolution shall be transferred to and become an officer or other employee of the State Board for the Prevention and Control of Water Pollution and hold office by the same tenure and at the same remuneration and on the same terms and conditions of service as he would have held the same if the State Board constituted under this Act had not been dissolved and shall continue to do so unless and until such tenure, remuneration and terms and conditions of service are duly altered by the State Board for the Prevention and Control of Water Pollution:

Provided that the tenure, remuneration and terms and conditions of service of any such officer or other employee shall not be altered to his disadvantage without the previous sanction of the State Government;

(d) all liabilities and obligations of the State Board of whatever kind, immediately before such dissolution, shall be deemed to be the liabilities or obligations, as the case may be, of the State Board for the Prevention and Control of Water Pollution and any proceeding or cause of action, pending or existing immediately before such dissolution by or against the State Board constituted under this Act in relation to such liability or obligation may be continued and enforced by or against the State Board for the Prevention and Control of Water Pollution.

Power to amend the Schedule.

50. (1) The Central Government may, of its own motion or on the recommendation of a Board, by notification in the Official Gazette, add to, or omit from, the Schedule any industry or alter the description of any industry and thereupon the Schedule shall be deemed to be amended accordingly.

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

**Mainten-
ance of
register.**

51. (1) Every State Board shall maintain a register containing particulars of the persons to whom consent has been granted under section 21, the standards for emission laid down by it in relation to each such consent and such other particulars as may be prescribed.

(2) The register maintained under sub-section (1) shall be open to inspection at all reasonable hours by any person interested in or affected by such standards for emission or by any other person authorised by such person in this behalf.

Effect of other laws.

52. Save as otherwise provided by or under the Atomic Energy Act, 1962, in relation to radioactive air pollution the provisions of this Act shall have effect notwithstanding anything inconsistent therewith contained in any enactment other than this Act.

33 of 1962.

**Power of Central Govern-
ment to make rules.**

53. (1) The Central Government may, in consultation with the Central Board, by notification in the Official Gazette, make rules in respect of the following matters, namely:—

(a) the intervals and the time and place at which meetings of the Central Board or any committee thereof shall be held and the procedure to be followed at such meetings, including the quorum necessary for the transaction of business thereat, under sub-section (1) of section 10 and under sub-section (2) of section 11;

(b) the fees and allowances to be paid to the members of a committee of the Central Board, not being members of the Board, under sub-section (3) of section 11;

(c) the manner in which and the purposes for which persons may be associated with the Central Board under sub-section (1) of section 12;

- (d) the fees and allowances to be paid under sub-section (3) of section 12 to persons associated with the Central Board under sub-section (1) of section 12;
- (e) the functions to be performed by the Central Board under clause (j) of sub-section (2) of section 16;
- (f) the form in which and the time within which the budget and the annual report of the Central Board may be prepared and forwarded to the Central Government under sections 34 and 35;
- (g) the form in which the accounts of the Central Board may be maintained under sub-section (1) of section 36.

(2) Every rule made by the Central Government under this Act shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

54. (1) Subject to the provisions of sub-section (3), the State Government may, by notification in the Official Gazette, make rules to carry out the purposes of this Act in respect of matters not falling within the purview of section 53.

Power
of State
Govern-
ment to
make
rules.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

- (a) the terms and conditions of service of the Chairman and other members (other than the member-secretary) of the State Board constituted under this Act under sub-section (7) of section 7;
- (b) the intervals and the time and place at which meetings of the State Board or any committee thereof shall be held and the procedure to be followed at such meetings, including the quorum necessary for the transaction of business thereat, under sub-section (1) of section 10 and under sub-section (2) of section 11;
- (c) the fees and allowances to be paid to the members of a committee of the State Board, not being members of the Board under sub-section (3) of section 11;
- (d) the manner in which and the purposes for which persons may be associated with the State Board under sub-section (1) of section 12;
- (e) the fees and allowances to be paid under sub-section (3) of section 12 to persons associated with the State Board under sub-section (1) of section 12;

- (f) the terms and conditions of service of the member-secretary of a State Board constituted under this Act under sub-section (1) of section 14;
- (g) the powers and duties to be exercised and discharged by the member-secretary of a State Board under sub-section (2) of section 14;
- (h) the conditions subject to which a State Board may appoint such officers and other employees as it considers necessary for the efficient performance of its functions under sub-section (3) of section 14;
- (i) the conditions subject to which a State Board may appoint a consultant under sub-section (5) of section 14;
- (j) the functions to be performed by the State Board under clause (i) of sub-section (1) of section 17;
- (k) the manner in which any area or areas may be declared as air pollution control area or areas under sub-section (1) of section 19;
- (l) the form of application for the consent of the State Board, the fees payable therefor, the period within which such application shall be made and the particulars it may contain, under sub-section (2) of section 21;
- (m) the procedure to be followed in respect of an inquiry under sub-section (3) of section 21;
- (n) the authorities or agencies to whom information under sub-section (1) of section 23 shall be furnished;
- (o) the manner in which samples of air or emission may be taken under sub-section (1) of section 26;
- (p) the form of the notice referred to in sub-section (3) of section 26;
- (q) the form of the report of the State Board analyst under sub-section (1) of section 27;
- (r) the form of the report of the Government analyst under sub-section (3) of section 27;
- (s) the functions of the State Air Laboratory, the procedure for the submission to the said Laboratory of samples of air or emission for analysis or tests, the form of Laboratory's report thereon, the fees payable in respect of such report and other matters as may be necessary or expedient to enable that Laboratory to carry out its functions, under sub-section (2) of section 28;
- (t) the qualifications required for Government analysts under sub-section (1) of section 29;
- (u) the qualifications required for State Board analysts under sub-section (2) of section 29;
- (v) the form and the manner in which appeals may be preferred, the fees payable in respect of such appeals and the procedure to be followed by the Appellate Authority in disposing of the appeals under sub-section (3) of section 31;

(w) the form in which and the time within which the budget and annual report of the State Board may be prepared and forwarded to the State Government under sections 34 and 35;

(x) the form in which the accounts of the State Board may be maintained under sub-section (1) of section 36;

(y) the particulars which the register maintained under section 51 may contain;

(z) any other matter which has to be, or may be, prescribed.

(3) After the first constitution of the State Board, no rule with respect to any of the matters referred to in sub-section (2) [other than those referred to in clause (a) thereof], shall be made, varied, amended or repealed without consulting that Board.

THE SCHEDULE

(See sections 21, 22, 24 and 50)

1. Asbestos and asbestos products industries.
2. Cement and cement products industries.
3. Ceramic and ceramic products industries.
4. Chemical and allied industries.
5. Coal and lignite based chemical industries.
6. Engineering industries.
7. Ferrous metallurgical industries.
8. Fertilizer industries.
9. Foundries.
10. Food and agricultural products industries.
11. Mining industry.
12. Non-ferrous metallurgical industries
13. Ores/mineral processing industries including beneficiation, pelletization, etc.
14. Power (coal, petroleum and their products) generating plants and boiler plants.
15. Paper and pulp (including paper products) industries.
16. Textile processing industry (made wholly or in part of cotton).
17. Petroleum refineries.
18. Petroleum products and petro-chemical industries.
19. Plants for recovery from and disposal of wastes.
20. Incinerators.

THE APPROPRIATION (No. 4) ACT, 1981

NO. 15 OF 1981

[1st May, 1981.]

An Act to authorise payment and appropriation of certain sums from and out of the Consolidated Fund of India for the services of the financial year 1981-82.

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

Short title.

Issue of Rs.
73784,98,09,000
out of the
Consolidated
Fund of India
for the year
1981-82.

Appropriation.

Construction
of referen-
ces to Minis-
tries and
Departments
in the Sche-
dule.

1. This Act may be called the Appropriation (No. 4) Act, 1981.

2. From and out of the Consolidated Fund of India there may be paid and applied sums not exceeding those specified in column 3 of the Schedule amounting in the aggregate [inclusive of the sums specified in column 3 of the Schedule to the Appropriation (Vote on Account) Act, 1981] to the sum of seventy-three thousand seven hundred and eighty-four crores, ninety-eight lakhs and nine thousand rupees towards defraying the several charges which will come in course of payment during the financial year 1981-82 in respect of the services specified in column 2 of the Schedule.

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

4. References to Ministries or Departments in the Schedule are to such Ministries or Departments as existing immediately before the 16th February, 1981, and shall, on or after that date, be construed as references to the appropriate Ministries or Departments as reconstituted from time to time.

THE SCHEDULE
(See sections 2, 3 and 4)

1 No. of Vote	2 Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Consoli- dated Fund	Total
1	Department of Agriculture and Co-operation . . Revenue	3,18,45,000	10,000	3,18,55,000
2	Agriculture . . Revenue Capital	75,83,27,000 1259,76,62,000	175,00,40,000	75,83,27,000 1434,77,02,000
3	Fisheries . . Revenue Capital	17,89,13,000 17,40,30,000	17,89,13,000 17,40,30,000
4	Animal Husbandry and Dairy Development . . Revenue Capital	107,68,98,000 15,81,50,000	20,000 3,50,000	107,64,18,000 15,85,00,000
5	Forest . . Revenue Capital	24,43,51,000 81,00,000	5,24,50,000	24,43,51,000 6,05,50,000
6	Co-operation . . Revenue Capital	16,61,50,000 116,32,75,000	7,24,75,000	16,61,50,000 123,57,50,000
7	Department of Food . . Revenue Capital	660,38,23,000 51,57,73,000	10,60,000 1,00,000	660,48,83,000 51,58,73,000
8	Department of Agricultural Research and Education . . Revenue	33,44,000	..	33,44,000
9	Payments to Indian Council of Agricultural Research . . Revenue	101,80,89,000	..	101,80,89,000
10	Ministry of Civil Supplies . . Revenue Capital	6,00,77,000 8,38,75,000	374,50,000	6,00,77,000 12,13,25,000
11	Ministry of Commerce . . Revenue	1,83,12,000	..	1,83,12,000
12	Foreign Trade and Export Production . . Revenue Capital	459,96,53,000 62,38,00,000	..	459,96,53,000 62,38,00,000
13	Textiles, Handloom and Handicrafts . . Revenue Capital	141,42,05,000 50,41,95,000	10,56,67,000	141,42,05,000 60,98,62,000
14	Ministry of Communications . . Revenue Capital	3,16,20,000 16,14,00,000	..	3,16,20,000 16,14,00,000
15	Overseas Communications Service . . Revenue Capital	21,38,17,000 22,24,60,000	40,000	21,38,17,000 22,25,00,000
16	Posts and Telegraphs Working Expenses . . Revenue	956,78,09,000	50,000	956,78,59,000

No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consoli- dated Fund	Total
		Rs.	Rs.	Rs.
17	Posts and Telegraphs — Dividend to General Revenues, Appropriation to Reserve Funds and Repayment of Loans from General Revenues . . . Revenue	256,93,34,000	..	256,93,34,000
18	Capital Outlay on Posts and Telegraphs . . . Capital	512,00,73,000	1,00,000	512,01,73,000
19	Ministry of Defence . . . Revenue Capital	156,78,40,000 104,93,57,000	2,62,60,000	156,78,40,000 107,56,17,000
20	Defence Services—Army . . . Revenue	2424,42,51,000	1,00,00,000	2425,42,51,000
21	Defence Services—Navy . . . Revenue	299,25,50,000	1,50,000	299,27,00,000
22	Defence Services—Air Force . . . Revenue	991,85,00,000	2,00,000	991,87,00,000
23	Defence Services—Pensions . . . Revenue	283,15,65,000	75,000	283,16,40,000
24	Capital Outlay on Defence Services . . . Capital	403,64,00,000	2,50,00,000	406,14,00,000
25	Department of Education . . . Revenue	2,15,37,000	..	2,15,37,000
26	Education . . . Revenue Capital	279,06,79,000 12,44,40,000	4,00,00,000	279,06,79,000 16,44,40,000
27	Department of Culture . . . Revenue	14,80,10,000	..	14,80,10,000
28	Archaeology . . . Revenue	7,56,50,000	..	7,56,50,000
29	Department of Coal . . . Revenue Capital	103,64,49,000 616,18,02,000	..	103,64,49,000 616,18,02,000
30	Department of Power . . . Revenue Capital	89,00,07,000 743,82,21,000	18,71,00,000	89,00,07,000 762,53,21,000
31	Ministry of External Affairs . . . Revenue Capital	154,39,61,000 28,71,07,000	25,000	154,39,86,000 28,71,07,000
32	Ministry of Finance . . . Revenue Capital	42,61,08,000 1,52,51,000	25,000	42,61,33,000 1,52,51,000
33	Customs . . . Revenue Capital	41,17,52,000 17,25,00,000	45,000	41,17,97,000 17,25,00,000
34	Union Excise Duties . . . Revenue	59,05,51,000	5,51,000	59,11,02,000
35	Taxes on Income, Estate Duty, Wealth Tax and Gift Tax . . . Revenue	61,19,10,000	2,03,000	61,21,13,000
36	Stamps . . . Revenue Capital	26,89,24,000 5,32,20,000	..	26,89,24,000 5,32,20,000
37	Audit . . . Revenue	72,48,24,000	1,35,27,000	73,83,51,000

1 No. of Vote	2 Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Consoli- dated Fund	Total
		Rs.	Rs.	Rs.
38	Currency, Coinage and Mint . . . Revenue Capital	49,28,39,000 21,57,59,000	..	49,28,39,000 21,57,59,000
39	Pensions . . . Revenue	81,66,00,000	50,00,000	82,16,00,000
40	Opium and Alkaloid Factories . . . Revenue Capital	38,60,89,000 1,13,73,000	1,000 ..	38,60,89,000 1,13,73,000
41	Transfers to State Governments . . . Revenue Capital	1158,27,81,000 ..	3399,68,00,000 2892,50,20,000	4557,95,81,000 2892,50,20,000
CHARGED—				
	<i>Interest Payments</i> . . . Revenue	..	3123,80,35,000	3123,80,35,000
42	Other Expenditure of the Ministry of Finance . . . Revenue Capital	381,54,55,000 394,66,52,000	2,37,000 ..	381,56,92,000 394,66,52,000
43	Loans to Government Servants, etc. Capital	88,00,00,000	..	88,00,00,000
CHARGED—				
	<i>Repayment of Debt</i> . . . Capital	..	42908,23,78,000	42908,23,78,000
44	Ministry of Health and Family Welfare Revenue	1,15,07,000	..	1,15,07,000
45	Medical and Public Health . . . Revenue Capital	188,04,83,000 71,17,25,000	5,000 ..	188,04,83,000 71,17,25,000
46	Family Welfare . . . Revenue Capital	171,22,12,000 1,00,000	171,22,12,000 1,00,000
47	Ministry of Home Affairs . . . Revenue	3,64,46,000	..	3,64,46,000
48	Cabinet . . . Revenue	1,61,65,000	..	1,61,65,000
49	Department of Personnel and Administrative Reforms . . . Revenue Capital	9,39,50,000 ..	5,000 2,00,00,000	9,39,55,000 2,00,00,000
50	Police . . . Revenue Capital	296,61,39,000 10,37,29,000	1,30,000 5,01,00,000	296,62,69,000 15,38,29,000
51	Census . . . Revenue	41,05,09,000	..	41,05,09,000
52	Other Expenditure of the Ministry of Home Affairs . . . Revenue Capital	363,51,10,000 124,00,87,000	104,31,83,000 1,28,22,000	467,82,93,000 125,29,09,000
53	Delhi . . . Revenue Capital	212,64,09,000 128,93,81,000	90,35,000 4,50,00,000	213,54,44,000 133,43,81,000
54	Chandigarh . . . Revenue Capital	33,87,33,000 14,74,66,000	1,11,01,000 1,15,00,000	34,98,34,000 15,89,66,000
55	Andaman and Nicobar Islands . . . Revenue Capital	34,81,58,000 21,29,32,000	8,000 ..	34,81,66,000 21,29,32,000

1 No. of Vote	2 Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Consoli- dated Fund	Total
56	Dadra and Nagar Haveli . . . Revenue Capital	Rs. 3,55,29,000 5,01,86,000	Rs.	Rs. 3,55,29,000 5,01,86,000
57	Lakshadweep . . . Revenue Capital	Rs. 7,16,16,000 8,07,37,000	Rs.	Rs. 7,16,16,000 8,07,37,000
58	Ministry of Industry . . . Revenue	Rs. 3,72,36,000	Rs. ..	Rs. 3,72,36,000
59	Industries . . . Revenue Capital	Rs. 39,39,33,000 346,26,57,000	Rs.	Rs. 39,39,33,000 346,26,57,000
60	Village and Small Industries . . . Revenue Capital	Rs. 25,17,51,000 6,09,55,000	Rs. 5,00,00,000 7,09,00,000	Rs. 30,17,51,000 13,18,55,000
61	Ministry of Information and Broadcasting . . . Revenue	Rs. 1,01,22,000	Rs. ..	Rs. 1,01,22,000
62	Information and Publicity . . . Revenue Capital	Rs. 25,57,75,000 1,48,21,000	Rs.	Rs. 25,57,75,000 1,48,21,000
63	Broadcasting . . . Revenue Capital	Rs. 86,82,40,000 34,18,48,000	Rs. 1,00,000	Rs. 86,82,40,000 34,19,48,000
64	Ministry of Irrigation . . . Revenue Capital	Rs. 81,10,63,000 13,81,76,000	Rs. 41,89,08,000	Rs. 81,10,63,000 55,20,84,000
65	Ministry of Labour . . . Revenue	Rs. 97,27,000	Rs. ..	Rs. 97,27,000
66	Labour and Employment . . . Revenue Capital	Rs. 72,69,63,000 12,75,000	Rs. 25,000	Rs. 72,69,88,000 12,75,000
67	Ministry of Law, Justice and Company Affairs . . . Revenue Capital	Rs. 23,57,34,000 1,00,000	Rs.	Rs. 23,57,34,000 1,00,000
68	Administration of Justice . . . Revenue	Rs. 1,12,97,000	Rs. 1,14,15,000	Rs. 2,27,12,000
69	Ministry of Petroleum, Chemicals and Fertilizers . . . Revenue	Rs. 1,16,37,000	Rs. ..	Rs. 1,16,37,000
70	Petroleum and Petro-Chemicals Industries . . . Revenue Capital	Rs. 102,39,15,000 204,58,16,000	Rs.	Rs. 102,39,15,000 204,58,16,000
71	Chemicals and Fertilizers Industries . . . Revenue Capital	Rs. 324,91,01,000 284,88,07,000	Rs.	Rs. 324,91,01,000 284,88,07,000
72	Ministry of Planning . . . Revenue	Rs. 4,39,000	Rs. ..	Rs. 4,39,000
73	Statistics . . . Revenue	Rs. 17,88,69,000	Rs. ..	Rs. 17,88,69,000
74	Planning Commission . . . Revenue	Rs. 5,57,42,000	Rs. ..	Rs. 5,57,42,000
75	Ministry of Rural Reconstruction . . . Revenue Capital	Rs. 450,76,03,000 73,55,26,000	Rs. 6,000	Rs. 450,76,09,000 73,55,26,000
76	Ministry of Shipping and Transport . . . Revenue	Rs. 3,63,43,000	Rs. 10,000	Rs. 3,63,53,000

1 No. of Vote	2 Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Consoli- dated Fund	Total
		Rs.	Rs.	
77	Roads . . . Revenue Capital	140,05,42,000 135,53,89,000	30,000 16,13,00,000	140,05,72,000 152,66,89,000
78	Ports, Lighthouses and Shipping . . . Revenue Capital	65,50,04,000 180,57,74,000	4,000 1,50,00,000	65,50,08,000 182,07,74,000
79	Road and Inland Water Transport . . . Revenue Capital	2,11,64,000 24,84,18,000	44,10,000	2,11,64,000 25,28,28,000
80	Ministry of Social Welfare . . . Revenue Capital	47,59,36,000 93,70,000	..	47,59,36,000 93,70,000
81	Department of Steel . . . Revenue Capital	15,40,33,000 560,75,41,000	5,91,30,000	15,40,33,000 566,66,71,000
82	Department of Mines . . . Revenue Capital	69,28,71,000 216,97,00,000	3,85,000 11,00,000	69,32,56,000 217,08,00,000
83	Department of Supply . . . Revenue	27,21,000	..	27,21,000
84	Supplies and Disposals . . . Revenue	9,48,59,000	25,00,000	9,73,59,000
85	Department of Rehabilitation . . . Revenue Capital	26,31,84,000 7,12,93,000	1,20,000 10,34,14,000	26,33,04,000 17,47,07,000
86	Ministry of Tourism and Civil Aviation . . . Revenue	73,11,000	..	73,11,000
87	Meteorology . . . Revenue Capital	17,73,78,000 7,57,25,000	..	17,73,78,000 7,57,25,000
88	Aviation . . . Revenue Capital	31,02,88,000 94,02,24,000	20,000 2,00,000	31,03,08,000 94,02,24,000
89	Tourism . . . Revenue Capital	5,50,74,000 12,55,56,000	..	5,50,74,000 12,55,56,000
90	Ministry of Works and Housing . . . Revenue	1,47,64,000	..	1,47,64,000
91	Public Works . . . Revenue Capital	124,11,35,000 40,01,74,000	1,05,000 15,00,000	124,12,40,000 40,16,74,000
92	Water Supply and Sewerage . . . Revenue	117,45,00,000	..	117,45,00,000
93	Housing and Urban Development . . . Revenue Capital	26,60,46,000 51,99,97,000	91,25,000 19,39,42,000	27,51,71,000 71,39,39,000
94	Stationery and Printing . . . Revenue	47,77,30,000	8,000	47,77,38,000
95	Department of Atomic Energy . . . Revenue	68,11,000	..	68,11,000
96	Atomic Energy Research, Development and Industrial Projects . . . Revenue Capital	118,37,19,000 105,07,58,000	..	118,37,19,000 105,07,58,000
97	Nuclear Schemes Power . . . Revenue Capital	81,84,19,000 83,02,93,000	..	81,84,19,000 83,02,93,000

No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consoli- dated Fund	Total
		Rs.	Rs.	Rs.
98	Department of Electronics . . Revenue Capital	14,18,06,000 9,04,00,000	..	14,18,06,000 9,04,00,000
99	Department of Environment . . Revenue	6,03,11,000	..	6,03,11,000
100	Department of Science and Technology . . Revenue Capital	40,22,26,000 1,92,00,000	..	40,22,26,000 1,92,00,000
101	Survey of India . . Revenue Capital	27,71,22,000 5,77,000	..	27,71,22,000 5,77,000
102	Grants to Council of Scientific and Industrial Research . . Revenue	74,79,95,000	..	74,79,95,000
103	Department of Space . . Revenue Capital	55,23,76,000 51,89,49,000	1,00,000	55,23,76,000 51,89,49,000
104	Lok Sabha . . Revenue	7,09,20,000	1,78,000	7,10,98,000
105	Rajya Sabha . . Revenue	2,53,68,000	1,05,000	2,54,73,000
106	Department of Parliamentary Affairs . . Revenue	25,83,000	..	25,83,000
CHARGED—Staff, Household and Allowances of the President . .		Revenue	..	77,92,000
107	Secretariat of the Vice-President . . Revenue	6,40,000	..	6,40,000
CHARGED—Union Public Service Commission . .		Revenue	..	3,12,17,000
TOTAL		20993,34,27,000	52791,63,82,000	73784,98,09,000

THE FINANCE ACT, 1981

ARRANGEMENT OF SECTIONS

CHAPTER I

PRELIMINARY

SECTIONS

1. Short title and commencement.

CHAPTER II

RATES OF INCOME-TAX

2. Income-tax.

CHAPTER III

DIRECT TAXES

Income-tax

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4. Amendment of section 16.
5. Amendment of section 32A.
6. Amendment of section 33A.
7. Amendment of section 36.
8. Amendment of section 42.
9. Amendment of section 80D.
10. Amendment of section 80HHA.
11. Amendment of section 80M.
12. Amendment of section 80QQ.
13. Amendment of section 86.
14. Amendment of section 160.
15. Insertion of new section 164A.
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17. Amendment of section 208.
18. Amendment of section 252.
19. Amendment of section 253.
20. Amendment of section 256.
21. Amendment of section 269G.
22. Insertion of new section 293A.
23. Amendment of Ninth Schedule.
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*Arrangement of Sections**Wealth-tax***SECTIONS**

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27. Insertion of new section 21AA.
28. Amendment of section 24.
29. Amendment of section 26.
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31. Amendment of section 41.

Gift-tax

32. Amendment of section 23.
33. Amendment of section 25.
34. Amendment of section 26.

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35. Amendment of section 2.
36. Insertion of new sections 7A to 7D.
37. Insertion of new section 9A.
38. Amendment of section 10.
39. Amendment of section 11.
40. Amendment of section 12.
41. Amendment of section 18.
42. Insertion of new section 24AA.
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44. Amendment of Act 45 of 1974.

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46. Amendment of Act 51 of 1975.
47. Auxiliary duties of customs.
48. Amendment of Act 1 of 1944.
49. Special duties of excise.
50. Amendment of Act 58 of 1957.
51. Amendment of Act 40 of 1978
52. Amendment of Act 16 of 1955.

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53. Amendment of Act 38 of 1974.

THE FIRST SCHEDULE

THE SECOND SCHEDULE

THE THIRD SCHEDULE

THE FOURTH SCHEDULE

THE FINANCE ACT, 1981

No. 16 OF 1981

[12th May, 1981.]

An Act to give effect to the financial proposals of the Central Government for the financial year 1981-82.

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

CHAPTER I

PRELIMINARY

1. (1) This Act may be called the Finance Act, 1981.

Short title and commencement,

(2) Save as otherwise provided in this Act, sections 2 to 45 and section 53 shall be deemed to have come into force on the 1st day of April, 1981.

CHAPTER II

RATES OF INCOME-TAX

2. (1) Subject to the provisions of sub-sections (2) and (3), for the assessment year commencing on the 1st day of April, 1981, income-tax shall be charged at the rates specified in Part I of the First Schedule and shall be increased,—

Income-tax.

(a) in the cases to which Paragraphs A, B, C and D of that Part apply, by a surcharge for purposes of the Union; and

(b) in the cases to which Paragraph E of that Part applies, by a surcharge,

calculated in each case in the manner provided therein.

(2) In the cases to which Sub-Paragraph I or Sub-Paragraph II of Paragraph A of Part I of the First Schedule applies, where the assessee has, in the previous year, any net agricultural income exceeding six hundred rupees, in addition to total income, and the total income exceeds twelve thousand rupees, then,—

(a) the net agricultural income shall be taken into account, in the manner provided in clause (b) (that is to say,

as if the net agricultural income were comprised in the total income after the first eight thousand rupees of the total income but without being liable to tax), only for the purpose of charging income-tax in respect of the total income; and

(b) the income-tax chargeable shall be calculated as follows:—

(i) the total income and the net agricultural income shall be aggregated and the amount of income-tax shall be determined in respect of the aggregate income at the rates specified in Sub-Paragraph I or, as the case may be, Sub-Paragraph II of the said Paragraph A, as if such aggregate income were the total income:

Provided that for the purposes of determining the amount of income-tax in accordance with this sub-clause, the provisions of clause (ii) of the proviso below Sub-Paragraph I or, as the case may be, Sub-Paragraph II of the said Paragraph A and the provisions relating to surcharge on income-tax in the said Sub-Paragraphs shall not apply;

(ii) the net agricultural income shall be increased by a sum of eight thousand rupees and the amount of income-tax shall be determined in respect of the net agricultural income as so increased at the rates specified in Sub-Paragraph I or, as the case may be, Sub-Paragraph II of the said Paragraph A, as if the net agricultural income as so increased were the total income:

Provided that for the purposes of determining the amount of income-tax in accordance with this sub-clause, the provisions of clause (i) and clause (ii) of the proviso below Sub-Paragraph I or, as the case may be, Sub-Paragraph II of the said Paragraph A and the provisions relating to surcharge on income-tax in the said Sub-Paragraphs shall not apply;

(iii) the amount of income-tax determined in accordance with sub-clause (i) shall be reduced by the amount of income-tax determined in accordance with sub-clause (ii):

Provided that where the sum so arrived at exceeds sixty per cent. of the amount by which the total income exceeds twelve thousand rupees, the excess shall be disregarded;

(iv) the amount of income-tax determined in accordance with sub-clause (iii) shall be increased by a surcharge for purposes of the Union calculated at the rate of ten per cent. of such income-tax and the sum so arrived at shall be the income-tax in respect of the total income.

(3) In cases to which the provisions of Chapter XII or section 164 or section 164A or section 167A of the Income-tax Act, 1961 (hereinafter referred to as the Income-tax Act) apply, the tax chargeable shall be determined as provided in that Chapter or that section, and with reference to the rates imposed by sub-section (1) or the rates as specified in that Chapter or section, as the case may be.

(4) In cases in which tax has to be deducted under sections 193, 194, 194A, 194B, 194BB, 194D and 195 of the Income-tax Act at the rates in force, the deduction shall be made at the rates specified in Part II of the First Schedule.

(5) Subject to the provisions of sub-section (6), in cases in which income-tax has to be calculated under the first proviso to sub-section (5) of section 132 of the Income-tax Act or charged under sub-section (4) of section 172 or sub-section (2) of section 174 or section 175 or sub-section (2) of section 176 of the said Act or deducted under section 192 of the said Act from income chargeable under the head "Salaries" or deducted under sub-section (9) of section 80E of the said Act from any payment referred to in the said sub-section (9) or in which the "advance tax" payable under Chapter XVII-C of the said Act has to be computed, at the rate or rates in force, such income-tax or, as the case may be, "advance tax" shall be so calculated, charged, deducted or computed at the rate or rates specified in Part III of the First Schedule:

Provided that in cases to which the provisions of Chapter XII or section 164 or section 164A or section 167A of the Income-tax Act apply, "advance tax" shall be computed with reference to the rates imposed by this sub-section or the rates as specified in that Chapter or section, as the case may be.

(6) In the cases to which Sub-Paragraph I or Sub-Paragraph II of Paragraph A of Part III of the First Schedule applies, where the assessee has, in the previous year or, if by virtue of any provision of the Income-tax Act, income-tax is to be charged in respect of the income of a period other than the previous year, in such other period, any net agricultural income exceeding six hundred rupees, in addition to total income and the total income exceeds,—

(i) in a case to which the said Sub-Paragraph I applies, fifteen thousand rupees, and

(ii) in a case to which the said Sub-Paragraph II applies, twelve thousand rupees;

then, in calculating income-tax under the first proviso to sub-section (5) of section 132 of the Income-tax Act or in charging income-tax under sub-section (2) of section 174 or section 175 or sub-section (2) of section 176 of the said Act or in computing the "advance tax" payable under Chapter XVII-C of the said Act, at the rate or rates in force,—

(a) the net agricultural income shall be taken into account, in the manner provided in clause (b) (that is to say, as if the

net agricultural income were comprised in the total income after,—

(i) in a case to which the said Sub-Paragraph I applies, the first fifteen thousand rupees, and

(ii) in a case to which the said Sub-Paragraph II applies, the first eight thousand rupees,

of the total income but without being liable to tax), only for the purpose of calculating, charging or computing such income-tax or, as the case may be, "advance tax" in respect of the total income; and

(b) such income-tax or, as the case may be, "advance tax" shall be so calculated, charged or computed as follows:—

(i) the total income and the net agricultural income shall be aggregated and the amount of income-tax or "advance tax" shall be determined in respect of the aggregate income at the rates specified in Sub-Paragraph I or, as the case may be, Sub-Paragraph II of the said Paragraph A, as if such aggregate income were the total income:

Provided that in a case referred to in the said Sub-Paragraph II, for the purposes of determining the amount of income-tax or "advance tax" in accordance with this sub-clause, the provisions of clause (ii) of the proviso below the said Sub-Paragraph II and the provisions relating to surcharge on income-tax in the said Sub-Paragraph II shall not apply;

(ii) the net agricultural income shall be increased,—

(A) in a case to which the said Sub-Paragraph I applies, by a sum of fifteen thousand rupees; and

(B) in a case to which the said Sub-Paragraph II applies, by a sum of eight thousand rupees,

and the amount of income-tax or "advance tax" shall be determined in respect of the net agricultural income as so increased at the rates specified in the said Sub-Paragraph I or, as the case may be, the said Sub-Paragraph II, as if the net agricultural income as so increased were the total income:

Provided that in a case referred to in the said Sub-Paragraph II, for the purposes of determining the amount of income-tax or "advance tax" in accordance with this sub-clause, the provisions of clause (ii) of the proviso below the said Sub-Paragraph II and the provisions relating to surcharge on income-tax in the said Sub-Paragraph II shall not apply;

(iii) the amount of income-tax or "advance tax" determined in accordance with sub-clause (i) shall be reduced by the amount of income-tax or, as the case may be, "advance tax" determined in accordance with sub-clause (ii):

Provided that in a case referred to in the said Sub-Paragraph II, where the sum so arrived at exceeds sixty per cent. of the amount by which the total income exceeds twelve thousand rupees, the excess shall be disregarded;

(iv) the amount of income-tax or "advance tax" determined in accordance with sub-clause (iii) shall be increased by a surcharge for purposes of the Union calculated at the rate of ten per cent. of such income-tax or, as the case may be, "advance tax" and the sum so arrived at shall be the income-tax or, as the case may be, "advance tax" in respect of the total income.

(7) For the purposes of this section and the First Schedule,—

(a) "company in which the public are substantially interested" means a company which is such a company as is referred to in section 108 of the Income-tax Act;

(b) "domestic company" means an Indian company, or any other company which, in respect of its income liable to income-tax under the Income-tax Act for the assessment year commencing on the 1st day of April, 1981, has made the prescribed arrangements for the declaration and payment within India of the dividends (including dividends on preference shares) payable out of such income in accordance with the provisions of section 194 of that Act;

(c) "industrial company" means a company which is mainly engaged in the business of generation or distribution of electricity or any other form of power or in the construction of ships or in the manufacture or processing of goods or in mining.

Explanation.—For the purposes of this clause, a company shall be deemed to be mainly engaged in the business of generation or distribution of electricity or any other form of power or in the construction of ships or in the manufacture or processing of goods or in mining, if the income attributable to any one or more of the aforesaid activities included in its total income of the previous year (as computed before making any deduction under Chapter VIA of the Income-tax Act) is not less than fifty-one per cent. of such total income;

(d) "insurance commission" means any remuneration or reward, whether by way of commission or otherwise, for soliciting or procuring insurance business (including business relating to the continuance, renewal or revival of policies of insurance);

(e) "net agricultural income", in relation to a person, means the total amount of agricultural income, from whatever source derived, of that person computed in accordance with the rules contained in Part IV of the First Schedule;

(f) "tax-free security" means any security of the Central Government issued or declared to be income-tax free, or any security of a State Government issued income-tax free, the income-tax whereon is payable by the State Government:

(g) all other words and expressions used in this section or in the First Schedule but not defined in this sub-section and defined in the Income-tax Act shall have the meanings respectively assigned to them in that Act.

CHAPTER III

DIRECT TAXES

Income-tax

Insertion of new section 10A.

Special provision in respect of newly established industrial undertakings in free trade zones.

3. After section 10 of the Income-tax Act, the following section shall be inserted, namely:—

‘10A. (1) Subject to the provisions of this section, any profits and gains derived by an assessee from an industrial undertaking to which this section applies shall not be included in the total income of the assessee.

(2) This section applies to any industrial undertaking which fulfils all the following conditions, namely:—

(i) it has begun or begins to manufacture or produce articles or things during the previous year relevant to the assessment year commencing on or after the 1st day of April, 1981 in any free trade zone;

(ii) it is not formed by the splitting up, or the reconstruction, of a business already in existence:

Provided that this condition shall not apply in respect of any industrial undertaking which is formed as a result of the re-establishment, reconstruction or revival by the assessee of the business of any such industrial undertaking as is referred to in section 33B, in the circumstances and within the period specified in that section;

(iii) it is not formed by the transfer to a new business of machinery or plant previously used for any purpose.

Explanation.—The provisions of *Explanation 1* and *Explanation 2* to sub-section (2) of section 80-I shall apply for the purposes of clause (iii) of this sub-section as they apply for the purposes of clause (ii) of that sub-section.

(3) The profits and gains referred to in sub-section (1) shall not be included in the total income of the assessee in respect of the assessment year relevant to the previous year in which the industrial undertaking begins to manufacture or produce articles or things (such assessment year being hereafter in this section referred to as the initial assessment year) and each of the four assessment years immediately succeeding the initial assessment year.

(4) Notwithstanding anything contained in any other provision of this Act, in computing the total income of the assessee of

the previous year relevant to the assessment year immediately succeeding the last of the relevant assessment years, or of any previous year relevant to any subsequent assessment year,—

(i) section 32, section 32A, section 33, section 35 and clause (ix) of sub-section (1) of section 36 shall apply as if every allowance or deduction referred to therein and relating to or allowable for any of the relevant assessment years, in relation to any building, machinery, plant or furniture used for the purposes of the business of the industrial undertaking in the previous year relevant to such assessment year or any expenditure incurred for the purposes of such business in such previous year had been given full effect to for that assessment year itself and accordingly sub-section (2) of section 32, clause (ii) of sub-section (3) of section 32A, clause (ii) of sub-section (2) of section 33, sub-section (4) of section 35 or the second proviso to clause (ix) of sub-section (1) of section 36, as the case may be, shall not apply in relation to any such allowance or deduction;

(ii) no loss referred to in sub-section (1) of section 72 or sub-section (1) of section 74 and no deficiency referred to in sub-section (3) of section 80J, in so far as such loss or deficiency relates to the business of the industrial undertaking, shall be carried forward or set off where such loss, or, as the case may be, deficiency relates to any of the relevant assessment years;

(iii) no deduction shall be allowed under section 80HH or section 80HHA or section 80-I or section 80J in relation to the profits and gains of the industrial undertaking; and

(iv) in computing the depreciation allowance under section 32, the written down value of any asset used for the purposes of the business of the industrial undertaking shall be computed as if the assessee had claimed and been actually allowed the deduction in respect of depreciation for each of the relevant assessment years;

(5) Where an industrial undertaking in any free trade zone has begun to manufacture or produce articles or things in any previous year relevant to the assessment year commencing on or after the 1st day of April, 1977 but before the 1st day of April, 1981, the assessee may, at his option, before the expiry of the time allowed under sub-section (1) or sub-section (2) of section 139, whether fixed originally or on extension, for furnishing the return of income for the assessment year commencing on the 1st day of April, 1981 furnish to the Income-tax Officer a declaration in writing that the provisions of sub-section (1) may be made applicable to him for each of the relevant assessment years as reduced by the number of assessment years which expired before the 1st day of April, 1981 and if he does so, then, the provisions of sub-section (1) shall apply to him for each of such relevant assessment years and the provisions of sub-section (4) shall also apply in computing the total income of the assessee for the assessment year immediately succeeding the last

of the relevant assessment years and any subsequent assessment year.

(6) The provisions of sub-section (8) and sub-section (9) of section 80-I shall, so far as may be, apply in relation to the industrial undertaking referred to in this section as they apply for the purposes of the industrial undertaking referred to in section 80-I.

(7) Notwithstanding anything contained in the foregoing provisions of this section, where the assessee, before the expiry of the time allowed under sub-section (1) or sub-section (2) of section 139, whether fixed originally or on extension, for furnishing the return of income for the initial assessment year, furnishes to the Income-tax Officer a declaration in writing that the provisions of this section may not be made applicable to him, the provisions of this section shall not apply to him for any of the relevant assessment years.

Explanation.—For the purposes of this section,—

(i) “free trade zone” means the Kandla Free Trade Zone and the Santacruz Electronics Export Processing Zone and includes any other free trade zone which the Central Government may, by notification in the Official Gazette, specify for the purposes of this section;

(ii) “relevant assessment years” means the initial assessment year and four assessment years immediately succeeding the initial assessment year.

4. In section 16 of the Income-tax Act, in clause (i), with effect from the 1st day of April, 1982,—

(a) for the portion beginning with the words “a sum calculated” and ending with the words “whichever is less”, the following shall be substituted, namely:—

“a sum equal to twenty per cent. of the salary or five thousand rupees, whichever is less”;

(b) in the proviso, clause (i) shall be omitted.

5. In section 32A of the Income-tax Act, in clause (2) of the *Explanation* below sub-section (2), for the words “the business of the undertaking does not exceed ten lakh rupees; and for this purpose the value of any machinery or plant shall be,—”, the following shall be substituted, namely:—

“the business of the undertaking does not exceed,—

(i) in a case where the previous year ends before the 1st day of August, 1980, ten lakh rupees; and

(ii) in a case where the previous year ends after the 31st day of July, 1980, twenty lakh rupees,

and for this purpose the value of any machinery or plant shall be,—”.

Amendment of
section 32A.

6. In section 33A of the Income-tax Act, in sub-section (7), for the proviso, the following proviso and *Explanation* shall be substituted with effect from the 1st day of April, 1982, namely:—

Amendment of
section 33A.

'Provided that where such cost exceeds—

(i) forty thousand rupees per hectare in respect of land situate in a hilly area comprised in the district of Darjeeling; or

(ii) thirty-five thousand rupees per hectare in respect of land situate in a hilly area comprised in an area other than the district of Darjeeling; or

(iii) thirty thousand rupees per hectare in any other area,

then, the excess shall be ignored.

Explanation.—For the purposes of this proviso, "district of Darjeeling" means the district of Darjeeling as on the 28th day of February, 1981, being the date of introduction of the Finance Bill, 1981 in the House of the People.'

7. In section 36 of the Income-tax Act, in sub-section (1), in clause (viii), in the second proviso, after the words "time to time exceeds", the words "twice the amount of" shall be inserted with effect from the 1st day of April, 1982.

Amendment of
section 36.

8. In section 42 of the Income-tax Act,—

(a) in the opening portion, for the words "the association or participation in such business of the Central Government", the words "the association or participation of the Central Government or any person authorised by it in such business" shall be substituted;

(b) in clause (b),—

(i) the word "and" occurring at the end shall be omitted;

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

'Provided that in relation to any agreement entered into after the 31st day of March, 1981, this clause shall have effect subject to the modification that the words and figures "except assets on which allowance for depreciation is admissible under section 32" had been omitted; and';

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

Explanation.—For the purposes of this section, "mineral oil" includes petroleum and natural gas.'

9. In section 80D of the Income-tax Act, in sub-section (2), with effect from the 1st day of April, 1982,—

Amendment of
section 80D.

(a) in clause (i), for the words "two thousand four hundred rupees", the words "four thousand eight hundred rupees" shall be substituted:

(b) in clause (ii), for the words "six hundred rupees," the words "one thousand two hundred rupees." shall be substituted;

(c) the words "as reduced, in either case, by an amount equal to the income, if any, of the handicapped dependant in respect of the previous year:" shall be omitted;

(d) the proviso shall be omitted.

Amendment of
section 80HHA.

10. In section 80HHA of the Income-tax Act,—

(a) in sub-section (3),—

(i) for the words "in respect of each of the ten assessment years beginning with the assessment year relevant to the previous year in which the small-scale industrial undertaking", the words "of each of the ten previous years beginning with the previous year in which the industrial undertaking" shall be substituted;

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

"Provided that such deduction shall not be allowed in computing the total income of any of the ten previous years aforesaid in respect of which the industrial undertaking is not a small-scale industrial undertaking within the meaning of clause (b) of the *Explanation* below sub-section (8).";

(b) in sub-section (8), in clause (b) of the *Explanation*, for the words "the business of the undertaking does not exceed ten lakh rupees; and for this purpose the value of any machinery or plant shall be,—", the following shall be substituted, namely:—

"the business of the undertaking does not exceed,—

(1) in a case where the previous year ends before the 1st day of August, 1980, ten lakh rupees; and

(2) in a case where the previous year ends after the 31st day of July, 1980, twenty lakh rupees,

and for this purpose the value of any machinery or plant shall be,—".

Amendment of
section 80M.

11. In section 80M of the Income-tax Act, in sub-section (1), in clause (a), for the figures and word "27 and 29", the figures and word "27, 29 and 33" shall be substituted with effect from the 1st day of April, 1982.

Amendment of
section 80QQ.

12. In section 80QQ of the Income-tax Act,—

(a) in sub-section (1), for the words "nine assessment years", the words "fourteen assessment years" shall be substituted;

(b) in sub-section (2),—

(i) for the words, figures and letters "section 80HHA or" the words, figures and letters "section 80HHA or section 80-I or" shall be substituted;

(ii) for the words, figures and letter "section 80J and", the words, figures and letters "section 80-I, section 80J and" shall be substituted.

13. In section 86 of the Income-tax Act, in clause (v), the following *Explanation* shall be inserted, namely:—

Amendment of
section 86.

*"Explanation.—*For the purposes of this clause, in the case of an association of persons which is assessable under section 167A, each of the members of the association whose shares in the income or, as the case may be, part of the income of such association are indeterminate or unknown, shall be deemed to be entitled to receive an equal share in the total income or, as the case may be, such part of the total income of the association and the individual share of such member in such total income or, as the case may be, part of the total income shall be determined accordingly.”.

14. In section 160 of the Income-tax Act, in sub-section (1), after clause (iv), the following clause and *Explanations* shall be inserted, namely:—

Amendment of
section 160.

'(v) in respect of income which a trustee appointed under an oral trust receives or is entitled to receive on behalf or for the benefit of any person, such trustee or trustees.

*Explanation 1.—*A trust which is not declared by a duly executed instrument in writing (including any wakf deed which is valid under the Mussalman Wakf Validating Act, 1913) shall be deemed, for the purposes of clause (iv), to be a trust declared by a duly executed instrument in writing if a statement in writing, signed by the trustee or trustees, setting out the purpose or purposes of the trust, particulars as to the trustee or trustees, the beneficiary or beneficiaries and the trust property, is forwarded to the Income-tax Officer,—

(i) where the trust has been declared before the 1st day of June, 1981, within a period of three months from that day; and

(ii) in any other case, within three months from the date of declaration of the trust.

*Explanation 2.—*For the purposes of clause (v), "oral trust" means a trust which is not declared by a duly executed instrument in writing (including any wakf deed which is valid under the Mussalman Wakf Validating Act, 1913) and which is not deemed under *Explanation 1* to be a trust declared by a duly executed instrument in writing'.

6 of 1913

15. After section 164 of the Income-tax Act, the following section shall be inserted, namely:—

Insertion of
new section
164A.

164A. Where a trustee receives or is entitled to receive any income on behalf or for the benefit of any person under an oral trust, then, notwithstanding anything contained in any other provision of this Act, tax shall be charged on such income at the maximum marginal rate.

Charge of
tax in case of
oral trust.

Explanation.—For the purposes of this section,—

(i) “maximum marginal rate” shall have the meaning assigned to it in *Explanation 2* below sub-section (3) of section 164;

(ii) “oral trust” shall have the meaning assigned to it in *Explanation 2* below sub-section (1) of section 160.”

16. In Chapter XV of the Income-tax Act, after section 167, and before the sub-heading “E.—*Executors*”, the following sub-heading and section shall be inserted, namely:—

'DD.—Associations of persons—special cases'

Insertion of
new section
167A.
Charge of tax
where shares
of members
unknown.

167A. (1) Where the individual shares of the members of an association of persons (other than a company or co-operative society) in the income of such association are indeterminate or unknown, tax shall be charged on the total income of the association at the maximum marginal rate.

(2) Where the individual shares of the members of an association of persons (other than a company or co-operative society) in any part of the income of such association are indeterminate or unknown, the income-tax payable by the association shall be the aggregate of—

(i) the amount of income-tax calculated on the aforesaid part of the total income, at the maximum marginal rate; and

(ii) the amount of income-tax with which it would have been chargeable had the remaining part of the total income been its total income.

Explanation.—For the purposes of this section,—

(a) “maximum marginal rate” shall have the meaning assigned to it in *Explanation 2* below sub-section (3) of section 164;

(b) the individual shares of the members of an association of persons in the income of such association shall be deemed to be indeterminate or unknown if such shares are indeterminate or unknown on the date of formation of such association or at any time thereafter.”

Amendment of
section 208.

17. In section 208 of the Income-tax Act, in sub-section (2), for clause (c), the following clauses shall be substituted with effect from the 1st day of June, 1981, namely:—

“(c) in the case of a Hindu undivided family which at any time during the previous year has at least one member whose total income of the previous year exceeds Rs. 15,000

Rs. 12,000;

(d) in any other case Rs. 15,000.”

18. In section 252 of the Income-tax Act, for sub-section (2), the following sub-sections shall be substituted, namely:—

Amendment of
section 252.

“(2) A judicial member shall be a person who has for at least ten years held a judicial office in the territory of India or who has been a member of the Central Legal Service and has held a post in Grade I of that Service or any equivalent or higher post for at least three years or who has been an advocate for at least ten years.

Explanation.—For the purposes of this sub-section,—

(i) in computing the period during which a person has held judicial office in the territory of India, there shall be included any period, after he has held any judicial office, during which the person has been an advocate or has held the office of a member of a tribunal or any post, under the Union or a State, requiring special knowledge of law;

(ii) in computing the period during which a person has been an advocate, there shall be included any period during which the person has held judicial office or the office of a member of a tribunal or any post, under the Union or a State, requiring special knowledge of law after he became an advocate.

(2A) An accountant member shall be a person who has for at least ten years been in the practice of accountancy as a chartered accountant under the Chartered Accountants Act, 1949, or as a registered accountant under any law formerly in force or partly as a registered accountant and partly as a chartered accountant, or who has been a member of the Indian Income-tax Service, Group A and has held the post of Commissioner of Income-tax or any equivalent or higher post for at least three years.”.

38 of 1949.

19. In section 253 of the Income-tax Act, in sub-section (6), for the words “one hundred and twenty-five rupees”, the words “two hundred rupees” shall be substituted with effect from the 1st day of June, 1981.

Amendment of
section 253.

20. In section 256 of the Income-tax Act, in sub-section (1), for the words “one hundred and twenty-five rupees”, the words “two hundred rupees” shall be substituted with effect from the 1st day of June, 1981.

Amendment of
section 256.

21. In section 269G of the Income-tax Act, in sub-section (2), for the words “one hundred and twenty-five rupees”, the words “two hundred rupees” shall be substituted with effect from the 1st day of June, 1981.

Amendment of
section 269G.

Insertion of
new section
293A.

Power to make
exemption, etc.,
in relation to
participation
in the business
of prospecting
for, extraction,
etc., of mineral
oils.

Amendment of
Ninth Schedule.

Amendment of
Eleventh
Schedule.

Consequential
amendments.

22. After section 293 of the Income-tax Act, the following section shall be inserted, namely:—

‘293A. (1) If the Central Government is satisfied that it is necessary or expedient so to do in the public interest, it may, by notification in the Official Gazette, make an exemption, reduction in rate or other modification in respect of income-tax in favour of any class of persons specified in sub-section (2) or in regard to the whole or any part of the income of such class of persons.

(2) The persons referred to in sub-section (1) are the following, namely:—

(a) persons with whom the Central Government has entered into agreements for the association or participation of that Government or any person authorised by that Government in any business consisting of the prospecting for or extraction or production of mineral oils;

(b) persons providing any services or facilities or supplying any ship, aircraft, machinery or plant (whether by way of sale or hire) in connection with any business consisting of the prospecting for or extraction or production of mineral oils carried on by that Government or any person specified by that Government in this behalf by notification in the Official Gazette; and

(c) employees of the persons referred to in clause (a) or clause (b).

(3) Every notification issued under this section shall be laid before each House of Parliament.

Explanation.—For the purposes of this section, “mineral oil” includes petroleum and natural gas.’

23. In the Ninth Schedule to the Income-tax Act, after item 32, the following item shall be inserted with effect from the 1st day of April, 1982, namely:—

“33. Electronic components and raw materials; computers and peripherals; communication equipment; process control, instrumentation, industrial and professional grade electronic equipment.”.

24. In the Eleventh Schedule to the Income-tax Act,—

(a) for the brackets, words, figures and letters “[See section 32A and section 80J(4)]”, the brackets, words, figures and letters “[See section 32A, section 80CC(3)(a)(i), section 80-I(2) and section 80J(4)]” shall be substituted;

(b) item 8, items 11 to 21 (both inclusive) and items 26 and 29 shall be omitted with effect from the 1st day of April, 1982.

25. The following amendments (being amendments of a consequential nature) shall be made in the Income-tax Act, namely:—

(a) in sub-section (3) of section 80P, for the words, figures and letters “section 80HHA, section 80J”, the words, figures and letters “section 80HHA, section 80-I, section 80J” shall be substituted;

(b) in the *Explanation* below sub-section (2) of section 273, for the word "proviso", at both the places where it occurs, the words "first proviso" shall be substituted.

Wealth-tax

27 of 1957.

26. In section 21 of the Wealth-tax Act, 1957 (hereinafter referred to as the Wealth-tax Act),—

Amendment of
section 21.

(a) in sub-section (1), the following *Explanation* shall be inserted, namely:—

"Explanation.—A trust which is not declared by a duly executed instrument in writing (including a valid deed of wakf) shall be deemed, for the purposes of this sub-section, to be a trust declared by a duly executed instrument in writing if a statement in writing, signed by the trustee or trustees, setting out the purpose or purposes of the trust, particulars as to the trustee or trustees, the beneficiary or beneficiaries and the trust property, is forwarded to the Wealth-tax Officer,—

(i) where the trust has been declared before the 1st day of June, 1981, within a period of three months from that day; and

(ii) in any other case, within three months from the date of declaration of the trust.”;

(b) in sub-section (4),—

(i) for the words "Notwithstanding anything contained in this section", the words "Notwithstanding anything contained in the foregoing provisions of this section" shall be substituted;

(ii) in *Explanation 2*, for the words "for the purposes of this sub-section in any case, not being a case referred to in the proviso", the words, brackets, figure and letter "for the purposes of this sub-section or sub-section (4A) in any case, not being a case referred to in the proviso to this sub-section" shall be substituted;

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

'(4A) Notwithstanding anything contained in this section, where the assets chargeable to tax under this Act are held by a trustee under an oral trust, the wealth-tax shall be levied upon and recovered from such trustee in the like manner and to the same extent as it would be leviable upon and recoverable from an individual who is a citizen of India and resident in India for the purposes of this Act, and—

(a) at the rates specified in Part I of Schedule I; or

(b) at the rate of three per cent., whichever course would be more beneficial to the revenue.

Explanation.—For the purposes of this sub-section, “oral trust” means a trust which is not declared by a duly executed instrument in writing (including a valid deed of wakf) and which is not deemed under the *Explanation* to sub-section (1) to be a trust declared by a duly executed instrument in writing.’.

Insertion
of new sec-
tion 21AA.

Assess-
ment when
assests
are held
by certain
associa-
tions of
persons.

27. After section 21A of the Wealth-tax Act, the following section shall be inserted, namely:—

“21AA. (1) Where assets chargeable to tax under this Act are held by an association of persons, other than a company or co-operative society, and the individual shares of the members of the said association in the income or assets or both of the said association on the date of its formation or at any time thereafter are indeterminate or unknown, the wealth-tax shall be levied upon and recovered from such association in the like manner and to the same extent as it would be leviable upon and recoverable from an individual who is a citizen of India and resident in India for the purposes of this Act, and—

- (a) at the rates specified in Part I of Schedule I; or
- (b) at the rate of three per cent.,

whichever course would be more beneficial to the revenue.

(2) Where any business or profession carried on by an association of persons referred to in sub-section (1) has been discontinued or where such association of persons is dissolved, the Wealth-tax Officer shall make an assessment of the net wealth of the association of persons as if no such discontinuance or dissolution had taken place and all the provisions of this Act, including the provisions relating to the levy of penalty or any other sum chargeable under any provision of this Act, so far as may be, shall apply to such assessment.

(3) Without prejudice to the generality of the provisions of sub-section (2), if the Wealth-tax Officer or the Appellate Assistant Commissioner or the Commissioner (Appeals) in the course of any proceedings under this Act in respect of any such association of persons as is referred to in sub-section (1) is satisfied that the association of persons was guilty of any of the acts specified in section 18 or section 18A, he may impose or direct the imposition of a penalty in accordance with the provisions of the said sections.

(4) Every person who was at the time of such discontinuance or dissolution a member of the association of persons, and the legal representative of any such person who is deceased, shall be jointly and severally liable for the amount of tax, penalty or other sum payable, and all the provisions of this Act, so far as may be, shall apply to any such assessment or imposition of penalty or other sum.

(5) Where such discontinuance or dissolution takes place after any proceedings in respect of an assessment year have commenced, the proceedings may be continued against the

persons referred to in sub-section (4) from the stage at which the proceedings stood at the time of such discontinuance or dissolution, and all the provisions of this Act shall, so far as may be, apply accordingly.

Explanation.—Notwithstanding anything contained in section 5, in computing the net wealth for the purposes of this section in any case, any assets referred to in clauses (xv), (xvi), (xxii), (xxiii), (xxiv), (xxv), (xxvi), (xxvii), (xxviii) and (xxix) of sub-section (1) of that section shall not be excluded.”

28. In section 24 of the Wealth-tax Act, in sub-section (4), for the words “one hundred and twenty-five rupees”, the words “two hundred rupees” shall be substituted with effect from the 1st day of June, 1981.

Amendment of
section 24.

29. In section 26 of the Wealth-tax Act, in sub-section (2), for the words “one hundred and twenty-five rupees”, the words “two hundred rupees” shall be substituted with effect from the 1st day of June, 1981.

Amendment of
section 26.

30. In section 27 of the Wealth-tax Act, in sub-section (1), for the words “one hundred and twenty-five rupees”, the words “two hundred rupees” shall be substituted with effect from the 1st day of June, 1981.

Amendment of
section 27.

31. In section 41 of the Wealth-tax Act, after sub-section (3), the following sub-section shall be inserted, namely:—

Amendment of
section 41.

“(4) Where an association of persons referred to in section 21AA is dissolved, notices under this Act in respect of any matter relating to the association may be served on any person who was a member of the association immediately before its dissolution.”.

Gift-tax

18 of 1958.

32. In section 23 of the Gift-tax Act, 1958 (hereinafter referred to as the Gift-tax Act), in sub-section (4), for the words “one hundred and twenty-five rupees”, the words “two hundred rupees” shall be substituted with effect from the 1st day of June, 1981.

Amendment of
section 23.

33. In section 25 of the Gift-tax Act, in sub-section (2), for the words “one hundred and twenty-five rupees”, the words “two hundred rupees” shall be substituted with effect from the 1st day of June, 1981.

Amendment of
section 25.

34. In section 26 of the Gift-tax Act, in sub-section (1), for the words “one hundred and twenty-five rupees”, the words “two hundred rupees” shall be substituted with effect from the 1st day of June, 1981.

Amendment of
section 26.

Surtax

1 of 1964.

35. In the Companies (Profits) Surtax Act, 1964 [hereinafter referred to as the Companies (Profits) Surtax Act], in section 2,—

Amendment of
section 2.

(a) clause (1) shall be re-numbered as clause (1A) and before the clause as so re-numbered, the following clause shall

be inserted, namely:—

‘(1) “advance surtax” means the surtax payable under section 7A;’;

(b) after clause (7), the following clause shall be inserted, namely:—

‘(7A) “regular assessment” means an assessment made under section 6.’.

Insertion of
new sections
7A to 7D.

Advance
payment of
Surtax.

36. In the Companies (Profits) Surtax Act, after section 7, the following sections shall be inserted, namely:—

“7A. (1) In this section,—

(a) “chargeable amount”, in relation to any previous year, means so much of the chargeable profits of the previous year as exceed the statutory deduction;

(b) “current chargeable amount”, in relation to the advance surtax payable by a company during any financial year, means the chargeable amount of the company of the period which would be the previous year for the assessment year immediately following that financial year.

(2) Surtax shall be payable, in accordance with the provisions of this section, in advance during the financial year in respect of the chargeable amount of the period which would be the previous year for the immediately following assessment year.

(3) The amount of advance surtax payable by an assessee in the financial year shall be computed as follows:—

(a) the chargeable amount of the latest previous year in respect of which the assessee has been assessed by way of regular assessment shall first be ascertained;

(b) in a case where the chargeable amount of the latest previous year [being a year later than the previous year referred to in clause (a)] on the basis of which a provisional assessment has been made under section 7 exceeds the chargeable amount referred to in clause (a), the chargeable amount referred to in clause (a) shall be substituted by the chargeable amount on the basis of which such provisional assessment has been made;

(c) surtax shall be calculated on the chargeable amount referred to in clause (a) or, as the case may be, in clause (b), at the rates specified in the Third Schedule.

(4) Subject to the provisions of this section, advance surtax shall be payable in three equal instalments on the following dates during the financial year, namely:—

(a) the 15th day of June, the 15th day of September and the 15th day of December, in the case of an assessee

whose chargeable amount to the extent of 75 per cent. thereof or more is derived from a source or sources for which the previous year (relevant to the assessment year next following the financial year aforesaid) ends on or before the 31st day of December;

(b) the 15th day of September, the 15th day of December and the 15th day of March, in any other case:

Provided that where, in respect of any class of assesses, the Board has, in exercise of the powers conferred by the proviso to sub-section (1) of section 211 of the Income-tax Act, authorised the payment of the last instalment of advance tax on the 15th day of March during the financial year instead of on the 15th day of December, the last instalment of advance surtax in the case of such assessee shall also be payable on the 15th day of March during the financial year.

(5) Every company shall, in each financial year, on or before the date on which the first instalment, or where it has not previously been assessed by way of regular assessment under this Act, on or before the date on which the last instalment, of advance surtax is due in its case under sub-section (4), if it is likely to have any current chargeable amount, send to the Income-tax Officer,—

(a) where it has been previously assessed by way of regular assessment under this Act, a statement of advance surtax payable by it computed in the manner laid down in sub-section (3), or

(b) where it has not previously been assessed by way of regular assessment under this Act, an estimate of—

(i) the current chargeable amount, and

(ii) the advance surtax payable by it on the amount specified in (i) above calculated in the manner laid down in sub-section (3).

and shall pay such amount of advance surtax,—

(I) in a case falling under clause (a), as accords with the statement in equal instalments on the dates applicable in its case under sub-section (4); and

(II) in a case falling under clause (b), as accords with the estimate in equal instalments on such of the dates applicable in its case as have not expired, or in one sum if only the last of such dates has not expired.

(6) Where a company which is required to send a statement under clause (a) of sub-section (5) estimates on or before the date on which the first instalment of advance surtax is due in its case under sub-section (4) that, by reason of its current

chargeable amount being likely to be less than the chargeable amount on which advance surtax is payable by it under sub-section (5) or for any other reason, the amount of advance surtax computed in the manner laid down in sub-section (3) on the current chargeable amount would be less than the amount of advance surtax payable by it under sub-section (5), it may send to the Income-tax Officer, in lieu of such statement, an estimate of—

- (i) the current chargeable amount, and
- (ii) the advance surtax payable by it on the current chargeable amount calculated in the manner laid down in sub-section (3),

and shall pay such amount of advance surtax as accords with its estimate in equal instalments on the dates applicable in its case under sub-section (4).

(7) Where a company which has sent a statement under clause (a) of sub-section (5) estimates on or before the date on which the last instalment of advance surtax is due in its case that, by reason of its current chargeable amount being likely to be less than the chargeable amount on which advance surtax is payable by it under sub-section (5) or for any other reason, the amount of advance surtax computed in the manner laid down in sub-section (3) on the current chargeable amount would be less than the amount of advance surtax payable by it under sub-section (5), it may, at its option, send to the Income-tax Officer an estimate of—

- (i) the current chargeable amount, and
- (ii) the advance surtax payable by it on the current chargeable amount calculated in the manner laid down in sub-section (3),

and shall pay such amount of advance surtax as accords with its estimate in equal instalments on such of the dates applicable in its case under sub-section (4) as have not expired, or in one sum if only the last of such dates has not expired.

(8) In the case of any company which is liable to pay advance surtax under sub-section (5) or sub-section (6) or, as the case may be, sub-section (7), if, by reason of the current chargeable amount being likely to be greater than the chargeable amount on which the advance surtax so payable by it has been computed or for any other reason, the amount of advance surtax computed in the manner laid down in sub-section (3) on the current chargeable amount (which shall be estimated by the company) exceeds the amount of advance surtax so payable by it by more than twenty per cent. of the latter amount, it shall, on or before the date on which the last instalment of advance surtax is payable by it, send to the Income-tax Officer an estimate of—

- (i) the current chargeable amount, and

(ii) the advance surtax payable by it on the current chargeable amount calculated in the manner laid down in sub-section (3),

and shall pay such amount of advance surtax as accords with its estimate on such of the dates applicable in its case under sub-section (4) as have not expired, by instalments which may be revised according to sub-section (9):

Provided that where in respect of any company the Commissioner has, in exercise of the powers conferred by the first proviso to sub-section (4) of section 209A, or the first proviso to sub-section (3A) of section 212, of the Income-tax Act, extended the date for furnishing the estimate referred to in the said sub-section (4) or, as the case may be, the said sub-section (3A) and the company has paid the advance surtax which it is liable to pay under sub-section (5) or sub-section (6) or, as the case may be, sub-section (7) on or before the date on which the last instalment of advance surtax is due in its case, the company shall pay, on or before the date as so extended, the amount by which the advance surtax already paid by it falls short of the advance surtax payable in accordance with its estimate.

(9) The company may send a revised estimate of the advance surtax payable by it on or before any one of the dates specified in sub-section (4) and adjust any excess or deficiency in respect of any instalment already paid in a subsequent instalment or in subsequent instalments.

(10) Every statement or estimate under this section shall be sent in the prescribed form and verified in the prescribed manner.

7B. The Central Government shall pay simple interest at twelve per cent. per annum on the amount by which the aggregate sum of any instalments of advance tax paid during any financial year in which they are payable under section 7A exceeds the amount of the tax determined on regular assessment, from the 1st day of April next following the said financial year to the date of the regular assessment for the assessment year immediately following the said financial year.

Interest
payable by
Government.

7C. (1) Where, in any financial year, a company has paid advance surtax under section 7A on the basis of its own estimate (including revised estimate), and the advance surtax so paid is less than eighty-three and one-third per cent. of the assessed surtax, simple interest at the rate of twelve per cent. per annum from the 1st day of April next following the said financial year up to the date of the regular assessment shall be payable by the company upon the amount by which the advance surtax so paid falls short of the assessed surtax.

Interest
payable by
assessee.

(2) Where, on making the regular assessment, the Income-tax Officer finds—

(a) that any such company as is referred to in clause (a) of sub-section (5) of section 7A has not sent the statement referred to in that clause or the estimate in lieu of such statement referred to in sub-section (6) of that section; or

(b) that any such company as is referred to in clause (b) of sub-section (5) of section 7A has not sent the estimate referred to in that clause,

simple interest at the rate of twelve per cent. per annum from the 1st day of April next following the financial year in which the advance surtax was payable in accordance with the said sub-section (5) or sub-section (6) up to the date of the regular assessment shall be payable by the company upon the amount equal to the assessed surtax.

(3) Where, on making the regular assessment, the Income-tax Officer finds that any company which is required to send an estimate under sub-section (8) of section 7A has not sent the estimate referred to therein, simple interest at the rate of twelve per cent. per annum from the 1st day of April next following the financial year in which the advance surtax was payable in accordance with the said sub-section (8) up to the date of the regular assessment shall be payable by the company upon the amount by which the advance surtax paid by it falls short of the assessed surtax.

(4) Notwithstanding anything contained in the foregoing sub-sections, where provisional assessment is made under section 7—

(i) interest shall be calculated in accordance with the provisions of sub-section (1) or sub-section (2) or, as the case may be, sub-section (3) up to the date on which the surtax provisionally assessed is paid; and

(ii) thereafter interest shall be calculated at the rate of twelve per cent. per annum on the amount by which the surtax provisionally assessed falls short of the assessed surtax.

(5) In such cases and under such circumstances as may be prescribed, the Income-tax Officer may reduce or waive the interest payable by the company under this section.

(6) Where, as a result of an order under section 11, or section 12, or section 13, or section 17, or section 18 read with section 260 or section 262 of the Income-tax Act, the amount on which interest was payable under this section has been reduced, the interest shall be reduced accordingly and the excess interest paid, if any, shall be refunded.

(7) In this section and section 9A, "assessed surtax" means the surtax determined on the basis of the regular assessment without making any deduction therefrom.

7D. Where, on making the regular assessment, the Income-tax Officer finds that any company has under section 7A underestimated the advance surtax payable by it and thereby reduced the amount payable in either of the first two instalments, he may direct that the company shall pay simple interest at twelve per cent. per annum for the period during which the payment was deficient, on the difference between the amount paid in each such instalment and the amount which should have been paid, having regard to the aggregate advance surtax actually paid during the year.

Interest
payable by
assessee in
case of
under esti-
mate, etc.

Explanation.—For the purposes of this section, any instalment due before the expiry of six months from the commencement of the previous year in respect of which it is to be paid shall be deemed to have become due fifteen days after the expiry of the said six months.'

37. In the Companies (Profits) Surtax Act, after section 9, the following section shall be inserted, namely:—

Insertion of
new sections
9A.

"9A. (1) If the Income-tax Officer, in the course of any proceedings in connection with the regular assessment for any assessment year, is satisfied that any assessee—

False estimate
of, or failure
to pay,
advance
surtax.

(a) has furnished under clause (a) of sub-section (5) of section 7A a statement of advance surtax payable by him which he knew or had reason to believe to be untrue, or

(b) has without reasonable cause failed to furnish a statement of the advance surtax payable by him in accordance with the provisions of clause (a) of sub-section (5) of section 7A,

he may direct that such assessee shall, in addition to the amount of surtax, if any, payable by him, pay by way of penalty a sum—

(i) which, in the case referred to in clause (a), shall not be less than ten per cent. but shall not exceed one and a half times the amount by which the surtax actually paid during the financial year immediately preceding the assessment year under the provisions of section 7A falls short of—

(1) eighty-three and one-third per cent. of the assessed surtax, or

(2) the amount which would have been payable by way of advance surtax if the assessee had furnished a correct and complete statement in accordance with the provisions of clause (a) of sub-section (5) of section 7A,

whichever is less;

(ii) which, in the case referred to in clause (b), shall not be less than ten per cent. but shall not exceed one and a half times of eighty-three and one-third per cent. of the assessed surtax.

(2) If the Income-tax Officer, in the course of any proceedings in connection with the regular assessment for any assessment year, is satisfied that any assessee—

(a) has furnished under clause (b) of sub-section (5) or sub-section (6) or sub-section (7) or sub-section (9) of section 7A, an estimate of the advance surtax payable by him which he knew or had reason to believe to be untrue, or

(b) has furnished under sub-section (8) of section 7A, an estimate of the advance surtax payable by him which he knew or had reason to believe to be untrue, or

(c) has without reasonable cause failed to furnish an estimate of the advance surtax payable by him in accordance with the provisions of clause (b) of sub-section (5) of section 7A, or

(d) has without reasonable cause failed to furnish an estimate of advance surtax payable by him in accordance with the provisions of sub-section (8) of section 7A,

he may direct that such assessee shall, in addition to the amount of surtax, if any, payable by him, pay by way of penalty a sum—

(i) which, in the case referred to in clause (a), shall not be less than ten per cent. but shall not exceed one and a half times the amount by which the surtax actually paid during the financial year immediately preceding the assessment year under the provisions of section 7A falls short of—

(1) eighty-three and one-third per cent. of the assessed surtax, or

(2) where a statement under clause (a) of sub-section (5) of section 7A was furnished by the assessee, the amount payable under such statement, whichever is less;

(ii) which, in the case referred to in clause (b), shall not be less than ten per cent. but shall not exceed one and a half times the amount by which the surtax actually paid during the financial year immediately preceding the assessment year under the provisions of section 7A falls short of eighty-three and one-third per cent. of the assessed surtax;

(iii) which, in the case referred to in clause (c), shall not be less than ten per cent. but shall not exceed one and a half times of eighty-three and one-third per cent. of the assessed surtax; and

(iv) which, in the case referred to in clause (d), shall not be less than ten per cent. but shall not exceed one and a half times the amount of surtax payable in accordance with a statement under clause (a) or an estimate under clause (b) of sub-section (5) of section 7A or an estimate in lieu of a statement under sub-section (6) of that section falls short of eighty-three and one-third per cent. of the assessed surtax.

Explanation.—Where the Commissioner has, in exercise of the powers conferred by the first proviso to sub-section (4) of section 209A, or the first proviso to sub-section (3A) of section 212, of the Income-tax Act, extended the date for furnishing the estimate referred to in the said sub-section (4) or, as the case may be, the said sub-section (3A) and the date so extended falls beyond the financial year immediately preceding the assessment year, then, the amount of surtax paid by the assessee on or before the date so extended shall, for the purposes of clause (ii) of sub-section (2) also be regarded as surtax actually paid during that financial year.”.

38. In section 10 of the Companies (Profits) Surtax Act, after the words and figure “under section 9”, the words, figure and letter “or section 9A” shall be inserted.

Amendment of section 10.

39. In section 11 of the Companies (Profits) Surtax Act, in sub-section (1), after the words, “fine imposed by the Income-tax Officer,”, the words, figure and letter “or objecting to the interest levied by the Income-tax Officer under section 7D,” shall be inserted.

Amendment of section 11.

40. In section 12 of the Companies (Profits) Surtax Act, in sub-section (6), for the words “one hundred and twenty-five rupees”, the words “two hundred rupees” shall be substituted with effect from the 1st day of June, 1981.

Amendment of section 12.

41. In section 18 of the Companies (Profits) Surtax Act, for the figures and word “220 to 229”, the figures and word “218 to 229” shall be substituted.

Amendment of section 18.

42. In the Companies (Profits) Surtax Act, after section 24A, the following section shall be inserted, namely:—

Insertion of new section 24AA.

‘24AA. (1) If the Central Government is satisfied that it is necessary or expedient so to do in the public interest, it may, by notification in the Official Gazette, make an exemption, reduction in rate or other modification in respect of surtax in favour of any class of foreign companies specified in sub-section (2) or in regard to the whole or any part of the chargeable profits of such class of companies.

Power to make exemption, etc., in relation to participation in the business of prospecting for, extraction, etc., of mineral oils

Explanation.—For the purposes of this sub-section, “foreign company” shall have the meaning assigned to it in clause (4) of section 80B of the Income-tax Act.

(2) The foreign companies referred to in sub-section (1) are the following, namely:—

(a) foreign companies with whom the Central Government has entered into agreements for the association or participation of that Government or any person authorised by that Government in any business consisting of the prospecting for or extraction or production of mineral oils; and

(b) foreign companies providing any services or facilities or supplying any ship, aircraft machinery or plant (whether by way of sale or hire) in connection with any business consisting of the prospecting for or extraction or production of mineral oils carried on by that Government or any person specified by that Government in this behalf by notification in the Official Gazette.

(3) Every notification issued under this section shall be laid before each House of Parliament.

Explanation.—For the purposes of this section, “mineral oil” includes petroleum and natural gas.”

**Amendment of
First Schedule.**

43. In the First Schedule to the Companies (Profits) Surtax Act, in rule 1, the following *Explanation* shall be added at the end, namely:—

“*Explanation.*—Notwithstanding anything contained in any clause of this rule, the amount of any income or profits and gains which is required to be excluded from the total income under that clause shall be only the amount of such income or profits and gains as computed in accordance with the provisions of the Income-tax Act (except Chapter VIA thereof), and in a case where any deduction is required to be allowed in respect of any such income or profits and gains under the said Chapter VIA, the amount of such income or profits and gains computed as aforesaid as reduced by the amount of such deduction.”.

Interest-tax

**Amendment of
Act 45 of 1974.**

44. In section 16 of the Interest-tax Act, 1974, in sub-section (6), for the words “one hundred and twenty-five rupees”, the words “two hundred rupees” shall be substituted with effect from the 1st day of June, 1981.

Hotel-receipts tax

**Amendment of
Act 54 of 1980.**

45. In section 19 of the Hotel-Receipts Tax Act, 1980, in sub-section (6), for the words “one hundred and twenty-five rupees”, the words “two hundred rupees” shall be substituted with effect from the 1st day of June, 1981.

**CHAPTER IV
INDIRECT TAXES**

**Amendment of
Act 51 of 1975.**

46. The Customs Tariff Act, 1975 (hereinafter referred to as the Customs Tariff Act), shall be amended in the manner specified in the Second Schedule.

52 of 1962.

10 of 1897.

47. (1) In the case of goods mentioned in the First Schedule to the Customs Tariff Act, or in that Schedule, as amended from time to time, there shall be levied and collected as an auxiliary duty of customs an amount equal to twenty-five per cent. of the value of the goods as determined in accordance with the provisions of section 14 of the Customs Act, 1962 (hereinafter referred to as the Customs Act).

Auxiliary duties of customs.

(2) Sub-section (1) shall cease to have effect after the 31st day of March, 1982, except as respects things done or omitted to be done before such cesser; and section 6 of the General Clauses Act, 1897, shall apply upon such cesser as if the said sub-section had then been repealed by a Central Act.

(3) The auxiliary duties of customs referred to in sub-section (1) shall be in addition to any duties of customs chargeable on such goods under the Customs Act, or any other law for the time being in force.

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

48. The Central Excises and Salt Act, 1944 (hereinafter referred to as the Central Excises Act), shall be amended in the manner specified in the Third Schedule.

Amendment of Act 1 of 1944.

10 of 1897.

49. (1) In the case of goods chargeable with a duty of excise under the Central Excises Act, as amended from time to time, read with any notification for the time being in force issued by the Central Government in relation to the duty so chargeable, there shall be levied and collected a special duty of excise equal to ten per cent. of the amount so chargeable on such goods.

Special duties of excise.

(2) Sub-section (1) shall cease to have effect after the 31st day of March, 1982, except as respects things done or omitted to be done before such cesser; and section 6 of the General Clauses Act, 1897, shall apply upon such cesser as if the said sub-section had then been repealed by a Central Act.

(3) The special duties of excise referred to in sub-section (1) shall be in addition to any duties of excise chargeable on such goods under the Central Excises Act, or any other law for the time being in force.

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

Amendment of
Act 58 of 1957.

50. In the First Schedule to the Additional Duties of Excise (Goods of Special Importance) Act, 1957, in Item No. 4, under "II. Manufactured tobacco—", for the entry in the third column against sub-item (2), the entry "One hundred and ten per cent. *ad valorem plus* ten rupees per thousand." shall be substituted.

Amendment of
Act 40 of 1978.

51. In section 3 of the Additional Duties of Excise (Textiles and Textile Articles) Act, 1978, in sub-section (1), for the words "ten per cent.", the words "fifteen per cent." shall be substituted.

Amendment of
Act 16 of 1955.

52. The Medicinal and Toilet Preparations (Excise Duties) Act, 1955, shall be amended in the manner specified in the Fourth Schedule.

CHAPTER V

MISCELLANEOUS

Amendment of
Act 38 of 1974.

53. In the Compulsory Deposit Scheme (Income-tax Payers) Act, 1974,—

(a) in section 3, in sub-section (1), for the figures, letters and words "1st day of April, 1982", the figures, letters and words "1st day of April, 1984" shall be substituted;

(b) in section 4, in sub-section (1), in clause (iii), for the figures, letters and words "1st day of April, 1982", the figures, letters and words "1st day of April, 1984" shall be substituted;

(c) in section 8, with effect from the 1st day of June, 1981,—

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

"(1A) Notwithstanding anything contained in sub-section (1),—

(a) the amount of compulsory deposit made by or recovered from an individual; or

(b) the amount of compulsory deposit made by or recovered from any person who is assessable under the Income-tax Act in respect of the total income of an individual, on behalf of such individual,

shall, to the extent it has remained unpaid, be repayable, together with interest thereon,—

(i) where such individual has attained the age of seventy years before the 1st day of April, 1981, on the 1st day of June, 1981; and

(ii) in any other case, on the 1st day of the financial year immediately succeeding the financial year in which such individual attained seventy years of age.";

(ii) in sub-section (2), after the words, brackets and figure "under sub-section (1),", the words, brackets, figure and letter "or sub-section (1A)," shall be inserted.

THE FIRST SCHEDULE

(See section 2)

PART I

INCOME-TAX AND SURCHARGE ON INCOME-TAX

Paragraph A

Sub-Paragraph I

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

Rates of income-tax

(1) where the total income does not exceed Rs. 8,000	Nil;
(2) where the total income exceeds Rs. 8,000 but does not exceed Rs. 15,000	15 per cent. of the amount by which the total income exceeds Rs. 8,000;
(3) where the total income exceeds Rs. 15,000 but does not exceed Rs. 20,000	Rs. 1,050 <i>plus</i> 18 per cent. of the amount by which the total income exceeds Rs. 15,000;
(4) where the total income exceeds Rs. 20,000 but does not exceed Rs. 25,000	Rs. 1,950 <i>plus</i> 25 per cent. of the amount by which the total income exceeds Rs. 20,000;
(5) where the total income exceeds Rs. 25,000 but does not exceed Rs. 30,000	Rs. 3,200 <i>plus</i> 30 per cent. of the amount by which the total income exceeds Rs. 25,000;
(6) where the total income exceeds Rs. 30,000 but does not exceed Rs. 50,000	Rs. 4,700 <i>plus</i> 40 per cent. of the amount by which the total income exceeds Rs. 30,000;
(7) where the total income exceeds Rs. 50,000 but does not exceed Rs. 70,000	Rs. 12,700 <i>plus</i> 50 per cent. of the amount by which the total income exceeds Rs. 50,000;
(8) where the total income exceeds Rs. 70,000 but does not exceed Rs. 1,00,000	Rs. 22,700 <i>plus</i> 55 per cent. of the amount by which the total income exceeds Rs. 70,000;
(9) where the total income exceeds Rs. 1,00,000	Rs. 39,200 <i>plus</i> 60 per cent. of the amount by which the total income exceeds Rs. 1,00,000;

Provided that for the purposes of this Sub-Paragraph,—

(i) no income-tax shall be payable on a total income not exceeding Rs. 12,000;

(ii) where the total income exceeds Rs. 12,000 but does not exceed Rs. 16,250, the income-tax payable thereon shall not exceed thirty per cent. of the amount by which the total income exceeds Rs. 12,000.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Sub-Paragraph shall be increased by a surcharge for purposes of the Union calculated at the rate of ten per cent. of such income-tax.

Sub-Paragraph II

In the case of every Hindu undivided family which at any time during the previous year has at least one member whose total income of the previous year relevant to the assessment year commencing on the 1st day of April, 1981 exceeds Rs. 12,000,—

Rates of income-tax

(1) where the total income does not exceed Rs. 8,000	Nil;
(2) where the total income exceeds Rs. 8,000 but does not exceed Rs. 15,000	22 per cent. of the amount by which the total income exceeds Rs. 8,000;
(3) where the total income exceeds Rs. 15,000 but does not exceed Rs. 20,000	Rs. 1,540 plus 27 per cent. of the amount by which the total income exceeds Rs. 15,000;
(4) where the total income exceeds Rs. 20,000 but does not exceed Rs. 25,000	Rs. 2,890 plus 35 per cent. of the amount by which the total income exceeds Rs. 20,000;
(5) where the total income exceeds Rs. 25,000 but does not exceed Rs. 30,000	Rs. 4,640 plus 40 per cent. of the amount by which the total income exceeds Rs. 25,000;
(6) where the total income exceeds Rs. 30,000 but does not exceed Rs. 50,000	Rs. 6,640 plus 50 per cent. of the amount by which the total income exceeds Rs. 30,000;
(7) where the total income exceeds Rs. 50,000	Rs. 16,640 plus 60 per cent. of the amount by which the total income exceeds Rs. 50,000;

Provided that for the purposes of this Sub-Paragraph,—

(i) no income-tax shall be payable on a total income not exceeding Rs. 12,000;

(ii) where the total income exceeds Rs. 12,000 but does not exceed Rs. 17,610, the income-tax payable thereon shall not exceed forty per cent. of the amount by which the total income exceeds Rs. 12,000.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Sub-Paragraph shall be increased by a surcharge for purposes of the Union calculated at the rate of ten per cent. of such income-tax.

Paragraph B

In the case of every co-operative society,—

Rates of income-tax

(1) where the total income does not exceed Rs. 10,000	15 per cent. of the total income;
(2) where the total income exceeds Rs. 10,000 but does not exceed Rs. 20,000	Rs. 1,500 <i>plus</i> 25 per cent. of the amount by which the total income exceeds Rs. 10,000;
(3) where the total income exceeds Rs. 20,000	Rs. 4,000 <i>plus</i> 40 per cent. of the amount by which the total income exceeds Rs. 20,000.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph shall be increased by a surcharge for purposes of the Union calculated at the rate of ten per cent. of such income-tax.

*Paragraph C**Sub-Paragraph I*

In the case of every registered firm, not being a case to which Sub-Paragraph II of this Paragraph applies,—

Rates of income-tax

(1) where the total income does not exceed Rs. 10,000	<i>Nil</i> ;
(2) where the total income exceeds Rs. 10,000 but does not exceed Rs. 25,000	5 per cent. of the amount by which the total income exceeds Rs. 10,000;
(3) where the total income exceeds Rs. 25,000 but does not exceed Rs. 50,000	Rs. 750 <i>plus</i> 7 per cent. of the amount by which the total income exceeds Rs. 25,000;
(4) where the total income exceeds Rs. 50,000 but does not exceed Rs. 1,00,000	Rs. 2,500 <i>plus</i> 15 per cent. of the amount by which the total income exceeds Rs. 50,000;
(5) where the total income exceeds Rs. 1,00,000	Rs. 10,000 <i>plus</i> 24 per cent. of the amount by which the total income exceeds Rs. 1,00,000,

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Sub-Paragraph shall be increased by a surcharge for purposes of the Union calculated at the rate of ten per cent. of such income-tax.

Sub-Paragraph II

In the case of every registered firm whose total income includes income derived from a profession carried on by it and the income so included is not less than fifty-one per cent. of such total income,—

Rates of income-tax

- | | |
|--|---|
| (1) where the total income does not exceed Rs. 10,000 | Nil; |
| (2) where the total income exceeds Rs. 10,000 but does not exceed Rs. 25,000 | 4 per cent. of the amount by which the total income exceeds Rs. 10,000; |
| (3) where the total income exceeds Rs. 25,000 but does not exceed Rs. 50,000 | Rs. 600 plus 7 per cent. of the amount by which the total income exceeds Rs. 25,000; |
| (4) where the total income exceeds Rs. 50,000 but does not exceed Rs. 1,00,000 | Rs. 2,350 plus 13 per cent. of the amount by which the total income exceeds Rs. 50,000; |
| (5) where the total income exceeds Rs. 1,00,000 | Rs. 8,850 plus 22 per cent. of the amount by which the total income exceeds Rs. 1,00,000. |

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Sub-Paragraph shall be increased by a surcharge for purposes of the Union calculated at the rate of ten per cent. of such income-tax.

Explanation.—For the purposes of this Paragraph, “registered firm” includes an unregistered firm assessed as a registered firm under clause (b) of section 183 of the Income-tax Act.

Paragraph D

In the case of every local authority,—

Rate of income-tax

On the whole of the total income 50 per cent.

Surcharge on income-tax

The amount of income-tax computed at the rate hereinbefore specified shall be increased by a surcharge for purposes of the Union calculated at the rate of ten per cent. of such income-tax.

Paragraph E

In the case of a company,—

Rates of income-tax

I. In the case of a domestic company,—

(1) where the company is a company in which the public are substantially interested,—

(i) in a case where the total income does not exceed Rs. 1,00,000

45 per cent. of the total income;

(ii) in a case where the total income exceeds Rs. 1,00,000

55 per cent. of the total income;

(2) where the company is not a company in which the public are substantially interested,—

(i) in the case of an industrial company,—

(a) where the total income does not exceed Rs. 2,00,000

55 per cent. of the total income;

(b) where the total income exceeds Rs. 2,00,000

60 per cent. of the total income;

(ii) in any other case

65 per cent. of the total income:

Provided that—

(i) the income-tax payable by a domestic company, being a company in which the public are substantially interested, the total income of which exceeds Rs. 1,00,000, shall not exceed the aggregate of

(a) the income-tax which would have been payable by the company if its total income had been Rs. 1,00,000 (the income of Rs. 1,00,000 for this purpose being computed as if such income included income from various sources in the same proportion as the total income of the company); and

(b) eighty per cent. of the amount by which its total income exceeds Rs. 1,00,000;

(ii) the income-tax payable by a domestic company, not being a company in which the public are substantially interested, which is an industrial

company and the total income of which exceeds Rs. 2,00,000, shall not exceed the aggregate of—

(a) the income-tax which would have been payable by the company if its total income had been Rs. 2,00,000 (the income of Rs. 2,00,000 for this purpose being computed as if such income included income from various sources in the same proportion as the total income of the company); and

(b) eighty per cent. of the amount by which its total income exceeds Rs. 2,00,000.

II. In the case of a company other than a domestic company,—

(i) on so much of the total income as consists of—

(a) royalties received from an Indian concern in pursuance of an agreement made by it with the Indian concern after the 31st day of March, 1961 but before the 1st day of April, 1976, or

(b) fees for rendering technical services received from an Indian concern in pursuance of an agreement made by it with the Indian concern after the 29th day of February, 1964 but before the 1st day of April, 1976,

and where such agreement has, in either case, been approved by the Central Government

(ii) on the balance, if any, of the total income

50 per cent.;

or 70 per cent. if such income

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph shall be increased by a surcharge calculated at the rate of seven and a half per cent. of such income-tax.

PART II*Rates for deduction of tax at source in certain cases*

In every case in which under the provisions of sections 193, 194, 194A, 194B, 194BB, 194D and 195 of the Income-tax Act, tax is to be deducted at the rates in force, deduction shall be made from the income subject to deduction at the following rates:—

Income-tax		
	Rate of income-tax	Rate of surcharge
1. In the case of a person other than a company—		
(a) where the person is resident in India—		
(i) on income by way of interest other than "Interest on securities"	10 per cent.	Nil;
(ii) on income by way of winnings from lotteries and crossword puzzles	30 per cent.	3 per cent.;
(iii) on income by way of winnings from horse races	30 per cent.	3 per cent.;
(iv) on income by way of insurance commission	10 per cent.	Nil;
(v) on income by way of interest payable on—	10 per cent.	Nil;
(A) any security, other than a tax-free security, of the Central or a State Government,		
(B) any debentures or other securities for money issued by or on behalf of any local authority or a corporation established by a Central, State or Provincial Act		
(C) any debentures issued by a company where such debentures are listed in a recognised stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956, and any rules made thereunder		

	Income-tax	
	Rate of income-tax	Rate of surcharge
(vi) on any other income (excluding interest payable on a tax-free security)	20 per cent.	2 per cent.;
(b) where the person is not resident in India—		
(i) on the whole income (excluding interest payable on a tax-free security)		income-tax at 30 per cent. and surcharge at 3 per cent. of the amount of the income, or income-tax and surcharge on income-tax in respect of the income at the rates prescribed in Sub-Paragraph 1 of Paragraph A of Part III of this Schedule, if such income had been the total income,
(ii) on income by way of interest payable on a tax-free security	15 per cent.	1.5 per cent. whichever is higher;
2. In the case of a company—		
(a) where the company is a domestic company—		
(i) on income by way of interest other than "Interest on securities"	20 per cent.	0.5 per cent.;
(ii) on any other income (excluding interest payable on a tax-free security)	21.5 per cent.	0.5 per cent.;
(b) where the company is not a domestic company—		
(i) on income by way of dividends payable by any domestic company	25 per cent.	Nil;
(ii) on income by way of royalty payable by an Indian concern in pursuance of an agreement made by it with the Indian concern after the 31st day of March, 1976, where such royalty is in consideration for the transfer of all or any rights (including the granting of a licence) in respect of copyright in any book on a subject referred to in	40 per cent.	Nil;

Income-tax	Rate of income-tax	Rate of surcharge
the proviso to sub-section (1A) of section 115A of the Income-tax Act, to the Indian concern		
(iii) on income by way of royalty [not being royalty of the nature referred to in sub-item (b) (ii)] payable by an Indian concern in pursuance of an agreement made by it with the Indian concern and which has been approved by the Central Government,—		
(A) where the agreement is made after the 31st day of March, 1961 but before the 1st day of April, 1976	50 per cent.	1.25 per cent.;
(B) where the agreement is made after the 31st day of March, 1976—		
(1) on so much of the amount of such income as consists of lump sum consideration for the transfer outside India of, or the imparting of information outside India in respect of, any data, documentation, drawing or specification relating to any patent, invention, model, design, secret formula or process, or trade mark or similar property	20 per cent.	Nil;
(2) on the balance, if any, of such income	40 per cent.	Nil;
(iv) on income by way of fees for technical services payable by an Indian concern in pursuance by it with the Indian concern and which has been approved by the Central Government—		
(A) where the agreement is made after the 29th day of February,	50 per cent.	1.25 per cent.;

	Income-tax	Rate of income-tax	Rate of surcharge
February, 1964 but before the 1st day of April, 1976			
(B) where the agreement is made after the 31st day of March, 1976	40 per cent.	Nil;	
(v) on income by way of interest payable on a tax-free security	44 per cent.	1.1 per cent;	
(vi) on any other income	70 per cent.	1.75 per cent.	

PART III

Rates for calculating or charging income-tax in certain cases, deducting income-tax from income chargeable under the head "Salaries" or any payment referred to in sub-section (9) of section 80E and computing "advance tax".

In cases in which income-tax has to be calculated under the first proviso to sub-section (5) of section 132 of the Income-tax Act or charged under sub-section (4) of section 172 or sub-section (2) of section 174 or section 175 or sub-section (2) of section 176 of the said Act or deducted under section 192 of the said Act from income chargeable under the head "Salaries" or deducted under sub-section (9) of section 80E of the said Act from any payment referred to in the said sub-section (9) or in which the "advance tax" payable under Chapter XVII-C of the said Act has to be computed, at the rate or rates in force, such income-tax or, as the case may be, "advance tax" (not being "advance tax" in respect of any income chargeable to tax under Chapter XII or section 164 or section 164A or section 167A of the Income-tax Act at the rates as specified in that Chapter or section), shall be so calculated, charged, deducted or computed at the following rate or rates:—

Paragraph A

Sub-Paragraph I

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

Rates of income-tax

- | | |
|--|--|
| (1) where the total income does not exceed Rs. 15,000 | Nil; |
| (2) where the total income exceeds Rs. 15,000 but does not exceed Rs. 25,000 | 30 per cent. of the amount by which the total income exceeds Rs. 15,000; |

(3) where the total income exceeds Rs. 25,000 but does not exceed Rs. 30,000	Rs. 3,000 plus 34 per cent. of the amount by which the total income exceeds Rs. 25,000;
(4) where the total income exceeds Rs. 30,000 but does not exceed Rs. 50,000	Rs. 4,700 plus 40 per cent. of the amount by which the total income exceeds Rs. 30,000;
(5) where the total income exceeds Rs. 50,000 but does not exceed Rs. 70,000	Rs. 12,700 plus 50 per cent. of the amount by which the total income exceeds Rs. 50,000;
(6) where the total income exceeds Rs. 70,000 but does not exceed Rs. 1,00,000	Rs. 22,700 plus 55 per cent. of the amount by which the total income exceeds Rs. 70,000;
(7) where the total income exceeds Rs. 1,00,000	Rs. 39,200 plus 60 per cent. of the amount by which the total income exceeds Rs. 1,00,000.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Sub-Paragraph shall be increased by a surcharge for purposes of the Union calculated at the rate of ten per cent. of such income-tax.

Sub-Paragraph II

In the case of every Hindu undivided family which at any time during the previous year has at least one member whose total income of the previous year relevant to the assessment year commencing on the 1st day of April, 1982 exceeds Rs. 15,000,—

Rates of income-tax

(1) where the total income does not exceed Rs. 8,000	Nil;
(2) where the total income exceeds Rs. 8,000 but does not exceed Rs. 15,000	22 per cent. of the amount by which the total income exceeds Rs. 8,000;
(3) where the total income exceeds Rs. 15,000 but does not exceed Rs. 20,000	Rs. 1,540 plus 27 per cent. of the amount by which the total income exceeds Rs. 15,000;
(4) where the total income exceeds Rs. 20,000 but does not exceed Rs. 25,000	Rs. 2,890 plus 35 per cent. of the amount by which the total income exceeds Rs. 20,000;
(5) where the total income exceeds Rs. 25,000 but does not exceed Rs. 30,000	Rs. 4,640 plus 40 per cent. of the amount by which the total income exceeds Rs. 25,000;
(6) where the total income exceeds Rs. 30,000 but does not exceed Rs. 50,000	Rs. 6,640 plus 50 per cent. of the amount by which the total income exceeds Rs. 30,000;
(7) where the total income exceeds Rs. 50,000	Rs. 16,640 plus 60 per cent. of the amount by which the total income exceeds Rs. 50,000;

Provided that for the purposes of this Sub-Paragraph,—

(i) no income-tax shall be payable on a total income not exceeding Rs. 12,000;

(ii) where the total income exceeds Rs. 12,000 but does not exceed Rs. 17,610, the income-tax payable thereon shall not exceed forty per cent. of the amount by which the total income exceeds Rs. 12,000.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Sub-Paragraph shall be increased by a surcharge for purposes of the Union calculated at the rate of ten per cent. of such income-tax.

Paragraph B

In the case of every co-operative society,—

Rates of income-tax

(1) where the total income does not exceed Rs. 10,000	15 per cent. of the total income;
(2) where the total income exceeds Rs. 10,000 but does not exceed Rs. 20,000	Rs. 1,500 plus 25 per cent. of the amount by which the total income exceeds Rs. 10,000;
(3) where the total income exceeds Rs. 20,000	Rs. 4,000 plus 40 per cent. of the amount by which the total income exceeds Rs. 20,000.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph shall be increased by a surcharge for purposes of the Union calculated at the rate of ten per cent. of such income-tax.

Paragraph C

Sub-Paragraph I

In the case of every registered firm, not being a case to which Sub-Paragraph II of this Paragraph applies,—

Rates of income-tax

(1) where the total income does not exceed Rs. 10,000	Nil;
(2) where the total income exceeds Rs. 10,000 but does not exceed Rs. 25,000	5 per cent. of the amount by which the total income exceeds Rs. 10,000;
(3) where the total income exceeds Rs. 25,000 but does not exceed Rs. 50,000	Rs. 750 plus 7 per cent. of the amount by which the total income exceeds Rs. 25,000;

(4) where the total income exceeds Rs. 50,000 but does not exceed Rs. 1,00,000	Rs. 2,500 plus 15 per cent. of the amount by which the total income exceeds Rs. 50,000;
(5) where the total income exceeds Rs. 1,00,000	Rs. 10,000 plus 24 per cent. of the amount by which the total income exceeds Rs. 1,00,000.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Sub-Paragraph shall be increased by a surcharge for purposes of the Union calculated at the rate of ten per cent. of such income-tax.

Sub-Paragraph II

In the case of every registered firm whose total income includes income derived from a profession carried on by it and the income so included is not less than fifty-one per cent. of such total income,—

Rates of income-tax

(1) where the total income does not exceed Rs. 10,000	Nil
(2) where the total income exceeds Rs. 10,000 but does not exceed Rs. 25,000	4 per cent. of the amount by which the total income exceeds Rs. 10,000;
(3) where the total income exceeds Rs. 25,000 but does not exceed Rs. 50,000	Rs. 600 plus 7 per cent. of the amount by which the total income exceeds Rs. 25,000;
(4) where the total income exceeds Rs. 50,000 but does not exceed Rs. 1,00,000	Rs. 2,350 plus 13 per cent. of the amount by which the total income exceeds Rs. 50,000;
(5) where the total income exceeds Rs. 1,00,000	Rs. 8,850 plus 22 per cent. of the amount by which the total income exceeds Rs. 1,00,000.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Sub-Paragraph shall be increased by a surcharge for purposes of the Union calculated at the rate of ten per cent. of such income-tax.

Explanation.—For the purposes of this Paragraph, “registered firm” includes an unregistered firm assessed as a registered firm under clause (b) of section 183 of the Income-tax Act.

Paragraph D

In the case of every local authority,—

Rate of income-tax

On the whole of the total income 50 per cent.

Surcharge on income-tax

The amount of income-tax computed at the rate hereinbefore specified shall be increased by a surcharge for purposes of the Union calculated at the rate of ten per cent. of such income-tax.

Paragraph E

In the case of a company,—

Rates of income-tax

I. In the case of a domestic company,—

(1) where the company is a company in which the public are substantially interested,—

(i) in a case where the total income does not exceed Rs. 1,00,000 45 per cent. of the total income;

(ii) in a case where the total income exceeds Rs. 1,00,000 55 per cent. of the total income;

(2) where the company is not a company in which the public are substantially interested,—

(i) in the case of an industrial company,—

(a) where the total income does not exceed Rs. 2,00,000 55 per cent. of the total income;

(b) where the total income exceeds Rs. 2,00,000 60 per cent. of the total income;

(ii) in any other case 65 per cent. of the total income;

Provided that—

(i) the income-tax payable by a domestic company, being a company in which the public are substantially interested, the total income of which exceeds Rs. 1,00,000, shall not exceed the aggregate of—

(a) the income-tax which would have been payable by the company if its total income had been Rs. 1,00,000 (the income of Rs. 1,00,000 for this purpose being computed as if such income

included income from various sources in the same proportion as the total income of the company); and

(b) eighty per cent. of the amount by which its total income exceeds Rs. 1,00,000;

(ii) the income-tax payable by a domestic company, not being a company in which the public are substantially interested, which is an industrial company and the total income of which exceeds Rs. 2,00,000, shall not exceed the aggregate of—

(a) the income-tax which would have been payable by the company if its total income had been Rs. 2,00,000 (the income of Rs. 2,00,000 for this purpose being computed as if such income included income from various sources in the same proportion as the total income of the company); and

(b) eighty per cent. of the amount by which its total income exceeds Rs. 2,00,000.

II. In the case of a company other than a domestic company,—

(i) on so much of the total income as consists of—

(a) royalties received from an Indian concern in pursuance of an agreement made by it with the Indian concern after the 31st day of March, 1961 but before the 1st day of April, 1976, or

(b) fees for rendering technical services received from an Indian concern in pursuance of an agreement made by it with the Indian concern after the 29th day of February, 1964 but before the 1st day of April, 1976,

and where such agreement has, in either case, been approved by the Central Government

50 per cent.;

(ii) on the balance, if any, of the total income 70 per cent.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph shall be increased by a surcharge calculated at the rate of two and a half per cent. of such income-tax.

PART IV

[See section 2(7)(e)]

RULES FOR COMPUTATION OF NET AGRICULTURAL INCOME

Rule 1.—Agricultural income of the nature referred to in sub-clause (a) of clause (1) of section 2 of the Income-tax Act shall be computed as if it were

income chargeable to income-tax under that Act under the head "Income from other sources" and the provisions of sections 57 to 59 of that Act shall, so far as may be, apply accordingly:

Provided that sub-section (2) of section 58 shall apply subject to the modification that the reference to section 40A therein shall be construed as not including a reference to sub-sections (3) and (4) of section 40A.

Rule 2.—Agricultural income of the nature referred to in sub-clause (b) or sub-clause (c) of clause (1) of section 2 of the Income-tax Act [other than income derived from any building required as a dwelling house by the receiver of the rent or revenue or the cultivator or the receiver of rent-in-kind referred to in the said sub-clause (c)] shall be computed as if it were income chargeable to income-tax under that Act under the head "Profits and gains of business or profession" and the provisions of sections 30, 31, 32, 34, 36, 37, 38, 40, 40A [other than sub-sections (3) and (4) thereof], 41, 43, and 43A of the Income-tax Act shall, so far as may be, apply accordingly.

Rule 3.—Agricultural income of the nature referred to in sub-clause (c) of clause (1) of section 2 of the Income-tax Act, being income derived from any building required as a dwelling house by the receiver of the rent or revenue or the cultivator or the receiver of rent-in-kind referred to in the said sub-clause (c) shall be computed as if it were income chargeable to income-tax under that Act under the head "Income from house property" and the provisions of sections 23 to 27 of that Act shall, so far as may be, apply accordingly:

Provided that sub-section (2) of the said section 23 shall apply subject to the modifications that the references to "total income" therein shall be construed as references to net agricultural income and that the words, figures and letter "and before making any deduction under Chapter VIA" shall be omitted.

Rule 4.—Notwithstanding anything contained in any other provisions of these rules, in a case where the assessee derives income from sale of tea grown and manufactured by him in India, such income shall be computed in accordance with rule 8 of the Income-tax Rules, 1962, and sixty per cent. of such income shall be regarded as the agricultural income of the assessee.

Rule 5.—Where the assessee is a partner of a registered firm or an unregistered firm assessed as a registered firm under clause (b) of section 183 of the Income-tax Act, which in the previous year has any agricultural income, or is a partner of an unregistered firm which has not been assessed as a registered firm under clause (b) of the said section 183 and which in the previous year has either no income chargeable to tax under the Income-tax Act or has total income not exceeding the maximum amount not chargeable to tax in the case of an unregistered firm but has any agricultural income, then, the agricultural income or loss of the firm shall be computed in accordance with these rules and his share in the agricultural income or loss of the firm shall be computed in the manner laid down

in sub-section (1), sub-section (2) and sub-section (3) of section 67 of the Income-tax Act and the share so computed shall be regarded as the agricultural income or loss of the assessee.

Rules 6.—Where the assessee is a member of an association of persons or a body of individuals (other than a Hindu undivided family, a company or a firm) which in the previous year has either no income chargeable to tax under the Income-tax Act or has total income not exceeding the maximum amount not chargeable to tax in the case of an association of persons or a body of individuals (other than a Hindu undivided family, a company or a firm) but has any agricultural income, then, the agricultural income or loss of the association or body shall be computed in accordance with these rules and the share of the assessee in the agricultural income or loss so computed shall be regarded as the agricultural income or loss of the assessee.

Rule 7.—Where the result of the computation for the previous year in respect of any source of agricultural income is a loss, such loss shall be set off against the income of the assessee, if any, for that previous year from any other source of agricultural income:

Provided that where the assessee is a partner of an unregistered firm which has not been assessed as a registered firm under clause (b) of section 183 of the Income-tax Act or is a member of an association of persons or a body of individuals and the share of the assessee in the agricultural income of the firm, association or body, as the case may be, is a loss, such loss shall not be set off against any income of the assessee from any other source of agricultural income.

Rule 8.—Any sum payable by the assessee on account of any tax levied by the State Government on the agricultural income shall be deducted in computing the agricultural income.

Rule 9.—(1) Where the assessee has, in the previous year relevant to the assessment year commencing on the 1st day of April, 1981, any agricultural income and the net result of the computation of the agricultural income of the assessee for any one or more of the previous years relevant to the assessment years commencing on the 1st day of April, 1974 or the 1st day of April, 1975 or the 1st day of April, 1976 or the 1st day of April, 1977 or the 1st day of April, 1978 or the 1st day of April, 1979 or the 1st day of April, 1980, is a loss, then, for the purposes of sub-section (2) of section 2 of this Act,—

(i) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1974, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1975 or the 1st day of April, 1976 or the 1st day of April, 1977 or the 1st day of April, 1978 or the 1st day of April, 1979 or the 1st day of April, 1980,

(ii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April,

1975, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1976 or the 1st day of April, 1977 or the 1st day of April, 1978 or the 1st day of April, 1979 or the 1st day of April, 1980,

(iii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1976, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1977 or the 1st day of April, 1978 or the 1st day of April, 1979 or the 1st day of April, 1980,

(iv) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1977, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1978 or the 1st day of April, 1979 or the 1st day of April, 1980,

(v) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1978, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1979 or the 1st day of April, 1980,

(vi) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1979, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1980, and

(vii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1980,

shall be set off against the agricultural income of the assessee for the previous year relevant to the assessment year commencing on the 1st day of April, 1981.

(2) Where the assessee has, in the previous year relevant to the assessment year commencing on the 1st day of April, 1982 or, if by virtue of any provision of the Income-tax Act, income-tax is to be charged in respect of the income of a period other than that previous year, in such other period, any agricultural income and the net result of the computation of the agricultural income of the assessee for any one or more of the previous years relevant to the assessment years commencing on the 1st day of April, 1974 or the 1st day of April, 1975 or the 1st day of April, 1976 or the 1st day of April, 1977 or the 1st day of April, 1978 or the 1st day of April, 1979 or the 1st day of April, 1980 or the 1st day of April, 1981, is a loss, then, for the purposes of sub-section (6) of section 2 of this Act,—

(i) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April,

1974, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1975 or the 1st day of April, 1976 or the 1st day of April, 1977 or the 1st day of April, 1978 or the 1st day of April, 1979 or the 1st day of April, 1980 or the 1st day of April, 1981,

(ii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1975, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1976 or the 1st day of April, 1977 or the 1st day of April, 1978 or the 1st day of April, 1979 or the 1st day of April, 1980 or the 1st day of April, 1981,

(iii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1976, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1977 or the 1st day of April, 1978 or the 1st day of April, 1979 or the 1st day of April, 1980 or the 1st day of April, 1981,

(iv) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1977, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1978 or the 1st day of April, 1979 or the 1st day of April, 1980 or the 1st day of April, 1981,

(v) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1978, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1979 or the 1st day of April, 1980 or the 1st day of April, 1981,

(vi) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1979, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1980 or the 1st day of April, 1981,

(vii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1980, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1981, and

(viii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1981,

shall be set off against the agricultural income of the assessee for the previous year relevant to the assessment year commencing on the 1st day of April, 1982, or the period aforesaid.

(3) Where a change has occurred in the constitution of a firm, nothing in sub-rule (1) or sub-rule (2) shall entitle the firm to set off so much of the loss proportionate to the share of a retired or deceased partner computed in the manner laid down in sub-section (1), sub-section (2) and sub-section (3) of section 67 of the Income-tax Act as exceeds his share of profits, if any, of the previous year in the firm, or entitle any partner to the benefit of any portion of the said loss (computed in the manner aforesaid) which is not apportionable to him.

(4) Where any person deriving any agricultural income from any source has been succeeded in such capacity by another person, otherwise than by inheritance, nothing in sub-rule (1) or sub-rule (2) shall entitle any person, other than the person incurring the loss, to have it set off under sub-rule (1) or, as the case may be, sub-rule (2).

(5) Notwithstanding anything contained in this rule, no loss which has not been determined by the Income-tax Officer under the provisions of these rules or the rules contained in Part IV of the First Schedule to the Finance Act, 1974, or of the First Schedule to the Finance Act, 1975, or of the First Schedule to the Finance Act, 1976, or of the First Schedule to the Finance (No. 2) Act, 1977, or of the Schedule to the Finance Act, 1978, or of the First Schedule to the Finance Act, 1979, or of the First Schedule to the Finance (No. 2) Act, 1980, shall be set off under sub-rule (1) or, as the case may be, sub-rule (2).

20 of 1974.
25 of 1975.
66 of 1976.
29 of 1977.
19 of 1978.
21 of 1979.
44 of 1980.

Rule 10.—Where the net result of the computation made in accordance with these rules is a loss, the loss so computed shall be ignored and the net agricultural income shall be deemed to be *nil*.

Rule 11.—The provisions of the Income-tax Act relating to procedure for assessment (including the provisions of section 288A relating to rounding off of income) shall, with the necessary modifications, apply in relation to the computation of the net agricultural income of the assessee as they apply in relation to the assessment of the total income.

Rule 12.—For the purposes of computing the net agricultural income of the assessee, the Income-tax Officer shall have the same powers as he has under the Income-tax Act for the purposes of assessment of the total income.

THE SECOND SCHEDULE

(See section 46)

Head- ing No.	Sub-heading No. and description of article	Rate of duty		Duration when rates of duty are pro- tective
		Standard	Preferential Areas	
(1)	(2)	(3)	(4)	(5)

In the First Schedule to the Customs Tariff Act,—

(i) for Heading No. 73.15, the following Heading shall be substituted, namely :—

“73.15 Alloy steel and high carbon steel in the forms mentioned in Headings Nos. 73.06/07 to 73.14:

- | | |
|--|------|
| (1) Not elsewhere specified | 60% |
| (2) Coils for re-rolling, bars (including bright bars), rods, wire rods, strips, sheets and plates, of stainless steel | 300% |

(ii) for Heading No. 84.63, the following Heading shall be substituted, namely :—

“84.63 Transmission shafts, cranks, bearing housings, plain shaft bearings, gears and gearing (including friction gears and gearboxes and other variable speed gears), fly-wheels, pulleys and pulley blocks, clutches and shaft couplings :

- | | |
|--|------|
| (1) Not elsewhere specified | 60% |
| (2) Plain shaft bearings, with or without bearing housings | 100% |

THE THIRD SCHEDULE

(See section 48)

Item No.	Description of goods	Rate of duty
(1)	(2)	(3)

In the First Schedule to the Central Excises Act,—

(i) In Item No. 15A, for *Explanation II*, the following *Explanation* shall be substituted, namely:—

“*Explanation II*.—This Item does not include,—

- (a) polyester films;
- (b) electrical insulators or electrical insulating fittings or parts of such insulators or insulating fittings.”;

(ii) after Item No. 15B, the following Item shall be inserted, namely:—

“15BB. POLYESTER FILMS Fifty per cent. *ad valorem*;”

(iii) for Item No. 16, the following Item shall be substituted, namely:—

‘16. TYRES—

“Tyre” means a pneumatic tyre in the manufacture of which rubber is used, and includes the inner tube, the tyre flap and the outer cover of such a tyre:

- | | |
|---|-------------------------------------|
| I. (1) Tyres for motor vehicles; and tyres for vehicles or equipments, designed for use off the road. | Sixty per cent. <i>ad valorem</i> . |
| (2) Tyres for tractors, including agricultural tractors. | Sixty per cent. <i>ad valorem</i> . |
| (3) Tyres for trailers. | Sixty per cent. <i>ad valorem</i> . |

Item No.	Description of goods	Rate of duty
(1)	(2)	(3)
II.	Tyres for cycles and cycle-rickshaws—	
(1)	Tyres.	Sixty paise per tyre or fifteen per cent. <i>ad valorem</i> , whichever is higher.
(2)	Tubes.	Thirty paise per tube or fifteen per cent. <i>ad valorem</i> , whichever is higher.
III.	All other tyres.	Twenty-five per cent. <i>ad valorem</i> .

Explanation I.—“Motor vehicles” means all mechanically propelled vehicles, other than tractors, designed for use upon roads.

Explanation II.—“Motor vehicles”, “tractors, including agricultural tractors” and “trailers” shall include a chassis; but shall not include a vehicle running upon fixed rails.;

(iv) for Item No. 16AA, the following Item shall be substituted, namely:—

**16AA. SYNTHETIC RUBBER,
INCLUDING SYNTHETIC
RUBBER LATEX
AND PRE-VULCANISED
SYNTHETIC RUBBER
LATEX**

Ten per cent. *ad valorem*.

Explanation.—In this Item, the expression “synthetic rubber” is to be taken to apply to:

(a) unsaturated synthetic substances which can be irreversibly transformed into non-thermoplastic substances by vulcanisation with sulphur and which, when so vulcanised as well as may be (without the addition of any substances such as plasticisers, fillers or reinforcing agents not necessary for the cross-linking), can produce substances which, at a temperature between 18° and 29°C, will not break on being extended to three times

Item No.	Description of goods	Rate of duty
(1)	(2)	(3)
	<p>(a) their original length and will return, after being extended to twice their original length, within a period of five minutes, to a length not greater than one-and-a-half times their original length.</p> <p>Such substances include cis-polyisoprene (IR), polybutadiene (BR), poly-chlorobutadiene (CR), polybutadiene-styrene (SBR), poly-chlorobutadiene-acrylonitrile (NCR), polybutadiene-acrylonitrile (NBR) and butyl rubber (IIR);</p> <p>(b) thioplasts (TM); and</p> <p>(c) natural rubber modified by grafting or mixing with artificial plastic material, de-polymerised natural rubber, and mixtures of unsaturated synthetic substances with saturated synthetic high polymers, provided that all the above-mentioned products comply with the requirements concerning vulcanisation, elongation and recovery in (a) above;'</p> <p>(v) in Item No. 26A,—</p> <p>(a) after sub-item (1a), the following sub-item shall be inserted, namely:—</p> <p>"(1b) Waste and scrap.</p> <p>(b) for sub-item (3), the following sub-items shall be substituted, namely:—</p> <p>"(3) Pipes and tubes, excluding shells and blanks, therefor.</p> <p>(4) Shells and blanks, for pipes and tubes.</p> <p>(c) the <i>Explanation</i> shall be numbered as <i>Explanation I</i>, and after the <i>Explanation</i> as so numbered, the following <i>Explanation</i> shall be inserted, namely:—</p> <p><i>'Explanation II.—"Waste and scrap"</i> means waste and scrap of copper fit only for the recovery of metal or for use in the manufacture of chemicals, but does not include slag, dross, scalings, ash and other cuprous residues.';</p>	

Item No.	Description of goods	Rate of duty
(1)	(2)	(3)

(vi) in Item No. 26B,—

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

"(1) Unwrought, including ingots, cakes, bars, blocks, hard or soft slabs, billets, plates, cathodes, anodes, pellets, spelter and broken zinc. Two thousand six hundred and twenty-five rupees per metric tonne."

(1a) Waste and scrap. Two thousand six hundred and twenty-five rupees per metric tonne.";

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

"(2a) Calots. Four thousand one hundred rupees per metric tonne.";

(c) the *Explanation* shall be numbered as *Explanation I*, and after the *Explanation* as so numbered, the following *Explanation* shall be inserted, namely:—

'Explanation II.—
"Waste and scrap" means waste and scrap of zinc fit only for the recovery of metal or for use in the manufacture of chemicals and includes dross and ash;"

(vii) in Item No. 27,—

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

"(aa) Waste and scrap. Fifty per cent. *ad valorem*, plus two thousand rupees per metric tonne.";

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

'Explanation III.—
"Waste and scrap" means waste and scrap of aluminium fit only for the recovery of metal or for use in the manufacture of chemicals, but does not include sludge, dross, scalings, skimmings, ash and other residues;"

Item No.	Description of goods	Rate of duty
(1)	(2)	(3)

(viii) for Item No. 27A, the following Item shall be substituted, namely:—

27A. LEAD—

(1) Unwrought, including ingots, pigs, blocks, anodes, slabs, cakes and cast sticks. Five hundred rupees for metric tonne.

(2) Waste and scrap. Five hundred rupees for metric tonne.

Explanation I.—“LEAD” shall include any alloy in which lead predominates by weight over each of the other metals.

Explanation II.—“Waste and scrap” means waste and scrap of lead fit only for the recovery of metal or for use in the manufacture of chemicals, but does not include slag, ash and other residues.

(ix) in Item No. 37, under “II. Exposed—”, in the second column, for the entry “(i) News-reels and shorts not exceeding 500 metres”, the entry “(i) News-reels and shorts not exceeding 600 metres” shall be substituted.

THE FOURTH SCHEDULE

(See section 52)

16 of 1955.

In the Medicinal and Toilet Preparations (Excise Duties) Act, 1955, for the Schedule, the following Schedule shall be substituted, namely:

THE SCHEDULE

(See section 3)

Item No.	Description of goods dutiable goods	Rate of duty
<i>Medicinal preparations</i>		
1. Allopathic Medicinal Preparations:—		
(i) Medicinal preparations containing alcohol which are not capable of being consumed as ordinary alcoholic beverages—		
(a) Patent or proprietary medicines.	Twenty per cent. <i>ad valorem</i> or rupees six and sixty paise per litre of pure alcohol content, whichever is higher.	
(b) Others.	Rupees six and sixty paise per litre of pure alcohol content.	
(ii) Medicinal preparations containing alcohol which are capable of being consumed as ordinary alcoholic beverages—		
(a) Medicinal preparations which contain known active ingredients in therapeutic quantities.	Twenty per cent. <i>ad valorem</i> or rupees thirteen and twenty paise per litre of pure alcohol content, whichever is higher.	
(b) Others.	Twenty per cent. <i>ad valorem</i> or rupees fifty-two and eighty paise per litre of pure alcohol content, whichever is higher.	
(iii) Medicinal preparations not containing alcohol but containing narcotic drugs or narcotics.	Twenty per cent. <i>ad valorem</i> .	
2. Medicinal preparations in Ayurvedic, Unani or other indigenous systems of medicine—		
(i) Medicinal preparations containing self-generated alcohol which are not capable of being consumed as ordinary alcoholic beverages.	Nil.	
(ii) Medicinal preparations containing self-generated alcohol which are capable of being consumed as ordinary alcoholic beverages.	Rupee one and seventy-five paise per litre of pure alcohol content.	

Item No.	Description of dutiable goods	Rate of duty
	(iii) All others containing alcohol which are prepared by distillation or to which alcohol has been added.	Rupees fifty-two and eighty paise per litre of pure alcohol content.
	(iv) Medicinal preparations not containing alcohol but containing narcotic drug or narcotic.	Twenty per cent. <i>ad valorem</i> .
3.	Homoeopathic preparations containing alcohol.	Rupees thirteen and twenty paise per litre of pure alcohol content.
4.	Toilet preparations containing alcohol or narcotic drug or narcotic.	Sixty per cent. <i>ad valorem</i> or rupees thirteen and twenty paise per litre of pure alcohol content, whichever is higher.

Explanation I.—“Patent or proprietary medicines” means any medicinal preparation which bears either on itself or on its container or both, a name which is not specified in a monograph in a pharmacopoeia, formulary or other publications notified in this behalf by the Central Government in the Official Gazette, or which is a brand name, that is, a name or a registered trade-mark under the Trade and Merchandise Marks Act, 1958 or any other mark such as a symbol, monogram, label, signature or invented words or any writing which is used in relation to that medicinal preparation for the purpose of indicating or so as to indicate a connection in the course of trade between the preparation and some person having the right either as proprietor or otherwise to use the name or mark with or without any indication of the identity of that person.

43 of 1958.

Explanation II.—Where any article is chargeable with duty at a rate dependent on the value of the article, such value shall be deemed to be the value as determined in accordance with the provisions of section 4 of the Central Excises and Salt Act, 1944.

1 of 1944.

Explanation III.—For the purposes of this Schedule, “pure alcohol content”, in relation to a preparation, means the ethyl alcohol content in the preparation expressed as ethyl alcohol of 100% by volume at 15°C.

THE OIL AND NATURAL GAS COMMISSION
(AMENDMENT) ACT, 1981

No. 17 OF 1981

[27th August, 1981.]

An Act further to amend the Oil and Natural Gas Commission Act, 1959.

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

1. This Act may be called the Oil and Natural Gas Commission (Amendment) Act, 1981. Short title.

43 of 1959. 2. In section 5 of the Oil and Natural Gas Commission Act, 1959 (hereinafter referred to as the principal Act),— Amendment of section 5.

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

“Provided that the Central Government may—

(a) terminate the appointment of any whole-time member, who is not a servant of the Government, after giving him notice for a period of not less than three months or in lieu thereof on payment of an amount equal to his salary and allowances, if any, for a period of three months;

(b) terminate the appointment of any part-time member who is not a servant of the Government after giving him notice for such period as may be prescribed; and

(c) terminate at any time the appointment of any member who is a servant of the Government.”;

(ii) in sub-section (2), after the words “notice in writing”, the words “, for such period as may be prescribed,” shall be inserted.

3. In the proviso to section 15 of the principal Act,—

(i) in clause (a), for the words “any person”, the words “any person other than the person referred to in clause (aa)” shall be substituted;

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

“(aa) the employment, whether by fresh appointment, re-employment, extension of service or otherwise, of any person who has attained the age of fifty-eight years to a post, where the pay (including pension and pensionary equivalent of retirement benefits) of the post exceeds 2,500 rupees per mensem or where the minimum of the pay scale of the post, proposed to be given to such person is 2,500 rupees or more per mensem;”.

Amend.
ment of
section 32.

4. In section 32 of the principal Act,—

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

“(2A) The power to make regulations conferred by this section with respect to terms and conditions of appointment and service and the scales of pay of employees of the Commission shall include power to give retrospective effect from a date not earlier than the commencement of the Act, to such regulations or any of them but no retrospective effect shall be given to any such regulation so as to prejudicially affect the interests of any person to whom such regulations may be applicable.”;

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

“(4) Every regulation made under this section and every notification issued under sub-section (3) of this section shall be laid, as soon as may be after it is made or issued, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the regulation or notification or both Houses agree that the regulation or notification should not be made or issued, the regulation or notification shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be, without prejudice to the validity of anything previously done under that regulation or by virtue of that notification.”

THE ESSENTIAL COMMODITIES (SPECIAL PROVISIONS)
ACT, 1981

No. 18 OF 1981

[2nd September, 1981.]

An Act to make certain special provisions by way of amendments to the Essential Commodities Act, 1955, for a temporary period for dealing more effectively with persons indulging in hoarding and blackmarketing of, and profiteering in, essential commodities and with the evil of vicious inflationary prices and for matters connected therewith or incidental thereto.

WHEREAS for ensuring the availability of essential commodities at fair prices, it is necessary to curb the hoarding and blackmarketing of, and profiteering in, such commodities;

AND WHEREAS for dealing more effectively with persons indulging in such anti-social activities and the evil of vicious inflationary prices, it is necessary to make certain special provisions by way of amendments to the Essential Commodities Act, 1955, for a period of five years;

10 of 1955.

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

1. (1) This Act may be called the Essential Commodities (Special Provisions) Act, 1981.

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

10 of 1897.

(3) It shall cease to have effect on the expiry of five years from the date of commencement of this Act except as respects things done or omitted to be done before such cessation of operation of this Act, and section 6 of the General Clauses Act, 1897, shall apply upon such cessation of operation of this Act as if it had then been repealed by a Central Act.

(4) References in this Act to the commencement of this Act and to the continuance in force of this Act shall be construed in relation to each State as references, respectively, to the coming into force of this Act in that State and to the continuance in force of this Act in that State.

9.1982: the date on which the Act shall come into force in all the States and Union territories except the Union territories of the Andaman and Nicobar Islands, Arunachal Pradesh, Dadra and Nagar Haveli, Lakshadweep and Mizoram vide Notifn. No.G.S.R. 553(E), dated 31.8.1982.

Short title,
commencement
and duration.

**Act 10 of
1955 to
have
effect
subject to
certain
special
provisions
for a
temporary
period.**

**Amend-
ment of
section 2.**

**Amend-
ment of
section
6A.**

**Amend-
ment of
section 6C.**

**Amend-
ment of
section
6E.**

2. During the continuance in force of this Act, the Essential Commodities Act, 1955 (hereinafter referred to as the principal Act) shall have effect subject to the amendments specified in sections 3 to 11:

Provided that the amendments specified in sections 7 to 11 shall not apply to, or in relation to, any offence under the principal Act committed before the commencement of this Act and the provisions of the principal Act shall apply to, and in relation to, such offence as if those amendments had not been made.

3. In section 2 of the principal Act,—

(a) clause (ia) shall be re-numbered as clause (iia), and before clause (iia) as so re-numbered, the following clause shall be inserted, namely:—

‘(ia) “Code” means the Code of Criminal Procedure, 1973;’
and

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

“(f) words and expressions used but not defined in this Act and defined in the Code shall have the meanings respectively assigned to them in that Code.”

4. In section 6A of the principal Act, for the proviso to sub-section (2), the following proviso shall be substituted, namely:—

“Provided that in the case of any such essential commodity the retail sale price whereof has been fixed by the Central Government or a State Government under this Act or under any other law for the time being in force, the Collector may, for its equitable distribution and availability at fair prices, order the same to be sold through fair price shops at the price so fixed.”

5. In section 6C of the principal Act,—

(a) in sub-section (1), for the words “any judicial authority appointed by the State Government concerned and the judicial authority”, the words “the State Government concerned and the State Government” shall be substituted;

(b) in sub-section (2), for the words “such judicial authority”, the words “the State Government” shall be substituted.

6. In section 6E of the principal Act,—

(a) for the words, figure and letter “the judicial authority appointed under section 6C”, the words, figure and letter “the State Government concerned under section 6C” shall be substituted;

(b) for the words “any other court, tribunal or authority”, the words “any court, tribunal or other authority” shall be substituted.

2 of 1974.

7. In section 7 of the principal Act,—

- (a) in sub-section (1), the proviso to sub-clause (ii) of clause
 (a) shall be omitted;
- (b) the proviso to sub-section (2) shall be omitted;
- (c) the proviso to sub-section (2A) shall be omitted;
- (d) sub-section (2B) shall be omitted.

Amend-
ment of
section 7.

8. To section 8 of the principal Act, the following proviso shall be added, namely:—

"Provided that where a person has abetted the contravention of any order for the purpose of procuring any essential commodity of the nature mentioned in sub-clause (iva) or sub-clause (v) of clause (a) of section 2 for his own use or for the use of any member of his family or for the use of any person dependent on him, and not for the purpose of carrying on any business or trade in such essential commodity, the court may, notwithstanding anything contained in section 7 and for reasons to be mentioned in the judgment, impose a sentence of fine only."

Amend-
ment of
section 8.

9. In section 10A of the principal Act, after the word "cognizable", the words "and non-bailable" shall be inserted.

Amend-
ment of
section
10A.

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

Omission
of sec-
tion 12.

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

Substitu-
tion of
new sec-
tions for
section
12A.

12A. (1) The State Government may, for the purpose of providing speedy trial of the offences under this Act, by notification in the Official Gazette, constitute as many Special Courts as may be necessary for such area or areas as may be specified in the notification.

Constitu-
tion of
Special
Courts.

(2) A Special Court shall consist of a single judge who shall be appointed by the High Court upon a request made by the State Government.

Explanation.—In this sub-section, the word "appoint" shall have the meaning given to it in the *Explanation* to section 9 of the Code.

(3) A person shall not be qualified for appointment as a judge of a Special Court unless—

- (a) he is qualified for appointment as a judge of a High Court, or
- (b) he has, for a period of not less than one year, been a Sessions Judge or an Additional Sessions Judge.

12AA. (1) Notwithstanding anything contained in the Code,

- (a) all offences under this Act shall be triable only by the Special Court constituted for the area in which the offence has

Offences
trievable by
Special
Courts.

been committed or where there are more Special Courts than one for such area, by such one of them as may be specified in this behalf by the High Court;

(b) where a person accused of or suspected of the commission of an offence under this Act is forwarded to a Magistrate under sub-section (2) or sub-section (2A) of section 167 of the Code, such Magistrate may authorise the detention of such person in such custody as he thinks fit for a period not exceeding fifteen days in the whole where such Magistrate is a Judicial Magistrate and seven days in the whole where such Magistrate is an Executive Magistrate:

Provided that where such Magistrate considers—

(i) when such person is forwarded to him as aforesaid; or

(ii) upon or at any time before the expiry of the period of detention authorised by him;

that the detention of such person is unnecessary, he may, if he is satisfied that the case falls under the proviso to section 8, order the release of such person on bail and if he is not so satisfied, he shall order such person to be forwarded to the Special Court having jurisdiction;

(c) the Special Court may, subject to the provisions of clause (d) of this sub-section, exercise, in relation to the person forwarded to it under clause (b), the same power which a Magistrate having jurisdiction to try a case may exercise under section 167 of the Code in relation to an accused person in such case who has been forwarded to him under that section;

(d) save as aforesaid no person accused of or suspected of the commission of an offence under this Act shall be released on bail by any court other than a Special Court or the High Court:

Provided that a Special Court shall not release any such person on bail—

(i) without giving the prosecution an opportunity to oppose the application for such release unless the Special Court, for reasons to be recorded in writing, is of opinion that it is not practicable to give such opportunity; and

(ii) where the prosecution opposes the application, if the Special Court is satisfied that there appear reasonable grounds for believing that he has been guilty of the offence concerned:

Provided further that the Special Court may direct that any such person may be released on bail if he is under the age of sixteen years or is a woman or is a sick or infirm person, or if the Special Court is satisfied that it is just and proper so to do for any other special reason to be recorded in writing;

(e) a Special Court may, upon a perusal of police report of the facts constituting an offence under this Act take cognizance

of that offence without the accused being committed to it for trial;

(f) all offences under this Act shall be tried in a summary way and the provisions of sections 262 to 265 (both inclusive) of the Code shall, as far as may be, apply to such trial:

Provided that in the case of any conviction in a summary trial under this section, it shall be lawful for the Special Court to pass a sentence of imprisonment for a term not exceeding two years.

(2) When trying an offence under this Act, a Special Court may also try an offence other than an offence under this Act, with which the accused may, under the Code, be charged at the same trial:

Provided that such other offence is, under any other law for the time being in force, triable in a summary way:

Provided further that in the case of any conviction for such other offence in such trial, it shall not be lawful for the Special Court to pass a sentence of imprisonment for a term exceeding the term provided for conviction in a summary trial under such other law.

(3) A Special Court may, with a view to obtaining the evidence of any person suspected to have been directly or indirectly concerned in, or privy to, an offence under this Act, tender a pardon to such person on condition of his making a full and true disclosure of the whole circumstances within his knowledge relating to the offence and to every other person concerned whether as principal or abettor in the commission thereof and any pardon so tendered shall, for the purposes of section 308 of the Code, be deemed to have been tendered under section 307 thereof.

(4) Nothing contained in this section shall be deemed to affect the special powers of the High Court regarding bail under section 439 of the Code and the High Court may exercise such powers including the power under clause (b) of sub-section (1) of that section as if the reference to "Magistrate" in that section included also a reference to a "Special Court" constituted under section 12A.

12AB. The High Court may exercise, so far as may be applicable, all the powers conferred by Chapters XXIX and XXX of the Code on a High Court, as if a Special Court within the local limits of the jurisdiction of the High Court were a Court of Sessions trying cases within the local limits of the jurisdiction of the High Court.

Appeal
and
revision.

12AC. Save as otherwise provided in this Act, the provisions of the Code (including the provisions as to bail and bonds) shall apply to the proceedings before a Special Court and for the purposes of the said provisions, the Special Court shall be deemed to be a Court of Sessions and the person conducting a prosecution before a Special Court, shall be deemed to be a Public Prosecutor.'

Application of
Code to
proceedings
before a
Special
Court.

THE PREVENTION OF BLACKMARKETING AND
MAINTENANCE OF SUPPLIES OF ESSENTIAL
COMMODITIES (AMENDMENT) ACT, 1981

No. 19 OF 1981

[2nd September, 1981.]

An Act to amend the Prevention of Blackmarketing and Maintenance of Supplies of Essential Commodities Act, 1980.

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

Short title.

1. This Act may be called the Prevention of Blackmarketing and Maintenance of Supplies of Essential Commodities (Amendment) Act, 1981.

Amend-
ment of
section 9.

2. In section 9 of the Prevention of Blackmarketing and Maintenance of Supplies of Essential Commodities Act, 1980 (hereinafter referred to as the principal Act), for sub-sections (2) and (3), and the Explanation, the following sub-sections shall be substituted, namely:—

“(2) Every such Board shall consist of three persons who are, or have been, or are qualified to be appointed as, Judges of a High Court, and such persons shall be appointed by the appropriate Government.

“(3) The appropriate Government shall appoint one of the members of the Advisory Board who is, or has been, a Judge of a High Court to be its Chairman, and in the case of a Union territory, the appointment to the Advisory Board of any person who is a Judge of the High Court of a State shall be with the previous approval of the State Government concerned.”

Saving
as to
pending
references
under
section
10. . .

3. Any reference made under section 10 of the principal Act and pending before any Advisory Board immediately before the commencement of this Act may, notwithstanding anything contained in this Act, continue to be dealt with by that Board after such commencement as if this Act had not been enacted.

THE ASSAM APPROPRIATION ACT, 1981

No. 20 OF 1981

[2nd September, 1981.]

An Act to authorise payment and appropriation of certain sums from and out of the Consolidated Fund of the State of Assam for the services of the financial year 1981-82.

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

1. This Act may be called the Assam Appropriation Act, 1981.

2. From and out of the Consolidated Fund of the State of Assam there may be paid and applied sums not exceeding those specified in column 3 of the Schedule amounting in the aggregate [inclusive of sums specified in column (3) of the Schedule to the Assam Appropriation (Vote-on-Account) Ordinance, 1981 and of the sums specified in column 3 of the Schedule to the Order made by the President on the 25th July, 1981 under sub-clause (c) of clause (1) of article 357 of the Constitution and published with the notification of the Government of India in the Ministry of Finance (Department of Economic Affairs) No. S.O. 610 (E), dated the 27th July, 1981] to the sum of six hundred sixty-one crores, seventy-six lakhs and seventy-one thousand rupees towards defraying the several charges which will come in course of payment during the financial year 1981-82, in respect of the services specified in column 2 of the Schedule.

Short title.

Issue of Rs. 661,76, 71,000 out of the Consolidated Fund of Assam for the year 1981-82.

Assam
Ordinance
No. 1
of 1981.

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

Appropriation.

THE SCHEDULE
(See sections 2 and 3)

1 No. of Vote/ Appri- pri- ation	2 Services and purposes	3 Sums not exceeding		
		Voted by Assam Legis- lative Assem- bly and Parlia- ment	Charged on the Consoli- dated Fund	Total
		Rs.	Rs.	Rs.
1	State Legislature . . . Revenue	53,04,000	1,38,000	54,42,000
	Head of State . . . Revenue	..	7,78,000	7,78,000
2	Council of Ministers . . . Revenue	23,00,000	..	23,00,000
3	Administration of Justice . . . Revenue	1,59,10,000	53,62,000	2,12,72,000
4	Elections Revenue	75,27,000	..	75,27,000
5	Taxes on Income and Expenditure . . . Revenue	7,71,000	..	7,71,000
6	Land Revenue and Land Ceiling Revenue	7,52,56,000	12,000	7,52,68,000
7	Stamps Revenue	8,99,000	..	8,99,000
8	Registration Revenue	27,91,000	..	27,91,000
9	State Excise Revenue	68,61,000	..	68,61,000
10	Sales Tax and other Taxes . . Revenue	98,46,000	..	98,46,000
11	Transport Services . . . Revenue	3,35,66,000	..	3,35,66,000
12	Electrical Inspectorate . . Revenue	7,85,000	..	7,85,000
13	Small Savings Revenue	3,07,000	..	3,07,000
14	Financial Inspection Revenue	2,25,000	..	2,25,000
	Servicing of Debt Revenue	..	38,52,03,000	38,52,03,000
	Public Service Commission . . Revenue	..	12,75,000	12,75,000
15	Civil Secretariat and Attached Offices Revenue	3,19,75,000	..	3,19,75,000
16	District Administration . . . Revenue	3,03,55,000	..	3,03,55,000
17	Treasury and Accounts Administration . . . Revenue	1,04,00,000	..	1,04,00,000
18	Police Revenue	32,05,37,000	4,000	32,05,41,000
	Capital	1,00,000	..	1,00,000
19	Jails Revenue	1,70,57,000	..	1,70,57,000
20	Stationery and Printing . . Revenue	1,42,57,000	..	1,42,57,000
21	Administrative and Functional Buildings . . . Revenue	9,50,14,000	55,000	9,50,69,000
	Capital	8,86,81,000	..	8,86,81,000

1 No. of Vote/ Appri- pri- ation	2 Services and purposes	3 Sums not exceeding		
		Voted by Assam Legis- lative Assembly and Parliament	Charged on the Consoli- dated Fund	Total
		Rs.	Rs.	Rs.
22	Fire Services . . . Revenue	91,38,000	..	91,38,000
23	Vigilance and Special Commissions . . . Revenue	11,29,000	..	11,29,000
24	Civil Defence and Home Guards . . . Revenue	1,62,87,000	..	1,62,87,000
25	Guest Houses, Government Hostels, etc. . . Revenue	26,35,000	..	26,35,000
26	Administrative Training . . Revenue	5,84,000	..	5,84,000
27	Vital Statistics, etc. . . Revenue	9,84,000	..	9,84,000
28	Pensions and other Retirement Benefits . . Revenue	3,55,18,000	1,43,000	3,56,61,000
29	Aid Materials . . . Revenue	94,55,000	..	94,55,000
30	State Lotteries . . . Revenue	30,74,000	..	30,74,000
31	Education . . . Revenue	96,32,26,000	..	96,32,26,000
	Capital	2,00,000	..	2,00,000
32	Art and Culture . . . Revenue	1,09,91,000	..	1,09,91,000
33	State Archives . . . Revenue	1,00,000	..	1,00,000
34	Medical and Public Health . Revenue	43,38,90,000	..	43,38,90,000
	Capital	1,35,00,000	..	1,35,00,000
35	Sanitation and Sewerage . . Revenue	13,37,000	..	13,37,000
36	Housing Schemes . . . Revenue	2,29,00,000	..	2,29,00,000
	Capital	36,00,000	..	36,00,000
37	Residential Buildings . . Revenue	2,63,81,000	..	2,63,81,000
	Capital	3,40,11,000	..	3,40,11,000
38	Urban Development . . Revenue	1,57,59,000	..	1,57,59,000
	Capital	25,50,000	..	25,50,000
39	Information and Publicity . Revenue	60,13,000	..	60,13,000
40	Labour and Employment . Revenue	2,51,12,000	..	2,51,12,000
41	Civil Supplies . . . Revenue	1,21,25,000	32,000	1,21,57,000
42	Relief and Rehabilitation . Revenue	1,24,000	..	1,24,000
43	Welfare of Scheduled Castes/ Scheduled Tribes and others . . . Revenue	4,88,60,000	..	4,88,60,000
	Capital	30,00,000	..	30,00,000
44	Social Welfare . . . Revenue	2,15,87,000	..	2,15,87,000
45	Prohibition . . . Revenue	44,10,000	..	44,10,000

1 No. of Vote/ Appri- pri- ation	2 Services and purposes	3 Sums not exceeding		
		Voted by Assam Legislative Assembly and Parliament	Charged on the Consoli- dated Fund	Total
		Rs.	Rs.	Rs.
46	Pensions to Freedom Fighters, Rajya Sainik Board, etc.	Revenue 39,60,000	..	39,60,000
47	Natural Calamities . . .	Revenue 6,92,00,000	..	6,92,00,000
48	Social and Community Ser- vices . . .	Revenue 5,15,000	..	5,15,000
49	Planning Board . . .	Revenue 31,79,000	..	31,79,000
50	Co-operation . . .	Revenue 6,09,76,000	..	6,09,76,000
		Capital 4,73,51,000	..	4,73,51,000
51	North Eastern Council Schemes . . .	Revenue 2,61,53,000	..	2,61,53,000
		Capital 1,60,87,000	..	1,60,87,000
52	Statistics . . .	Revenue 1,25,02,000	..	1,25,02,000
53	Weights and Measures . . .	Revenue 32,73,000	..	32,73,000
54	Trade Adviser . . .	Revenue 5,46,000	..	5,46,000
55	Agriculture . . .	Revenue 33,06,77,000	..	33,06,77,000
		Capital 2,43,00,000	..	2,43,00,000
56	Irrigation . . .	Revenue 4,45,58,000	..	4,45,58,000
		Capital 25,09,09,000	..	25,09,09,000
57	Soil and Water Conservation	Revenue 4,10,89,000	..	4,10,89,000
		Capital 1,58,24,000	..	1,58,24,000
58	Animal Husbandry and Veterinary . . .	Revenue 8,60,23,000	..	8,60,23,000
59	Dairy Development . . .	Revenue 1,26,40,000	..	1,26,40,000
60	Fisheries . . .	Revenue 2,03,63,000	..	2,03,63,000
		Capital 2,00,000	..	2,00,000
61	Forests . . .	Revenue 17,36,47,000	..	17,36,47,000
62	Community Development . . .	Revenue 8,39,03,000	2,000	8,39,03,000
63	Industries . . .	Revenue 2,12,14,000	..	2,12,14,000
		Capital 2,89,50,000	..	2,89,50,000
64	Sericulture and Weaving . . .	Revenue 4,45,70,000	..	4,45,70,000
		Capital 2,49,000	..	2,49,000
65	Cottage Industries . . .	Revenue 2,45,60,000	..	2,45,60,000
		Capital 1,68,90,000	..	1,68,90,000
66	Mines and Minerals . . .	Revenue 80,66,000	..	80,66,000
		Capital 47,90,00,000	..	47,90,00,000

1 No. of Vote/ App- ropri- ation	2 Services and purposes	3 Sums not exceeding		
		Voted by Assam Legislative Assembly and Parliament	Charged on the Consoli- dated Fund	Total
		Rs.	Rs.	Rs.
67	Flood Control . . . Revenue	5,57,92,000	..	5,57,92,000
	Capital	14,21,00,000	..	14,21,00,000
68	Roads and Bridges . . . Revenue	18,35,59,000	..	18,35,59,000
	Capital	16,66,21,000	..	16,66,21,000
69	Tourism . . . Revenue	31,41,000	..	31,41,000
70	Payment of Compensation and Assignment to Local Bodies and Pan- chayati Raj Institu- tions . . . Revenue	3,90,68,000	..	3,90,68,000
71	Assam Capital Construc- tion . . . Capital	31,90,000	..	31,90,000
	Internal Debt . . . Capital	..	55,68,18,000	55,68,18,000
	Repayment of Central Loans . . . Capital	..	57,40,00,000	57,40,00,000
72	Loans and Advances to Government Servants Capital	4,97,00,000	..	4,97,00,000
	Inter State Settlement . Capital	..	1,00,000	1,00,000
TOTAL EXPENDITURE FROM THE CONSOLIDATED FUND . . .		509,37,49,000	152,39,22,000	661,76,71,000

THE SALARY, ALLOWANCES AND PENSION OF MEMBERS
OF PARLIAMENT (AMENDMENT) ACT, 1981

No. 21 of 1981

[4th September, 1981.]

An Act further to amend the Salary, Allowances and Pension of
Members of Parliament Act, 1954.

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

Short title. 1. This Act may be called the Salary, Allowances and Pension of
Members of Parliament (Amendment) Act, 1981.

**Amend-
ment of
section 8A.** 2. In section 8A of the Salary, Allowances and Pension of Members
of Parliament Act, 1954, in sub-section (1),—

(a) in the proviso, for the words "Provided that", the words
"Provided further that" shall be substituted; and

(b) before the proviso as so amended, the following proviso
shall be inserted, namely:—

"Provided that with effect from the commencement of the
Salary, Allowances and Pension of Members of Parliament
(Amendment) Act, 1981, any person who has served as afore-
said for a period which falls short of five years by not more
than sixty days, shall also be paid a pension of three hundred
rupees per mensem."

30 of
1954.

THE INCOME-TAX (AMENDMENT) ACT, 1981

No. 22 OF 1981

[4th September, 1981.]

An Act further to amend the Income-tax Act, 1961.

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

1. (1) This Act may be called the Income-tax (Amendment) Act, 1981.

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

43 of 1961.

2. In section 269A of the Income-tax Act, 1961 (hereinafter referred to as the principal Act),—

Short title and commencement.

Amendment of section 269A.

(a) in clause (a),—

(i) in the opening portion, for the words ‘“apparent consideration”, in relation to any immovable property transferred, being immovable property of the tuted, namely:—

“apparent consideration”,—

(1) in relation to any immovable property transferred, being immovable property of the nature referred to in sub-clause (i) of clause (e), means,—;

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

“(iii) if the transfer is by way of lease,—

(A) in a case where the consideration for the transfer consists of premium only, the

¹1st July 1982, *vide* Notification No. S. O. 280 (E), dated 23-4-1982, Gazette of India, Extraordinary, Pt. II, Sec. 3(ii), page. 472.

amount of premium as specified in the instrument of transfer;

(B) in a case where the consideration for the transfer consists of rent only, the aggregate of the moneys (if any) payable by way of rent and the amounts for the service or things forming part of or constituting the rent, as specified in the instrument of transfer;

(C) in a case where the consideration for the transfer consists of premium and rent, the aggregate of the amount of the premium, the moneys (if any) payable by way of rent and the amounts for the service or things forming part of or constituting the rent, as specified in the instrument of transfer,

and where the whole or any part of the consideration for such transfer is payable on any date or dates falling after the date of such transfer the value of the consideration payable after such date shall be deemed to be the discounted value of such consideration, as on the date of such transfer, determined by adopting the rate of interest at eight per cent. per annum;

(2) in relation to any immovable property transferred, being immovable property of the nature referred to in sub-clause (ii) of clause (e), means—

(i) in a case where the consideration for the transfer consists of a sum of money only, such sum;

(ii) in a case where the consideration for the transfer consists of a thing or things only, the price that such thing or things would ordinarily fetch on sale in the open market on the date of the transfer;

(iii) in a case where the consideration for the transfer consists of a thing or things and a sum of money, the aggregate of the price that such thing or things would ordinarily fetch on sale in the open market on the date of the transfer and such sum,

and where the whole or any part of the consideration for such transfer is payable on any date or dates falling after the date of such transfer, the value of the consideration payable after such date shall be deemed to be the discounted value of such consideration, as on the date of such transfer,

determined by adopting the rate of interest at eight per cent. per annum;”;

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

(d) “fair market value”,—

(i) in relation to any immovable property transferred by way of sale or exchange, being immovable property of the nature referred to in sub-clause (i) of clause (e), means the price that the immovable property would ordinarily fetch on sale in the open market on the date of execution of the instrument of transfer of such property;

(ii) in relation to any immovable property transferred by way of lease, being immovable property of the nature referred to in sub-clause (i) of clause (e), means the premium that such transfer would ordinarily fetch in the open market on the date of execution of the instrument of transfer of such property, if the consideration for such transfer had been by way of premium only;

(iii) in relation to any immovable property transferred, being immovable property of the nature referred to in sub-clause (ii) of clause (e), means the consideration in the form of money that such transfer would ordinarily fetch in the open market on the date of the transfer, if such transfer had been made only for consideration in money;”;

(c) in clause (e),—

(i) in the opening portion, for the words ““immovable property” means any land or any building”, the following shall be substituted, namely:—

““immovable property” means,—

(i) any land or any building”;

(ii) in the *Explanation*, for the words “this clause”, the words “this sub-clause” shall be substituted;

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

“(ii) any rights of the nature referred to in clause (b) of sub-section (1) of section 269AB;”;

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

(f) “instrument of transfer” means the instrument of transfer registered under the Registration Act, 1908

or, as the case may be, the statement registered under section 269AB with the competent authority;—

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

(h) "transfer",—

(i) in relation to any immovable property referred to in sub-clause (i) of clause (e), means transfer of such property by way of sale or exchange or lease for a term of not less than twelve years, and includes allowing the possession of such property to be taken or retained in part performance of a contract of the nature referred to in section 53A of the Transfer of Property Act, 1882.

4 of 1882

Explanation.—For the purposes of this sub-clause, a lease which provides for the extension of the term thereof by a further term or terms shall be deemed to be a lease for a term of not less than twelve years if the aggregate of the term for which such lease has been granted and the further term or terms for which it can be so extended is not less than twelve years;

(ii) in relation to any immovable property of the nature referred to in sub-clause (ii) of clause (e), means the doing of anything (whether by way of transfer of shares in a co-operative society or company or by way of any agreement or arrangement or in any other manner whatsoever) which has the effect of transferring, or enabling the enjoyment of, such property.'

Insertion of
new section
269AB.

3. After section 269A of the principal Act, the following section shall be inserted, namely:—

"269AB. (1) The following transactions, that is to say,—

(a) every transaction involving the allowing of the possession of any immovable property to be taken or retained in part performance of a contract of the nature referred to in section 53A of the Transfer of Property Act, 1882, and

4 of 1882.

(b) every transaction (whether by way of becoming a member of, or acquiring shares in, a co-operative society, company or other association of persons or by way of any agreement or any arrangement of whatever nature) whereby a person acquires any rights in or with respect to any building or part of a building (whether or not including any machinery, plant, furniture, fittings or other things therein) which has been constructed or which is to be constructed (not being a transaction by way of sale, exchange or lease of such building or part of a building

16 of 1908.

which is required to be registered under the Registration Act, 1908),

shall be reduced to writing in the form of a statement by each of the parties to such transaction or by any of the parties to such transaction acting on behalf of himself and on behalf of the other parties.

(2) Every statement in respect of a transaction referred to in sub-section (1) shall—

- (a) be in the prescribed form;
- (b) set forth such particulars as may be prescribed; and
- (c) be verified in the prescribed manner,

and registered with the competent authority, in such manner and within such time as may be prescribed, by each of the parties to such transaction or by any of the parties to such transaction acting on behalf of himself and on behalf of the other parties.”.

4. In section 269B of the principal Act, in sub-section (2), the following *Explanation* shall be inserted at the end, namely:—

Explanation.—For the purposes of this sub-section, immovable property, being rights of the nature referred to in clause (b) of sub-section (1) of section 269AB in, or with respect to, any building or part of a building which has been constructed or which is to be constructed shall be deemed to be situate at the place where the building has been constructed or is to be constructed.”.

Amendment
of section
269B.

5. In section 269D of the principal Act,—

(a) in sub-section (1), in the first proviso, after the words and figures “registered under the Registration Act, 1908”, the words, figures and letters “or, as the case may be, section 269AB” shall be inserted;

(b) in sub-section (2), the following *Explanation* shall be inserted at the end, namely:—

Explanation.—The provisions of the *Explanation* to sub-section (2) of section 269B shall apply for the purposes of this sub-section as they apply for the purposes of that sub-section.”.

Amendment
of section
269D.

16 of 1908.

6. In section 269F of the principal Act, in sub-section (9),—

(a) for the words “date of the execution of the instrument of transfer”, the words, figures and letters “date of the execution of the instrument of transfer or where such property is of the nature referred to in sub-clause (ii) of clause (e) of section 269A on the date of the transfer” shall be substituted;

Amendment
of section
269F.

(b) for the words “on sale in the open market on the date of the conclusion of the agreement to sell the property”, the words “on such transfer in the open market

on the date of the conclusion of the agreement to transfer the property" shall be substituted.

Amendment
of section
269I.

7. In section 269I of the principal Act, after sub-section (4), the following sub-sections shall be inserted, namely:—

"(5) Notwithstanding anything contained in sub-section (4) or any other law or any instrument or any agreement for the time being in force, where an order for acquisition of any immovable property, being rights of the nature referred to in clause (b) of sub-section (1) of section 269AB, in or with respect to any building or part of a building which has been constructed or which is to be constructed, has become final, then, such order shall, by its own force, have the effect of—

(a) vesting such rights in the Central Government, and

(b) placing the Central Government in the same position in relation to such rights as the person in whom such rights would have continued to vest if such order had not become final,

and the competent authority may issue such directions as he may deem fit to any person concerned for taking the necessary steps for compliance with the provisions of clauses (a) and (b).

(6) In the case of any immovable property, being rights of the nature referred to in clause (b) of sub-section (1) of section 269AB, in or with respect to any building or part of a building, the provisions of sub-sections (1), (2) and (3) shall have effect as if the references to immovable property therein were a reference to such building or, as the case may be, part of such building".

Amend-
ment of
section
269J.

8. In section 269J of the principal Act, in sub-section (1), the following proviso shall be inserted at the end, namely:—

"Provided that in a case where, under the agreement between the parties concerned, the whole or any part of the consideration for the transfer of such immovable property is payable on any date or dates falling after the date on which such property is acquired, the compensation payable by the Central Government shall be the aggregate of the following amounts, namely:—

(i) an amount equal to fifteen per cent. of the apparent consideration;

(ii) the amount, if any, that has become payable in accordance with such agreement on or before the date on which such property is acquired under this Chapter; and

(iii) the amount payable after the date on which such property is acquired under this Chapter."

- 9.** In section 269K of the principal Act, in sub-section (1), in the proviso, for the words "Provided that", the following shall be substituted, namely:—

Amend-
ment of
section
269K.

"Provided that in a case falling under the proviso to sub-section (1) of section 269J, the amounts referred to in clause (i) and clause (ii) of that proviso shall be tendered to the person or persons entitled thereto, as soon as may be, after the property becomes vested in the Central Government under section 269I, and the amount referred to in clause (iii) of the said proviso shall be tendered on the date on which it would be payable in accordance with the agreement between the parties concerned, and where such amount is payable in instalments on different dates, then in such instalments on those dates:

Provided further that".

- 10.** After section 276A of the principal Act, the following section shall be inserted, namely:—

Insertion
of new
section
276AA.

"276AA. Whoever, without reasonable cause or excuse, fails to comply with the provisions of section 269AB or with any direction issued under sub-section (5) of section 269I shall be punishable with rigorous imprisonment for a term which may extend to two years and shall also be liable to fine:

Failure
to comply
with the
provisions
of section
269AB or
section
269I.

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

(1863 20)

THE COMPULSORY DEPOSIT SCHEME (INCOME-TAX PAYERS) AMENDMENT ACT, 1981

No. 23 OF 1981

[4th September, 1981.]

An Act further to amend the Compulsory Deposit Scheme (Income-tax Payers) Act, 1974.

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

Short title and commencement.

1. (1) This Act may be called the Compulsory Deposit Scheme (Income-tax Payers) Amendment Act, 1981.

(2) It shall be deemed to have come into force on the 11th day of July, 1981.

Amendment of section 4.

2. In section 4 of the Compulsory Deposit Scheme (Income-tax Payers) Act, 1974 (hereinafter referred to as the principal Act), in subsection (1),—

38 of 1974.

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

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

"(iii) for the assessment year commencing on the 1st day of April, 1979, the assessment year commencing on the 1st day of April, 1980 and the assessment year commencing on the 1st day of April, 1981, at the rates specified in Paragraph C of the Schedule; and

(iv) for the assessment year commencing on the 1st day of April, 1982 and the assessment year commencing on the 1st day of April, 1983, at the rates specified in Paragraph D of the Schedule."

3. In the Schedule to the principal Act,—

Amendment of the Schedule.

(a) before the proviso, the following Paragraph shall be inserted, namely:—

"Paragraph D"

- (i) where the current income exceeds Rs. 15,000 but does not exceed Rs. 25,000 4.5 per cent. of the current income;
- (ii) where the current income exceeds Rs. 25,000 but does not exceed Rs. 35,000; Rs. 1,125 plus 11 per cent. of the amount by which the current income exceeds Rs. 25,000;
- (iii) where the current income exceeds Rs. 35,000 but does not exceed Rs. 50,000; Rs. 2,225 plus 12.5 per cent. of the amount by which the current income exceeds Rs. 35,000;
- (iv) where the current income exceeds Rs. 50,000 but does not exceed Rs. 70,000; Rs. 4,100 plus 15 per cent. of the amount by which the current income exceeds Rs. 50,000;
- (v) where the current income exceeds Rs. 70,000; Rs. 7,100 plus 18 per cent. of the amount by which the current income exceeds Rs. 70,000.;

(b) in the proviso, in clause (b), after the word and letter "Paragraph C", the words and letter "or Paragraph D" shall be inserted.

7 of 1981.

4. (1) The Compulsory Deposit Scheme (Income-tax Payers) Amendment Ordinance, 1981, is hereby repealed.

Repeal
and
saving.

(2) Notwithstanding such repeal, anything done or any action taken under the principal Act, as amended by the said Ordinance, shall be deemed to have been done or taken under the principal Act, as amended by this Act.

THE CUSTOMS TARIFF (AMENDMENT) ACT, 1981

No. 24 OF 1981

[4th September, 1981.]

An Act further to amend the Customs Tariff Act, 1975.

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

Short title and commencement.

Amendment of First Schedule.

1. (1) This Act may be called the Customs Tariff (Amendment) Act, 1981.

(2) It shall be deemed to have come into force on the 26th day of July, 1981.

2. In the Customs Tariff Act, 1975 (hereinafter referred to as the principal Act), in the First Schedule, in Chapter 15,—

51 of 1975.

(i) in Heading No. 15.01/06, in sub-heading No. (1) and sub-heading No. (2), for the entry in column (3), the entry "200%" shall be substituted;

(ii) in Heading No. 15.07,—

(a) in sub-heading No. (1), for the entries in columns (3) and (4), the entries "200%" and "190%" shall, respectively, be substituted;

(b) in sub-heading No. (2), for the entries in columns (3) and (4), the entries "200%" and "190%" shall, respectively, be substituted;

(c) in sub-heading No. (3), for the entries in columns (3) and (4), the entries "200%" and "190%" shall, respectively, be substituted;

(iii) in Heading No. 15.08/13, for the entry in column (3), the entry "200%" shall be substituted;

(iv) in Heading No. 15.14/17, for the entry in column (3), the entry "200%" shall be substituted.

Repeal and saving.

3. (1) The Customs Tariff (Amendment) Ordinance, 1981, 9 of 1981 is hereby repealed.

(2) Notwithstanding such repeal, anything done or any action taken under the principal Act, as amended by the said Ordinance, shall be deemed to have been done or taken under the principal Act as amended by this Act.

**THE COAL MINES LABOUR WELFARE FUND
(AMENDMENT) ACT, 1981**

No. 25 OF 1981

[9th September, 1981.]

An Act further to amend the Coal Mines Labour Welfare Fund Act, 1947.

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

- 32 of 1947. 1. This Act may be called the Coal Mines Labour Welfare Fund (Amendment) Act, 1981. Short title.
2. In section 10 of the Coal Mines Labour Welfare Fund Act, 1947 (hereinafter referred to as the principal Act), after sub-section (2), the following sub-section shall be inserted, namely:— Amendment of section 10.
- “(2A) The power to make rules conferred by this section shall include the power to give retrospective effect, from a date not earlier than the date of commencement of this Act, to the rules or any of them but no retrospective effect shall be given to any rule so as to prejudicially affect the interests of any person to whom such rule may be applicable.”
3. The Coal Mines Labour Welfare Fund (First Amendment) Rules, 1973, shall be and shall be deemed to have always been as valid and effective as if the provisions of section 10 of the principal Act, as amended by this Act, were in force at the time when those rules were made. Validation.

THE HIGH COURT AT BOMBAY (EXTENSION OF
JURISDICTION TO GOA, DAMAN AND DIU) ACT, 1981

NO. 26 OF 1981

[9th September, 1981.]

An Act to provide for the extension of the jurisdiction of the High Court at Bombay to the Union territory of Goa, Daman and Diu, for the establishment of a permanent bench of that High Court at Panaji and for matters connected therewith.

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

Short title and commencement.

1. (1) This Act may be called the High Court at Bombay (Extension of Jurisdiction to Goa, Daman and Diu) Act, 1981.

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

Definitions.

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

(a) "appointed day" means the date on which this Act comes into force;

(b) "Court of the Judicial Commissioner" means the Court of the Judicial Commissioner for Goa, Daman and Diu.

Extension of jurisdiction of Bombay High Court to Goa, Daman and Diu.

3. (1) On and from the appointed day, the jurisdiction of the High Court at Bombay shall extend to the Union territory of Goa, Daman and Diu.

(2) On and from the appointed day, the Court of the Judicial Commissioner shall cease to function and is hereby abolished:

Provided that nothing in this sub-section shall prejudice or affect the continued operation of any notice served, injunction issued, direction given or proceedings taken before the appointed day by the Court of the Judicial Commissioner, abolished by this sub-section, under the powers then conferred upon that Court.

Jurisdiction of Bombay High Court.

4. On and from the appointed day, the High Court at Bombay shall have, in respect of the territories included in the Union territory of Goa, Daman and Diu, all such jurisdiction, powers and authority as, under the law in force immediately before the appointed day, are exercisable in respect of the said territories by the Court of the Judicial Commissioner.

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4. 30.10.1982. Vide Notfn. No. G.S.R. 592 (E), dt. 8-11-
Govt. of India Extn., Pt-II, Sec. 3(i)

5. The provisions of Chapter VI of Part VI of the Constitution shall apply to the High Court at Bombay in relation to the exercise of its jurisdiction to the Union territory of Goa, Daman and Diu, subject to the following exceptions and modifications, namely:—

(a) the references in the said Chapter to "State" except where it occurs in the expression "Governor of the State" shall be construed as references to the Union territory of Goa, Daman and Diu;

(b) in clause (1) of article 233 and in article 234, the references to the Governor of the State, and in article 237, the reference to the Governor, shall be construed as references to the Administrator of the Union territory of Goa, Daman and Diu;

(c) the provisions of article 233A shall not apply;

(d) in article 234, the reference to the State Public Service Commission shall be construed as a reference to the Union Public Service Commission.

6. Subject to any rule made or direction given by the High Court at Bombay in this behalf, any person who, immediately before the appointed day, is an advocate entitled to practise in the Court of the Judicial Commissioner shall be entitled to practise as an advocate in the High Court at Bombay.

7. (1) All proceedings pending in the Court of the Judicial Commissioner immediately before the appointed day shall stand transferred to the High Court at Bombay.

(2) Every proceeding transferred under sub-section (1) shall be disposed of by the High Court at Bombay as if such proceeding were entertained by that High Court.

(3) Any order made before the appointed day by the Court of the Judicial Commissioner shall, for all purposes, have effect not only as an order of that Court but also as an order of the High Court at Bombay.

8. Any person who, immediately before the appointed day, is an advocate entitled to practise in the Court of the Judicial Commissioner and was authorised to appear or to act in any proceedings transferred from that Court under section 7, shall have the right to appear or to act, as the case may be, in the High Court at Bombay in relation to those proceedings.

Chapter VI of Part VI of the Constitution to apply to the Bombay High Court exercising jurisdiction over the Union territory of Goa, Daman and Diu.

Special provisions relating to advocates.

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Right to appear or act in proceedings transferred to the Bombay High Court.

Establishment of a permanent bench of Bombay High Court at Panaji.

Allocation of expenditure of the Bombay High Court.

Rule of construction.

Amendment of Goa, Daman and Diu Act 16 of 1965.

Power to remove difficulties.

9. On and from the appointed day, there shall be established a permanent bench of the High Court at Bombay at Panaji and such Judges of the High Court at Bombay, being not less than two in number, as the Chief Justice of that High Court may, from time to time, nominate, shall sit at Panaji in order to exercise the jurisdiction and power for the time being vested in that High Court in respect of cases arising in the Union territory of Goa, Daman and Diu:

Provided that the Chief Justice of that High Court may, in his discretion, order that any case or class of cases arising in such territory shall be heard at Bombay.

10. The expenditure in respect of the High Court at Bombay, including the expenditure in respect of the salaries and allowances of the Judges, officers and servants of the High Court shall, as from the appointed day, be allocated between the State of Maharashtra and the Union in such proportion as the President may, by order, determine.

11. References in any law in force in the Union territory of Goa, Daman and Diu to the Court of the Judicial Commissioner shall, on and from the appointed day, be construed in relation to that territory as references to the High Court at Bombay.

12. As from the appointed day, in the Goa, Daman and Diu Civil Courts Act, 1965,—

(i) in section 2, for clause (b), the following clause shall be substituted, namely:—

(b) "High Court" means the High Court at Bombay exercising jurisdiction over the Union territory.;

(ii) in section 7, in sub-section (1), the words, brackets and figures "Subject to the provisions contained in the Goa, Daman and Diu (Judicial Commissioner's Court) Regulation, 1963, and the rules made thereunder," shall be omitted.

13. (1) If any difficulty arises in giving effect to the provisions of this Act, the Central Government may, by order notified in the Official Gazette, make such provision, not inconsistent with the provisions of this Act, as appears to it to be necessary or expedient for the removal of the difficulty;

Provided that no such order shall be made after the expiry of a period of two years from the appointed day.

(2) Every order made under this section shall be laid, as soon as may be after it is made, before each House of Parliament while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the order

or both Houses agree that the order should not be made, the order shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that order.

14. For the purpose of facilitating the application of any law in relation to the Union territory of Goa, Daman and Diu, the Central Government may, before the expiration of two years 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 to give effect to the provisions of this Act 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.

Power
to adapt
laws.

THE DELHI UNIVERSITY (AMENDMENT) ACT, 1981

No. 27 OF 1981

[11th September, 1981.]

An Act further to amend the Delhi University Act, 1922.

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

Short title and commencement.

1. (1) This Act may be called the Delhi University (Amendment) Act, 1981.

(2) It shall be deemed to have come into force on the 9th day of June, 1981.

Amend-
ment of
section 5.

2. In section 5 of the Delhi University Act, 1922 (hereinafter referred to as the principal Act), after sub-section (1), the following sub-section shall be inserted, namely:—

“(1A) Notwithstanding anything contained in sub-section (1), the Central Government may, if it is of opinion that it is necessary or expedient so to do in the public interest, direct, by order in writing, the University to admit to its privileges any institution situated outside India and the University shall be bound to comply with such direction.”

Repeal
and
saving.

3. (1) The Delhi University (Amendment) Ordinance, 1981, is hereby repealed.

(2) Notwithstanding such repeal, anything done or any action taken under the principal Act as amended by the said Ordinance shall be deemed to have been done or taken under the principal Act as amended by this Act.

§ of 1922.

4 of 1981.

THE EXPORT-IMPORT BANK OF INDIA ACT, 1981

ARRANGEMENT OF SECTIONS

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THE FIRST SCHEDULE.**THE SECOND SCHEDULE.**

THE EXPORT-IMPORT BANK OF INDIA ACT, 1981

No. 28 of 1981

[11th September, 1981.]

An Act to establish a corporation to be known as the Export-Import Bank of India for providing financial assistance to exporters and importers, and for functioning as the principal financial institution for co-ordinating the working of institutions engaged in financing export and import of goods and services with a view to promoting the country's international trade and for matters connected therewith or incidental thereto.

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

CHAPTER I

PRELIMINARY

1. (1) This Act may be called the Export-Import Bank of India Act, 1981.

Short title,
extent and
commencement

(2) It extends to the whole of India.

(3) It shall come into force no 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.

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

Definitions.

(a) "Board" means the Board of Directors of the Exim Bank referred to in section 6;

(b) "Development Bank" means the Industrial Development Bank of India established under the Industrial Development Bank of India Act, 1964;

(c) "Exim Bank" means the Export-Import Bank of India established under section 3;

(d) "export" and "import" mean, respectively, export from or import into India or any other country of goods or services, or both;

(e) "goods" includes all materials, commodities and articles in a solid, liquid or gaseous state and all forms of energy;

(f) "notification" means a notification published in the Official Gazette;

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

(h) "Reserve Bank" means the Reserve Bank of India constituted under the Reserve Bank of India Act, 1934; 2 of 1934

(i) "scheduled bank" means a bank, for the time being, included in the Second Schedule to the Reserve Bank of India Act, 1934; 2 of 1934.

(j) "services" includes,—

(I) providing personnel (including skilled or unskilled workmen and persons for rendering technical or other services) for the purposes of any work or project (by whatever name called) or any activity;

(II) transferring of technology, including transferring, or securing the transfer of rights, knowhow, expertises or other skill with respect to any patent, invention, model, design, secret formula or process or similar property;

(III) furnishing any information, blueprints, plans, or advice with respect to any matter; and

(IV) making available any other resources.

CHAPTER II

ESTABLISHMENT OF THE EXPORT-IMPORT BANK OF INDIA AND INCORPORATION THEREOF

Establishment
and incorporation
of Export-
Import Bank
of India.

3. (1) With effect from such date¹ as the Central Government may, by notification, appoint, there shall be established for the purposes of this Act a corporation to be known as the Export-Import Bank of India.

(2) The Exim Bank shall be a body corporate with the name aforesaid having perpetual succession and a common seal with power, subject to the provisions of this Act, to acquire, hold and dispose of property and to contract, and may, by that name, sue or be sued.

¹Ist January 1982, *vide* Notification No.S.O. 920 (E),dated 29-12-81, Gazette of India, Extraordinary, pt.II,sec.3(ii),page 1593.

(3) The head office of the Exim Bank shall be at Bombay or at such other place as the Central Government may, by notification, specify.

(4) The Exim Bank may establish offices, branches or agencies at such places in or outside India as it may consider necessary.

4. (1) The authorised capital of the Exim Bank shall be two hundred crores of rupees:

Authorised capital.

Provided that the Central Government may, by notification, increase the said capital up to five hundred crores of rupees.

(2) The issued capital of the Exim Bank shall be wholly subscribed by the Central Government.

CHAPTER III

MANAGEMENT OF THE EXIM BANK

5. (1) The general superintendence, direction and management of the affairs and business of the Exim Bank shall vest in the Board, which may exercise all powers and do all acts and things which may be exercised or done by the Exim Bank.

Management.

(2) Save as otherwise provided in the regulations made under this Act,—

(a) the chairman, if he is a whole-time director or if he is holding offices both as the chairman and the managing director, or

(b) the managing director, if the chairman is not a whole-time director, or, if the chairman being a whole-time director, is absent,

shall also have powers of general superintendence, direction and management of the affairs and business of the Exim Bank and may also exercise all powers and do all acts and things which may be exercised or done by the Exim Bank.

(3) Subject to the provisions of this Act, the Board in discharging its functions shall act on business principles with due regard to public interest.

(4) In the discharge of its functions under this Act, the Exim Bank shall be guided by such directions in matters of policy involving public interest as the Central Government may give to it in writing.

6. (1) The Board of Directors of the Exim Bank shall consist of the following, namely:—

Constitution of Board.

(a) a chairman and a managing director appointed by the Central Government:

Provided that the same person may be appointed to function both as chairman and as managing director;

- (b) one director nominated by the Reserve Bank;
- (c) one director nominated by the Development Bank;
- (d) one director nominated by the Export Credit and Guarantee Corporation Limited, being a Government Company within the meaning of section 617 of the Companies Act, 1956;
- (e) not more than twelve directors nominated by the Central Government of whom—
 - (i) five directors shall be officials of the Central Government;
 - (ii) not more than three directors shall be from the scheduled banks;
 - (iii) not more than four directors shall be persons who have special knowledge of, or professional experience in, export or import or financing thereof.

1 of 1956.

(2) The chairman and the managing director shall hold office for such term, not exceeding three years, as the Central Government may specify in this behalf and any person so appointed shall be eligible for re-appointment.

(3) Notwithstanding anything contained in sub-section (1), the Central Government shall have the right to terminate the term of office of the chairman or the managing director, as the case may be, at any time before the expiry of the term specified under sub-section (2), by giving him notice of not less than three months in writing or three months' salary and allowances in lieu thereof, and the chairman or the managing director, as the case may be, shall also have the right to relinquish his office at any time before the expiry of the term specified under sub-section (2) by giving to the Central Government notice of not less than three months in writing or three months' salary and allowances in lieu thereof.

(4) The chairman and the managing director shall receive such salary and allowances as may be determined by the Central Government.

(5) The Central Government may, at any time, remove the chairman or the managing director, as the case may be, from office:

Provided that no person shall be removed from his office under this sub-section unless he has been given an opportunity of showing cause against his removal.

(6) Any director nominated under sub-clause (iii) of clause (e) of sub-section (1) shall hold office for a period of two years.

(7) Any other director nominated under this section shall hold office during the pleasure of the authority nominating him.

(8) The Board 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.

(9) The chairman or, if for any reason he is unable to attend a meeting of the Board, the managing director or, in the event of both the chairman and the managing director being unable to attend a meeting, any other director nominated by the chairman in this behalf and in the absence of such nomination any director elected by the directors present from among themselves, shall preside at the meeting.

(10) All questions which come up before any meeting of the Board shall be decided by a majority of votes of the directors present and voting, and in the event of an equality of votes, the chairman, or in his absence, the managing director, or in the absence of both the chairman and the managing director, the person presiding, shall have and exercise a second or casting vote.

(11) Save as otherwise provided in sub-section (10), every director of the Board shall have one vote.

7. (1) The Board may constitute such Committees whether consisting wholly of directors or wholly of other persons or partly of directors and partly of other persons for such purpose or purposes as it may think fit.

Committees.

(2) Any Committee constituted under sub-section (1) 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.

8. The directors and the members of a Committee shall be paid such fees and allowances as may be prescribed for attending the meetings of the Board or of any Committee constituted in pursuance of this Act and for attending to any other work of the Exim Bank:

Fees and allowances of directors and members of Committees.

Provided that no fees shall be payable to the chairman, if he is appointed as a whole-time chairman, or to the managing director or to any other director or member who is an official of the Government, the Reserve Bank or the Development Bank.

9. No person shall be a director of the Board constituted under this Act, who—

Disqualifications.

(a) is, or at any time has been, adjudged insolvent, or

(b) is of unsound mind and has been so declared by a competent court, or

(c) is, or has been, convicted of an offence which, in the opinion of the Central Government, involves moral turpitude, or

(d) has, in the opinion of the Central Government, so abused his position as a director, as to render his continuance on the Board detrimental to the interests of the general public, or

(e) has been, for any reason, removed from the Board.

CHAPTER IV

BUSINESS OF THE EXIM BANK

Business of Exim Bank.

10. (1) The Exim Bank may grant in or outside India loans and advances by itself or in participation with any bank or financial institution whether in or outside India for the purposes of export or import and shall also function as the principal financial institution for co-ordinating the working of institutions engaged in financing of the export and import in such manner as it may deem appropriate.

(2) The Exim Bank may also carry on and transact all or any of the following kinds of business, namely:—

(a) granting loans and advances to a scheduled bank or any other bank or financial institution notified in the Official Gazette by the Central Government in this behalf by way of refinance of loans and advances granted by it for purposes of export or import;

(b) underwriting the issue of stocks, shares, bonds or debentures of any company engaged in export or import;

(c) issuing bid bonds or guarantees in or outside India by itself or in participation with any government, bank or financial institution in or outside India;

(d) accepting, collecting, discounting, re-discounting, purchasing, selling or negotiating in or outside India, bills of exchange or promissory notes arising out of transactions relating to export or import and granting of loans and advances in or outside India against such bills or promissory notes;

(e) granting, opening, issuing, confirming or endorsing letters of credit and negotiating or collecting bills and other documents drawn thereunder;

(f) undertaking any transaction involving a combination of government to government and commercial credit for purposes of export or import;

(g) granting lines of credit to the government of any foreign State or any financial institution or person outside India for purposes of export or import;

(h) granting loans and advances outside India for any Indian joint venture;

(i) granting loans and advances to any person in India in connection with his equity contribution in any joint venture in any country outside India;

(j) financing export or import of machinery and equipment on lease basis;

- (k) subscribing to, or investing in, or purchasing of, stocks, shares, bonds or debentures of any development bank or Export-Import Bank of any country outside India;
- (l) buying or selling of, or entering into such other dealings in, foreign exchange, as may be necessary for the discharge of its functions;
- (m) opening of any account in any bank in or outside India or the making of any agency arrangement with, or acting as an agent or correspondent of, any bank or other institution in or outside India;
- (n) transferring, for consideration, any instrument relating to loans and advances granted by it;
- (o) issuing participation certificates;
- (p) subscribing to, or investing in, or purchasing of stocks, shares, bonds or debentures to the extent necessary for the enforcement of a lien, pledge or other contractual right;
- (q) undertaking and financing of research, surveys, techno-economic or any other study in connection with the promotion and development of international trade;
- (r) providing technical, administrative and financial assistance of any kind for export or import;
- (s) planning, promoting, developing and financing export-oriented concerns;
- (t) forming or conducting subsidiaries for carrying out its functions;
- (u) acting as agent of the Central Government, any State Government, the Reserve Bank, the Development Bank or any other person as the Central Government may authorise;
- (v) collecting, compiling and disseminating market and credit information in respect of international trade;
- (w) doing any other kind of business which the Central Government may authorise;
- (x) generally doing such other acts and things as may be incidental to, or consequential upon, the exercise of its powers or the discharge of its duties under this Act or any other law for the time being in force, including sale or transfer of any of its assets.

(3) The Exim Bank may receive in consideration of any of the services mentioned in sub-sections (1) and (2) such commission, brokerage, interest, remuneration or fees as may be agreed upon.

(4) The Exim Bank shall not grant any loan or advance or other financial accommodation on the security of its own bonds or debentures.

CHAPTER V

RESOURCES OF THE EXIM BANK

Loans by
Central
Govern-
ment.

11. The Central Government may, after due appropriation made by Parliament by law in this behalf, advance to the Exim Bank—

(a) a loan of twenty crores of rupees at a rate of interest of five and a quarter per cent. per annum repayable in fifteen equal annual instalments, commencing on the expiry of a period of fifteen years from the date of receipt of the loan; and

(b) such further sums of money by way of loan on such terms and conditions as may be agreed upon:

Provided that the Central Government may, on a request being made to it by the Exim Bank, increase the number of instalments or alter the amount of any instalment or vary the date on which any instalment is payable under clause (a).

Borrow-
ings and
acceptance
of deposits
by Exim
Bank.

12. (1) The Exim Bank may, for the purposes of carrying out its functions under this Act,—

(a) issue and sell bonds and debentures with or without the guarantee of the Central Government;

(b) borrow money from the Reserve Bank—

(i) repayable on demand or on the expiry of fixed periods not exceeding ninety days from the date on which the money is so borrowed against the security of stocks, funds and securities (other than immovable property) in which a trustee is authorised to invest trust money by any law for the time being in force in India;

(ii) against bills of exchange or promissory notes arising out of *bona fide* commercial or trade transactions and bearing two or more good signatures and maturing within five years from the date of the borrowing;

(iii) out of the National Industrial Credit (Long Term Operations) Fund established under section 46C of the Reserve Bank of India Act, 1934 for any of the purposes specified in that section;

2 of 1934.

(c) borrow money from such other authority, organisation or institution in India as may generally or specially be approved by the Central Government;

(d) accept deposits repayable after the expiry of a period which shall not be less than twelve months from the date of the making of the deposit on such terms as may generally or specially be approved by the Reserve Bank.

46 of 1973.

(2) The Central Government may, on a request being made to it by the Exim Bank, guarantee the bonds and debentures issued by that Bank as to the repayment of principal and the payment of interest at such rate as may be fixed by that Government.

13. Notwithstanding anything contained in the Foreign Exchange Regulation Act, 1973 or in any other law for the time being in force relating to foreign exchange, the Exim Bank may, for the purpose of granting loans and advances under this Act, borrow, with the previous consent of the Central Government, foreign currency from any foreign State or from any bank or financial institution in any foreign country or otherwise.

14. The Exim Bank may receive gifts, grants, donations or benefactions from Government or any other source in or outside India.

Loans in
foreign
currency.Grants,
donations,
etc., to
Exim
Bank.

CHAPTER VI

EXPORT DEVELOPMENT FUND

15. With effect from such date as the Central Government may, by notification, appoint, the Exim Bank shall establish a special fund to be called the Export Development Fund.

Export
Develop-
ment
Fund.

16. To the Export Development Fund shall be credited—

(a) all amounts received for the purposes of that Fund by way of loans, gifts, grants, donations or benefactions from Government or any other source in or outside India;

(b) repayments or recoveries in respect of loans, advances or other facilities granted from the Fund;

(c) income or profits from investments made from the Fund; and

(d) income accruing or arising to the Fund by way of interest or otherwise, on account of the application of the Fund in accordance with the provisions of section 17.

Credits to
Export
Develop-
ment
Fund.

17. (1) Where the Exim Bank considers it necessary or desirable so to do, it may, subject to the provisions of sub-sections (2) and (3), disburse or spend from the Export Development Fund any amount on account or in consequence of the grant of any loan or advance, or on account or in consequence of entering into any arrangement under sub-section (1) or clause (b) or clause (c) or clause (d) or clause (g) or Clause (r) or clause (s) or clause (w) or clause (x) of sub-section (2) of section 10:

Utilisa-
tion of
Export
Develop-
ment
Fund.

Provided that before granting any such loan or advance or entering into any such arrangement, the Exim Bank shall obtain the prior approval of the Central Government.

(2) Before seeking the approval of the Central Government under sub-section (1), the Exim Bank shall satisfy itself that banking or other financial institutions or other agencies are not likely to grant such loan or advance, or to enter into any such arrangement in the ordinary course of business.

(3) The Central Government shall, before giving its approval, satisfy itself that such loan, advance or arrangement is necessary as a matter of priority in the interests of the international trade of the country.

(4) For the removal of doubts, it is hereby declared that nothing contained in this section shall be deemed to preclude the Exim Bank from granting any loan or advance or from entering into any arrangement under sub-section (1) or clause (b) or clause (c) or clause (d) or clause (q) or clause (r) or clause (s) or clause (w) or clause (x) of sub-section (2) of section 10 without the approval of the Central Government, if no amount in respect thereof is to be disbursed or spent from the Export Development Fund.

**Debits
to Export
Develop-
ment
Fund,**

18. (1) To the Export Development Fund shall be debited—

(a) such amounts as may from time to time be dis-
bursed or spent under sub-section (1) of section 17;

(b) such amounts as may be required for discharging
the liabilities in respect of loans received for the pur-
poses of that Fund;

(c) any loss arising on account of investment made
out of that Fund; and

(d) such expenditure arising out of, or in connection
with, the administration and application of the Fund as
may be determined by the Board.

(2) No amount shall be debited to the Export Development Fund except as provided for in sub-section (1).

**Accounts
and audit
of Export
Develop-
ment
Fund.**

19. (1) The balance-sheet and accounts of the Export Deve-
lopment Fund shall be prepared in such form and manner
as may be prescribed.

(2) The Board shall cause the books and accounts of the Export Development Fund to be closed and balanced as on the 31st day of December each year.

(3) The Export Development Fund shall be audited by one or more auditors appointed by the Central Government under section 24 who shall make a separate report thereon.

(4) The provisions of sub-sections (2), (3), (4) and (6) of section 24 shall, so far as may be, apply in relation to the audit of the Export Development Fund.

(5) The Exim Bank shall furnish to the Central Govern-
ment, within four months from the date on which the accounts
of the Export Development Fund are closed and balanced, a
copy of the balance-sheet and accounts together with a copy

of the auditors' report and a report on the operation of the Fund during the relevant year and the Central Government shall, as soon as may be after they are received by it, cause the same to be laid before each House of Parliament.

20. The Export Development Fund shall not be closed or wound up save by order of the Central Government and in such manner as that Government may direct.

Liquidation of Export Development Fund.

CHAPTER VII

GENERAL FUND, ACCOUNTS AND AUDIT

21. All receipts of the Exim Bank other than those which are to be credited to the Export Development Fund under this Act shall be credited to a Fund to be called the General Fund and all payments by the Exim Bank, other than those which are to be debited to the Export Development Fund, shall be made out of the General Fund.

General Fund.

22. (1) The balance-sheet and accounts of the Exim Bank shall be prepared in such form and manner as may be prescribed.

Preparation of accounts and balance-sheet.

(2) The Board shall cause the books and accounts of the Exim Bank to be closed and balanced as on the 31st day of December each year.

23. (1) The Exim Bank may establish a Reserve Fund to which may be transferred such sums as that Bank may deem fit out of the annual profits accruing to the General Fund.

Disposal of profits accruing to General Fund.

(2) After making provision for bad and doubtful debts, depreciation of assets and for all other matters for which provision is necessary or expedient or which is usually provided for by bankers and for the Reserve Fund referred to in sub-section (1), the Exim Bank shall transfer the balance of the net profits to the Central Government.

Audit.

1st 1956.

24. (1) The accounts of the Exim Bank shall be audited by auditors duly qualified to act as auditors under sub-section (1) of section 226 of the Companies Act, 1956, who shall be appointed by the Central Government for such term and on such remuneration as the Central Government may fix.

(2) The auditors shall be supplied with a copy of the annual balance-sheet of the Exim Bank and it shall be their duty to examine it together with the accounts and vouchers relating thereto and they shall have a list delivered to them of all books kept by the Exim Bank and shall at all reasonable times have access to the books, accounts, vouchers and other documents of the Exim Bank.

(3) The auditors may, in relation to such accounts, examine any director or any officer or other employee of the Exim Bank and shall be entitled to require from the Board or officer or other employee of the Exim Bank such information and explanation as they may think necessary for the performance of their duties.

(4) The auditors shall make a report to the Exim Bank upon the annual balance-sheet and accounts examined by them and in every such report they shall state whether in their opinion the balance-sheet is a full and fair balance-sheet containing all necessary particulars and properly drawn up so as to exhibit a true and fair view of the state of affairs of the Exim Bank and in case they had called for any explanation or information from the Board or any officer or other employee of the Exim Bank whether it has been given and whether it is satisfactory.

(5) The Exim Bank shall furnish to the Central Government within four months from the date on which its accounts are closed and balanced, a copy of its balance-sheet and accounts together with a copy of the auditors' report and a report of the working of the Exim Bank during the relevant year, and the Central Government shall, as soon as may be after they are received by it, cause the same to be laid before each House of Parliament.

(6) Without prejudice to anything contained in the preceding sub-sections, the Central Government may, at any time, appoint the Comptroller and Auditor-General of India to examine and report upon the accounts of the Exim Bank and any expenditure incurred by him in connection with such examination and report shall be payable by the Exim Bank to the Comptroller and Auditor-General of India.

Saving.

25. Save as otherwise provided in sub-section (4) of section 19, nothing contained in this Chapter shall apply to the Export Development Fund.

CHAPTER VIII

TRANSFER OF PART OF BUSINESS OF DEVELOPMENT BANK

Transfer
of part
of busi-
ness of
Develop-
ment Bank.

26. (1) On such date as the Central Government may, by notification, appoint, all business, property, assets and liabilities, rights, interests, privileges and obligations of whatever nature of the Development Bank in so far as they relate to the export financing functions of that Bank shall stand transferred to, and vest in, the Exim Bank.

(2) For the transfer to, and vesting in, the Exim Bank under sub-section (1), the Exim Bank shall pay to the Development Bank such amount in such manner and in such number of instalments as may be determined by the Central Government.

(3) All contracts, deeds, bonds, agreements, powers-of-attorney, grants of legal representation and other instruments of whatever nature of the Development Bank which relate to the export financing functions of that Bank and which are subsisting or having effect immediately before the date referred to in sub-section (1) and to which the said Bank is a party or which are in favour of that Bank shall,—

(a) if they relate exclusively to the export financing functions of that Bank, be of full force and effect against

or in favour of the Exim Bank, as the case may be, and may be enforced and acted upon as fully and effectively as if instead of the Development Bank the Exim Bank had been a party thereto or as if they had been issued in favour of the Exim Bank; and

(b) if they relate not only to the export financing functions of the Development Bank but also to any of the other functions of that Bank, be of full force and effect against or in favour of both the Development Bank and the Exim Bank and may be enforced or acted upon as fully and effectively as if in addition to the Development Bank the Exim Bank had also been a party thereto or as if they had been issued in favour of the Development Bank and also the Exim Bank.

(4) If, on the date referred to in sub-section (1), any suit, appeal or other legal proceeding of whatever nature relating to the export financing functions of the Development Bank is pending, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer to the Exim Bank of the business of the Development Bank or of anything contained in this Act, but the suit, appeal or other proceeding may,—

(a) where it relates exclusively to the export financing functions of the Development Bank, be continued, prosecuted and enforced by or against the Exim Bank; and

(b) where it relates not only to the export financing functions of the Development Bank but also to any of the other functions of that Bank, be continued, prosecuted and enforced by or against the Development Bank and the Exim Bank or, if the Central Government by special order in writing so directs, by or against such one of the said two Banks, as may be specified in such order.

(5) If any question arises as to whether any contract, deed, bond, agreement, powers-of-attorney, grant of legal representation or other instrument referred to in sub-section (3) or any suit, appeal or other legal proceeding referred to in sub-section (4) relates or relates exclusively to the export financing functions of the Development Bank, it shall be referred to the Central Government for decision and the decision of the Central Government thereon shall be final.

(6) The provisions of this section shall have effect notwithstanding anything contained in the Industrial Development Bank of India Act, 1964 or any other law or any instrument having force by virtue of the said Act or other law.

18 of 1964.

CHAPTER IX

MISCELLANEOUS

27. (1) The Exim Bank may appoint such number of officers and other employees as it considers necessary or desirable for the efficient performance of its functions and determine the terms and conditions of their appointment and service.

Staff of
Exim
Bank.

(2) Without prejudice to the provisions of sub-section (1), it shall be lawful for the Exim Bank to utilise, and for the Development Bank to make available the services of, such staff of the Development Bank having experience relating to export financing functions on such terms and conditions as may be agreed upon between the Exim Bank and the Development Bank.

(3) The duties and conduct, terms and conditions of service and the establishment and maintenance of a provident Fund or any other Fund for the benefit of the officers and other employees of the Exim Bank shall be such as may be prescribed.

**Delega-
tion of
powers.**

28. The Board may, by general or special order, delegate to any director or any officer or other employee of the Exim Bank, subject to such conditions and limitations, if any, as may be specified in the order, such of its powers and functions under this Act as it may deem necessary.

Returns.

29. The Exim Bank shall furnish, from time to time, to the Central Government such returns as the Central Government may require.

**Obligation
as to fide-
lity and
secrecy.**

30. (1) The Exim Bank shall not, except as otherwise required by this Act or any other law, 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 the Exim Bank to divulge such information.

(2) The Exim Bank may, for the purpose of efficient discharge of its functions under this Act, collect from, or furnish to, the Central Government, the Development Bank or any scheduled bank or such other financial institution, as may be notified in the Official Gazette by the Central Government in this behalf, credit information or other information as it may consider useful for the purpose, in such manner and at such times, as it may think fit.

Explanation.—For the purpose of this sub-section, the expression "credit information" shall have the same meaning as in clause (c) of section 45A of the Reserve Bank of India Act, 1934, subject to the modification that "banking company" referred to therein shall mean the Development Bank, any scheduled bank or other financial institution as aforesaid.

2 of 1934

(3) Every director, member of a committee, auditor or officer or other employee of the Exim Bank or of the Development Bank whose services are utilised by the Exim Bank under the provisions of this Act, shall, before entering upon his duties, make a declaration of fidelity and secrecy in the form set out in the First Schedule.

**Defects in
appoint-
ments
not to
invalidate
acts, etc.**

31. (1) No act or proceeding of the Board or of any committee of the Exim Bank shall be questioned on the ground merely of the existence of any vacancy in, or defect in the constitution of, the Board or the committee, as the case may be.

(2) No act done by any person acting in good faith as a director shall be deemed to be invalid merely on the ground that he was disqualified to be a director or that there was any other defect in his appointment.

32. (1) Where any arrangement entered into by the Exim Bank with a company provides for the appointment by the Exim Bank of one or more directors of such company, such provision and any appointment of directors made in pursuance thereof shall be valid and effective notwithstanding anything to the contrary contained in the Companies Act, 1956, or in any other law for the time being in force or in the memorandum, articles of association or any other instrument relating to the company, and any provision regarding share qualification, age-limit, number of directorships, removal from office of directors and such like conditions contained in any such law or instrument aforesaid, shall not apply to any director appointed by the Exim Bank in pursuance of the arrangement as aforesaid.

Arrange-
ment with
Exim
Bank on
appoint-
ment of
directors
to prevail.

1 of 1956,

(2) Any director appointed as aforesaid shall—

(a) hold office during the pleasure of the Exim Bank and may be removed or substituted by any person by order in writing of the Exim Bank;

(b) not incur any obligation or liability by reason only of his being a director or for anything done or omitted to be done in good faith in the discharge of his duties as a director or anything in relation thereto;

(c) not be liable to retirement by rotation and shall not be taken into account for computing the number of directors liable to such retirement.

33. (1) Every director shall be indemnified by the Exim 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.

Indemnity
of direc-
tors.

(2) A director shall not be responsible for any other director or for any officer or other employee of the Exim Bank or for any loss or expenses resulting to the Exim Bank from the insufficiency or deficiency of the value of, or title to, any property or security acquired or taken on behalf of the Exim Bank or the insolvency or wrongful act of any debtor or any person under obligation to the Exim Bank or anything done in good faith in the execution of the duties of his office or in relation thereto.

Protection of action taken in good faith.

Act 18 of 1891 to apply in relation to Exim Bank.

Section 34A and section 36AD only of Act 10 of 1949 to apply to Exim Bank.

Act 43 of 1961 and Act 7 of 1964 not to apply to Exim Bank.

Liquidation of Exim Bank.

Power to make regulations.

34. No suit or other legal proceeding shall lie against the Exim Bank or any director or any officer or other employee of the Exim Bank or any other person authorised by the Exim Bank to discharge any functions under this Act for any loss or damage caused or likely to be caused by anything which is in good faith done or intended to be done in pursuance of this Act or any other law or provision having the force of law.

35. The Bankers' Books Evidence Act, 1891 shall apply in relation to the Exim Bank as if it were a Bank as defined in section 2 of that Act.

36. Nothing contained in the Banking Regulation Act, 1949, except section 34A and section 36AD thereof, shall apply to the Exim Bank.

37. Notwithstanding anything contained in the Income-tax Act, 1961, or the Companies (Profits) Surtax Act, 1964 or any other enactment for the time being in force relating to tax on income, profits or gains, the Exim Bank shall not be liable to pay income-tax, surtax or any other tax in respect of—

(a) any income, profits or gains accruing to the Export Development Fund or any amount received to the credit of that Fund; and

(b) any income, profits or gains derived, or any amount received, by the Exim Bank.

38. No provision of any law relating to the winding up of companies or corporations shall apply to the Exim Bank and the Exim Bank shall not be placed in liquidation save by an order of the Central Government and in such manner as it may direct.

39. (1) The Board may, with the previous approval of the Central Government, make regulations not inconsistent with this Act 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 times and places of the meetings of the Board or of any committee constituted under this Act and the procedure to be followed at such meetings including the quorum necessary for the transaction of business;
- (b) the fees and allowances that may be paid to the directors and the members of a committee;
- (c) the form and manner in which the balance-sheets and the account of the Export Development Fund and the Exim Bank shall be prepared;
- (d) the duties and conduct, and the terms and conditions of service of the officers and other employees of the Exim Bank;
- (e) the establishment and maintenance of provident fund or any other fund for the benefit of the officers and other employees of the Exim Bank; and
- (f) any other matter which is to be, or may be, prescribed.

(3) Every regulation made by the Board under this Act shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the regulation or both Houses agree that the regulation should not be made, the regulation shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that regulation.

40. The enactments specified in the Second Schedule shall be amended in the manner directed in the first column thereof and such amendments shall take effect on the dates specified in the second column of that Schedule.

Amend-
ment of
certain
enact-
ments.

41. If any difficulty arises in giving effect to the provisions of this Act, the Central Government may, by order, do anything, not inconsistent with such provisions, for the purpose of removing the difficulty:

Power to
remove
difficulty.

Provided that no such order shall be made after the expiration of three years from the date on which this Act receives the assent of the President.

THE FIRST SCHEDULE

[See section 30(3)]

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, member of committee, auditor, officer or other employee (as the case may be) of the Export-Import Bank of India and which properly relate to the office or position held by me in or in relation to the said Exim 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 Export-Import Bank of India or to the affairs of any person having any dealing with the said Exim 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 said Exim Bank and relating to the business of the said Exim Bank or the business of any person having any dealing with the said Exim Bank.

(Signature)

Signed before me.

THE SECOND SCHEDULE

(See section 40)

Amendments of certain enactments

PART I

AMENDMENTS TO THE RESERVE BANK OF INDIA ACT, 1934
(2 OF 1934)

Amendments (1)	Date on which amendments shall take effect (2)
1. In section 2, after clause (bviii), insert the following clause, namely:—	The date of establishment of the Exim Bank.
(bviiiia) "Exim Bank" means the Export-Import Bank of India established under the Export-Import Bank of India Act, 1981.	
2. In section 17,— (a) in clause (4G), after the words "the Development Bank", insert the words "or the Exim Bank"; (b) in clause (4-I), after the words "Development Bank", insert the words "the Exim Bank";	Do.

Amendments

Date on which
amendments shall
take effect

(1)

(2)

(c) after clause (4-I), insert the following clause, namely:—

“(4J) the making to the Exim Bank of loans and advances—

(a) repayable on demand or on the expiry of a fixed period not exceeding ninety days, from the date of such loan or advance against the security of stocks, funds and securities (other than immovable property) in which a trustee is authorised to invest trust money by any law for the time being in force in India ; or

(b) against the security of bills of exchange or promissory notes, arising out of *bona fide* commercial or trade transactions bearing two or more good signatures and maturing within five years from the date of such loan or advance;”;

(d) in clause (12B), after the words “the Development Bank”, insert the words “, the Exim Bank”.

3. In section 42, in sub-clause (c) of the *Explanation* under the proviso to sub-section (1), after the words “or from the Development Bank”, insert the words “or from the Exim Bank”.

4. In section 46C, in sub-section (2), after clause (b), insert the following clauses, namely :—

“(c) the making to the Exim Bank of loans and advances for the purposes of any business of the Exim Bank;

(d) the purchasing of bonds and debentures issued by the Exim Bank.”.

Do.

Do.]

PART II**AMENDMENT TO THE INDUSTRIAL DISPUTES ACT, 1947**
(14 OF 1947)**Amendment**

Date on which
amendment shall
take effect

(1)

(2)

In section 2, in clause (bb), after the words “and includes”, insert the words “the Export-Import Bank of India.”.

The date of establish-
ment of the
Exim Bank.

PART III

AMENDMENTS TO THE BANKING REGULATION ACT, 1949
(10 OF 1949)

Amendments	Date on which amendments shall take effect
(1)	(2)
1. In section 18, in the <i>Explanation</i> , in clause (b), after the words "the Industrial Development Bank of India", insert the words "or from the Export-Import Bank of India".	The date of establishment of the Exim Bank.
2. In section 34A, in sub-section (3), after the word "includes", insert the words "the Export-Import Bank of India,".	Do.
3. In section 36AD, in sub-section (3), after the word "includes", insert the words "the Export-Import Bank of India,".	Do.
4. In section 56, in clause(b) of the <i>Explanation</i> under clause (j), after the words "the Industrial Development Bank of India,", insert the words "the Export-Import Bank of India,".	Do.

THE BRITISH INDIA CORPORATION LIMITED
(ACQUISITION OF SHARES) ACT, 1981

No. 29 of 1981

[11th September, 1981.]

An Act to provide for the acquisition of certain shares of the British India Corporation Limited with a view to securing the proper management of the affairs of the Company and the continuity and development of the production of goods which are vital to the needs of the country and for matters connected therewith or incidental thereto.

WHEREAS Messrs. British India Corporation Limited, Kanpur, are engaged in the manufacture and production of pure and blended woollen fabrics which are vital to the needs of the general public;

AND WHEREAS as a result of an investigation made under section 15 of the Industries (Development and Regulation) Act, 1951, certain directions were issued to the Company under section 16 of that Act which, *inter alia*, included the modernisation of the plant and machinery of the undertakings of the Company;

AND WHEREAS for the purpose of carrying out the said directions, public financial institutions had advanced large sums of money to the Company;

AND WHEREAS the Central Government and certain public financial institutions have also invested considerable funds in the share capital of the Company;

AND WHEREAS the State Bank of India has advanced considerable sums to the Company and a part thereof has been guaranteed by the Central Government;

AND WHEREAS further investment of large sums of money is necessary for the maintenance and development of the production of the undertakings of the Company and for securing the proper management of the affairs of the Company;

AND WHEREAS acquisition by the Central Government of an effective control over the affairs of the Company is necessary to enable it to make the investments aforesaid;

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

CHAPTER I

PRELIMINARY

**Short title
and com-
mence-
ment.**

1. (1) This Act may be called the British India Corporation Limited (Acquisition of Shares) Act, 1981.

(2) It shall be deemed to have come into force on the 11th day of June, 1981.

Definitions.

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

(a) "appointed day" means the 11th day of June, 1981;

(b) "bank" means a banking company within the meaning of the Banking Regulation Act, 1949;

10 of 1949.

(c) "Commissioner" means the Commissioner of Payments appointed under section 6;

(d) "Company" means British India Corporation Limited, being a company within the meaning of the Companies Act, 1956, and having its registered office at Sutherland House, Kanpur, in the State of Uttar Pradesh;

1 of 1956.

(e) "notification" means a notification published in the Official Gazette;

(f) "share" means a share, whether ordinary or preference, in the capital of the Company, and includes a share pledged by any shareholder with any bank or other creditor, but does not include any share in the capital of the Company held by—

(i) the Central Government;

(ii) any State Government;

(iii) the State Bank of India, established under section 3 of the State Bank of India Act, 1955, and its subsidiary banks;

23 of 1955.

(iv) the Life Insurance Corporation of India, established under section 3 of the Life Insurance Corporation Act, 1956;

31 of 1956.

(v) the Unit Trust of India, established under section 3 of the Unit Trust of India Act, 1963;

52 of 1963.

(vi) any corresponding new bank, within the meaning of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970;

5 of 1970.

(vii) any corresponding new bank, within the meaning of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980;

40 of 1980.

57 of 1972.

(viii) any general insurance company nationalised by the General Insurance Business (Nationalisation) Act, 1972;

(g) "shareholder" means,—

(i) a person who, immediately before the appointed day, was registered by the Company as the holder of any share and includes his legal representative; or

(ii) a person who, before the appointed day, had lodged with the Company a proper instrument of transfer of any share in the form prescribed under section 108 of the Companies Act, 1956, and executed in accordance with the provisions of that section; or

(iii) a person who claims under a proper instrument of transfer of any share in the form prescribed under section 108 of the Companies Act, 1956, and delivers such instrument to the Commissioner, duly executed, on or before such date¹ as the Central Government may, by notification, specify in this behalf;

(h) "specified date" means such date as the Central Government may, for the purpose of any provision of this Act, by notification, specify and different dates may be specified for different provisions of this Act;

1 of 1956.

(i) words and expressions used herein and not defined but defined in the Companies Act, 1956, have the meanings respectively assigned to them in that Act.

CHAPTER II

ACQUISITION OF THE SHARES OF THE COMPANY

3. (1) On the appointed day, all the shares of the Company shall, by virtue of this Act, stand transferred to, and vest in, the Central Government.

Transfer
and vest-
ing of
shares of
the Com-
pany in the
Central
Govern-
ment.

(2) The Central Government shall be deemed, on and from the appointed day, to have been registered in the Register of members of the Company as the holder of each share which stands transferred to, and vested in, it by virtue of the provisions of sub-section (1).

(3) All the shares which have vested in the Central Government under sub-section (1), shall, by force of such vesting, be freed and discharged of all trusts, liabilities, obligations, mortgages, charges, liens and other encumbrances affecting them, and any attachment, injunction or any decree or order of the court, tribunal or other authority restricting the use of such shares in any manner, shall be deemed to have been withdrawn.

(4) For the removal of doubts, it is hereby declared that the provisions of sub-sections (1) and (2) shall not be deemed to affect—

(a) any right of the Company subsisting, immediately before the appointed day, against any shareholder to recover from such

¹2nd April 1982, *Vide* Notification No. S.O. 59 (E), dated 29-1-1982,
Gazette of India, Extraordinary, Pt. II, Sec. 3(ii), page 97.

shareholder any sum of money on the ground that the shareholder has not paid or credited to the Company the whole or any part of the value of the shares held by him, or on any other ground whatsoever; or

(b) any right of the shareholder subsisting, immediately before the appointed day, against the Company to receive any dividend or other payment due from the Company.

**Manage-
ment
of the
Company.**

4. For the purpose of enabling the Company to function as a Government company, the Central Government may, by notification, make such provisions (including changes in the Board of Directors, and amendments in the memorandum and articles of association, of the Company) as it may consider necessary and the provisions so made shall have effect notwithstanding anything contained in the Companies Act, 1956.

**Payment
of
amounts.**

5. (1) For the transfer to, and vesting in, the Central Government, under section 3, of the shares of the Company, there shall be given by the Central Government to the shareholders of the Company, in cash and in the manner specified in section 7, an amount of rupees twenty-two lakhs and sixty thousand.

(2) The amount referred to in sub-section (1), shall carry simple interest at the rate of four per cent. per annum for the period commencing on the appointed day and ending on the date on which payment of such amount is made by the Central Government to the Commissioner.

**Appoint-
ment of
Commiss-
ioner of
Pay-
ments.**

6. (1) The Central Government shall, for the purpose of disbursing the amounts payable to shareholders of the Company under section 5, by notification, appoint a Commissioner of Payments.

(2) The Central Government may appoint such other persons as it may think fit to assist the Commissioner and thereupon the Commissioner may authorise one or more of such persons also to exercise all or any of the powers exercisable by him under this Act, and different persons may be authorised to exercise different powers.

(3) Any person authorised by the Commissioner to exercise any of the powers exercisable by the Commissioner may exercise those powers in the same manner and with the same effect as if they have been conferred on that person directly by this Act, and not by way of authorisation.

(4) The salaries and allowances of the Commissioner and other persons appointed under this section shall be defrayed out of the Consolidated Fund of India.

**Payment
by the
Central
Govern-
ment
to the
Commis-
sioner.**

7. (1) The Central Government shall, within thirty days from the specified date,¹ pay, in cash, to the Commissioner, for payment to the shareholders of the Company,—

(a) an amount equal to the amount specified in sub-section (1) of section 5; and

(b) an amount equal to the amount determined under sub-section (2) of section 5.

¹29th January 1982, *Vide* Notification No. S.O. 60 (E), dated 29-1-1982, Gazette of India, Extraordinary, Pt. II, Sec. 3 (ii), page 97.

1 of 1956.

(2) A deposit account shall be opened by the Central Government in favour of the Commissioner, in the Public Account of India, and every amount paid under this Act to the Commissioner shall be deposited by him to the credit of the said deposit account and the said deposit account shall be operated by the Commissioner.

(3) The interest accruing on the amount standing to the credit of the deposit account referred to in sub-section (2), shall enure to the benefit of the shareholders of the Company.

8. (1) Every shareholder, having a claim in relation to any share acquired by this Act, shall prefer such claim before the Commissioner within thirty days from the specified date:

Provided that if the Commissioner is satisfied that the claimant was prevented by sufficient cause from preferring the claim within the period of thirty days, he may entertain the claim within a further period of thirty days and not thereafter.

(2) Every shareholder of a preference share shall have a preferential claim with regard to the amount paid by the Central Government to the Commissioner.

9. On receipt of the claims made under section 8, the Commissioner shall separately arrange the claims in relation to preference shares and in relation to the ordinary shares and examine the claims in relation to each such share.

10. (1) After examining the claims, the Commissioner shall fix a certain date on or before which every claimant shall file the proof of his claim or be excluded from the benefit of the disbursements made by the Commissioner.

(2) Not less than fourteen days' notice of the date so fixed shall be given by advertisement in one issue of the daily newspaper in the English language and in one issue of such daily newspaper in the regional language as the Commissioner may consider suitable, and every such notice shall call upon the claimant to file the proof of his claim with the Commissioner within the time specified in the advertisement.

(3) Every claimant, who fails to file the proof of his claim within the time specified by the Commissioner, shall be excluded from the disbursements made by the Commissioner.

(4) The Commissioner shall, after such investigation as may, in his opinion, be necessary, and after giving the Company an opportunity of refuting the claim and after giving the claimant a reasonable opportunity of being heard, in writing, admit or reject the claim in whole or in part.

(5) The Commissioner shall have the power to regulate his own procedure in all matters arising out of the discharge of his functions, including the place or places at which he will hold his sittings and shall, for the purpose of making an investigation under this Act,

Claims to
be made
to the
Commiss-
ioner.

Examina-
tion of
claims.

Admis-
sion or
rejection
of claims.

1st February 1982, *Vide* Notification No. S.O. 61 (E), dated 21-1-1982,
Gazette of India, Extraordinary, Pt. II, Sec. 3 (ii), page 98.

5 of 1908.

have the same powers as are vested in a civil court under the Code of Civil Procedure, 1908, while trying a suit, in respect of the following matters, namely:—

- (a) the summoning and enforcing the attendance of any witness and examining him on oath;
- (b) the discovery and production of any document or other material object producible as evidence;
- (c) the reception of evidence on affidavits;
- (d) the issuing of any commission for the examination of witnesses.

(6) Any investigation before the Commissioner shall be deemed to be a judicial proceeding within the meaning of sections 193 and 228 of the Indian Penal Code and the Commissioner shall be deemed to be a civil court for the purposes of section 345 and Chapter XXVI of the Code of Criminal Procedure, 1973.

5 of 1860.

1 of 1874.

(7) A claimant, who is dissatisfied with the decision of the Commissioner, may prefer an appeal against the decision to the principal civil court of original jurisdiction within the local limits of whose jurisdiction the registered office of the Company is situated.

Disbursement of money by the Commissioner to claimants.

11. (1) After admitting a claim under this Act, the amount due in respect of each share acquired by virtue of this Act shall be paid by the Commissioner at the rate of rupees ten per preference share, and at the rate of fifty paise per ordinary share to the person or persons to whom such sums are due, and on such payment, the liability of the Central Government in respect of the share so acquired shall stand discharged.

(2) The Commissioner shall also apportion amongst the shareholders, the amount paid to him by way of interest under sub-section (3) of section 7, and such apportionment shall be made on the basis of the amount due to each shareholder.

Undisbursed or unclaimed amount to be deposited to the general revenue account.

12. Any money paid to the Commissioner which remains undisbursed or unclaimed on the date immediately preceding the date on which the office of the Commissioner is finally wound up, shall be transferred by the Commissioner before his office is finally wound up to the general revenue account of the Central Government; but a claim to any money so transferred may be preferred to the Central Government by the person entitled to such payment and shall be dealt with as if such transfer had not been made, the order, if any, for payment of the claim being treated as an order for the refund of revenue.

Power of inspection.

13. For the purposes of ascertaining whether any person claiming payment under this Act is a shareholder, the Commissioner shall have the right to—

- (a) require any person, having the possession, custody or control, of any register or record of the Company, to produce such register or record before the Commissioner;
- (b) require any person to make any statement or furnish any information which may be required by the Commissioner.

14. Where there is any dispute as to the person or persons who are entitled to any amount payable under this Act (including any dispute as to who are the legal representatives of any deceased claimant to the amount), the Commissioner may, after making such inquiry as he may deem fit, make the payment to such person as appears to him to be best entitled to receive the amount:

Provided that if the Commissioner is unable to determine as to who is the person entitled to the amount and considers that the matter could more appropriately be dealt with by the principal civil court of original jurisdiction within the local limits of whose jurisdiction the registered office of the Company is situated, he may refer such dispute to the said court, whose decision thereon shall be final:

Provided further that nothing contained herein shall affect the liability of any person, who may receive the whole or any part of the amount allowed under this Act, to pay the same to the person lawfully entitled thereto.

15. Where any dispute has been referred under section 14 by the Commissioner to the civil court referred to therein, he shall deposit the amount in that court.

CHAPTER III MISCELLANEOUS

16. The provisions of this Act shall have effect notwithstanding anything inconsistent therewith contained in any law, other than this Act, or in any instrument having effect by virtue of any law, other than this Act.

17. If any person,—

(a) makes any claim for any payment under this Act, knowing or having reason to believe that such claim is false or without any basis; or

(b) when required under this Act so to do,—

(i) omits or fails to produce any register or record of the Company; or

(ii) makes any statement or furnishes any information which is false in any material particular and which he knows or believes to be false or does not believe to be true; or

(c) makes any such statement as aforesaid in any book, account, record, register, return or other document,

he shall be punishable with imprisonment for a term which may extend to two years, or with fine which may extend to two thousand rupees, or with both.

18. (1) Where an offence under this Act has been committed by a company, every person who, at the time the offence was committed, was in charge of, and was responsible to, the company for the conduct of the business of the company as well as the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly:

Power of
Commiss-
sioner to
inquire
into dis-
putes as
to amount.

Deposit
of amount
in court.

Act to
have
over-
riding
effect.

Penalties.

Offences
by com-
panies.

Provided that nothing contained in this sub-section shall render any such person liable to any punishment, if he proves that the offence was committed without his knowledge or that he had exercised all due diligence to prevent the commission of such offence.

(2) Notwithstanding anything contained in sub-section (1), where any offence under this Act has been committed with the consent or connivance of, or is attributable to any neglect on the part of, any director, manager, secretary or other officer, such director, manager, secretary or other officer shall be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

Explanation.—For the purposes of this section,—

(a) "company" means any body corporate and includes a firm or other association of individuals; and

(b) "director", in relation to a firm, means a partner in the firm.

**Limits
tion of
cogni
zance of
offences.**

19. No court shall take cognizance of an offence punishable under this Act, except with the previous sanction of the Central Government or of an officer authorised by that Government in this behalf.

**Power
to make
rules.**

20. (1) The Central Government may, by notification, make rules to carry out the provisions of this Act.

(2) Every rule made by the Central Government under this Act shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

**Repeal
and
saving.**

21. (1) The British India Corporation (Acquisition of Shares) Ordinance, 1981, is hereby repealed.

(2) Notwithstanding such repeal, anything done or any action taken under the Ordinance so repealed shall be deemed to have been done or taken under the corresponding provisions of this Act.

THE CINE-WORKERS WELFARE CESS ACT, 1981

No. 30 OF 1981

[11th September, 1981.]

An Act to provide for the levy and collection of a cess on feature films for the financing of activities to promote the welfare of certain cine-workers and for matters connected therewith or incidental thereto.

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

1. (1) This Act may be called the Cine-workers Welfare Cess Act, 1981.

Short title,
extent
and
com-
mence-
ment.

(2) It extends to the whole of India.

Defi-
nitions.

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

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

(a) "cinematograph film" has the same meaning as in the Cinematograph Act, 1952;

(b) "feature film" means a full length cinematograph film produced wholly or partly in India with a format and a story woven around a number of characters where the plot is revealed mainly through dialogues and not wholly through narration, animation or cartoon depiction and does not include an advertisement film;

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

(d) "producer", in relation to a feature film, means,—

(i) the producer of such film; or

(ii) where the application for a certificate in respect of such film under section 4 of the Cinematograph Act, 1952, is made by any other person, such other person.

**Levy
and
collection of
cess on
feature
films.**

3. (1) With effect from such date as the Central Government may, by notification in the Official Gazette, appoint, there shall be levied and collected as a cess, for the purposes of the Cine-workers Welfare Fund Act, 1981, a duty of excise at the rate of one thousand rupees on every feature film.

**Pay-
ment
of duty
of
excise.**

(2) The duty of excise levied under sub-section (1) shall be in addition to any cess or duty leviable on cinematograph films under any other law for the time being in force.

37 of 1952.

4. (1) The duty of excise levied under section 3 on any feature film shall be payable to the Central Government by the producer of such film on or before the date on which he makes an application for a certificate in respect of such film under section 4 of the Cinematograph Act, 1952:

Provided that the producer of such film may apply to the Central Government for the refund of the duty paid by him in respect of such film on the ground,—

37 of 1952.

(a) that an order refusing to grant any certificate in respect of such film has been made under section 4, read with section 5A, of the Cinematograph Act, 1952; and

(b) that he does not intend to appeal against, or seek revision of, such order, or, as the case may be, that the said order has been confirmed on appeal or revision under the said Act:

Provided further that in case any certificate is granted under the said Act in respect of any film after the refund under the preceding proviso of the duty paid in respect thereof, the producer shall be liable to repay, within a period of seven days from the date of grant of such certificate, to the Central Government the duty so refunded.

(2) Simple interest shall be payable at the rate of twelve per cent. per annum,—

(a) by the Central Government on the amount of duty in relation to any film refunded by it under the first proviso to sub-section (1), from the date of the payment of such duty till the date of such refund;

(b) by the producer of a film on any amount of duty refunded to him under the first proviso to sub-section (1) and repaid by him to the Central Government under the second proviso to that sub-section, from the date of such refund to the date of such repayment.

**Credit-
ing
pro-
ceeds
of
duty to
Consoli-
dated
Fund of
India.**

5. The proceeds of the duty of excise levied under section 3 shall be credited to the Consolidated Fund of India.

6. Notwithstanding anything contained in this Act, if the Central Government, having regard to the content of a feature film, its technical quality and other factors, is of opinion that it is necessary so to do, it may, by notification in the Official Gazette and subject to such terms and conditions as may be specified in the said notification, exempt such feature film from all or any of the provisions of this Act.

Power
of
Central
Govern-
ment to
exempt.

7. If any duty of excise payable by the producer of a feature film to the Central Government under section 4 [including any duty of excise which has been refunded but which is required to be repaid to that Government under the second proviso to sub-section (1) of that section] is not paid to that Government before the date, or, as the case may be, within the period specified therein, it shall be deemed to be in arrears and the authority prescribed in this behalf may, after such inquiry as it deems fit, impose on the producer, a penalty not exceeding fifty rupees for every month during which the duty of excise is in arrears:

Penalty
for
non-
payment
of duty
of
excise.

Provided that before imposing any such penalty, such producer shall be given a reasonable opportunity of being heard and, if after such hearing, the said authority is satisfied that the default was for any good and sufficient reason, no penalty shall be imposed under this section.

8. Any amount due under this Act (including the penalty, if any, payable under section 7) from any producer of a feature film may be recovered by the Central Government in the same manner as an arrear of land revenue.

Re-
cov-
ery of
amounts
due under
the Act.

9. No suit, prosecution or other legal proceeding shall lie against the Central Government or any officer or other employee of the Central Government for anything which is in good faith done or intended to be done under this Act or the rules made thereunder.

Protec-
tion of
action
taken
in
good
faith.

10. (1) The Central Government may, by notification in the Official Gazette, make rules for carrying out the provisions of this Act.

Power to
make
rules.

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

(a) the assessment and collection of the duty of excise under section 3;

(b) the authority which may impose any penalty under section 7;

(c) any other matter which is required to be, or may be, prescribed.

(3) Every rule made under this section shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in

isession, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or of the successive sessions aforesaid, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

Matters of public importance relating to the welfare of the public in regard to the production and distribution of moving pictures, and the protection of the public from the influence of indecent, immoral, and obscene material in moving pictures, shall be dealt with by a committee consisting of three members appointed by the Government.

The committee shall consist of one member nominated by the Government and two members nominated by the Cinemakers Welfare Council.

Section 11. Any film containing any scene or sequence depicting any indecent, immoral, or obscene material shall be rejected by the committee and shall not be exhibited in any cinema hall in the State.

Section 12. Any film containing any scene or sequence depicting any indecent, immoral, or obscene material shall not be exhibited in any cinema hall in the State.

Section 13. Any film containing any scene or sequence depicting any indecent, immoral, or obscene material shall not be exhibited in any cinema hall in the State.

Section 14. Any film containing any scene or sequence depicting any indecent, immoral, or obscene material shall not be exhibited in any cinema hall in the State.

Section 15. Any film containing any scene or sequence depicting any indecent, immoral, or obscene material shall not be exhibited in any cinema hall in the State.

Section 16. Any film containing any scene or sequence depicting any indecent, immoral, or obscene material shall not be exhibited in any cinema hall in the State.

**THE DALMIA DADRI CEMENT LIMITED (ACQUISITION
AND TRANSFER OF UNDERTAKINGS) ACT, 1981**

ARRANGEMENT OF SECTIONS

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4. General effect of vesting.
5. Central Government or Cement Corporation not to be liable for prior liabilities.
6. Power of Central Government to direct vesting of the undertakings of the Company in Cement Corporation.

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29. Offences by companies.
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31. Power to remove difficulties.
32. Repeal and saving.

THE SCHEDULE

**THE DALMIA DADRI CEMENT LIMITED (ACQUISITION
AND TRANSFER OF UNDERTAKINGS) ACT, 1981**

NO. 31 OF 1981

[15th September, 1981.]

An Act to provide for the acquisition and transfer of the undertakings of the Dalmia Dadri Cement Limited with a view to securing the proper management of such undertakings so as to subserve the interest of the general public by ensuring the continued manufacture, production and distribution of cement which is essential to the needs of the economy of the country and matters connected therewith or incidental thereto.

WHEREAS Messrs. Dalmia Dadri Cement Limited had been engaged in the manufacture and production of portland cement, an article mentioned in the First Schedule to the Industries (Development and Regulation) Act, 1951;

AND WHEREAS an order has been made for the winding up of the Company and proceedings for its liquidation are pending in the High Court of Punjab and Haryana;

AND WHEREAS the undertakings of the Company have not been functioning since March, 1980;

AND WHEREAS it is necessary to acquire the undertakings of the said Company to ensure that the interests of the general public are served by the continuance, by the undertakings of the said Company, of the manufacture, production and distribution of portland cement which is essential to the needs of the economy of the country;

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

CHAPTER I

PRELIMINARY

1. (1) This Act may be called the Dalmia Dadri Cement Limited (Acquisition and Transfer of Undertakings) Act, 1981.

(2) It shall be deemed to have come into force on the 23rd day of June, 1981.

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

(a) "appointed day" means the 23rd day of June, 1981;

**Short title
and com-
mence-
ment.**

**Defini-
tions.**

(b) "Cement Corporation" means the Cement Corporation of India, a company incorporated and registered under the Companies Act, 1956;

1 of 1956.

(c) "Commissioner" means the Commissioner of Payments appointed under section 14;

(d) "Company" means the Dalmia Dadri Cement Limited, being a company within the meaning of the Companies Act, 1956, and having its registered office at Charkhi Dadri (Haryana);

(e) "notification" means a notification published in the Official Gazette;

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

(g) "specified date", in relation to any provision of this Act, means such date as the Central Government may, by notification, specify for the purposes of that provision, and different dates may be specified for different provisions of this Act;

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

1 of 1956.

CHAPTER II

ACQUISITION AND TRANSFER OF THE UNDERTAKINGS OF THE COMPANY

Transfer
to, and
vesting in,
the Cen-
tral Gov-
ernment
of the un-
dertakings
of the
Company.

General
effect
of vesting.

3. On the appointed day, the undertakings of the Company, and the right, title and interest of the Company in relation to its undertakings, shall, by virtue of this Act, stand transferred to, and vest in, the Central Government.

4. (1) The undertakings of the Company shall be deemed to include all assets, rights, lease-holds, powers, authorities and privileges, and all property, movable and immovable, including lands, buildings, workshops, stores, instruments, machinery and equipment, cash balances, cash on hand, reserve funds, investments, book debts and all other rights and interests in, or arising out of, such property as were immediately before the appointed day in the ownership, possession, power or control of the Company, whether within or outside India, and all books of account, registers and all other documents of whatever nature relating thereto.

(2) All properties as aforesaid which have vested in the Central Government under section 3 shall, by force of such vesting, be freed and discharged from any trust, obligation, mortgage, charge, lien and all other incumbrances affecting them, and any attachment, injunction, decree or order of any court restricting the use of such properties in any manner shall be deemed to have been withdrawn.

(3) Every mortgagee of any property which has vested under this Act in the Central Government and every person holding any

charge, lien or other interest in, or in relation to, any such property, shall give, within such time and in such manner as may be prescribed, an intimation to the Commissioner of such mortgage, charge, lien or other interest.

(4) For the removal of doubts, it is hereby declared that the mortgagee of any property referred to in sub-section (3) or any other person holding any charge, lien or other interest in, or in relation to, any such property shall be entitled to claim, in accordance with his rights and interests, payment of the mortgage money or other dues, in whole or in part, out of the amount specified in section 7 and also out of the amount determined under section 8, but no such mortgage, charge, lien or other interest shall be enforceable against any property which has vested in the Central Government.

(5) Any licence or other instrument granted to the Company in relation to any undertaking which has vested in the Central Government under section 3, at any time before the appointed day and in force immediately before that day, shall continue to be in force on and after such day in accordance with its tenor in relation to, and for the purposes of, such undertaking and on and from the day of vesting of such undertaking under section 6 in the Cement Corporation, that Corporation shall be deemed to be substituted in such licence or other instrument as if such licence or other instrument had been granted to the Cement Corporation and that Corporation shall hold it for the remainder of the period for which that Company would have held it under the terms thereof.

(6) If, on the appointed day, any suit, appeal or other proceeding of whatever nature in relation to any property which has vested in the Central Government, under section 3, instituted or preferred by or against the Company is pending, the same shall not abate, be discontinued or be, in any way, prejudicially affected by reason of the transfer of the undertakings of the Company or of anything contained in this Act, but the suit, appeal or other proceeding may be continued, prosecuted or enforced by or against the Central Government, or, where the undertakings of the Company are directed under section 6 to vest in the Cement Corporation, by or against that Corporation.

5. (1) Every liability of the Company in respect of any period prior to the appointed day, shall be the liability of the Company and shall be enforceable against it and not against the Central Government, or, where the undertakings of the Company are directed under section 6 to vest in the Cement Corporation, against that Corporation.

(2) For the removal of doubts, it is hereby declared that,—

(a) save as otherwise expressly provided in this section or in any other provision of this Act, no liability of the Company in respect of any period prior to the appointed day, shall be enforceable against the Central Government, or, where the undertakings of the Company are directed under section 6 to vest in the Cement Corporation, against that Corporation;

(b) no award, decree or order of any court, tribunal or other authority in relation to the undertakings of the Company, passed after the appointed day, in respect of any matter, claim or dispute

Central
Govern-
ment or
Cement
Corpora-
tion,
not to
be liable
for prior
liabili-
ties.

which arose before that day, shall be enforceable against the Central Government, or, where the undertakings of the Company are directed under section 6 to vest in the Cement Corporation, against that Corporation;

(c) no liability incurred by the Company before the appointed day, for the contravention of a provision of any law for the time being in force, shall be enforceable against the Central Government, or, where the undertakings of the Company are directed under section 6 to vest in the Cement Corporation, against that Corporation.

Power of Central Government to direct vesting of the undertakings of the Company in Cement Corporation.

6. (1) Notwithstanding anything contained in sections 3 and 4, the Central Government may, subject to such terms and conditions as it may think fit to impose, direct, by notification, that the undertakings of the Company, and the right, title and interest of the Company in relation to its undertakings, which have vested in the Central Government under section 3, shall, instead of continuing to vest in the Central Government, vest in the Cement Corporation either on the date of the notification or on such earlier or later date (not being a date earlier than the appointed day) as may be specified in the notification.

(2) Where the right, title and interest of the Company, in relation to its undertakings, vest in the Cement Corporation under sub-section (1), the Cement Corporation shall, on and from the date of such vesting, be deemed to have become the owner in relation to such undertakings, and all the rights and liabilities of the Central Government in relation to such undertakings shall, on and from the date of such vesting, be deemed to have become the rights and liabilities of the Cement Corporation.

CHAPTER III

PAYMENT OF AMOUNTS

Payment of amount.

7. For the transfer to, and vesting in, the Central Government, under section 3, of the undertakings of the Company and the right, title and interest of the Company in relation to its undertakings, there shall be paid by the Central Government to the Company, in cash, and in the manner specified in Chapter VI, an amount of rupees eighty-four lakhs and eighty-seven thousand.

Payment of further amount.

8. (1) The amount specified in section 7 shall carry simple interest at the rate of four per cent. per annum for the period commencing on the appointed day and ending on the date on which payment of such amount is made by the Central Government to the Commissioner.

(2) The amount determined in accordance with the provisions of sub-section (1) shall be paid by the Central Government to the Company in addition to the amount specified in section 7.

(3) For the removal of doubts, it is hereby declared that the liabilities of the Company in relation to its undertakings which have vested in the Central Government under section 3, shall be discharged from the amount referred to in section 7, and also from the amount determined under sub-section (1) in accordance with the rights and interests of the creditors of the Company.

CHAPTER IV

MANAGEMENT, ETC., OF THE UNDERTAKINGS OF THE COMPANY

9. The general superintendence, direction, control and management of the affairs and business of the undertakings of the Company, the right, title and interest in relation to which have vested in the Central Government under section 3, shall, where a direction has been made by the Central Government under sub-section (1) of section 6, vest in the Cement Corporation, and thereupon the Cement Corporation shall be entitled to exercise, to the exclusion of all other persons, all such powers and do all such things as the Company was authorised to exercise and do in relation to its undertakings.

Management,
etc.,
of the
undertak-
ings of the
Company.

10. (1) Notwithstanding any judgment, decree or order of any court, tribunal or other authority or anything contained in any law for the time being in force, the Official Liquidator of the Company or any other person, in whose possession or custody or under whose control the undertakings of the Company or any part thereof may be, shall forthwith deliver possession of the undertakings of the Company or any part thereof to the Central Government, or where the undertakings of the Company are vested under section 6 in the Cement Corporation, to that Corporation.

Duty to
deliver
possession
of the
undertak-
ings of the
Company
and docu-
ments
relating
thereto

(2) On the vesting of the management of the undertakings of the Company in the Cement Corporation, the Official Liquidator of the Company or any other person who has, on the appointed day, in his possession or custody or under his control any books, documents or other papers relating to the undertakings of the Company immediately before such vesting or appointment, shall be bound to deliver the said books, documents or other papers to the Cement Corporation or to such person as the Central Government or the Cement Corporation, as the case may be, may specify in this behalf.

(3) The Central Government may take or cause to be taken all necessary steps for securing possession of the undertakings which have vested in it under section 3.

(4) The Central Government may issue such directions as it may deem desirable in the circumstances of the case to the Cement Corporation and that Corporation may also, if it is considered necessary so to do, apply to the Central Government at any time for instructions as to the manner in which the management of the undertakings of the Company shall be conducted or in relation to any other matter arising in the course of such management.

11. (1) The Company shall, within such period as the Central Government may allow in this behalf, furnish to that Government or to the Cement Corporation a complete inventory of all the properties and assets of the Company as on the appointed day pertaining to the undertakings which have vested in the Central Government or the Cement Corporation, as the case may be.

Duty to
furnish
parti-
culars:

(2) So much of the obligation of the Company, under sub-section (1) as relates to the properties and assets of the Company in the possession, custody or control of the Official Liquidator of the Company shall be discharged by him.

CHAPTER V

PROVISIONS RELATING TO THE EMPLOYEES OF THE COMPANY

Employ-
ment of
certain
employees
to contin-
ue.

12. (1) Every person who has been, immediately before the appointed day, employed in any of the undertakings of the Company shall become,—

(a) on and from the appointed day, an employee of the Central Government; and

(b) where the undertakings of the Company are directed under sub-section (1) of section 6, to vest in the Cement Corporation, an employee of that Corporation on and from the date of such vesting, and shall hold office or service under the Central Government or the Cement Corporation, as the case may be, with the same rights and privileges as to pension, gratuity and other matters as would have been admissible to him if there had been no such vesting and shall continue to do so unless and until his employment under the Central Government or the Cement Corporation, as the case may be, is duly terminated or until his remuneration and other conditions of service are duly altered by the Central Government or the Cement Corporation, as the case may be.

(2) Notwithstanding anything contained in the Industrial Disputes Act, 1947, or in any other law for the time being in force, the transfer of the services of any officer or other person employed in any undertaking of the Company to the Central Government or the Cement Corporation shall not entitle such officer or other employee to any compensation under this Act or under any other law for the time being in force and no such claim shall be entertained by any court, tribunal or other authority.

14 of 1947.

(3) Where, under the terms of any contract of service or otherwise, any person, whose services become transferred to the Central Government or the Cement Corporation by reason of the provisions of this Act, is entitled to any arrears of salary or wages or any payments for any leave not availed of or any other payment, not being payment by way of gratuity or pension, such person may enforce his claim against the Company, but not against the Central Government or the Cement Corporation.

Provident
fund and
other
funds.

13. (1) Where the Company has established a provident fund, superannuation fund, welfare fund or any other fund for the benefit of the persons employed in any of the undertakings of the Company, the monies relatable to the officers or other employees, whose services have become transferred, by or under this Act, to the Central Government or the Cement Corporation, shall, out of the monies standing, on the appointed day, to the credit of such provident fund, superannuation fund, welfare fund or other fund, stand transferred to, and vest in, the Central Government or the Cement Corporation, as the case may be.

(2) The monies which stand transferred under sub-section (1) to the Central Government or the Cement Corporation, as the case may be, shall be dealt with by that Government or that Corporation in such manner as may be prescribed.

CHAPTER VI
COMMISSIONER OF PAYMENTS

14. (1) The Central Government shall, for the purpose of disbursing the amounts payable to the Company under section 7 and section 8, by notification, appoint a Commissioner of Payments.

Appointment of
Commissioner of
Payments.

(2) The Central Government may appoint such other persons as it may think fit to assist the Commissioner and thereupon the Commissioner may authorise one or more of such persons also to exercise all or any of the powers exercisable by him under this Act and different persons may be authorised to exercise different powers.

(3) Any person authorised by the Commissioner to exercise any of the powers exercisable by the Commissioner may exercise those powers in the same manner and with the same effect as if they have been conferred on that person directly by this Act and not by way of authorisation.

(4) The salaries and allowances of the Commissioner and other persons appointed under this section shall be defrayed out of the Consolidated Fund of India.

15. (1) The Central Government shall, within thirty days from the specified date,¹ pay, in cash, to the Commissioner, for payment to the Company,—

Payment
by the
Central
Govern-
ment to the
Commis-
sioner.

(a) an amount equal to the amount specified in section 7, and

(b) an amount equal to the amount payable to the Company under section 8.

(2) A deposit account shall be opened by the Central Government in favour of the Commissioner in the Public Account of India, and every amount paid under this Act to the Commissioner shall be deposited by him to the credit of the said deposit account and the said deposit account shall be operated by the Commissioner.

(3) Records shall be maintained by the Commissioner in respect of the undertakings of the Company in relation to which payment has been made to him under this Act.

(4) The interest accruing on the amount standing to the credit of the deposit account referred to in sub-section (2) shall enure to the benefit of the Company.

16. (1) The Central Government or the Cement Corporation, as the case may be, shall be entitled to receive up to the specified date, to the exclusion of all other persons, any money due to the Company, in relation to its undertakings which have vested in the Central Government or the Cement Corporation, and realised after the appointed day, notwithstanding that the realisation pertains to a period prior to the appointed day.

Certain
powers
of the
Central
Govern-
ment or
Cement
Corpora-
tion.

(2) The Central Government or the Cement Corporation, as the case may be, may make a claim to the Commissioner with regard to every payment made by it after the appointed day for discharging any liability of the Company in relation to any period prior to the appointed day; and every such claim shall have priority in accordance with the

¹ 31st March 1982, vide Notification No. S.O. 238 (E), dated 5-4-1982, Gazette of India, Extraordinary, Pt. II, Sec. 3 (ii), page 382.

priorities attaching, under this Act, to the matter in relation to which such liability has been discharged by the Central Government or the Cement Corporation.

(3) Save as otherwise provided in this Act, the liabilities of the Company in respect of any transaction prior to the appointed day, which have not been discharged on or before the specified date, shall be the liabilities of the Company.

Claims to
be made
to the
Commiss-
sioner.

17. Every person having a claim against the Company shall prefer such claim before the Commissioner within thirty days from the specified date:

Provided that if the Commissioner is satisfied that the claimant was prevented by sufficient cause from preferring the claim within the said period of thirty days, he may entertain the claim within a further period of thirty days and not thereafter.

Priority
of claims.

18. The claims arising out of the matters specified in the Schedule shall have priorities in accordance with the following principles, namely:-

(a) Category I shall have precedence over all other categories and Category II shall have precedence over Category III, and so on;

(b) the claims specified in each of the categories shall rank equally and be paid in full, but, if the amount is insufficient to meet such claims in full, they shall abate in equal proportions and be paid accordingly; and

(c) the question of discharging any liability with regard to a matter specified in a lower category shall arise only if a surplus is left after meeting all the liabilities specified in the immediately higher category.

Examina-
tion of
claims.

19. (1) On receipt of the claims made under section 17, the Commissioner shall arrange the claims in the order of priorities specified in the Schedule and examine the same in accordance with such order of priorities.

(2) If, on examination of the claims, the Commissioner is of opinion that the amount paid to him under this Act is not sufficient to meet the liabilities specified in any lower category, he shall not be required to examine the claims in respect of such lower category.

Admis-
sion or
rejection
of claims.

20. (1) After examining the claims with reference to the priorities set out in the Schedule, the Commissioner shall fix a certain date on or before which every claimant shall file the proof of his claim.

(2) Not less than fourteen days' notice of the date so fixed shall be given by advertisement in one issue of any daily newspaper in the English language having circulation in the major part of the country and one issue of any daily newspaper in such regional language as the Commissioner may consider suitable, and every such notice shall call upon the claimant to file the proof of his claim with the Commissioner within the period specified in the advertisement.

(3) Every claimant who fails to file the proof of his claim within the time specified by the Commissioner shall be excluded from the disbursements made by the Commissioner.

4.4.1983: Vide N.O.I.D. No. S.O. 206(E), dt. 24.3.
Gaz. of India, Excy., Pt. II, Sec. 3(ii).

(4) The Commissioner shall, after such investigation as may, in his opinion, be necessary and after giving the Company an opportunity of refuting the claim and after giving the claimant a reasonable opportunity of being heard, by order in writing, admit or reject the claim in whole or in part.

5 of 1908.

(5) The Commissioner shall have the power to regulate his own procedure in all matters arising out of the discharge of his functions, including the place or places at which he may hold his sittings and shall, for the purpose of making an investigation under this Act, have the same powers as are vested in a civil court under the Code of Civil Procedure, 1908, while trying a suit, in respect of the following matters, namely:—

- (a) the summoning and enforcing the attendance of any witness and examining him on oath;
- (b) the discovery and production of any document or other material object producible as evidence;
- (c) the reception of evidence on affidavits;
- (d) the issuing of any commission for the examination of witnesses.

45 of 1860.
2 of 1974.

(6) Any investigation before the Commissioner shall be deemed to be a judicial proceeding within the meaning of sections 193 and 228 of the Indian Penal Code and the Commissioner shall be deemed to be a civil court for the purposes of section 195 and Chapter XXVI of the Code of Criminal Procedure, 1973.

(7) A claimant, who is dissatisfied with the decision of the Commissioner, may prefer an appeal against the decision to the principal civil court of original jurisdiction within the local limits of whose jurisdiction the registered office of the Company is situated:

Provided that where a person who is a Judge of a High Court is appointed to be the Commissioner, the appeal shall lie to the High Court of Punjab and Haryana and such appeal shall be heard and disposed of by not less than two Judges of that High Court.

21. After admitting a claim under this Act, the amount due in respect of such claim shall be paid by the Commissioner to the person or persons to whom such amount is due, and, on such payment, the liability of the Company in respect of any claim relating to the undertakings of the Company shall stand discharged.

Disburse-
ment of
money by
the Com-
missioner
to clai-
mants.

22. (1) If, out of the monies paid to him in relation to the undertakings of the Company, there is a balance left after meeting the liabilities as specified in the Schedule, the Commissioner shall disburse such balance to the Company.

Disburse-
ment of
amounts
to the
Company.

(2) Where the possession of any machinery, equipment or other property, has vested in the Central Government or the Cement Corporation under this Act, but such machinery, equipment or other property does not belong to the Company, it shall be lawful for the Central Government or the Cement Corporation to continue to possess such machinery or equipment or other property on the same terms and conditions under

which it was possessed by the Company immediately before the appointed day.

Undisbursed or unclaimed amount to be deposited to the general revenue account.

23. Any money paid to the Commissioner which remains undisbursed or unclaimed on the date immediately preceding the date on which the office of the Commissioner is finally wound up, shall be transferred by the Commissioner, before his office is finally wound up, to the general revenue account of the Central Government; but a claim to any money so transferred may be preferred to the Central Government by the person entitled to such payment and shall be dealt with as if such transfer had not been made, and the order, if any, for payment of the claim, being treated as an order for the refund of revenue.

CHAPTER VII MISCELLANEOUS

Act to have overriding effect.

24. The provisions of this Act shall have effect notwithstanding anything inconsistent therewith contained in any other law for the time being in force or in any instrument having effect by virtue of any law, other than this Act, or in any decree or order of any court, tribunal or other authority.

Contracts to cease to have effect unless ratified by Central Government or Cement Corporation.

25. Every contract entered into by the Company in relation to its undertakings, which has vested in the Central Government under section 3, for any service, sale or supply and in force immediately before the appointed day, shall, on and from the expiry of one hundred and eighty days from the appointed day, cease to have effect unless such contract is, before the expiry of that period, ratified, in writing, by the Central Government or the Cement Corporation, where such undertakings have been vested in that Corporation under this Act, and in ratifying such contract, the Central Government or the Cement Corporation may make such alteration or modification therein as it may think fit.

Provided that the Central Government or the Cement Corporation shall not omit to ratify a contract and shall not make any alteration or modification in a contract—

(a) unless it is satisfied that such contract is unduly onerous or has been entered into in bad faith or is detrimental to the interests of the Central Government or the Cement Corporation, and

(b) except after giving to the parties to the contract a reasonable opportunity of being heard and except after recording in writing its reasons for refusal to ratify the contract or for making any alteration or modification therein.

Protection of action taken in good faith.

26. (1) No suit, prosecution or other legal proceeding shall lie against the Central Government or any officer or other employee of that Government or the Cement Corporation or other person authorised by that Government or Corporation for anything which is in good faith done or intended to be done under this Act.

(2) No suit or other legal proceeding shall lie against the Central Government or any officer or other employee of that Government or the Cement Corporation or other person authorised by that Government or

Corporation for any damage caused or likely to be caused by anything which is in good faith done or intended to be done.

27. (1) The Central Government may, by notification, direct that all or any of the powers exercisable by it under this Act, other than the powers conferred by this section, section 30 and section 31, may also be exercised by such person or persons as may be specified in the notification.

Delega-
tion of
Powers.

(2) Whenever any delegation of power is made under sub-section (1), the person to whom such power has been delegated shall act under the direction, control and supervision of the Central Government.

28. Any person who,—

Penalties.

(a) having in his possession, custody or control any property forming part of any undertakings of the Company, wrongfully withholds such property from the Central Government or the Cement Corporation; or

(b) wrongfully obtains possession of, or retains, any property forming part of, the undertakings of the Company; or

(c) wilfully withholds or fails to furnish to the Central Government or the Cement Corporation or to any person or body of persons specified by that Government or the Cement Corporation, as the case may be, any document or inventory relating to the undertakings of the Company, which may be in his possession, custody or control; or

(d) fails to deliver to the Central Government or the Cement Corporation or to any person or body of persons specified by that Government or the Cement Corporation, any assets, books of account, registers or other documents in his possession, custody or control, relating to the undertakings of the Company; or

(e) wrongfully removes or destroys any property forming part of the undertakings of the Company; or

(f) prefers any claim under this Act which he knows or has reasonable cause to believe to be false or grossly inaccurate,

shall be punishable with imprisonment for a term which may extend to two years, or with fine which may extend to ten thousand rupees, or with both.

29. (1) Where an offence under this Act has been committed by a company, every person who, at the time the offence was committed, was in charge of, and was responsible to, the company, for the conduct of the business of the company, as well as the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly:

Offences
by com-
panies.

Provided that nothing contained in this sub-section shall render any such person liable to any punishment, if he proves that the offence was committed without his knowledge or that he had exercised all due diligence to prevent the commission of such offence.

(2) Notwithstanding anything contained in sub-section (1), where any offence under this Act has been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or is attributable to any neglect on the part of, any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

Explanation.—For the purposes of this section,—

(a) "company" means any body corporate and includes a firm or other association of individuals;

(b) "director", in relation to a firm, means a partner in the firm.

Power
to make
rules.

30. (1) The Central Government may, by notification, make rules for carrying out the provisions of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

(a) the time within which, and the manner in which, an intimation shall be given to the Commissioner under sub-section (3) of section 4;

(b) the manner in which the monies in any provident fund or other fund under section 13 shall be dealt with;

(c) any other matter which is required to be, or may be, prescribed.

(3) Every rule made by the Central Government under this Act shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

Power to
remove diffi-
culties.

31. If any difficulty arises in giving effect to the provisions of this Act, the Central Government may, by order, not inconsistent with the provisions of this Act, remove the difficulty:

Provided that no such order shall be made after the expiry of a period of two years from the appointed day.

Repeal
and
saving.

32. (1) The Dalmia Dadri Cement Limited (Acquisition and Transfer of Undertakings) Ordinance, 1981, is hereby repealed.

(2) Notwithstanding such repeal, anything done or any action taken under the said Ordinance shall be deemed to have been done or taken under the corresponding provisions of this Act.

THE SCHEDULE

[See sections 18, 19(1), 20(1) and 22(1)]

ORDER OF PRIORITIES FOR THE DISCHARGE OF LIABILITIES OF THE COMPANY

Category I—

- (a) Wages, salaries and other dues payable to the employees of the Company.
- (b) Deductions made from the salaries and wages of the employees for provident fund, Employees' State Insurance contribution, premium relating to Life Insurance Corporation of India or for any other purposes.
- (c) Arrears in relation to contributions to be made by the Company to the provident fund and under Employees' State Insurance Act, 1948 and also under any other law for the time being in force providing for such contributions.

34 of 1948.

Category II—

Principal amount of loans advanced by—

- (i) Central Government;
- (ii) State Government;
- (iii) Banks and financial institutions;
- (iv) Any other sources.

Category III—

- (a) Any credits availed of by the Company for the purpose of carrying on any trading or manufacturing operations.
- (b) Any dues of State Electricity Boards or other Government or semi-Government institutions against supply of goods or services.
- (c) Arrears of interest on loans and advances.

Category IV—

- (a) Revenue, taxes, cesses, rates or other dues to Central Government, State Government and local authorities.
- (b) Any other dues.

THE VICTORIA MEMORIAL (AMENDMENT) ACT, 1981

NO. 32 OF 1981

[17th September, 1981.]

An Act further to amend the Victoria Memorial Act, 1903.

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

Short title. 1. This Act may be called the Victoria Memorial (Amendment) Act, 1981.

**Amend-
ment of
section 2.** 2. In the Victoria Memorial Act, 1903 (hereinafter referred to as 10 of 1903 the principal Act), in section 2,—

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

"(1) The Trustees of the Victoria Memorial (hereinafter called the Trustees) shall be the following, namely:—

(a) the Governor of West Bengal, *ex officio* Chairman;

(b) the Chief Justice of the High Court of West Bengal, *ex officio*;

(c) three persons to be nominated by the Central Government, one of whom shall be a representative of commerce and industry, chosen in consultation with the State Government of West Bengal and two others chosen from among persons who, in the opinion of the Central Government, have expert knowledge of the exhibits in the Victoria Memorial or are museologists, historians or art historians;

(d) a representative of the Central Government in the Ministry concerned with matters relating to the Victoria Memorial, *ex officio*;

(e) a representative of the Central Government in the Ministry of Finance, Department of Expenditure, concerned with matters relating to the Victoria Memorial, *ex officio*;

(f) the Mayor of the Corporation of Calcutta and where the Corporation of Calcutta is superseded, the Administrator of that Corporation, *ex officio*;

(g) an officer, not below the rank of the Accountant-General, nominated by the Comptroller and Auditor-General of India, *ex officio*;

(h) the Secretary to the Government of West Bengal in the Department of Education, *ex officio*;

(i) four persons (of whom one at least shall be from the general body of subscribers), to be nominated by the Trustees, from among persons, who, in the opinion of the Trustees from among persons, who, in the opinion of the Victoria Memorial or are museologists, historians or art historians, with the approval of the Central Government.”;

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

“(3A) If any of the Trustees referred to in clauses (b), (d), (e), (f), (g) and (h) of sub-section (1) is unable to attend any meeting of the Trustees, he may, with the previous approval of the Chairman, authorise in writing a person to do so.”

3. In section 5 of the principal Act,—

(a) in sub-section (1), after the words “Central Government may”, the words “, by notification in the Official Gazette,” shall be inserted;

(b) in sub-section (2),—

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

“(da) for the fees to be levied for admission to the Victoria Memorial;”;

(ii) in clause (e), the word “and” occurring at the end shall be omitted;

(iii) clause (f) shall be omitted;

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

“(3) Every rule made by the Central Government under this section shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.”.

Amend-
ment of
section 5.

**Insersion
of
new sec-
tion 6.****Power of
Trustees
to make
regula-
tions.**

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

"6. (1) The Trustees may, with the previous approval of the Central Government, by notification in the Official Gazette, make regulations, not inconsistent with this Act and the rules made thereunder, for enabling the body to discharge its functions under this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, such regulations may provide for all or any of the following matters, namely:—

(a) the conditions and restrictions subject to which articles and things vested in the Trustees may be given on loan;

(b) the recruitment and conditions of service of the employees of the Victoria Memorial.

(3) Every regulation shall, as soon as may be, after it is made by the Trustees, be forwarded to the Central Government and that Government shall cause a copy of the same to be laid before each House of Parliament, while it is in session for a total period of thirty days, which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the regulation or both Houses agree that the regulation should not be made, the regulation shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that regulation."

THE CINE-WORKERS WELFARE FUND ACT, 1981

No. 33 of 1981

[17th September, 1981.]

An Act to provide for the financing of activities to promote the welfare of certain cine-workers.

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

1. (1) This Act may be called the Cine-workers Welfare Fund Act, 1981.

Short title,
extent
and
com-
mence-
ment.

(2) It extends to the whole of India.

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

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

Defini-
tions.

37 of 1952. (a) "cinematograph film" has the same meaning as in the Cine-matograph Act, 1952;

(b) "cine-worker" means an individual—

(i) who has been employed, directly or through any contractor or in any other manner, in or in connection with the production of not less than five feature films to work as an artiste (including actor, musician or dancer) or to do any work, skilled, unskilled, manual, supervisory, technical, artistic or otherwise; and

(ii) whose remuneration with respect to such employment in or in connection with the production of each of any five feature films, has not exceeded, where such remuneration has been by way of monthly wages, a sum of one thousand rupees per month, and where such remuneration has been by way of a lump sum, a sum of five thousand rupees;

(c) "feature film" means a full length cinematograph film produced wholly or partly in India with a *format* and a story woven around a number of characters where the plot is revealed mainly through dialogues and not wholly through narration, animation or cartoon depiction and does not include an advertisement film;

Cine-workers Welfare Fund.

Appli-cation of Fund

Ad-visory Com-mittees.

(d) "Fund" means the Cine-workers Welfare Fund formed under section 3;

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

(f) "producer", in relation to a feature film, means the person by whom arrangements necessary for the making of such film (including the raising of finance and engaging cine-workers for such film-making) are undertaken.

3. There shall be formed a Fund, to be called the Cine-workers Welfare Fund, and there shall be credited thereto—

(a) such amounts as the Central Government may, after due appropriation made by Parliament by law in this behalf, provide from out of the proceeds of the duty of excise credited under section 5 of the Cine-workers Welfare Cess Act, 1981, after deducting therefrom the cost of collection as determined by the Central Government under this Act;

(b) any grants made to the Fund by the Central Government;

(c) any money received as donations for the purposes of this Act;

(d) any income from investment of the amounts in the Fund.

4. (1) The Fund shall be applied by the Central Government to meet the expenditure incurred in connection with measures and facilities which, in the opinion of that Government, are necessary or expedient to promote the welfare of cine-workers; and, in particular,—

(a) to defray the cost of such welfare measures or facilities for the benefit of cine-workers as may be decided by the Central Government;

(b) to provide assistance in the form of grants or loans to indigent cine-workers;

(c) to sanction any money in aid of any scheme for the welfare of the cine-workers which is approved by the Central Government;

(d) to meet the allowances, if any, of the members of the Advisory Committees and the Central Advisory Committee constituted under sections 5 and 6 respectively and the salaries and allowances, if any, of persons appointed under section 8;

(e) any other expenditure which the Central Government may direct to be defrayed from the Fund.

(2) The Central Government shall have power to decide whether any particular expenditure is or is not debitible to the Fund, and its decision shall be final.

5. (1) The Central Government may constitute as many Advisory Committees as it thinks fit to advise the Central Government on such matters arising out of the administration of this Act as may be referred to it by that Government, including matters relating to the application of the Fund.

(2) Each Advisory Committee shall consist of such number of persons as may be appointed to it by the Central Government and the members shall be chosen in such manner as may be prescribed:

Provided that each Advisory Committee shall include an equal number of members representing the Government, the cine-workers and the producers.

(3) The Chairman of each Advisory Committee shall be appointed by the Central Government.

(4) The Central Government shall publish in the Official Gazette the names of the members of every Advisory Committee.

6. (1) The Central Government may constitute a Central Advisory Committee to co-ordinate the work of the Advisory Committees constituted under section 5 and to advise the Central Government on any matter arising out of the administration of this Act.

Central
Advisory
Com-
mittee.

(2) The Central Advisory Committee shall consist of eleven members appointed by the Central Government and the members shall be chosen in such manner as may be prescribed:

Provided that the Central Advisory Committee shall include at least three members representing the Government, the cine-workers and the producers.

(3) The Chairman of the Central Advisory Committee shall be appointed by the Central Government.

(4) The Central Government shall publish in the Official Gazette the names of the members of the Central Advisory Committee.

7. (1) An Advisory Committee or the Central Advisory Committee may, at any time and for such period as it thinks fit, co-opt any person or persons to the Advisory Committee.

Power
to co-
opt, etc.

(2) A person co-opted under sub-section (1) shall exercise all the powers and functions of a member under this Act but shall not be entitled to vote.

(3) An Advisory Committee or the Central Advisory Committee may, if it considers it necessary or expedient so to do, invite any person to attend its meeting and when such person attends any meeting, he shall not be entitled to vote thereat.

8. (1) The Central Government may appoint as many Welfare Commissioners, Welfare Administrators, Inspectors and such other officers and staff as it thinks necessary for the purposes of this Act and the Cine-workers Welfare Cess Act, 1981.

Appoint-
ment of
Welfare
Commis-
sioners,
etc., and
their
powers.

(2) The Central Government may, by general or special order, direct a Welfare Commissioner to appoint such staff as is considered necessary for the purposes of this Act and the Cine-workers Welfare Cess Act, 1981.

(3) Every person appointed under this section shall be deemed to be 45 of 1860. a public servant within the meaning of section 21 of the Indian Penal Code.

(4) Any Welfare Commissioner may,—

(a) with such assistance, if any, as he may think fit, enter, at any reasonable time, any place which he considers it necessary to enter for carrying out the purposes of this Act and the Cine-workers Welfare Cess Act, 1981;

(b) do within such place anything necessary for the proper discharge of his duties; and

(c) exercise such other powers as may be prescribed.

9. The Central Government shall, as soon as may be, after the end of each financial year, cause to be published in the Official Gazette, a report giving an account of the activities financed under this Act during the financial year, together with a statement of accounts.

Annual
report of
activities
financed
under
the Act.

Power
to call
for infor-
mation.

Power to
make rules.

10. The Central Government may require a producer to furnish, for the purposes of this Act, such statistical and other information in such form and within such period as may be prescribed.

11. (1) The Central Government may, by notification in the Official Gazette, make rules for carrying out 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 in which the Fund may be applied for the measures and facilities specified in sub-section (1) of section 4;

(b) the conditions governing the grant of any loan under clause (b) of sub-section (1) of section 4;

(c) the composition of the Advisory Committees and the Central Advisory Committee constituted under sections 5 and 6 respectively, the manner in which the members thereof shall be chosen, the term of office of such members, the allowances, if any, payable to them, and the manner in which the Advisory Committees and the Central Advisory Committee shall conduct their business;

(d) the recruitment, conditions of service and the duties of all persons appointed under section 8;

(e) the powers that may be exercised by a Welfare Commissioner, a Welfare Administrator and an Inspector appointed under section 8;

(f) the furnishing to the Central Government by a producer of such statistical and other information as may be required to be furnished under section 10;

(g) the form in which and the period within which the statistical and other information are to be furnished under clause (f);

(n) any other matter which has to be, or may be, prescribed by rules under this Act.

(3) In making any rule under clause (f) or clause (g) of sub-section (2), the Central Government may direct that a breach thereof shall be punishable with fine which may extend to two thousand rupees.

(4) Every rule made under this section shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

THE APPROPRIATION (RAILWAYS) NO. 5 ACT, 1981

NO. 34 OF 1981

[18th September, 1981.]

An Act to authorise payment and appropriation of certain further sums from and out of the Consolidated Fund of India for the services of the financial year 1981-82 for the purposes of Railways.

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

1. This Act may be called the Appropriation (Railways) No. 5 Act, 1981.

Short title.

2. From and out of the Consolidated Fund of India there may be paid and applied sums not exceeding those specified in column 3 of the Schedule amounting in the aggregate to the sum of seven crores and seventy-four lakhs rupees towards defraying the several charges which will come in course of payment during the financial year 1981-82, in respect of the services relating to Railways specified in column 2 of the Schedule.

Issue of
Rs. 7,74,
00,000
out of
the Con-
solidated
Fund of
India
for the
financial
year
1981-82.

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

Appro-
priation.

THE SCHEDULE

(See sections 2 and 3)

No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consoli- dated Fund	Total
		Rs.	Rs.	Rs.
2	Miscellaneous Expenditure (General)	45,00,000	..	45,00,000
16	Assets—Acquisition, Construction and Re- placement—Other Expenditure	7,29,00,000	..	7,29,00,000
	TOTAL	7,74,00,000	..	7,74,00,000

THE STATE OF NAGALAND (AMENDMENT) ACT, 1981

No. 35 OF 1981

[18th September, 1981.]

An Act further to amend the State of Nagaland Act, 1962.

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

1. (1) This Act may be called the State of Nagaland (Amendment) Act, 1981.

Short title
and com-
mence-
ment.

(2) It shall be deemed to have come into force on the 26th day of July, 1981.

2. In the State of Nagaland Act, 1962 (hereinafter referred to as the principal Act), after section 22, the following section shall be inserted, namely:—

Inser-
tion of
new
section
22A.

“22A. The allowances and privileges of the Governor of Nagaland shall, until provision in that behalf is made by Parliament by law under clause (3) of article 158, be such as the President may, by order, determine.”

Allow-
ances
and
privi-
leges of
Gov-
ernor
of Naga-
land.

3. In section 32 of the principal Act, in sub-section (2), for the words “in which it is so laid”, the words “immediately following the session” shall be substituted.

Amend-
ment of
section
32.

4. (1) The State of Nagaland (Amendment) Ordinance, 1981, is hereby repealed.

Repeal
and
saving.

(2) Notwithstanding such repeal, anything done or any action taken under the principal Act as amended by the said Ordinance shall be deemed to have been done or taken under the principal Act as amended by this Act.

THE WORKING JOURNALISTS AND OTHER NEWS-PAPER EMPLOYEES (CONDITIONS OF SERVICE) AND MISCELLANEOUS PROVISIONS (AMENDMENT) ACT, 1981

No. 36 OF 1981

[18th September, 1981.]

An Act further to amend the Working Journalists and other Newspaper Employees (Conditions of Service) and Miscellaneous Provisions Act, 1955.

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

Short title and commencement.

Amendment of section 2.

Insertion of new section 16A.

1. (1) This Act may be called the Working Journalists and other Newspaper Employees (Conditions of Service) and Miscellaneous Provisions (Amendment) Act, 1981.

(2) It shall be deemed to have come into force on the 13th day of August, 1980.

2. In section 2 of the Working Journalists and other Newspaper Employees (Conditions of Service) and Miscellaneous Provisions Act, 1955 (hereinafter referred to as the principal Act), in clause (f), for the words "who is employed as such in, or in relation to, any newspaper establishment", the words "who is employed as such, either whole-time or part-time, in, or in relation to, one or more newspaper establishments" shall be substituted.

45 of 1955.

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

"16A. No employer in relation to a newspaper establishment shall, by reason of his liability for payment of wages to newspaper employees at the rates specified in an order of the Central Government under section 12, or under section 12, read with section 13AA or section 13DD, dismiss, discharge or retrench any newspaper employee.".

Employer
not to dis-
miss, dis-
charge, etc.,
newspaper
employees.

12 of 1981

4. (1) The Working Journalists and other Newspaper Employees (Conditions of Service) and Miscellaneous Provisions (Amendment) Ordinance, 1981, is hereby repealed.

Repeal
and
saving.

(2) Notwithstanding such repeal, anything done or any action taken under the principal Act, as amended by the said Ordinance, shall be deemed to have been done or taken under the principal Act as amended by this Act.

THE APPROPRIATION (No. 5) ACT, 1981

NO. 37 OF 1981

[19th September, 1981.]

An Act to authorise payment and appropriation of certain further sums from and out of the Consolidated Fund of India for the services of the financial year 1981-82.

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

Short title.

Issue of
Rs. 420,81,
12,000 out
of the
Consoli-
dated
Fund of
India for
the year
1981-82.

Appro-
priation.

1. This Act may be called the Appropriation (No. 5) Act, 1981.
2. From and out of the Consolidated Fund of India there may be paid and applied sums not exceeding those specified in column 3 of the Schedule amounting in the aggregate to the sum of four hundred and twenty crores, eighty-one lakhs and twelve thousand rupees towards defraying the several charges which will come in course of payment during the financial year 1981-82, in respect of the services specified in column 2 of the Schedule.
3. The sums authorised to be paid and applied from and out of the Consolidated Fund of India by this Act shall be appropriated for the services and purposes expressed in the Schedule in relation to the said year.

THE SCHEDULE

(See sections 2 and 3)

1 No. of Vote	2 Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
7	Department of Food . . Capital	10,00,00,000	..	10,00,00,000
10	Ministry of Civil Supplies . Revenue Capital	69,000 2,53,000	69,000 2,53,000
13	Textiles, Handlooms and Handicrafts . . Revenue Capital	36,70,37,000 20,04,46,000	36,70,37,000 20,04,46,000
14	Ministry of Communications Revenue	5,50,000	..	5,50,000
18	Capital Outlay on Posts and Telegraphs . . Capital	1,000	..	1,000
24	Capital Outlay on Defence Services . . Capital	1,000	..	1,000
30	Department of Power . Revenue Capital	1,46,00,000 14,99,00,000	1,46,00,000 14,99,00,000
36	Stamps . . . Revenue	..	50,000	50,000
38	Currency, Coinage and Mint . . . Revenue	..	53,000	53,000
41	Transfers to State Govern- ments . . . Capital	..	200,00,00,000	200,00,00,000
42	Other Expenditure of the Ministry of Finance . Capital	105,00,00,000	..	105,00,00,000
45	Medical and Public Health Revenue	..	60,000	60,000
48	Cabinet . . . Revenue	35,76,000	..	35,76,000
55	Andaman and Nicobar Islands . . . Revenue	8,00,000	..	8,00,000
59	Industries . . . Revenue Capital	1,000 3,10,01,000	1,000 3,10,01,000
62	Information and Publicity . Revenue	6,00,00,000	..	6,00,00,000
63	Broadcasting . . . Revenue	..	2,56,000	2,56,000
70	Petroleum and Petro-Chem- icals Industries . . Capital	21,56,00,000	..	21,56,00,000
71	Chemicals and Fertilizers Industries . . Capital	1,000	..	1,000

No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consoli- dated Fund	Total
		Rs.	Rs.	Rs.
96	Atomic Energy Research, Development and Industrial Project . . . Capital	1,000	..	1,000
98	Department of Electronics . . . Revenue Capital	1,05,48,000 28,54,000	..	1,05,48,000 28,54,000
103	Department of Space . . . Revenue	..	8,000	8,000
108	Department of Ocean Development . . . Revenue	4,46,000	..	4,46,000
TOTAL		220,76,85,000	200,04,27,000	420,81,12,000

THE INCOME-TAX (SECOND AMENDMENT) ACT, 1981

No. 38 OF 1981

[19th September, 1981.]

An Act further to amend the Income-tax Act, 1961.

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

1. (1) This Act may be called the Income-tax (Second Amendment) Act, 1981.

(2) Section 3 shall come into force at once and the remaining provisions of this Act shall be deemed to have come into force on the 11th day of July, 1981.

43 of 1961

2. In the Income-tax Act, 1961 (hereinafter referred to as the principal Act), after Chapter XXA, the following Chapter shall be inserted, namely:—

Short title and commencement.

Insertion of new Chapter XXB.

CHAPTER XXB

REQUIREMENT AS TO MODE OF REPAYMENT IN CERTAIN CASES TO COUNTERACT EVASION OF TAX

269T. (1) No company (including a banking company), co-operative society or firm shall repay to any person any deposit otherwise than by an account payee cheque or account payee bank draft where the amount of the deposit, or where the amount of the deposit is to be repaid together with any interest, the aggregate of the amount of the deposit and such interest, is ten thousand rupees or more:

Mode of repayment of certain deposits.

Provided that where the repayment is by a banking company or co-operative bank, such repayment may also be made by crediting the amount of such deposit to the account (if any) with such company or bank of the person to whom such deposit has to be repaid;

Provided further that nothing in this sub-section shall apply to or in relation to the repayment of any deposit on or after the date on which the Income-tax (Second Amendment) Act, 1981, receives the assent of the President.

(2) No branch of a banking company or a co-operative bank and no other company or co-operative society and no firm shall repay any deposit made with it otherwise than by an account payee cheque or account payee bank draft drawn in the name of the person who has made the deposit if—

(a) the amount of the deposit together with interest, if any, payable thereon, or

(b) the aggregate amount of the deposits held by such person with the branch of the banking company or co-operative bank or, as the case may be, the other company or co-operative society or the firm, either in his own name or jointly with any other person on the date of such repayment together with the interest, if any, payable on such deposits,

is ten thousand rupees or more:

Provided that where the repayment is by a branch of a banking company or co-operative bank, such repayment may also be made by crediting the amount of such deposit to the savings bank account or the current account (if any) with such branch of the person to whom such deposit has to be repaid:

Provided further that nothing in this sub-section shall apply to or in relation to the repayment of any deposit before the date on which the Income-tax (Second Amendment) Act, 1981, receives the assent of the President.

Explanation.—For the purposes of this section,—

(i) "banking company" shall have the meaning assigned to it in clause (a) of the *Explanation* to sub-section (8) of section 40A;

(ii) "deposit" means any deposit of money which is repayable after notice or repayable after a period.'

3. In the principal Act, in Chapter XXB (as inserted by section 2), after section 269T, the following section shall be inserted, namely:—

"269TT. Notwithstanding anything contained in any other law for the time being in force, the amount payable on redemption of Special Bearer Bonds, 1991, shall be paid only by an account payee cheque or account payee bank draft drawn in the name of the person to whom such payment is to be made."

4. After section 276D of the principal Act, the following section shall be inserted, namely:—

Insertion
of new
section
269TT.

Mode of
repay-
ment
of Special
Bearer
Bonds,
1991.

Insertion
of new
section
276E.

"276E. If a person, without reasonable cause or excuse, repays any deposit referred to in section 269T otherwise than in accordance with the provisions of that section, he shall be punishable with imprisonment for a term which may extend to two years and shall also be liable to fine equal to the amount of such deposit."

Failure
to comply
with the
provisions
of section
269T.

5. In section 278A of the principal Act, after the words, figures and letters "or section 276CC", the words, figures and letter "or section 276E" shall be inserted.

Amend-
ment of
section
278A.

6. In section 279 of the principal Act, in sub-section (1), after the word, figures and letter "section 276D", the word, figures and letter "section 276E," shall be inserted.

Amend-
ment of
section
279.

8 of 1981.

7. (1) The Income-tax (Amendment) Ordinance, 1981, is hereby repealed.

Repeal
and
saving.

(2) Notwithstanding such repeal, anything done or any action taken under the principal Act, as amended by the said Ordinance, shall be deemed to have been done or taken under the principal Act, as amended by this Act.

THE ASSAM STATE LEGISLATURE (DELEGATION OF POWERS) ACT, 1981

No. 39 OF 1981

[22nd September, 1981.]

An Act to confer on the President the power of the Legislature of the State of Assam to make laws.

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

Short title.

1. This Act may be called the Assam State Legislature (Delegation of Powers) Act, 1981.

Definition.

2. In this Act, "Proclamation" means the Proclamation issued on the 30th day of June, 1981 under article 356 of the Constitution, by the President, and published with the notification of the Government of India in the Ministry of Home Affairs, No. G.S.R. 419(E) of the said date.

Confer-
ment on
the Presi-
dent of
the power
of the
State
Legisla-
ture to
make laws.

3. (1) The power of the Legislature of the State of Assam to make laws, which has been declared by the Proclamation to be exercisable by or under the authority of Parliament, is hereby conferred on the President.

(2) In the exercise of the said power, the President may, from time to time, whether Parliament is or is not in session, enact, as a President's Act, a Bill containing such provisions as he considers necessary:

Provided that before enacting any such Act, the President shall, whenever he considers it practicable to do so, consult a Committee constituted for the purpose, consisting of thirty members of the House of the People nominated by the Speaker and fifteen members of the Council of States nominated by the Chairman.

(3) Every Act enacted by the President under sub-section (2) shall, as soon as may be after enactment, be laid before each House of Parliament.

(4) Either House of Parliament may, by resolution passed within thirty days from the date on which the Act has been laid before it under sub-section (3), which period may be comprised in one session or in two successive sessions, direct any modifications to be made in the Act and if the modifications are agreed to by the other House of Parliament during the session in which the Act has been so laid before it or the session succeeding, such modifications shall be given effect to by the President by enacting an amending Act under sub-section (2):

Provided that nothing in this sub-section shall affect the validity of the Act or of any action taken thereunder before it is so amended.

THE ESSENTIAL SERVICES MAINTENANCE ACT, 1981

No. 40 OF 1981.

[23rd September, 1981.]

An Act to provide for the maintenance of certain essential services and the normal life of the community.

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

1. (1) This Act may be called the Essential Services Maintenance Act, 1981.

Short title,
extent,
commencement
and duration.

(2) It extends to the whole of India:

Provided that it shall not apply to the State of Jammu and Kashmir in so far as it relates to any essential service connected with matters with respect to which Parliament has no power to make laws for that State.

(3) Sections 8 and 9 shall come into force at once and the remaining provisions of this Act shall be deemed to have come into force on the 26th day of July, 1981.

(4) It shall cease to have effect on the expiry of four years from the date on which this Act receives the assent of the President except as respects things done or omitted to be done before such cessation of operation of this Act, and section 6 of the General Clauses Act, 1897, shall apply upon such cessation of operation of this Act as if it had then been repealed by a Central Act.

10th of 1897.

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

Definitions.

(a) "essential service" means—

(i) any postal, telegraph or telephone service, including any service connected therewith;

(ii) any railway service or any transport service for the carriage of passengers or goods by air or any other transport service for the carriage of passengers or goods by land or water with respect to which Parliament has power to make laws;

(iii) any service connected with the operation or maintenance of aerodromes, or with the operation, repair or maintenance of aircraft, or any service in the International Airports Authority of India constituted under section 3 of the International Airports Authority Act, 1971;

43 of 1971.

(iv) any service in, or in connection with the working of, any major port, including any service connected with the loading, unloading, movement or storage of goods in any such port;

(v) any service connected with the clearance of goods or passengers through the customs or with the prevention of smuggling;

(vi) any service in any establishment of, or connected with, the armed forces of the Union or in any other establishments or installations connected with defence;

(vii) any service in any establishment or undertaking dealing with the production of goods required for any purpose connected with defence;

(viii) any service in any section of any industrial undertaking pertaining to a scheduled industry on the working of which the safety of such undertaking or the employees employed therein depends.

Explanation.—For the purposes of this sub-clause, the expressions "industrial undertaking" and "scheduled industry" shall have the meanings respectively assigned to them in clauses (d) and (i) of section 3 of the Industries (Development and Regulation) Act, 1951;

65 of 1951.

(ix) any service in, or in connection with, the working of any undertaking owned or controlled by the Central Government being an undertaking engaged in the purchase, procurement, storage, supply or distribution of foodgrains;

(x) any service in, or in connection with the working of, any system of public conservancy, sanitation or water supply, hospitals or dispensaries, in any Union territory, cantonment area or undertaking owned or controlled by the Central Government;

(xi) any service in connection with or in relation to banking;

(xii) any service in any establishment or undertaking dealing with the production, supply or distribution of coal, power, steel or fertilizers;

- (xiii) any service in any oilfield or refinery or in any establishment or undertaking dealing with the production, supply or distribution of petroleum and petroleum products;
- (xiv) any service in any mint or security press;
- (xv) any service in connection with elections to Parliament or to the Legislatures of the States;
- (xvi) any service in connection with the affairs of the Union, not being a service specified in any of the foregoing sub-clauses;
- (xvii) any other service connected with matters with respect to which Parliament has power to make laws and which the Central Government being of opinion that strikes therein would prejudicially affect the maintenance of any public utility service, the public safety or the maintenance of supplies and services necessary for the life of the community or would result in the infliction of grave hardship on the community, may, by notification in the Official Gazette, declare to be an essential service for the purposes of this Act;

(b) "strike" means the cessation of work by a body of persons while employed in any essential service acting in combination or a concerted refusal or a refusal under a common understanding of any number of persons who are or have been so employed to continue to work or to accept work assigned, and includes—

- (i) refusal to work overtime where such work is necessary for the maintenance of any essential service;
- (ii) any other conduct which is likely to result in, or results in, cessation or substantial retardation of work in any essential service;

(c) words and expressions used in sections 8 and 9 and not defined, but defined in the Industrial Disputes Act, 1947, shall have the meanings respectively assigned to them in that Act.

(2) Every notification issued under sub-clause (xvii) of clause (a) of sub-section (1) shall be laid before each House of Parliament immediately after it is made if it is in session and on the first day of the commencement of the next session of the House if it is not in session, and shall cease to operate at the expiration of forty days from the date of its being so laid or from the re-assembly of Parliament, as the case may be, unless before the expiration of that period a resolution approving the issue of the notification is passed by both Houses of Parliament.

Explanation.—Where the Houses of Parliament are summoned to re-assemble on different dates, the period of forty days shall be reckoned from the later of those dates.

(3) Any reference in this Act to any law which is not in force in any area and to any authority under such law shall, in relation to that area, be construed as a reference to the corresponding law in force in that area and to the corresponding authority under such corresponding law.

Power to prohibit strikes in certain employments.

3. (1) If the Central Government is satisfied that in the public interest it is necessary or expedient so to do, it may, by general or special Order, prohibit strikes in any essential service specified in the Order.

(2) An Order made under sub-section (1) shall be published in such manner as the Central Government considers best calculated to bring it to the notice of the persons affected by the Order.

(3) An Order made under sub-section (1) shall be in force for six months only, but the Central Government may, by a like Order, extend it for any period not exceeding six months if it is satisfied that in the public interest it is necessary or expedient so to do.

(4) Upon the issue of an Order under sub-section (1),—

(a) no person employed in any essential service to which the Order relates shall go or remain on strike;

(b) any strike declared or commenced whether before or after the issue of the Order, by persons employed in any such service shall be illegal.

4. Any person,—

(a) who commences a strike which is illegal under this Act or goes or remains on, or otherwise takes part in, any such strike; or

(b) who instigates or incites other persons to commence, or go or remain on, or otherwise take part in, any such strike,

shall be liable to disciplinary action (including dismissal) in accordance with the same provisions as are applicable for the purpose of taking such disciplinary action (including dismissal) on any other ground under the terms and conditions of service applicable to him in relation to his employment.

Penalty for illegal strikes.

5. Any person who commences a strike which is illegal under this Act or goes or remains on, or otherwise takes part in, any such strike shall be punishable with imprisonment for a term which may extend to six months, or with fine which may extend to one thousand rupees, or with both.

Penalty for instigation, etc.

6. Any person who instigates or incites other persons to take part in, or otherwise acts in furtherance of, a strike which is illegal under this Act shall be punishable with imprisonment for a term which may extend to one year, or with fine which may extend to two thousand rupees, or with both.

Penalty for giving financial aid to illegal strikes.

7. Any person who knowingly expends or supplies any money in furtherance or support of a strike which is illegal under this Act shall be punishable with imprisonment for a term which may extend to one year, or with fine which may extend to two thousand rupees, or with both.

8. (1) If the Central Government is satisfied that in the public interest it is necessary or expedient so to do, it may, by general or special Order, prohibit lock-outs in any establishment pertaining to any essential service specified in the Order.

(2) An Order made under sub-section (1) shall be published in such manner as the Central Government considers best calculated to bring it to the notice of the persons affected by the Order.

(3) An Order made under sub-section (1) shall be in force for six months only, but the Central Government may, by a like Order, extend it for any period not exceeding six months if it is satisfied that in the public interest it is necessary so to do.

(4) Upon the issue of an Order under sub-section (1),—

(a) no employer in relation to an establishment to which the Order applies shall commence any lock-out;

(b) any lock-out declared or commenced whether before or after the issue of the Order by any employer in relation to an establishment to which the Order applies shall be illegal.

(5) Any employer in relation to an establishment who commences, continues or otherwise acts in furtherance of a lock-out which is illegal under this section, shall be punishable with imprisonment for a term which may extend to six months, or with fine which may extend to one thousand rupees, or with both.

9. (1) If the Central Government is satisfied that in the public interest it is necessary or expedient so to do, it may, by general or special Order, prohibit lay-off, on any ground other than shortage of power or natural calamity, of any workman (other than a *badli* workman or a casual workman) whose name is borne on the muster rolls of any establishment pertaining to any essential service specified in the Order.

(2) An Order made under sub-section (1) shall be published in such manner as the Central Government considers best calculated to bring it to the notice of the persons affected by the Order.

(3) An Order made under sub-section (1) shall be in force for six months only, but the Central Government may, by a like Order, extend it for any period not exceeding six months if it is satisfied that in the public interest it is necessary or expedient so to do.

(4) Upon the issue of an Order under sub-section (1),—

(a) no employer in relation to an establishment to which the Order applies shall lay-off or continue the lay-off of any workman (other than a *badli* workman or a casual workman) whose name is borne on the muster rolls of such establishment unless such lay-off is due to shortage of power or to natural calamity and any laying-off or continuation of laying-off shall, unless such laying-off or continuation of laying-off is due to shortage of power or to natural calamity, be illegal;

(b) a workman whose laying-off is illegal under clause (a) shall be entitled to all the benefits under any law for the time being in force as if he had not been laid-off.

Power to prohibit lock-outs in certain establishments.

Power to prohibit lay-off in certain establishments.

(5) Any employer in relation to an establishment who lays off or continues the laying-off of any workman shall, if such laying-off or continuation of laying-off is illegal under this section, be punishable with imprisonment for a term which may extend to six months, or with fine which may extend to one thousand rupees, or with both.

Power to arrest without warrant.

10. Notwithstanding anything contained in the Code of Criminal Procedure, 1973, any police officer may arrest without warrant any person who is reasonably suspected of having committed any offence under this Act.

2 of 1974.

Offences to be tried summarily.

11. Notwithstanding anything contained in the Code of Criminal Procedure, 1973, all offences under this Act shall be tried in a summary way by any Metropolitan Magistrate, or any Judicial Magistrate of the First Class specially empowered in this behalf by the State Government and the provisions of sections 262 to 265 (both inclusive) of the said Code shall, as far as may be, apply to such trial:

2 of 1974.

Provided that in a case of conviction for any offence in a summary trial under this section, it shall be lawful for the Magistrate to pass a sentence of imprisonment for any term for which such offence is punishable under this Act.

Act to override other laws.

12. The provisions of this Act and of any Order issued thereunder shall have effect notwithstanding anything inconsistent therewith contained in the Industrial Disputes Act, 1947, or in any other law for the time being in force.

14 of 1947.

Amendment of Act 41 of 1980.

13. During the continuance in force of this Act, the Essential Services Maintenance (Assam) Act, 1980, shall have effect as if,—

(a) in section 2,—

(1) in sub-section (1),—

(i) clause (a) had been omitted;

(ii) for clause (b), the following clauses had been substituted, namely:—

(b) "essential service" means—

(i) any transport service for the carriage of passengers or goods, by land or water, with respect to which the Legislative Assembly of the State of Assam has power to make laws;

(ii) any service connected with the production, storage, supply or distribution, as the case may be, of gas or water;

(iii) any service connected with the maintenance of public health and sanitation, including hospitals and dispensaries;

(iv) any public services and posts in connection with the affairs of the State, and also persons appointed to the secretarial staff of the Legislative Assembly of the State of Assam;

(v) any other service or employment or class thereof, connected with matters with respect to which the Legislative Assembly of the State of Assam has power to make laws and which the State Government, being of opinion that strikes therein would prejudicially affect the maintenance of any public utility service, the public safety or the maintenance of the supplies and services necessary for the life of the community or would result in the infliction of grave hardship on the community, may, by notification in the Official Gazette, declare to be an essential service for the purposes of this Act;

(bb) "State Government" means the State Government of Assam;'

(2) in sub-section (2), for the words, brackets and figures "under sub-clause (xiv)", the words, brackets and figure "under sub-clause (v)" had been substituted;

(b) in sections 3 and 9, for the words "appropriate Government", wherever they occur, the words "State Government" had been substituted.

10 of 1981. 14. (1) The Essential Services Maintenance Ordinance, 1981, is hereby repealed.

Repeal
and
saving.

(2) Notwithstanding such repeal, anything done or any action taken under the said Ordinance shall be deemed to have been done or taken under the corresponding provisions of this Act.

THE BURMAH OIL COMPANY [ACQUISITION OF SHARES
OF OIL INDIA LIMITED AND OF THE UNDERTAKINGS IN
INDIA OF ASSAM OIL COMPANY LIMITED AND THE
BURMAH OIL COMPANY (INDIA TRADING) LIMITED]
ACT, 1981

No. 41 OF 1981

[28th September, 1981.]

An Act to provide in the public interest for the acquisition of the shares of Oil India Limited held by "The Burmah Oil Company Limited" and for the acquisition and transfer of the right, title and interest of the Assam Oil Company Limited and "The Burmah Oil Company (India Trading) Limited" in relation to their undertakings in India and thereby to secure that the ownership and control of crude oil and gas produced by Oil India Limited, and of crude oil, gas and petroleum products produced by the undertakings in India of the Assam Oil Company Limited and of petroleum products marketed and distributed by the said undertakings and the undertakings in India of "The Burmah Oil Company (India Trading) Limited" are so distributed as best to subserve the common good.

WHEREAS "The Burmah Oil Company Limited" (a foreign company) has at present the ownership of, and control over, a significant portion of crude oil, gas and petroleum products produced, marketed and distributed in India by reason of the fact that Oil India Limited, wherein it holds fifty per cent. of the shares, and one of its subsidiaries, namely, the Assam Oil Company Limited are carrying on the business of exploration and production of crude oil, gas and petroleum products, and the said Assam Oil Company Limited is also carrying on through its undertakings in India and through the undertakings in India of "The Burmah Oil Company (India Trading) Limited", another of the subsidiaries of "The Burmah Oil Company Limited", the business of marketing and distribution of petroleum products;

AND WHEREAS it is expedient in the public interest that the shares of the said Oil India Limited held by "The Burmah Oil Company Limited" and the undertakings in India of the said Assam Oil Company Limited and "The Burmah Oil Company (India Trading) Limited" should be acquired;

[Act 41 of 1981] *Burmah Oil Company [Acquisition of Shares of Oil India Limited and of the Undertakings in India of Assam Oil Company Limited and the Burmah Oil Company (India Trading) Limited]*

AND WHEREAS such acquisition is for giving effect to the policy of the State towards securing the principle specified in clause (b) of article 39 of the Constitution as the ownership and control of the material resources of the community, to wit, crude oil, gas and petroleum products produced by the said Oil India Limited and by the undertakings in India of the Assam Oil Company Limited and marketed and distributed by the undertakings in India of the said Assam Oil Company Limited and "The Burmah Oil Company (India Trading) Limited", would by reason of such acquisition become vested in the State and thereby so distributed as best to subserve the common good;

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

CHAPTER I
PRELIMINARY

1. This Act may be called the Burmah Oil Company [Acquisition of Shares of Oil India Limited and of the Undertakings in India of Assam Oil Company Limited and the Burmah Oil Company (India Trading) Limited] Act, 1981.

Short title.

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

Definitions.

(a) "appointed day" means such date as the Central Government may, by notification, appoint;

(b) "Burmah Oil Company" means "The Burmah Oil Company Limited", a company incorporated in Scotland and having its registered office at 48, St. Vincent Street, Glasgow, Scotland;

1 of 1956.

(c) "Government company" means a company as defined in section 617 of the Companies Act, 1956;

(d) "notification" means a notification published in the Official Gazette;

1 of 1956.

(e) "Oil India" means the Oil India Limited, being a company as defined in the Companies Act, 1956, and having its registered office at Duliajan, District Dibrugarh;

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

(g) "specified company" means a company specified in clause (h);

(h) "two companies" means,—

(i) the Assam Oil Company Limited, a company incorporated in the United Kingdom and having its registered office at Burmah House, Pipers Way, Swindon, England; and

(ii) "The Burmah Oil Company (India Trading) Limited", a company incorporated in Scotland and having its registered office at 48, St. Vincent Street, Glasgow, Scotland,

1 of 1956.

being foreign companies within the meaning of section 591 of the Companies Act, 1956;

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(i) words and expressions used herein and not defined but defined in the Companies Act, 1956, have the meanings respectively assigned to them in that Act.

1 of 1956.

CHAPTER II

ACQUISITION OF THE SHARES OF OIL INDIA HELD BY BURMAH OIL COMPANY

Transfer
and vest-
ing of
certain
shares of
Oil India
in the
Central
Govern-
ment.

3. (1) On the appointed day, all the shares in the capital of Oil India held by Burmah Oil Company shall, by virtue of this Act, stand transferred to, and vested in, the Central Government.

(2) All the shares which have vested in the Central Government under sub-section (1) shall, by force of such vesting, be freed and discharged of all trusts, liabilities, obligations, mortgages, charges, liens and other encumbrances affecting them.

(3) Any dividend payable by Oil India to the shares which have vested in the Central Government under sub-section (1) in respect of any period beginning from the 1st day of January, 1977, shall be payable to the Central Government.

4. (1) For the purpose of enabling Oil India to function as a Government company, the Central Government may, by notification, make such amendments in the memorandum and articles of association of that company and such other provisions as it may consider necessary.

(2) Any amendments in the memorandum and articles of association of Oil India and any other provisions made under sub-section (1) shall have effect notwithstanding anything contained in the Companies Act 1956.

1 of 1956.

CHAPTER III

ACQUISITION OF THE UNDERTAKINGS OF THE TWO COMPANIES

Transfer
and vest-
ing in the
Central
Govern-
ment of
the under-
takings
in India
of the two
com-
panies.

General
effect of
vesting

5. On the appointed day, the right, title and interest of each of the two companies in relation to its undertakings in India shall, by virtue of this Act, stand transferred to, and vested in, the Central Government.

6. (1) Subject to the provisions of sub-section (2), the undertakings of each specified company shall be deemed to include all assets, rights, powers, authorities and privileges and all property, movable and immovable, including any designs, trade marks, trade names, styles of labelling, station decor or any distinctive colour schemes, cash balances, reserve funds, book debts, investments and all other rights and interests in, or arising out of, such property as were, immediately before the appointed day, in the ownership, possession, power or control of the specified company, in relation to its undertakings in India, and all books of

account, registers, records and all other documents of whatever nature relating thereto and shall also be deemed to include all borrowings, liabilities (including the liability for the payment of taxes, if any, and for the payment of any pension and other pensionary benefits to the persons employed in relation to its undertakings in India) and obligations of whatever kind of the specified company in relation to its undertakings in India:

Provided that remittances outside India of any money for the payment of pension or other pensionary benefits shall be subject to the rules and regulations for the time being in force in relation to such remittances.

(2) The undertakings in India of "The Burmah Oil Company (India Trading) Limited" shall not include the shares held by the said company in the Tin Plate Company of India Limited, a company as defined in the **1 of 1956** Companies Act, 1956, and having its registered office at 4, Bankshall Street, Calcutta-700001.

(3) The profits earned, or the losses suffered, as the case may be, by each specified company in relation to its undertakings in India from the 1st day of January, 1977, shall be payable to, or, as the case may be, borne by, the Central Government.

(4) Unless otherwise expressly provided by this Act, all deeds, bonds, agreements, powers of attorney, grants of legal representation and other instruments of whatever nature in relation to the undertakings in India of a specified company subsisting or having effect immediately before the appointed day, and to which the specified company is a party or which are in favour of the specified company shall be of as full force and effect against or in favour of the Central Government and may be enforced or acted as fully and effectively as if in the place of the specified company, the Central Government had been a party thereto or as if they had been issued in favour of the Central Government.

(5) If, on the appointed day, any suit, appeal or other proceeding of whatever nature (including proceeding before any authority) in relation to the undertakings in India of a specified company which have been transferred to, and vested in, the Central Government under section 5, is pending by or against that specified company, the same shall not abate, be discontinued or be, in any way, prejudicially affected by reason of the transfer of the undertakings in India of the specified company or of anything contained in this Act but the suit, appeal or other proceeding may be continued, prosecuted and enforced by or against the Central Government.

(6) The Promotion Agreement and Supplemental Agreement entered into on the 14th day of January, 1958 and the 16th day of February, 1959, respectively, to which the Central Government, the Burmah Oil Company and the Assam Oil Company Limited were parties, and the Adopting Agreement and the Second Supplemental Agreement entered into on the 14th day of March, 1959 and the 27th day of July, 1961, respectively, to which the Central Government, the Burmah Oil Company, the Assam Oil Company Limited and Oil India Limited, were parties shall be deemed to have been terminated with effect from the 1st day of January, 1977, and accordingly the rights, liabilities and obligations

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arising out of such Agreements shall be deemed to have been extinguished on and from that date:

Provided that clause 12 of the said Second Supplemental Agreement shall, in so far as it relates to the rights, liabilities and obligations of Oil India Limited, continue in force up to and inclusive of the financial year of that company ending on the 31st day of March, 1982.

Special provisions as to certain rights and interests held by the specified companies before the appointed day.

7. (1) Every right or interest in respect of any property in India (including a right under any lease or under any right of tenancy or any right under any arrangement to secure any premises for any purpose), which a specified company held, immediately before the appointed day, shall, notwithstanding anything contained in any other law or in any agreement or instrument relating to such right or interest, vest in, and be held by, the Central Government on and after that day on the same terms and conditions on which the specified company would have held it, if no negotiations had taken place for the acquisition by the Central Government of the undertakings in India of the specified company or, as the case may be, if this Act had not been passed.

(2) If at any time after the 2nd day of February, 1974 (being the date on which the Central Government's policy for acquiring undertakings engaged in the production, marketing or distribution of petroleum products was made known) and before the appointed day a specified company surrendered or otherwise relinquished any right or interest in respect of any property in India (including a right under any lease or under any right of tenancy or a right under any arrangement to secure any premises for any purposes), then, for the purposes of this Act, notwithstanding anything contained in any other law or in any agreement or instrument relating to such right or interest, the Central Government shall, on and after the appointed day, be entitled to such right or interest on the same terms and conditions on which the specified company would have been entitled to such right or interest if it had not surrendered or otherwise relinquished such right or interest and this Act had not been passed:

Provided that nothing in this sub-section shall apply to any right or interest surrendered or otherwise relinquished by the specified company before the appointed day for sufficient monetary consideration.

(3) On the expiry of the term of any lease, tenancy or arrangement referred to in sub-section (1) or sub-section (2), such lease or tenancy or arrangement shall, if so desired by the Central Government, be renewed or continued, so far as may be, on the same terms and conditions on which the lease or tenancy or arrangement was originally granted or entered into.

Removal of doubts.

8. (1) For the removal of doubts, it is hereby declared that the provisions of sections 5, 6 and 7 shall apply to the extent to which any property appertains to the business carried on by each specified company in India; and to the rights and powers acquired, and to debts, liabilities and obligations incurred, and to contracts, agreements and other instruments made, by the specified company in India, and to proceedings relating to those matters pending, in any court or tribunal or before any other authority, in India.

(2) If any question arises as to whether any property appertained, immediately before the appointed day, to any business of a specified company in India or whether any rights, powers, debts, liabilities or obligations were acquired or incurred or any contract, agreement or other instrument was made by a specified company for the purposes of its business in India, or whether any documents relate to those purposes, or whether the provisions of section 7 apply in relation to any property, the question shall be referred to the Central Government which shall, after giving a reasonable opportunity of being heard to the persons interested in the matter, decide it in such manner as it may think fit.

9. (1) Notwithstanding anything contained in sections 5, 6 and 7, the Central Government may, subject to such terms and conditions as it may think fit to impose, direct, by notification, that the right, title and interest and the liabilities of each specified company in relation to its undertakings in India which have vested in that Government under section 5 shall, instead of continuing to vest in the Central Government, vest in one or more Government companies either on the date of the notification or on such earlier or later date (not being a date earlier than the appointed day) as may be specified in the notification.

(2) When the right, title and interest and the liabilities of a specified company in relation to its undertakings in India vest in one or more Government companies under sub-section (1), all the rights and liabilities of the Central Government in relation to such undertakings shall, on and from the date of such vesting, be deemed to have become the rights and liabilities, respectively, of the Government company or companies.

(3) The provisions of sections 5, 6 and 7 shall, so far as may be, apply in relation to such Government company or companies as they apply in relation to the Central Government and for this purpose references therein to the "Central Government" shall be construed as references to such Government company or companies.

CHAPTER IV PAYMENT OF AMOUNT

10. (1) For the transfer to, and vesting in, the Central Government under section 3 of the shares of Oil India, and for the transfer to, and vesting in, the Central Government under section 5, of the right, title and interest of each specified company in relation to its undertakings in India, there shall be paid by the Central Government an aggregate amount of rupees twenty-one crores and fifty-six lakhs, free of taxes, to the Burmah Oil Company and such amount shall be allowed to be remitted to that company in one instalment in pound sterling calculated at the rate of exchange in force on the date of such remittance.

(2) Where the amount specified in sub-section (1) is not paid on or before the 15th day of October, 1981 it shall carry simple interest, free of taxes, at the rate of eight per cent. per annum from that date, till the date of its payment.

Power
of Cen-
tral
Govern-
ment to
direct
vesting
of the
under-
takeings
of speci-
fied com-
panies in
one or
more
Govern-
ment
com-
panies.

Payment
of
amount
to
Burmah
Oil
Com-
pany.

Transfer
of ser-
vice of
existing
employees
of the
specified
compa-
nies.

CHAPTER V
PROVISIONS RELATING TO EMPLOYEES

11. (1) Every whole-time officer or other employee of a specified company who was, immediately before the appointed day, employed by that company in connection with its undertakings in India, and every whole-time officer or other employee of a specified company who was, immediately before the appointed day, temporarily holding any assignment outside India shall, on the appointed day, become an officer or other employee, as the case may be, of the Central Government or the concerned Government company (hereinafter referred to as the successor Government company) in which the right, title and interest of the specified company in relation to its undertakings in India have vested under this Act and shall hold office or service under the Central Government, or the successor Government company, as the case may be, on the same terms and conditions and with the same rights to pension, gratuity and other matters as would have been admissible to him if there had been no such vesting and shall continue to do so unless and until his employment under the Central Government or the successor Government company is duly terminated or until his remuneration and conditions of service are duly altered by the Central Government or the successor Government company.

(2) Subject to rules made in this behalf under section 22, every whole-time officer or other employee of Oil India who was, immediately before the appointed day, employed by it in India, and every whole-time officer or other employee of Oil India who was, immediately before the appointed day, temporarily holding any assignment outside India shall, on and from that day, continue to be an officer or other employee of Oil India on the same terms and conditions and with the same rights to pension, gratuity and other matters as are admissible to him immediately before that day and shall continue to hold such office unless and until his employment under Oil India is duly terminated or until his remuneration and conditions of service are duly altered by that company.

(3) If any question arises as to whether any person was a whole-time officer or other employee of a specified company, or as to whether any officer or other employee was employed wholly or mainly in connection with the undertakings of that company in India immediately before the appointed day, or whether any whole-time officer or other employee of a specified company was temporarily holding any assignment outside India, the question shall be referred, within a period of two years from the appointed day, to the Central Government which shall, after giving an opportunity of being heard to the person concerned in the matter, decide it in such manner as it thinks fit and such decision shall be final.

(4) Notwithstanding anything contained in the Industrial Disputes Act, 1947, the Payment of Gratuity Act, 1972, or in any other law for the time being in force, the transfer of the services of any officer or other employee, under sub-section (1), shall not entitle any such officer or other employee to any compensation or gratuity under those Acts or such other law, and no such claim shall be entertained by any court, tribunal or other authority.

12. (1) Where a provident, superannuation, welfare or other fund has been established by a specified company for the benefit of the persons employed by it in connection with its undertakings in India, or for the benefit of such persons and persons employed by Oil India, the moneys relatable to the employees—

(a) whose services are transferred by or under this Act to the Central Government or the successor Government company, or, as the case may be, continued with Oil India, or

(b) who are in receipt of pension or other pensionary benefits immediately before the appointed day, shall, out of the moneys standing, on that day, to the credit of such provident, superannuation, welfare or other fund, stand transferred to, and vested in, the Central Government or the successor Government company, or Oil India, as the case may be, free from any trust that may have been constituted by the specified company in respect thereof.

(2) The moneys which stand transferred, under sub-section (1), to the Central Government or the successor Government company or Oil India shall be dealt with by the Central Government or that company, or Oil India, as the case may be, in such manner as may be prescribed.

(3) The successor Government company or Oil India, as the case may be, shall, as soon as may be after the appointed day, constitute, in respect of the moneys and other assets which are transferred to, and vested in, it under this section, one or more trusts having objects as similar to the objects of the existing trust, as in the circumstances may be practicable; so, however, that the rights and interests of the beneficiaries of the trust referred to in sub-section (1) are not, in any way, prejudiced or diminished.

(4) Where all the moneys and other assets belonging to an existing trust are transferred to, and vested in, the Central Government, or the successor Government company or Oil India under this section, the trustees of such trust shall, as from the date of such vesting, stand discharged from the trust except as respects things done or omitted to be done before the date of such vesting.

CHAPTER VI MISCELLANEOUS

13. The provisions of this Act shall have effect notwithstanding anything inconsistent therewith contained in any other law for the time being in force or in any instrument having effect by virtue of any law other than this Act or in any decree or order of any court, tribunal or other authority.

Effect of
Act on
other
laws.

14. (1) Where any property appertaining to any undertaking in India of a specified company has been transferred to, and vested in, the Central Government or the successor Government company under this Act,—

(a) every person in whose possession, custody or control any such property may be, shall, on a demand by the Central Government or the successor Government company, as the case may be, deliver the property to the Central Government or the successor Government company, as the case may be, forthwith;

Duty to
deliver
possession
of pro-
perties,
etc.

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(b) any person who, immediately before such vesting, has in his possession, custody or control any books, documents or other papers relating to the undertakings in India of the specified company, shall be liable to account for the said books, documents and papers to the Central Government or the successor Government company, as the case may be, and shall deliver them up to the Central Government or that company or to such person as the Central Government or that company may authorise in this behalf.

(2) Without prejudice to the other provisions contained in this section, it shall be lawful for the Central Government or the successor Government company to take all necessary steps for taking possession of all properties, which have been transferred to, and vested in, it under this Act.

Contracts
to con-
tinue
unless
terminat-
ed by
Central
Govern-
ment.

15. (1) Every contract, other than an Agreement referred to in sub-section (6) of section 6, entered into by a specified company for any service, sale or supply in India, and in force immediately before the appointed day, shall, unless terminated under sub-section (2), within a period of two years from the appointed day, continue to be of full force and effect against or in favour of the Central Government or, as the case may be, the successor Government company.

(2) The Central Government may, if it is satisfied that any contract referred to in sub-section (1) is unduly onerous or has been entered into in bad faith or is detrimental to the interests of that Government or the successor Government company, as the case may be, by order in writing, either terminate such contract or make such alterations or modifications therein as it may think fit:

Provided that the Central Government shall not terminate any contract or make any alteration or modification therein except after giving to the parties to the contract, a reasonable opportunity of being heard and except after recording in writing, its reasons for such termination, alteration or modification, as the case may be.

Penal-
ties.

16. Any person who,—

(a) having in his possession, custody or control any property forming part of any undertaking in India of a specified company, wrongfully withholds such property from the Central Government or the successor Government company; or

(b) wrongfully obtains possession of or retains any property forming part of any undertaking in India of a specified company; or

(c) wilfully withholds or fails to furnish to the Central Government or the successor Government company or any person specified by the Central Government or that company, any books, documents or other papers relating to any undertaking in India of a specified company which may be in his possession, custody or control; or

(d) fails to deliver to the Central Government or the successor Government company, any assets, books of account, registers or other documents in his possession, custody or control relating to any undertaking in India of a specified company; or

(e) wrongfully removes or destroys any property forming part of any undertaking in India of a specified company, shall be punishable with imprisonment for a term which may extend to two years, or with fine which may extend to ten thousand rupees, or with both.

17. (1) Where an offence under this Act has been committed by a company, every person who, at the time the offence was committed was in charge of, and was responsible to, the company for the conduct of the business of the company, as well as the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly:

Provided that nothing contained in this sub-section shall render any such person liable to any punishment, if he proves that the offence was committed without his knowledge or that he had exercised all due diligence to prevent the commission of such offence.

(2) Notwithstanding anything contained in sub-section (1), where any offence under this Act has been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or is attributable to any neglect on the part of, any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

Explanation.—For the purposes of this section—

(a) "company" means any body corporate and includes a firm or other association of individuals; and

(b) "director", in relation to a firm, means a partner in the firm.

18. No suit, prosecution or other legal proceeding shall lie against the Central Government or the successor Government company or any of its officers or other employees for anything which is in good faith done or intended to be done under this Act.

2 of 1974.

19. Notwithstanding anything contained in the Code of Criminal Procedure, 1973, no court shall take cognizance of any offence against this Act except on a complaint, in writing, made by the Central Government or any officer authorised in this behalf by that Government.

20. Every officer of the Central Government and every officer or other employee of the successor Government company shall be indemnified by the Central Government or the successor Government company, as the case may be, against all losses and expenses incurred by him in, or in relation to, the discharge of his duties under this Act except such as have been caused by his own wilful act or default.

21. If any difficulty arises in giving effect to the provisions of this Act, the Central Government may, by order, not inconsistent with the provisions of this Act, remove the difficulty:

Offences
by com-
panies.

Protection
of action
taken in
good
faith.

Cognizance
of
offences.

Indemnity.

Power to
remove
difficulties.

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(India Trading) Limited]*

Provided that no such order shall be made after the expiry of a period of two years from the appointed day.

Power to make rules.

22. (1) The Central Government may, by notification, make rules to carry out the provisions of this Act.

(2) Every rule made by the Central Government under this Act shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

THE MARITIME ZONES OF INDIA (REGULATION OF FISHING BY FOREIGN VESSELS) ACT, 1981

ARRANGEMENT OF SECTIONS

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PRELIMINARY

SECTIONS

1. Short title and commencement.
2. Definitions.

CHAPTER II

REGULATION OF FISHING BY FOREIGN VESSELS

3. Prohibition of fishing in maritime zones of India by foreign vessels.
4. Grant of licences.
5. Prohibition of fishing by Indian citizens, etc., using foreign vessels.
6. Cancellation or suspension of licence or permit.
7. Foreign vessel entering maritime zones of India without licence or permit to stow gear.
8. Fishing for scientific research, investigation, etc.

CHAPTER III

POWERS OF SEARCH AND SEIZURE

9. Authorised officers and their powers.

CHAPTER IV

OFFENCES AND PENALTIES

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THE MARITIME ZONES OF INDIA (REGULATION OF FISHING BY FOREIGN VESSELS) ACT, 1981

No. 42 of 1981

[28th September, 1981.]

An Act to provide for the regulation of fishing by foreign vessel in certain maritime zones of India and for matters connected therewith.

Be it enacted by Parliament in the Thirty-second Year of the Republic of India as follows:

CHAPTER I

PRELIMINARY

Short title and commencement.

1. (1) This Act may be called the Maritime Zones of India (Regulation of Fishing by Foreign Vessels) Act, 1981.

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

Provided that different dates may be appointed for different provisions of this Act and any reference in any such provision to the commencement of this Act shall be construed as a reference to the coming into force of that provision.

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

(a) "exclusive economic zone of India" means the exclusive economic zone of India in accordance with the provisions of section 7 of the Territorial Waters, Continental Shelf, Exclusive Economic Zone and other Maritime Zones Act, 1976;

(b) "fish" means any aquatic animal, whether piscine or not, and includes shell fish, crustacean, molluscs, turtle (*chelonia*), aquatic mammal (the young, fry, eggs and spawn thereof), *holothurians*, coelenterates, sea weed, coral (*porifera*) and any other aquatic life;

Definitions.

80 of 1976.

1st November 1981, *vide* Notification No. S. O. 782 (E), dated 31-10-1981, Gazette of India, Extraordinary, pt. II, Sec. 3 (ii), page 1366.

(c) "fishing" means catching, taking, killing, attracting or pursuing fish by any method and includes the processing, preserving, transferring, receiving and transporting of fish;

(d) "foreign vessel" means any vessel other than an Indian vessel;

(e) "Indian vessel" means—

(I) a vessel owned by Government or by a corporation established by a Central Act or a Provincial or State Act, or

(II) a vessel—

(i) which is owned wholly by persons to each of whom any of the following descriptions applies:—

(1) a citizen of India;

(2) a company in which not less than sixty per cent. of the share capital is held by citizens of India;

(3) a registered co-operative society every member whereof is a citizen of India or where any other co-operative society is a member thereof, every individual who is a member of such other co-operative society is a citizen of India; and

(ii) which is registered under the Merchant Shipping Act, 1958, or under any other Central Act or any Provincial or State Act.

44 of 1958.

Explanation.—For the purposes of this clause, "registered co-operative society" means a society registered or deemed to be registered under the Co-operative Societies Act, 1912, or any other law relating to co-operative societies for the time being in force in any State;

2 of 1912.

(f) "licence" means a licence granted under section 4;

(g) "maritime zones of India" means the territorial waters of India or the exclusive economic zone of India;

(h) "master", in relation to a vessel, means the person for the time being having command or charge of the vessel;

(i) "owner", in relation to a vessel, includes any association of persons, whether incorporated or not, by whom the vessel is owned or chartered;

(j) "permit" means a permit granted or deemed to have been granted under section 5;

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

(l) "processing", in relation to fishing, includes cleaning, beheading, filleting, shelling, peeling, icing, freezing, canning, salting, smoking, cooking, pickling, drying and otherwise preparing or preserving fish by any other method;

80 of 1976.

(m) "specified ports" means such ports as the Central Government may, by notification in the Official Gazette, specify for the purposes of this Act;

(n) "territorial waters of India" means the territorial waters of India in accordance with the provisions of section 3 of the Territorial Waters, Continental Shelf, Exclusive Economic Zone and other Maritime Zones Act, 1976;

(o) "vessel" includes any ship, boat, sailing vessel or other description of vessel.

CHAPTER II

REGULATION OF FISHING BY FOREIGN VESSELS

3. Subject to the provisions of this Act, no foreign vessel shall, except under and in accordance with—

- (a) a licence granted under section 4; or
- (b) a permit granted under section 5,

by the Central Government, be used for fishing within any maritime zone of India.

Prohibition of fishing in maritime zones of India by foreign vessels.

Grant of licences.

4. (1) The owner of a foreign vessel or any other person [not being in either case any person to whom any of the descriptions specified in sub-items (1) to (3) of item (i) of sub-clause (II) of clause (e) of section 2 applies] who intends to use such vessel for fishing within any maritime zone of India, may make an application to the Central Government for the grant of a licence.

(2) Every application under sub-section (1) shall be in such form and shall be accompanied by such fees as may be prescribed.

(3) No licence shall be granted unless the Central Government, having regard to such matters as may be prescribed in the public interest in this behalf and after making such inquiry in respect of such other matters as may be relevant, is satisfied that the licence may be granted.

(4) Every order granting or rejecting an application for the issue of a licence shall be in writing.

(5) A licence granted under this section—

- (a) shall be in such form as may be prescribed;
- (b) shall be valid for such areas, for such period, for such method of fishing and for such purposes as may be specified therein;
- (c) may be renewed from time to time; and
- (d) shall be subject to such conditions and restrictions as may be prescribed and to such additional conditions and restrictions as may be specified therein.

(6) A person holding a licence under this section shall ensure that every person employed by him complies in the course of such employ-

Prohibition of fishing by Indian citizens etc., using foreign vessels.

ment, with the provisions of this Act, or any rule or order made thereunder and the conditions of such licence.

5. (1) Every Indian citizen and every person to whom any of the descriptions specified in sub-item (2) or (3) of item (i) of sub-clause (II) of clause (e) of section 2 applies, who intends to use any foreign vessel for fishing within any maritime zone of India, may make an application to the Central Government for a permit to use such vessel for such purpose.

(2) Every application under sub-section (1) shall be made in such form and shall be accompanied by such fees as may be prescribed.

(3) No permit shall be granted unless the Central Government, having regard to such matters as may be prescribed in the public interest in this behalf and after making such inquiry in respect of such other matters as may be relevant, is satisfied that the permit may be granted.

(4) Every order granting or rejecting an application for the grant of such permit shall be in writing.

(5) A permit granted under this section—

(a) shall be in such form as may be prescribed;

(b) shall be valid for such areas, for such period, for such method of fishing and for such purposes as may be specified therein;

(c) may be renewed from time to time; and

(d) shall be subject to such conditions and restrictions as may be prescribed and to such additional conditions and restrictions as may be specified therein.

(6) A person holding a permit under this section shall ensure that every person employed by him complies, in the course of such employment, with the provisions of this Act or any rule or order made thereunder and the conditions of such permit.

(7) Notwithstanding anything contained in the foregoing provisions of this section, or in section 3, any permission granted to an Indian citizen to use or employ foreign fishing vessels in any maritime zone of India and in force immediately before the commencement of this Act shall, if the terms and conditions of such permission are not inconsistent with the provisions of this Act, be deemed to be a permit granted under this section and such permission shall continue to be in force after such commencement on the same terms and conditions, including the conditions as to the area of operation and the period of its validity, and the provisions of this Act shall, so far as may be, apply to such permission.

Cancellation or suspension of licence or permit.

6. (1) The Central Government may, if there is any reasonable cause to believe that the holder of any licence or permit has made any statement in, or in relation to, any application for the grant or renewal of such licence or permit which is incorrect or false in material particulars or has contravened any of the provisions of this Act or any rule or order made thereunder or of the provisions of any licence or permit or any conditions or restrictions specified therein, suspend

such licence or permit, as the case may be, pending the completion of any inquiry against such holder for making such incorrect or false statement or for such contravention, as the case may be.

(2) Where the Central Government is satisfied, after making such inquiry, as is necessary, that the holder of any licence or permit has made such incorrect or false statement as is referred to in sub-section (1) or has contravened the provisions of this Act, rule or order made thereunder or of the provisions of any licence or permit or any conditions or restrictions specified therein, it may, without prejudice to any other penalty to which such holder may be liable under the provisions of this Act, cancel such licence or permit, as the case may be.

(3) Every person whose licence or permit has been suspended under sub-section (1) shall, immediately after such suspension, stop using the foreign fishing vessel in respect of which such licence or permit is given and shall not resume such fishing until the order of suspension has been revoked.

(4) Every holder of a licence or permit which is suspended or cancelled shall, immediately after such suspension or cancellation, surrender such licence or permit, as the case may be, to the Central Government.

7. Where any foreign vessel enters any maritime zone of India without a valid licence or permit granted under this Act, the fishing gear, if any, of such vessel shall, at all times while it is in such zone, be kept stowed in the prescribed manner.

8. Notwithstanding anything contained in section 3, the Central Government may, in writing, permit a foreign vessel to be used for fishing within any maritime zone of India for the purpose of carrying out any scientific research or investigation or for any experimental fishing in accordance with such terms and conditions as may be prescribed.

CHAPTER III POWERS OF SEARCH AND SEIZURE

9. (1) Any officer of the Coast Guard constituted under the Coast Guard Act, 1978, or such other officer of Government as may be authorised by the Central Government may, for the purpose of ascertaining whether or not the requirements of this Act have been complied with, either with or without a warrant,—

(a) stop or board a foreign vessel in any maritime zone of India and search such vessel for fish and for equipment used or capable of being used for fishing;

Foreign vessel entering maritime zones of India without licence or permit to stow gear.

Fishing for scientific research, investigation, etc.

Authorised officers and their powers.

(b) require the master of such vessel to produce—

(i) any licence, permit, log book or other document relating to the vessel and examine or take copies of such licence, permit, log book or document;

(ii) any catch, net, fishing gear or other equipment on board such vessel or belonging to the vessel and examine such fish, net, gear or equipment;

(c) make such inquiries as may be necessary to ascertain whether any offence under this Act has been committed.

(2) Where the officer referred to in sub-section (1) (hereinafter referred to as authorised officer) has reason to believe that any foreign vessel has been, is being, or is about to be, used for committing an offence under this Act, he may, with or without a warrant,—

(a) seize and detain such vessel, including any fishing gear, fish, equipment, stores or cargo found on board such vessel or belonging to the vessel, and seize and detain any fishing gear abandoned by the vessel;

(b) require the master of the vessel so seized or detained to bring such vessel to any specified port;

(c) arrest any person who, such officer has reason to believe, has committed such an offence.

(3) In taking any action under sub-section (2), the authorised officer may use such force as may be reasonably necessary.

(4) Where any vessel or other things are seized, or any person has been arrested, under sub-section (2),—

(a) the vessel or other things so seized shall, as soon as possible, be produced before a Magistrate competent to try an offence under this Act who shall make such order as he may deem fit for the retention or custody of such vessel or things with Government or with any other authority pending the completion of any proceedings for the prosecution of any offence under this Act or for its use by such authority during such retention or custody on such terms and conditions as the Magistrate may think fit to impose:

Provided that the Magistrate may, on an application made by the owner or master of such vessel in the prescribed form, order the release of the vessel or other things so seized on the owner or master furnishing security in the form of cash or a bank guarantee for an amount not less than fifty per cent. of the value of the vessel or things so seized:

Provided further that where any fish so seized is subject to deterioration, the Magistrate may authorise the sale of such fish and the depositing of the proceeds of such sale in Court:

(b) the arrested person shall, as soon as possible, be informed of the grounds for such arrest and he shall, without unnecessary delay, be produced before such Magistrate; and

(c) the Central Government shall be informed of such seizure or arrest and the details thereof.

(5) Where, in pursuance of the commission of any offence under this Act, any foreign vessel is pursued beyond the limits of the exclusive economic zone of India, the powers conferred on an authorised officer by this section may be exercised beyond such limits in the circumstances and to the extent recognised by international law and State practice.

CHAPTER IV

OFFENCES AND PENALTIES

10. Where any foreign vessel is used in contravention of the provisions of section 3, the owner or master of such vessel shall,—

(a) in a case where such contravention takes place in any area within the territorial waters of India, be punishable with imprisonment for a term not exceeding three years or with fine not exceeding rupees fifteen lakhs or with both; and

(b) in a case where such contravention takes place in any area within the exclusive economic zone of India, be punishable with fine not exceeding rupees ten lakhs.

11. Whoever contravenes the provisions of any licence shall be punishable with fine not exceeding rupees ten lakhs.

12. Whoever contravenes the provisions of any permit shall be punishable,—

(a) where such contravention relates to the area of operation or method of fishing specified in such permit, with fine not exceeding rupees five lakhs; and

(b) in any other case, with fine not exceeding rupees fifty thousand.

13. (1) Where any person is convicted of an offence under section 10 or section 11 or section 12, the foreign vessel used in or in connection with the commission of the said offence, together with its fishing gear, equipment, stores and cargo and any fish on board such ship or the proceeds of the sale of any fish ordered to be sold under the second proviso to clause (a) of sub-section (4) of section 9 shall also be liable to confiscation.

(2) The foreign vessel or other things confiscated under sub-section (1) shall vest in the Central Government.

14. Where any foreign vessel is found in any maritime zone of India in contravention of the provisions of section 7, the owner or master of such vessel shall be punishable with fine not exceeding rupees five lakhs.

15. If any person—

(a) intentionally obstructs any authorised officer in the exercise of any powers conferred under this Act; or

(b) fails to afford reasonable facilities to the authorised officer or his assistants to board the vessel or to provide for adequate

Penalty for contravention of section 3.

Penalty for contravention of licence.

Penalty for contravention of permit.

Confiscation of vessels, etc.

Penalty for contravention of section 7.

Penalty for obstruction of authorised officers.

security to such officer and assistants at the time of entry into the vessel or when they are on board such vessel; or

(c) fails to stop the vessel or produce the licence, permit, log book or other document or any fish, net, fishing gear or other equipment on board such vessel, when required to do so by the authorised officer,

he shall be punishable with imprisonment for a term which may extend to one year or with fine not exceeding rupees fifty thousand or with both.

Court
to
pass
certain
orders.

16. Where any person is convicted of an offence under this Act, the Court may, in addition to awarding any punishment, order that any costs incurred in connection with the retention or custody of the vessel during the pendency of any proceedings for the prosecution of an offence under this Act, as reduced by the amount, if any, realised out of the use of the vessel by the authority with whom such vessel was retained or kept in custody, shall be payable by the person convicted.

Offences
by
com-
panies.

17. (1) Where an offence under this Act has been committed by a company, every person who, at the time the offence was committed, was in charge of, and was responsible to, the company for the conduct of the business of the company, as well as the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly:

Provided that nothing contained in this sub-section shall render any such person liable to any such punishment provided in this Act if he proves that the offence was committed without his knowledge or that he had exercised all due diligence to prevent the commission of such offence.

(2) Notwithstanding anything contained in sub-section (1), where an offence under this Act has been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or is attributable to any neglect on the part of, any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall also be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

Explanation.—For the purposes of this section,—

(a) "company" means a body corporate and includes a firm or other association of individuals; and

(b) "director", in relation to a firm, means a partner in the firm.

CHAPTER V

MISCELLANEOUS

Offences
to be
cogniz-
able.

18. Notwithstanding anything contained in the Code of Criminal Procedure, 1973, every offence punishable under this Act shall be cognizable.

2 of 1974.

19. (1) No Court shall take cognizance of any offence punishable under this Act except on a report in writing of the facts constituting such offence made by an authorised officer.

Cogniza-
nce and
trial of
offences.

(2) No Court inferior to that of a Metropolitan Magistrate or a Judicial Magistrate of the first class shall try any offence under this Act.

20. Notwithstanding anything contained in section 29 of the Code of Criminal Procedure, 1973, it shall be lawful for any Metropolitan Magistrate or any Judicial Magistrate of the first class specially empowered by the State Government in this behalf to pass any sentence authorised by this Act.

Magis-
trate's
power
to
impose
enhanced
penalties.

21. Any person committing an offence under this Act or any rules made thereunder may be tried for the offence in such place as the Central Government may, by general or special order, published in the Official Gazette, direct in this behalf.

Place
of
trial.

22. (1) Where any offence is alleged to have been committed under the provisions of this Act, the place of commission of such offence shall be presumed on the basis of the certified copy of the relevant entry in the log book or other official record of the vessel or aircraft which was used in connection with the detection of the offence.

Presump-
tions.

(2) Where any foreign vessel is found within any maritime zone of India and the fishing gear of such vessel is not stowed in the prescribed manner or fish is found on board such vessel, it shall be presumed, unless the contrary is proved, that the said vessel was used for fishing within that zone.

23. (1) No suit, prosecution or other legal proceeding shall lie against any person for anything which is in good faith done or intended to be done in pursuance of the provisions of this Act.

Protec-
tion of
action
taken
in
good
faith.

(2) No suit or other legal proceeding shall lie against the Government for any damage caused or likely to be caused for anything which is in good faith done or intended to be done in pursuance of the provisions of this Act.

24. The provisions of this Act shall be in addition to and not in derogation of the provisions of any other law for the time being in force.

Act
to
supple-
ment
other
laws.

25. (1) The Central Government may, by notification in the Official Gazette, make rules for carrying out the purposes of this Act.

Power
to
make
rules.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

(a) the form in which an application for a licence or permit may be made and the fees that shall accompany such application;

(b) the matters which may be taken into account in the granting of licences and permits;

- (c) the form of licences and permits and the conditions and restrictions subject to which licences and permits may be granted;
- (d) the manner in which the fishing gear of a foreign vessel shall be kept stowed under section 7;
- (e) the terms and conditions under which a foreign vessel may be permitted to be used for fishing within any maritime zone of India for the purpose of carrying out any scientific research or investigation or for any experimental fishing under section 8;
- (f) the form in which an application may be made for releasing the vessel or other things seized under the first proviso to clause (a) of sub-section (4) of section 9;
- (g) any other matter which is required to be, or may be, prescribed.

(3) In making any rule under this section, the Central Government may provide that a contravention thereof shall be punishable with fine which may extend to fifty thousand rupees.

(4) Every rule made under this section shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

**Removal
of
difficulties.**

26. (1) If any difficulty arises in giving effect to the provisions of this Act, the Central Government may, by order published in the Official Gazette, make such provisions not inconsistent with the provisions of this Act as may appear to it to be necessary for removing the difficulty:

Provided that no order shall be made under this section after the expiry of three years from the commencement of this Act.

(2) Every order made under this section shall be laid, as soon as may be after it is made, before each House of Parliament.

THE MERCHANT SHIPPING (AMENDMENT) ACT, 1981

NO. 43 OF 1981

[28th September, 1981.]

An Act further to amend the Merchant Shipping Act, 1958.

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

1. This Act may be called the Merchant Shipping (Amendment) Act, 1981. Short title.
2. In section 21 of the Merchant Shipping Act, 1958 (hereinafter referred to as the principal Act),—
 - (i) in the opening portion, for the word "either", the word "any" shall be substituted;
 - (ii) in clause (b), the word "or" shall be added at the end;
 - (iii) after clause (b), the following clause shall be inserted, namely:—

“(c) a co-operative society which satisfies the following requirements, namely:—
 - (i) the co-operative society is registered or deemed to be registered under the Co-operative Societies Act, 1912, or any other law relating to co-operative societies for the time being in force in any State;
 - (ii) every individual who is a member of the co-operative society and where any other co-operative society is a member thereof, every individual who is a member of such other co-operative society, is a citizen of India.”.
3. In clause (e) of section 25 of the principal Act, after the words "a company", the words "or a co-operative society" shall be inserted. Amendment of section 25.
4. In section 26 of the principal Act, after the words "a company" at both the places where they occur, the words "or a co-operative society" shall be inserted. Amendment of section 26.

**Amend-
ment of
section
29.**

5. In section 29 of the principal Act,—

- (i) in the opening portion, after the words "a company", the words "or a co-operative society" shall be inserted;
- (ii) in clause (a), for the words, brackets, letter and figures "or in the case of a company, whether the company satisfies the requirements specified in clause (b) of section 21", the words, brackets, letters and figures "or in the case of a company or a co-operative society, whether the company or the co-operative society satisfies the requirements specified in clause (b) or, as the case may be, clause (c) of section 21" shall be substituted;
- (iii) in clause (d), after the words "the company", the words "or the co-operative society" shall be inserted.

**Amend-
ment of
section
45.**

6. In sub-section (2) of section 45 of the principal Act, for the words, brackets, letter and figures "or any company which satisfies the requirements specified in clause (b) of section 21", the words, brackets, letters and figures "or any company or any co-operative society which satisfies the requirements specified in clause (b) or, as the case may be, clause (c) of section 21" shall be substituted.

**Amend-
ment of
section
406.**

7. In sub-section (1) of section 406 of the principal Act, after the words "or a company" at both the places where they occur, the words "or a co-operative society" shall be inserted.

**Amend-
ment of
section
407.**

8. In sub-section (1) of section 407 of the principal Act, for the words, brackets, letter and figures "or a company which satisfies the requirements specified in clause (b) of section 21", the words, brackets, letters and figures "or a company or a co-operative society which satisfies the requirements specified in clause (b) or, as the case may be, clause (c) of section 21" shall be substituted.

**Amend-
ment of
section
415.**

9. In section 415 of the principal Act, for the words, brackets, letter and figures "or a company which satisfies the requirements specified in clause (b) of section 21", the words, brackets, letters and figures "or a company or a co-operative society which satisfies the requirements specified in clause (b) or, as the case may be, clause (c) of section 21" shall be substituted.

**Amend-
ment of
section 431.**

10. In sub-section (1) of section 431 of the principal Act, for the words, brackets, letter and figures "or a company which satisfies the requirements specified in clause (b) of section 21", the words, brackets, letters and figures "or a company or a co-operative society which satisfies the requirements specified in clause (b) or, as the case may be, clause (c) of section 21" shall be substituted.

**Amend-
ment of
section 441.**

11. In section 441 of the principal Act, in clause (a) of the *Explanation*, for the words "company" includes a firm, the words "company" includes a co-operative society, a firm shall be substituted.

**THE SUGAR UNDERTAKINGS (TAKING OVER OF
MANAGEMENT) AMENDMENT ACT, 1981**

No. 44 of 1981

[30th November, 1981.]

An Act further to amend the Sugar Undertakings (Taking Over of Management) Act, 1978.

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

1. This Act may be called the Sugar Undertakings (Taking Over of Management) Amendment Act, 1981.

Short title.

2. In section 3 of the Sugar Undertakings (Taking Over of Management) Act, 1978, in sub-section (5),—

Amendment of section 3 of Act 49 of 1978.

(a) the words "the period so specified is less than three years from the date of vesting and" shall be omitted;

(b) for the words "three years", occurring in the proviso, the words "six years" shall be substituted.

THE OIL INDUSTRY (DEVELOPMENT) AMENDMENT
ACT, 1981

No. 45 OF 1981

[10th December, 1981.]

An Act to amend the Oil Industry (Development) Act, 1974.

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

Short title.

1. This Act may be called the Oil Industry (Development) Amendment Act, 1981.

Amend-
ment of
the Sche-
dule.

2. In the Schedule to the Oil Industry (Development) Act, 1974, in Sl. No. 1 relating to crude oil, for the entry in the third column, the entry "Rupees three hundred per tonne." shall be substituted.

THE ECONOMIC OFFENCES (INAPPLICABILITY OF
LIMITATION) AMENDMENT ACT, 1981

No. 46 of 1981

[15th December, 1981.]

An Act further to amend the Economic Offences (Inapplicability of Limitation) Act, 1974.

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

12 of 1974

1. This Act may be called the Economic Offences (Inapplicability of Limitation) Amendment Act, 1981. Short title.
2. In the Economic Offences (Inapplicability of Limitation) Act, 1974, in the Schedule, after entry 20, the following entry shall be inserted, namely:—
“21. The Industries (Development and Regulation) Act, 1951
(65 of 1951).” Amendment of the Schedule.

THE BEEDI WORKERS WELFARE CESS (AMENDMENT)
ACT, 1981

No. 47 OF 1981

[15th December, 1981.]

An Act to amend the Beedi Workers Welfare Cess Act, 1976.

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

Short title
and com-
mencement.

1. (1) This Act may be called the Beedi Workers Welfare Cess (Amendment) Act, 1981.

Amend-
ment of
long title.

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

2. In the Beedi Workers Welfare Cess Act, 1976 (hereinafter referred to as the principal Act), in the long title, for the words "tobacco issued for the manufacture of beedi", the words "manufactured beedis" shall be substituted.

Amend-
ment of
section 2.

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

Substitu-
tion
of new
section
for
section 3.

"(c) words and expressions used but not defined in this Act and defined in the Central Excises and Salt Act, 1944, shall have the meanings respectively assigned to them in that Act."

4. For section 3 of the principal Act, the following section shall be substituted, namely:—

Levy
and
collection
of cess on
manu-
factured
beedis.

3. (1) With effect from such date as the Central Government may, by notification in the Official Gazette, appoint, there shall be levied and collected by way of cess for the purposes of the Beedi Workers Welfare Fund Act, 1976, a duty of excise on manufactured beedis at such rate which shall not be less than ten paise or more than fifty paise per thousand manufactured beedis, as the Central Government may, from time to time, fix by notification in the Official Gazette.

(2) The duty of excise levied under sub-section (1) shall be in addition to any cess or duty leviable on manufactured beedis (whether spelt as such or as biris or in any other manner) under any law for the time being in force."

¹Ist January 1982, vide Notification No. G.S.R. 671 (E), dated 19-12-1981, Gazette of India, Extraordinary, pt. II, Sec. 3 (i), page 1942.

5. After section 3 of the principal Act, the following section shall be inserted, namely:—

THE BEEDI WORKERS WELFARE CESS (AMENDMENT) ACT, 1944

“3A. The provisions of the Central Excises and Salt Act, 1944 or the rules thereunder, including those relating to refunds and exemption from duty, as in force from time to time, shall, so far as may be, apply in relation to the levy, collection and refund of, or exemption from, cess under this Act, as they apply in relation to the levy, collection and refund of, or exemption from, duties of excise in respect of manufactured biris under that Act.”

6. In section 7 of the principal Act, in sub-section (2), clause (a) shall be omitted.

Insertion
of new
section
3A.

Application
of
Act 1 of
1944 to
cess.

Amend-
ment of
section 7.

THE ANTI-APARTHEID (UNITED NATIONS CONVENTION)
ACT, 1981

No. 48 OF 1981

[18th December, 1981.]

An Act to give effect to the International Convention on the
Suppression and Punishment of the Crime of *Apartheid*.

WHEREAS an International Convention on the Suppression and Punishment of the Crime of *Apartheid* was adopted by the General Assembly of the United Nations on the Thirtieth day of November, 1973;

AND WHEREAS India, having acceded to the said Convention, should make provisions for giving effect to it;

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

Short title and extent.

1. (1) This Act may be called the Anti-Apartheid (United Nations Convention) Act, 1981.

(2) It extends to the whole of India.

Application of the International Convention on the suppression and punishment of the crime of Apartheid.

2. (1) Notwithstanding anything to the contrary contained in any other law, such of the provisions of the International Convention on the Suppression and Punishment of the Crime of *Apartheid* as are set out in the Schedule shall have the force of law in India.

(2) The Central Government may, from time to time, by notification in the Official Gazette, amend the Schedule in conformity with any amendments, duly made and adopted, of the provisions of the said Convention set out therein.

(3) Every notification issued under sub-section (2) shall be laid, as soon as may be after it is issued, before each House of Parliament.

Punishment for international criminal responsibility.

3. Every person to whom international criminal responsibility applies under article III of the said Convention, as set out in the Schedule, shall be punished with death, or imprisonment for life, or imprisonment for a term which may extend to ten years, and shall also be liable to fine.

Explanation.—For the purposes of this section, the reference in clause (a) of article III of the said Convention to "article II" shall be construed as a reference to the provisions of article II of that Convention as set out in the Schedule.

4. Where an offence under this Act has been committed by a company or an organisation or an institution, every person who, at the time the offence was committed, was in charge of, and was responsible to, the company, organisation or institution, as the case may be, for the conduct of its business or affairs, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly:

Provided that nothing contained in this section shall render any such person liable to any punishment provided in this Act if he proves that the offence was committed without his knowledge or that he exercised all due diligence to prevent the commission of such offence.

Explanation.—For the purposes of this section, “company” means any body corporate and includes a firm or other association of individuals.

5. Any person committing an offence under section 3 may be tried for the offence in any place in which he may be found or in such other place as the Central Government may, by general or special order, published in the Official Gazette, direct in this behalf.

6. No person shall be arrested or prosecuted in respect of any offence under section 3 except with the previous sanction of the Central Government or such officer or authority as may be authorised by that Government by order in writing in this behalf.

7. For the purposes of the Extradition Act, 1962, the offence under section 3 shall not be considered to be an offence of a political character.

Offences
by com-
panies,
orga-
nisations
or institu-
tions.

Place of
trial.

Previous
sanction
of the
Central
Govern-
ment for
arrest or
prosecu-
tion.

Provisions
as to Ex-
tradition
Act.

THE SCHEDULE

(See sections 2 and 3)

PROVISIONS OF THE INTERNATIONAL CONVENTION ON THE SUPPRESSION AND PUNISHMENT OF THE CRIME OF Apartheid WHICH SHALL HAVE FORCE OF LAW

Article II

For the purpose of the present Convention, the term “the crime of *apartheid*”, which shall include similar policies and practices of racial segregation and discrimination as practised in southern Africa, shall apply to the following inhuman acts committed for the purpose of establishing and maintaining domination by one racial group of persons over any other racial group of persons and systematically oppressing them:

(a) Denial to a member or members of a racial group or groups of the right to life and liberty of person:

(i) By murder of members of a racial group or groups;

(ii) By the infliction upon the members of a racial group or groups of serious bodily or mental harm, by the infringement

of their freedom or dignity, or by subjecting them to torture or to cruel, inhuman or degrading treatment or punishment;

(iii) By arbitrary arrest and illegal imprisonment of the members of a racial group or groups;

(b) Deliberate imposition on a racial group or groups of living conditions calculated to cause its or their physical destruction in whole or in part;

(e) Exploitation of the labour of the members of a racial group or groups, in particular by submitting them to forced labour;

(f) Persecution of organisations and persons, by depriving them of fundamental rights and freedoms, because they oppose *apartheid*.

Article III

International criminal responsibility shall apply, irrespective of the motive involved, to individuals, members of organizations and institutions and representatives of the State, whether residing in the territory of the State in which the acts are perpetrated or in some other State, whenever they:

(a) Commit, participate in, directly incite or conspire in the commission of the acts mentioned in article II of the present Convention;

(b) Directly abet, encourage or co-operate in the commission of the crime of *apartheid*.

THE CINEMATOGRAPH (AMENDMENT) ACT, 1981

No. 49 OF 1981

[18th December, 1981.]

An Act further to amend the Cinematograph Act, 1952.

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

1. (1) This Act may be called the Cinematograph (Amendment) Act, 1981.
Short title and commencement.
- (2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

37 of 1952.

2. In section 2 of the Cinematograph Act, 1952 (hereinafter referred to as the principal Act),—
Amendment of section 2.
- (a) for clause (b), the following shall be substituted, namely:—
‘(b) “Board” means the Board of Film Certification constituted by the Central Government under section 3;’;
- (aa) after clause (b), the following clause shall be inserted, namely:—
‘(bb) “certificate” means the certificate granted by the Board under section 5A;’;
- (b) after clause (f), the following clauses shall be inserted, namely:—
‘(g) “regional officer” means a regional officer appointed by the Central Government under section 5 and includes an additional regional officer and an assistant regional officer;’
- (h) “Tribunal” means the Appellate Tribunal constituted under section 5D.’

**Amend-
ment of
section 3.**

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

- (a) for the words "Board of Film Censors", the words "Board of Film Certification" shall be substituted;
- (b) for the words "not more than nine", the words "not less than twelve and not more than twenty-five" shall be substituted.

**Amend-
ment of
section 4.**

4. In section 4 of the principal Act,—

(i) in sub-section (1),—

(a) in clause (i), the word "or" occurring at the end shall be omitted and to clause (i) as so amended, the following proviso shall be added, namely:—

"Provided that, having regard to any material in the film, if the Board is of the opinion that it is necessary to caution that the question as to whether any child below the age of twelve years may be allowed to see such a film should be considered by the parents or guardian of such child, the Board may sanction the film for unrestricted public exhibition with an endorsement to that effect; or";

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

"(iia) sanction the film for public exhibition restricted to members of any profession or any class of persons, having regard to the nature, content and theme of the film; or";

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

"(iii) direct the applicant to carry out such excisions or modifications in the film as it thinks necessary before sanctioning the film for public exhibition under any of the foregoing clauses; or";

(ii) in sub-section (2), for the words, brackets and figures "clause (ii), clause (iii) or clause (iv)", the words, brackets, figures and letter "the proviso to clause (i), clause (ii), clause (iia), clause (iii) or clause (iv)" shall be substituted.

**Amend-
ment of
section
5A.**

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

(1) If, after examining a film or having it examined in the prescribed manner, the Board considers that—

(a) the film is suitable for unrestricted public exhibition, or, as the case may be, for unrestricted public exhibition with an endorsement of the nature mentioned in the proviso to clause (i) of sub-section (1) of section 4, it shall grant to the person applying for a certificate in respect of the film a "U" certificate or, as the case may be, a "UA" certificate; or

(b) the film is not suitable for unrestricted public exhibition, but is suitable for public exhibition restricted to adults or, as the case may be, is suitable for public exhibition restricted to members of any profession or any class of persons, it shall grant to the person applying for a certificate in respect of the film an "A" certificate or, as the case may be, a "S" certificate;

and cause the film to be so marked in the prescribed manner:

Provided that the applicant for the certificate, any distributor or exhibitor or any other person to whom the rights in the film have passed shall not be liable for punishment under any law relating to obscenity in respect of any matter contained in the film for which certificate has been granted under clause (a) or clause (b).:

6. In section 5B of the principal Act, in sub-section (1), after the words "against the interests of", the words "the sovereignty and integrity of India," shall be inserted.

Amend.
ment of
section
5B.

7. For section 5C of the principal Act, the following section shall be substituted, namely:—

Substi-
tution of
new
section
for
section
5C.

"5C. (1) Any person applying for a certificate in respect of a film who is aggrieved by any order of the Board— Appeals.

- (a) refusing to grant a certificate; or
- (b) granting only an "A" certificate; or
- (c) granting only a "S" certificate; or
- (d) granting only a "UA" certificate; or
- (e) directing the applicant to carry out any excisions or modifications,

may, within thirty days from the date of such order, prefer an appeal to the Tribunal:

Provided that the Tribunal may, if it is satisfied that the appellant was prevented by sufficient cause from filing the appeal within the aforesaid period of thirty days, allow such appeal to be admitted within a further period of thirty days.

(2) Every appeal under this section shall be made by a petition in writing and shall be accompanied by a brief statement of the reasons for the order appealed against where such statement has been furnished to the appellant and by such fees, not exceeding rupees one thousand, as may be prescribed.'

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

Insertion
of new
sections
5D, 5E
and
5F.

"5D. (1) For the purpose of hearing appeals against any order of the Board under section 5C, the Central Government shall, by notification in the Official Gazette, constitute an Appellate Tribunal. Constitution of Appellate Tribunal.

(2) The head office of the Tribunal shall be at New Delhi or at such other place as the Central Government may, by notification in the Official Gazette, specify.

(3) Such Tribunal shall consist of a Chairman and not more than four other members appointed by the Central Government.

(4) A person shall not be qualified for appointment as the Chairman of the Tribunal unless he is a retired Judge of a High Court, or is a person who is qualified to be a Judge of a High Court.

(5) The Central Government may appoint such persons who, in its opinion, are qualified to judge the effect of films on the public, to be members of the Tribunal.

(6) The Chairman of the Tribunal shall receive such salary and allowances as may be determined by the Central Government and the members shall receive such allowances or fees as may be prescribed.

(7) Subject to such rules as may be made in this behalf, the Central Government may appoint a Secretary and such other employees as it may think necessary for the efficient performance of the functions of the Tribunal under this Act.

(8) The Secretary to, and other employees of, the Tribunal shall exercise such powers and perform such duties as may be prescribed after consultation with the Chairman of the Tribunal.

(9) The other terms and conditions of service of the Chairman and members of, and the Secretary to, and other employees of, the Tribunal shall be such as may be prescribed.

(10) Subject to the provisions of this Act, the Tribunal may regulate its own procedure.

(11) The Tribunal may, after making such inquiry into the matter as it considers necessary, and after giving the appellant and the Board an opportunity of being heard in the matter, make such order in relation to a film as it thinks fit and the Board shall dispose of the matter in conformity with such order.

**Suspension
and revo-
cation of
certificate.**

5E. (1) Notwithstanding anything contained in sub-section (2) of section 6, the Central Government may, by notification in the Official Gazette, suspend a certificate granted under this Part, for such period as it thinks fit or may revoke such certificate if it is satisfied that—

(i) the film in respect of which the certificate was granted, was being exhibited in a form other than the one in which it was certified; or

(ii) the film or any part thereof is being exhibited in contravention of the provisions of this Part or the rules made thereunder.

(2) Where a notification under sub-section (1) has been published, the Central Government may require the applicant for certificate or any other person to whom the rights in the film have passed,

or both, to deliver up the certificate and all duplicate certificates, if any, granted in respect of the film to the Board or to any person or authority specified in the said notification.

(3) No action under this section shall be taken except after giving an opportunity to the person concerned for representing his views in the matter.

(4) During the period in which a certificate remains suspended under this section, the film shall be deemed to be an uncertified film.

5F. (1) Where an applicant for a certificate or any other person to whom the rights in the film have passed, is aggrieved by any order of the Central Government under section 5E, he may, within sixty days of the date of publication of the notification in the Official Gazette, make an application to the Central Government for review of the order, setting out in such application the grounds on which he considers such review to be necessary:

Provided that the Central Government may, if it is satisfied that the applicant for a certificate or that other person was prevented by sufficient cause from filing an application for review within the aforesaid period of sixty days, allow such application to be filed within a further period of sixty days.

(2) On receipt of the application under sub-section (1), the Central Government may, after giving the aggrieved person a reasonable opportunity of being heard, and after making such further inquiry, as it may consider necessary, pass such order as it thinks fit, confirming, modifying or reversing its decision and the Board shall dispose of the matter in conformity with such order.”

9. In section 6 of the principal Act,—

(a) in sub-section (1),—

Amend-
ment of
section 6.

(i) for the words “may at any stage” the words “may, of its own motion, at any stage,” shall be substituted;

(ii) after the words “decided by, the Board,” the words and brackets “or, as the case may be, decided by the Tribunal (but not including any proceeding in respect of any matter which is pending before the Tribunal)” shall be inserted;

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

“Provided further that nothing in this sub-section shall require the Central Government to disclose any fact which it considers to be against public interest to disclose.”;

(b) in sub-section (2), in clause (b), after the words and letter ‘a “U” certificate’, the words and letters ‘or a “UA” certificate or a “S” certificate’ shall be inserted.

10. After section 6A of the principal Act, the following section shall be inserted, namely:—

“6B. Notwithstanding anything contained in the Code of Criminal Procedure, 1973, every offence punishable under this Part shall be cognizable.”

Insertion
of new
section 6B.

Offences
to be
cognizable.

Amend-
ment of
section 7.

11. In section 7 of the principal Act,—

- (a) in sub-section (1),—
 (i) in clause (a),—

(a) in sub-clause (i), after the words "to adults", the words "or to members of any profession or any class of persons" shall be inserted;

(b) in sub-clause (ii), the word "or" occurring at the end shall be omitted;

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

"(iii) any film which has been certified by the Board as suitable for public exhibition restricted to any profession or class of persons, to a person who is not a member of such profession or who is not a member of such class, or";

(ii) after clause (c), for the words beginning with "he shall be punishable" and ending with the words "the offence continues", the following words and provisos shall be substituted, namely:—

'he shall be punishable with imprisonment for a term which may extend to two years, or with fine which may extend to twenty thousand rupees, or with both, and in the case of a continuing offence with a further fine which may extend to five thousand rupees for each day during which the offence continues.'

Provided that notwithstanding anything contained in section 29 of the Code of Criminal Procedure, 1973, it shall be lawful for any Metropolitan Magistrate, or any Judicial Magistrate of the first class specially empowered by the State Government in this behalf, to pass a sentence of fine exceeding five thousand rupees on any person convicted of any offence punishable under this Part:

Provided further that no distributor or exhibitor or owner or employee of a cinema house shall be liable to punishment for contravention of any condition of endorsement of caution on a film certified as "UA" under this Part:;

(b) in sub-section (3), after the words and letter 'an "A" certificate', the words and letters 'or a "S" certificate or a "UA" certificate' shall be inserted.

12. In section 7A of the principal Act,—

- (a) in sub-section (1),—

(i) after the words "the Central Government", the words ", the Tribunal" shall be inserted;

(ii) the words "in pursuance of an order made in this behalf by the district magistrate or by any magistrate of the first class empowered in this behalf by the district magistrate," shall be omitted;

(b) in sub-section (2), for the words and figures "Code of Criminal Procedure, 1898", the words and figures "Code of Criminal Procedure, 1973" shall be substituted.

Amend-
ment of
section
7A.

2 of 1974.

3 of 1898.
2 of 1974

13. Section 7B of the principal Act shall be renumbered as sub-section (1) thereof, and—

Amend-
ment of
section
7B.

(a) in sub-section (1) as so renumbered, for the words "in relation to such matters", the words "in relation to the certification of the films under this Part" shall be substituted;

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

"(2) The Central Government may, by order and subject to such conditions and restrictions as may be prescribed, authorise the regional officers to issue provisional certificates."

14. In section 7C of the principal Act,—

Amend-
ment of
section
7C.

(a) after the words "the Central Government", the words ", the Tribunal" shall be inserted;

(b) for the words "any person", the words "any person or authority" shall be substituted.

15. In section 7D of the principal Act, before the words "the Board", at both the places where they occur, the words "the Tribunal," shall be inserted.

Amend-
ment of
section
7D.

16. In section 7E of the principal Act, before the words "the Board", the words "the Tribunal," shall be inserted.

Amend-
ment of
section
7E.

17. In section 7F of the principal Act,—

Amend-
ment of
section
7F.

(a) for the words "the Central Government, the Board", the words "the Central Government, the Tribunal, the Board" shall be substituted;

(b) for the words "the Central Government, Board or", the words "the Central Government, the Tribunal, the Board or" shall be substituted.

18. In section 8 of the principal Act, for sub-section (2), the following sub-section shall be substituted, namely:—

Amend-
ment of
section 8.

"(2) In particular, and without prejudice to the generality of the foregoing power, rules made under this section may provide for—

(a) the allowances or fees payable to the members of the Board;

(b) the terms and conditions of service of the members of the Board;

(c) the manner of making an application to the Board for a certificate and the manner in which a film has to be examined by the Board and the fees to be levied therefor;

(d) the association of regional officers in the examination of films, the conditions and restrictions subject to which regional officers may be authorised under section 7B to issue provisional certificates and the period of validity of such certificates;

(e) the manner in which the Board may consult any advisory panel in respect of any film;

- (f) the allowances or fees payable to the members of advisory panel;
- (g) the marking of the films;
- (h) the allowances or fees payable to the members of the Tribunal;
- (i) the powers and duties of the Secretary to, and other employees of, the Tribunal;
- (j) the other terms and conditions of service of the Chairman and members of, and the Secretary to, and other employees of, the Tribunal;
- (k) the fees payable by the appellant to the Tribunal in respect of an appeal;
- (l) the conditions (including conditions relating to the length of films in general or any class of films, in particular) subject to which any certificate may be granted, or the circumstances in which any certificate shall be refused;
- (m) any other matter which is required to be or may be prescribed.”.

**Amend-
ment of
section 16.**

19. Section 16 of the principal Act shall be renumbered as sub-section (1) thereof, and after sub-section (1) as so renumbered, the following sub-section shall be inserted, namely:—

“(2) Every rule made by the Central Government under this Part shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.”.

**Repeal of
Act 27
of 1974.**

20. The Cinematograph (Amendment) Act, 1974 is hereby repealed.

THE CINE-WORKERS AND CINEMA THEATRE
WORKERS (REGULATION OF EMPLOYMENT) ACT,
1981

ARRANGEMENT OF SECTIONS

CHAPTER I
PRELIMINARY

SECTIONS

1. Short title, extent and commencement.
2. Definitions.

CHAPTER II

REGULATION OF EMPLOYMENT OF CINE-WORKERS

3. Prohibition of employment of cine-worker without agreement.
4. Conciliation officers.
5. Duties of conciliation officers.
6. Settlement to be binding and to be enforced by the competent authority.
7. Constitution of Tribunals.
8. Disqualification for the presiding officers of Tribunals.
9. Filling of vacancies.
10. Finality of orders Constituting Tribunals, etc.
11. Reference of disputes to Tribunals.
12. Procedure and powers of conciliation officers and Tribunals.
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14. Publication of awards of Tribunals.
15. Revision.
16. Application of Act 19 of 1952 to cine-workers.
17. Penalties.
18. Offences by companies.

SECTIONS

19. Cognizance of offences.
20. Magistrate's power to impose enhanced penalties.
21. Effect of laws and agreements inconsistent with this Chapter.
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CHAPTER III**REGULATION OF EMPLOYMENT OF CINEMA THEATRE WORKERS**

24. Application of Act 19 of 1952.
25. Application of Act 39 of 1972.

THE CINE-WORKERS AND CINEMA THEATRE
WORKERS (REGULATION OF EMPLOYMENT)
ACT, 1981

No. 50 OF 1981

[24th December, 1981.]

An Act to provide for the regulation of the conditions of employment of certain cine-workers and cinema theatre workers and for matters connected therewith

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

CHAPTER I
PRELIMINARY

1. (1) This Act may be called the Cine-workers and Cinema Theatre Workers (Regulation of Employment) Act, 1981.

Short title,
extent and
Com-
mence-
ment.

(2) It extends to the whole of India.

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

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

37 of 1952.

(a) "cinema theatre" means a place which is licensed under Part III of the Cinematograph Act, 1952, or under any other law for the time being in force in a State for the exhibition of a cinematograph film;

37 of 1952.

(b) "cinematograph film" has the same meaning as in the Cinematograph Act, 1952;

(c) "cine-worker" means an individual—

(i) who is employed, directly or through any contractor or other person, in or in connection with the production of a feature film to work as an artiste (including actor, musician or dancer) or to do any work, skilled, unskilled, manual, supervisory, technical, artistic or otherwise; and

(ii) whose remuneration with respect to such employment in or in connection with the production of such feature film does not exceed, where such remuneration is by way of monthly wages, a sum of one

thousand six hundred rupees per month, and where such remuneration is by way of a lump sum, a sum of fifteen thousand rupees;

(d) "competent authority" means any authority authorised ~~by~~ the Central Government by notification in the Official Gazette to perform all or any of the functions of the competent authority under this Act;

(e) "contractor" means a person who furnishes or undertakes to furnish cine-workers for being employed in or in connection with the production of a feature film, and includes a sub-contractor or agent;

(f) "feature film" means a full length cinematograph film produced wholly or partly in India with a *format* and a story woven around a number of characters where the plot is revealed mainly through dialogues and not wholly through narration, animation or cartoon depiction, and does not include an advertisement film;

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

(h) "producer", in relation to a feature film, means the person by whom the arrangements necessary for the making of such film (including the raising of finances and engaging cine-workers for the making of such film) are undertaken;

(i) "production", in relation to a feature film, includes any of the activities in respect of the making thereof;

(j) "Tribunal" means a Cine-workers Tribunal constituted under section 7;

(k) "wages" means all emoluments which are payable to a worker in accordance with the terms of the ~~contract~~ of employment in cash, but does not include—

(i) the cash value of any food concession;

(ii) any dearness allowance (that is to say, all cash payments, by whatever name called, paid to a worker on account of a rise in the cost of living or on account of his being required to work in a place other than the place where he is normally residing), house rent allowance, overtime allowance, bonus, commission or any other similar allowance payable to the worker in respect of his employment or of work done in such employment;

(iii) any contribution paid or payable by the employer to any pension fund or provident fund or for the benefit of the worker under any law for the time being in force;

(iv) any gratuity payable on the termination of his contract.

CHAPTER II

REGULATION OF EMPLOYMENT OF CINE-WORKERS

3. (1) No person shall be employed as a cine-worker in or in connection with the production of any feature film unless,—

(a) an agreement in writing is entered into with such person by the producer of such film; or, where such person is employed through a contractor or other person, by the producer of such film and such contractor or other person; and

(b) such agreement is registered with the competent authority by the producer of such film.

(2) Every agreement, referred to in sub-section (1) shall,—

(a) be in the prescribed form;

(b) specify the name of and such other particulars as may be prescribed with respect to, the person to whose employment it relates (hereafter in this sub-section referred to as the employee);

(c) specify the nature of assignment of the employee, his hours of work, the wages and other benefits (including benefits by way of provident fund, if any), to which he is entitled; the mode of payment of such wages and contributions to such provident fund and all other terms and conditions of employment;

(d) include, where such employee is employed through a contractor or other person, a specific condition to the effect that in the event of the contractor or other person failing to discharge his obligations under the agreement to the employee with respect to payment of wages or any other matter, the producer of the film concerned shall be liable to discharge such obligations and shall be entitled to be reimbursed with respect thereto by the contractor or other person.

(3) A copy of the agreement referred to in sub-section (1) with respect to the employment of any person as a cine-worker shall, if such person is entitled to the benefits of provident fund under section 16, also be forwarded by the producer of the film to the Regional Provident Fund Commissioner concerned under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952.

4. The Central Government may, by notification in the Official Gazette, appoint such number of persons as it thinks fit to be conciliation officers charged with the duty of mediating and promoting the settlement of any dispute (hereinafter referred to as the dispute) between a cine-worker and the producer of the film in, or in connection with, which he has been employed or the contractor or other person through whom he has been so employed, with respect to the terms and conditions or termination, of employment of such cine-worker.

Prohibition of
employment of
cine-worker
without agree-
ment.

Conciliation
officers.

Duties of conciliation officers.

5. (1) Where any dispute exists or is apprehended, the conciliation officer may hold conciliation proceedings in the prescribed manner.

(2) The conciliation officer shall, for the purpose of bringing about a settlement of the dispute, without delay, investigate the dispute and all matters affecting the merits and the right settlement thereof and may do all such things as he thinks fit for the purpose of inducing the parties to come to a fair and amicable settlement of the dispute.

(3) If a settlement of the dispute or of any of the matters in dispute is arrived at in the course of the conciliation proceedings, the conciliation officer shall send a report thereof to the Central Government together with a memorandum of the settlement signed by the parties to the dispute.

(4) If no such settlement is arrived at, the conciliation officer shall, as soon as practicable, after the close of the investigation, send to the Central Government a full report setting forth the steps taken by him for ascertaining the facts and circumstances relating to the dispute and for bringing about a settlement thereof, together with a full statement of such facts and circumstances and the reasons on account of which, in his opinion, a settlement could not be arrived at.

(5) If, on a consideration of the report referred to in sub-section (4), the Central Government is satisfied that there is a case for reference to a Tribunal, it may make such reference under section 11 and where that Government does not make such a reference, it shall record and communicate to the parties concerned its reasons therefor.

(6) A report under this section shall be submitted within three months of the commencement of the conciliation proceedings or within such shorter period as may be fixed by the Central Government:

Provided that, subject to the approval of the conciliation officer, the time for the submission of the report may be extended by such period as may be agreed upon in writing by all the parties to the dispute.

Settlement to be binding and to be enforced by the competent authority.**Constitution of Tribunals.**

6. Every settlement arrived at in the course of a conciliation proceeding under this Chapter shall be binding on all the parties to the dispute and shall not be called in question in any court and it shall be the duty of the competent authority to enforce the terms of the said settlement.

7. (1) The Central Government may, by notification in the Official Gazette, constitute one or more Tribunals, to be called the Cine-workers Tribunals, with headquarters at such place as may be specified in the notification, for the adjudication of disputes relating to any matter specified in any agreement of the nature referred to in section 3.

(2) A Tribunal shall consist of one person only to be appointed by the Central Government.

14 of 1947.

(3) A person shall not be qualified for appointment as the presiding officer of a Tribunal unless—

(a) he is, or has been, or is qualified to be, a Judge of a High Court; or

(b) he has, for a period of not less than three years, been a District Judge or an Additional District Judge; or

(c) he has held the office of the presiding officer of an Industrial Tribunal constituted under the Industrial Disputes Act, 1947, for a period of not less than two years.

(4) The Central Government may, if it so thinks fit, appoint two persons as assessors to advise the Tribunal in any proceedings before it.

8. No person shall be appointed to, or continue in, the office of the presiding officer of a Tribunal, if—

(a) he is not an independent person; or

(b) he has attained the age of sixty-five years.

9. If, for any reason, a vacancy (other than a temporary absence) occurs in the office of the presiding officer of a Tribunal, the Central Government shall appoint another person in accordance with the provisions of this Act to fill the vacancy, and the proceeding may be continued before the Tribunal from the stage at which the vacancy is filled.

10. (1) No order of the Central Government appointing any person as the presiding officer of a Tribunal shall be called in question in any manner; and no act or proceeding before any Tribunal shall be called in question in any manner on the ground merely of any defect in the constitution of such Tribunal.

(2) No settlement arrived at in the course of a conciliation proceeding shall be invalid by reason only of the fact that such settlement was arrived at after the expiry of the period referred to in sub-section (6) of section 5.

11. (1) Where, on a consideration of the report referred to in sub-section (4) of section 5, the Central Government is satisfied that it is necessary so to do, it may, by order in writing, refer the dispute or any matter appearing to be connected with, or relevant to, the dispute, to a Tribunal for adjudication.

(2) Where in an order referred to in sub-section (1) or in a subsequent order, the Central Government has specified the points of dispute for adjudication, the Tribunal shall confine its adjudication to those points and matters incidental thereto.

12. (1) Subject to any rules that may be made in this behalf, a conciliation officer or a Tribunal shall follow such procedure as the officer or Tribunal may think fit.

(2) A conciliation officer or a Tribunal may, for the purpose of inquiry into any existing or apprehended dispute, after giving reasonable notice, enter any premises in the occupation of any party to the dispute.

Disqualifica-
tion for the
presiding offi-
cers of Tri-
bunals.

Filling of
vacancies

Finality of
orders consti-
tuting Tribu-
nals, etc.

Reference of
disputes to
Tribunals.

Procedure and
powers of
conciliation
officers and
Tribunals.

(3) Every Tribunal shall have the same powers as are vested in a Civil Court under the Code of Civil Procedure, 1908, when trying a suit, in respect of the following matters, namely:—

5 of 1908.

- (a) enforcing the attendance of any person and examining him on oath;
- (b) compelling the production of documents and material objects;
- (c) issuing commissions for the examination of witnesses; and
- (d) in respect of such other matters as may be prescribed;

and every inquiry or investigation by a Tribunal shall be deemed to be a judicial proceeding within the meaning of sections 193 and 228 of the Indian Penal Code and the Tribunal shall be deemed to be a Civil Court for the purposes of section 195 and Chapter XXVI of the Code of Criminal Procedure, 1973.

45 of 1860

2 of 1974.

(4) A conciliation officer may call for and inspect any document which he has ground for considering to be relevant to the dispute or to be necessary for the purpose of verifying the implementation of any award or carrying out any other duty imposed on him under this Chapter, and for the aforesaid purposes, the conciliation officer shall have the same powers as are vested in a Civil Court under the Code of Civil Procedure, 1908, in respect of compelling the production of documents.

5 of 1908.

(5) A Tribunal may, if it so thinks fit, appoint one or more persons having special knowledge of the matter under consideration as assessor or assessors to advise it in the proceeding before it.

(6) A Tribunal may grant to any party to any proceeding before it, such interim or other reliefs (whether subject to any conditions or not), including stay of any order, issue of any injunction or direction in regard to payment of wages or other amounts payable under the agreement referred to in section 3, setting aside any unilateral termination of contract or the dismissal of a worker or reinstating a worker, as it deems just and proper in the circumstances of the case:

Provided that the Tribunal shall not grant any such interim relief unless all the parties to the proceeding have been served with a notice on the application for such interim relief and have been given a reasonable opportunity of being heard:

Provided further that the Tribunal may, having regard to the nature of the interim relief sought and the circumstances of the case, pass appropriate orders granting such interim relief as it deems just and proper in the circumstances of the case before the notice referred to in the preceding proviso is served on the parties to the proceeding:

Provided also that where the Tribunal makes any order under the proviso immediately preceding, it shall record the reasons for making the order before complying with the requirements specified in the first proviso.

(7) Subject to any rules that may be made in this behalf, the awarding of damages in, and the cost of, and incidental to, any proceeding before a Tribunal shall be in the discretion of that Tribunal and the Tribunal shall have full power to determine by and to whom and to what extent and subject to what conditions, if any, such damages or costs are to be paid, and to give all necessary directions for the purposes aforesaid and such damages or costs may, on an application made to the Central Government by the person entitled, be directed to be recovered by that Government in the same manner as an arrear of land revenue.

13. Where a dispute has been referred to a Tribunal for adjudication, it shall hold its proceedings expeditiously and shall submit its award to the Central Government ordinarily within a period of three months from the date on which such industrial dispute is referred to it:

Provided that in computing the period of three months under this section, the period for which the proceedings before the Tribunal have been stayed by any injunction or order shall be excluded.

14. (1) Every award of a Tribunal shall, within a period of thirty days from the date of its receipt by the Central Government, be published in such manner as that Government thinks fit.

(2) Subject to the provisions of section 15, the award shall be final and binding on all the parties to the dispute and shall not be called in question in any Court in any manner whatsoever.

(3) The award of a Tribunal shall be executed in the same manner as if it were a decree of a Civil Court.

15. (1) The High Court may, on the application of any person aggrieved by the award of a Tribunal, call for and examine the record of the Tribunal, to satisfy itself as to the regularity of the proceeding before such Tribunal or the correctness, legality or propriety of any award passed therein and if, in any case, it appears to the High Court that any such award should be modified, annulled or reversed, it may pass such orders accordingly:

Provided that where the presiding officer of the Tribunal is a Judge of a High Court, such application shall be heard and disposed of by not less than two Judges of the High Court:

Provided further that where the award of the Tribunal provides for the payment by the producer of any film or, as the case may be, the contractor or other person of any amount either by way of compensation to the cine-worker or by way of damages, no such application by the producer, contractor or

Duties of
Tribunals.

Publication
of awards of
Tribunals.

Revision.

other person shall be entertained by the High Court unless the applicant deposits with the High Court or with such other authority as may be prescribed the amount ordered to be paid:

Provided also that where, in any particular case, the High Court is of opinion that the deposit of any amount ordered to be paid would cause undue hardship to the applicant, the High Court may dispense with such deposit subject to such conditions as it may deem fit to impose so as to safeguard the interests of the cine-worker concerned.

(2) Every application to the High Court under sub-section (1) shall be preferred within ninety days from the date on which the award was passed by the Tribunal:

Provided that the High Court may, in its discretion, allow further time not exceeding one month for the filing of any such application, if it is satisfied that the applicant had sufficient cause for not preferring the application within the time specified in this sub-section.

(3) In this section, "High Court" means the High Court within the local limits of whose jurisdiction, the headquarters of the Tribunal is situated.

**Application of
Act 19 of 1952
to cine-
workers.**

Penalties.

16. The Employees' Provident Funds and Miscellaneous Provisions Act, 1952, as in force for the time being, shall apply to every cine-worker who has worked in not less than three feature films with one or more producers, as if such cine-worker were an employee within the meaning of that Act.

17. (1) Whoever contravenes the provisions of section 3 shall be punishable with fine which shall not be less than ten thousand rupees but which may extend to fifty thousand rupees:

Provided that the Court may, for any adequate and special reasons to be mentioned in the judgment, impose a fine of less than ten thousand rupees.

(2) Where any person convicted of an offence under sub-section (1) is again convicted of an offence under the same provision, he shall be punishable with fine which shall not be less than twenty thousand rupees but which may extend to one lakh rupees:

Provided that the Court may, for any adequate and special reasons to be mentioned in the judgment, impose a fine of less than twenty thousand rupees.

**Offences by
companies.**

18. (1) Where an offence under this Act has been committed by a company, every person who, at the time the offence was committed, was in charge of, and was responsible to, the company for the conduct of the business of the company, as well as the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly:

Provided that nothing contained in this sub-section shall render any such person liable to any punishment if he proves that the offence was committed without his knowledge or that he had exercised all due diligence to prevent the commission of such offence.

(2) Notwithstanding anything contained in sub-section (1), where any offence under this Act has been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or is attributable to any neglect on the part of, any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

Explanation.—For the purposes of this section,—

(a) "company" means any body corporate and includes a firm or other association of individuals; and

(b) "director", in relation to a firm, means a partner in the firm.

19. No court shall take cognizance of any offence under this Act except on a complaint made by, or with the permission in writing of, the Central Government or an officer empowered by it in this behalf and no court inferior to that of a Metropolitan Magistrate or a Judicial Magistrate of the first class shall try an offence punishable under this Act.

Cognizance
of offences.

2 of 1974.

20. Notwithstanding anything contained in section 29 of the Code of Criminal Procedure, 1973, it shall be lawful for any Metropolitan Magistrate or any Judicial Magistrate of the first class to pass any sentence authorised by this Act.

Magistrate's
power to
impose en-
hanced
penalties.

21. The provisions of this Chapter shall have effect notwithstanding anything inconsistent therewith contained in any other law for the time being in force or in the terms of any agreement or contract of service.

Effect of laws
and agreements
inconsistent
with this
Chapter.

22. (1) No suit, prosecution or other legal proceedings shall lie against any competent authority, conciliation officer, or any other employee of the Central Government or the presiding officer of a Tribunal, for anything which is in good faith done, or intended to be done, in pursuance of this Act or any rule or order made thereunder.

Protection of
action taken
under this
Chapter.

(2) No suit or other legal proceedings shall lie against the Central Government for any damage caused or likely to be caused by anything which is in good faith done or intended to be done in pursuance of this Act or any rule or notification or order made or issued thereunder.

23. (1) The Central Government may, by notification in the Official Gazette, make rules for carrying out the provisions of this Chapter.

Power to
make rules.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

- (a) the form in which an agreement may be entered into by a producer with a cine-worker under section 3 and the other conditions of employment;
- (b) the manner in which proceedings may be held by a conciliation officer under sub-section (1) of section 5;
- (c) the procedure to be followed by a conciliation officer or Tribunal under section 12;
- (d) the matters referred to in clause (d) of sub-section (3) of section 12;
- (e) the damages or costs that may be awarded by a Tribunal under sub-section (7) of section 12;
- (f) any other matter which is required to be, or may be, prescribed.

(3) Every rule made by the Central Government under this Chapter shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions; and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

CHAPTER III

REGULATION OF EMPLOYMENT OF CINEMA THEATRE WORKERS

Application of
Act 19 of
1952.

Application
of Act 39
of 1972.

24. The provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, as in force for the time being, shall apply to every cinema theatre in which five or more workers are employed on any day, as if such cinema theatre were an establishment to which the aforesaid Act had been applied by a notification of the Central Government under the proviso to sub-section (3) of section 1 thereof, and as if each such worker were an employee within the meaning of that Act.

25. The provisions of the Payment of Gratuity Act, 1972, as in force for the time being, shall apply to or in relation to, every worker employed in a cinema theatre in which five or more workers are employed or were employed on any day of the preceding twelve months, as they apply to, or in relation to, employees within the meaning of that Act.

THE KHUDA BAKHSH ORIENTAL PUBLIC LIBRARY
(AMENDMENT) ACT, 1981

No. 51 OF 1981

[24th December, 1981.]

An Act to amend the Khuda Bakhsh Oriental Public Library Act, 1969.

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

of 1969.

1. This Act may be called the Khuda Bakhsh Oriental Public Library (Amendment) Act, 1981. Short title.

2. In section 27 of the Khuda Bakhsh Oriental Public Library Act, 1969 (hereinafter referred to as the principal Act), in sub-section (3), for the words "or in two successive sessions, and if before the expiry of the session in which it is so laid or the session immediately following", the words "or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid" shall be substituted. Amend-
ment of
section 27.

3. In section 28 of the principal Act, after sub-section (3), the following sub-section shall be inserted, namely:—

"(4) Every regulation made under this section shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the regulation or both Houses agree that the regulation should not be made, the regulation shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that regulation." Amend-
ment of
section 28.

THE RAMPUR RAZA LIBRARY (AMENDMENT) ACT, 1981

No. 52 OF 1981

[24th December, 1981.]

An Act to amend the Rampur Raza Library Act, 1975.

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

Short title.

Amendment of section 28.

1. This Act may be called the Rampur Raza Library (Amendment) Act, 1981.

2. In section 28 of the Rampur Raza Library Act, 1975,—

22 of 1975.

(i) in sub-section (1), after the words "Central Government," the words "by notification in the Official Gazette," shall be inserted;

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

"(4) Every regulation made under this section shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the regulation or both Houses agree that the regulation should not be made, the regulation shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that regulation."

THE KERALA APPROPRIATION (No. 4) ACT, 1981

No. 53 OF 1981

[24th December, 1981.]

An Act to authorise payment and appropriation of certain further sums from and out of the Consolidated Fund of the State of Kerala for the services of the financial year 1981-82.

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

1. This Act may be called the Kerala Appropriation (No. 4) Act, 1981.
Short title.
2. From and out of the Consolidated Fund of the State of Kerala there may be paid and applied sums not exceeding those specified in column 3 of the Schedule amounting in the aggregate to the sum of five crores, four lakhs, eighty-three thousand and six hundred rupees towards defraying the several charges which will come in course of payment during the financial year 1981-82, in respect of the services specified in column 2 of the Schedule.
Issue of Rs. 5,04,83,600 from and out of the Consolidated Fund of the State of Kerala for the financial year 1981-82.
3. The sums authorised to be paid and applied from and out of the Consolidated Fund of the State of Kerala by this Act shall be appropriated for the services and purposes expressed in the Schedule in relation to the said year.
Appropriation.

THE SCHEDULE

(See sections 2 and 3)

1 No. of Vote	2 Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
II	Heads of States, Ministers and Headquarters Staff Revenue	..	60,000	60,000
V	Agricultural Income-Tax and Sales Tax Revenue	30,000	..	30,000
XI	District Administration and Miscellaneous Revenue	6,60,000	..	6,60,000
XII	Police Revenue	30,000	..	30,000
XIII	Jails Revenue	56,000	..	56,000
XVII	Education, Art and Culture Revenue	200	..	200
XVIII	Medical Revenue	100	..	100
XXII	Housing Revenue	4,50,000	..	4,50,000
	Capital	1,00,00,000	..	1,00,00,000
XXIII	Urban Development Capital	50,00,000	..	50,00,000
XXV	Labour and Employment Revenue	5,00,000	..	5,00,000
XXVII	Famine Revenue	35,00,000	..	35,00,000
XXVIII	Co-operation Capital	100	..	100
XXX	Agriculture Revenue	100	..	100
XXXIV	Fisheries Revenue	..	1,97,100	1,97,100
XLI	Transport Capital	3,00,00,000	..	3,00,00,000
	TOTAL	5,02,26,500	2,57,100	5,04,83,600

THE APPROPRIATION (RAILWAYS) NO. 6 ACT, 1981

No. 54 OF 1981

[24th December, 1981.]

An Act to provide for the authorisation of appropriation of moneys out of the Consolidated Fund of India to meet the amounts spent on certain services for the purposes of Railways during the financial year ended on the 31st day of March, 1980, in excess of the amounts granted for those services and for that year.

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

1. This Act may be called the Appropriation (Railways) No. 6 Act, 1981.

Short title.

2. From and out of the Consolidated Fund of India, the sums specified in column 3 of the Schedule amounting in the aggregate to the sum of thirty-five crores, seventy-six lakhs, forty-nine thousand, eight hundred and five rupees shall be deemed to have been authorised to be paid and applied to meet the amounts spent for defraying the charges in respect of the services relating to Railways specified in column 2 of the Schedule during the financial year ended on the 31st day of March, 1980, in excess of the amounts granted for those services and for that year.

Issue of
Rs. 35,76,
49,805 out
of the
Consoli-
dated
Fund of
India
to meet
certain
expendi-
ture for
the year
ended on
the 31st
March,
1980.

3. The sums deemed to have been authorised to be paid and applied from and out of the Consolidated Fund of India under this Act shall be deemed to have been appropriated for the services and purposes expressed in the Schedule in relation to the financial year ended on the 31st day of March, 1980.

Appro-
priation.

THE SCHEDULE

(See sections 2 and 3)

1 No. of Vote	2 Services and purposes	3 Sums aggregating to		
		Voted by Parlia- ment	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
3	General Superintendence and Services	1,29,30,311	..	1,29,30,311
4	Repairs and Maintenance of Permanent Way and Works	1,08,10,836	..	1,08,10,836
7	Repairs and Maintenance of Plant and Equipment	1,52,34,456	..	1,52,34,456
9	Operating Expenses—Traffic	4,00,16,557	..	4,00,16,557
11	Staff Welfare and Amenities	40,42,479	..	40,42,479
16	Assets—Acquisition, Construction and Replacement	27,32,08,575	14,06,591	27,46,15,166
TOTAL . . .		35,62,43,214	14,06,591	35,76,49,805

THE APPROPRIATION (RAILWAYS) NO. 7 ACT, 1981

No. 55 OF 1981

[24th December, 1981.]

An Act to authorise payment and appropriation of certain further sums from and out of the Consolidated Fund of India for the services of the financial year 1981-82 for the purposes of Railways.

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

1. This Act may be called the Appropriation (Railways) No. 7 Act, 1981.

Short title.

2. From and out of the Consolidated Fund of India there may be paid and applied sums not exceeding those specified in column 3 of the Schedule amounting in the aggregate to the sum of five hundred and fifty-nine crores, eighty-six lakhs and fifty-six thousand rupees towards defraying the several charges which will come in course of payment during the financial year 1981-82, in respect of the services relating to Railways specified in column 2 of the Schedule.

Issue of
Rs. 559,86,
56,000 out
of the
Consoli-
dated
Fund of
India for
the finan-
cial year
1981-82.

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

Appro-
priation.

THE SCHEDULE

(See sections 2 and 3)

1 No. of Vote	2 Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
2	Miscellaneous Expenditure (General)	3,00,000	..	3,00,000
3	General Superintendence and Services	9,25,00,000	..	9,25,00,000
4	Repairs and Maintenance of Permanent Way and Works	26,44,53,000	8,000	26,44,61,000
5	Repairs and Maintenance of Motive Power	11,85,94,000	..	11,85,94,000
6	Repairs and Maintenance of Carriages and Wagons	28,61,52,000	..	28,61,52,000
7	Repairs and Maintenance of Plant and Equipment	11,31,24,000	44,000	11,31,68,000
8	Operating Expenses—Rolling Stock and Equipment	8,30,81,000	..	8,30,81,000
9	Operating Expenses—Traffic	11,38,15,000	..	11,38,15,000
10	Operating Expenses—Fuel	55,07,70,000	..	55,07,70,000
11	Staff Welfare and Amenities	8,59,96,000	..	8,59,96,000
12	Miscellaneous Working Expenses	17,95,03,000	1,28,40,000	19,23,43,000
16	Assets—Acquisition, Construction and Replacement—Other Expenditure	369,74,76,000	..	369,74,76,000
	TOTAL	558,57,64,000	1,28,92,000	559,86,56,000

THE APPROPRIATION (No. 6) ACT, 1981

No. 56 OF 1981

[28th December, 1981.]

An Act to provide for the authorisation of appropriation of moneys out of the Consolidated Fund of India to meet the amounts spent on certain services during the financial year ended on the 31st day of March, 1980, in excess of the amounts granted for those services and for that year.

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

1. This Act may be called the Appropriation (No. 6) Act, 1981.

Short title.

2. From and out of the Consolidated Fund of India, the sums specified in column 3 of the Schedule amounting in the aggregate to the sum of one hundred and five crores, nine lakhs, thirty-three thousand, two hundred and seventy-four rupees shall be deemed to have been authorised to be paid and applied to meet the amount spent for defraying the charges in respect of the services specified in column 2 of the Schedule during the financial year ended on the 31st day of March, 1980, in excess of the amounts granted for those services and for that year.

Issue of
Rs. 105,
09,33,274
out of the
Consolidated
Fund of
India to
meet cer-
tain ex-
cess ex-
penditure
for the
year end-
ed on
the 31st
March,
1980.

3. The sums deemed to have been authorised to be paid and applied from and out of the Consolidated Fund of India under this Act shall be deemed to have been appropriated for the services and purposes expressed in the Schedule in relation to the financial year ended on the 31st day of March, 1980.

Appro-
priation.

THE SCHEDULE
(See sections 2 and 3)

No. of Vote	Services and purposes	Excess		
		Voted portion	Charged portion	Total
		Rs.	Rs.	Rs.
16	Posts and Telegraphs— Working Expenses . . . Revenue	9,37,05,049	..	9,37,05,049
20	Defence Services—Army . . . Revenue	62,05,70,422	..	62,05,70,422
22	Defence Services—Air Force . . . Revenue	24,41,61,337	..	24,41,61,337
32	Ministry of Finance . . . Revenue	82,25,321	..	82,25,321
38	Currency, Coinage and Mint . . . Revenue	38,75,835	..	38,75,835
39	Pensions Revenue	4,13,91,917	..	4,13,91,917
	CHARGED—Interest Payments . . . Revenue	..	3,58,56,007	3,58,56,007
53	Delhi Capital	..	13,95,250	13,95,250
54	Chandigarh Revenue Capital	16,04,555	44,703 85,933	44,703 16,90,488
90	Public Works Revenue	..	12,365	12,365
92	Housing and Urban Development Revenue	..	4,580	4,580
	TOTAL	101,35,34,436	3,73,98,838	105,09,33,274

THE APPROPRIATION (No. 7) ACT, 1981

No. 57 OF 1981

[28th December, 1981.]

An Act to authorise payment and appropriation of certain further sums from and out of the Consolidated Fund of India for the services of the financial year 1981-82.

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

1. This Act may be called the Appropriation (No. 7) Act, 1981.

Short title.

2. From and out of the Consolidated Fund of India there may be paid and applied sums not exceeding those specified in column 3 of the Schedule amounting in the aggregate to the sum of twelve thousand, three hundred and thirty-three crores, forty-one lakhs and fifty-nine thousand rupees towards defraying the several charges which will come in course of payment during the financial year 1981-82, in respect of the services specified in column 2 of the Schedule.
Issue of
Rs. 12333,
41,59,000
out
of the
Consoli-
dated
Fund of
India for
the year
1981-82.
3. The sums authorised to be paid and applied from and out of the Consolidated Fund of India by this Act shall be appropriated for the services and purposes expressed in the Schedule in relation to the said year.

THE SCHEDULE

(See sections 2 and 3)

1 No. of Vote	2 Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
2	Agriculture . . . Capital	..	25,00,00,000	25,00,00,000
6	Co-operation . . . Capital	7,00,00,000	..	7,00,00,000
7	Department of Food . . . Capital	15,50,00,000	..	15,50,00,000
8	Department of Agricultural Research and Education . . . Revenue	44,10,000	..	44,10,000
11	Ministry of Commerce . . . Revenue	8,00,000	..	8,00,000
12	Foreign Trade and Export Production . . . Revenue	86,00,00,000	..	86,00,00,000
	Capital	50,01,000	..	50,01,000
13	Textiles, Handloom and Handicrafts . . . Revenue	30,00,00,000	..	30,00,00,000
	Capital	..	2,00,00,000	2,00,00,000
29	Department of Coal . . . Capital	89,00,00,000	..	89,00,00,000
30	Department of Power . . . Capital	1,000	..	1,000
42	Other Expenditure of the Ministry of Finance . . . Revenue	1,000	..	1,000
	Capital	34,46,55,000	..	34,46,55,000
43	Loans to Government Servants, etc. . . Capital	13,00,00,000	..	13,00,00,000
	CHARGED—Repayment of Debt . . . Capital	..	12000,00,00,000	12000,00,00,000
45	Medical and Public Health . . . Capital	1,000	..	1,000
58	Ministry of Industry . . . Revenue	6,00,000	..	6,00,000
59	Industries . . . Capital	12,92,04,000	..	12,92,04,000
62	Information and Publicity . . . Revenue	8,86,000	..	8,86,000
64	Ministry of Irrigation . . . Revenue	..	26,000	26,000
	Capital	..	4,00,00,000	4,00,00,000

1 No. of Vote	2 Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
68	Administration of Justice . . . Revenue	1,000	..	1,000
70	Petroleum and Petro-chemicals Industries Capital	90,51,000	..	90,51,000
79	Road and Inland Water Transport . . . Capital	9,00,00,000	..	9,00,00,000
81	Department of Steel Capital	1,000	..	1,000
85	Department of Rehabilitation . . . Capital	1,45,00,000	..	1,45,00,000
100	Department of Science and Technology . . . Revenue	1,000	..	1,000
101	Survey of India . . . Revenue	..	20,000	20,000
108	Department of Ocean Development . . . Revenue	2,00,00,000	..	2,00,00,000
TOTAL . . .		302,41,13,000	12031,00,46,000	12333,41,59,000

THE PLANTATIONS LABOUR (AMENDMENT) ACT, 1981

No. 58 OF 1981

[29th December, 1981.]

An Act further to amend the Plantations Labour Act, 1951.

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

Short title and commencement.

1. (1) This Act may be called the Plantations Labour (Amendment) Act, 1981.

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

Amend-
ment of
section 1.

2. In section 1 of the Plantations Labour Act, 1951 (hereinafter referred to as the principal Act),—

(i) in sub-sections (4) and (5),—

(a) for the figures and word "10.117 hectares", wherever they occur, the figure and word "5 hectares" shall be substituted;

(b) for the word "thirty", wherever it occurs, the word "fifteen" shall be substituted;

(ii) in sub-section (4), in clause (a), for the words "or cinchona", the words ", cinchona or cardamom" shall be substituted;

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

"Explanation.—Where any piece of land used for growing any plant referred to in clause (a) or clause (b) of this sub-section admeasures less than 5 hectares and is contiguous to any other piece of land not being so used, but capable of being so used, and both such pieces of land are under the management of the same employer, then, for the purposes of this sub-section, the piece of land first mentioned shall be deemed to be a plantation, if the total area of both such pieces of land admeasures 5 hectares or more.".

¹26th January 1982, *vide* Notification No. S.O 45 (E), dated 23-1-1982, Gazette of India, Extraordinary, Pt. II, Sec. 3 (ii), page 76.

3. In section 2 of the principal Act,—

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

(eee) "inspector" means an inspector of plantations appointed under sub-section (1) of section 4 and includes an additional inspector of plantations appointed under sub-section (1A) of that section;

(ii) in clause (k), in sub-clauses (ii) and (iii), for the words "rupees three hundred", the words "rupees seven hundred and fifty" shall be substituted.

4. After Chapter I of the principal Act, the following Chapter shall be inserted, namely:—

Amend-
ment of
section 2

Insertion
of new
Chapter
IA.

"CHAPTER IA"**REGISTRATION OF PLANTATIONS**

3A. The State Government may, by notification in the Official Gazette,—

Appoint-
ment of
registering
officers.

(a) appoint such persons, being Gazetted officers of Government, as it thinks fit, to be registering officers for the purposes of this Chapter, and

(b) define the limits within which a registering officer shall exercise the powers and discharge the functions conferred or imposed on him by or under this Chapter.

3B. (1) Every employer of a plantation, existing at the commencement of the Plantations Labour (Amendment) Act, 1981 shall, within a period of sixty days of such commencement, and every employer of any other plantation coming into existence after such commencement shall, within a period of sixty days of the coming into existence of such plantation, make an application to the registering officer for the registration of such plantation:

Registra-
tion of
planta-
tions.

Provided that the registering officer may entertain any such application after the expiry of the period aforesaid if he is satisfied that the applicant was prevented by sufficient cause from making the application within such period.

(2) Every application made under sub-section (1) shall be in such form and shall contain such particulars and shall be accompanied by such fees as may be prescribed.

(3) After the receipt of an application under sub-section (1), the registering officer shall register the plantation.

(4) Where a plantation is registered under this section, the registering officer shall issue a certificate of registration to the employer thereof in such form as may be prescribed.

(5) Where, after the registration of a plantation under this section, any change occurs in the ownership or management or in the extent of the area or other prescribed particulars in respect of such plantation, the parti-

culars regarding such change shall be intimated by the employer to the registering officer within thirty days of such change in such form as may be prescribed.

(6) Where as a result of any intimation received under sub-section (5), the registering officer is satisfied that the plantation is no longer required to be registered under this section, he shall, by order in writing, cancel the registration thereof and shall, as soon as practicable, cause such order to be published in any one newspaper in the language of, and having circulation in, the area where the plantation is situated.

**Appeals
against
orders of
registering
officer.**

3C. (1) Any person aggrieved by the order of a registering officer under sub-section (6) of section 3B may, within thirty days of the publication of such order in the newspaper under that sub-section, prefer an appeal to such authority as may be prescribed:

Provided that the appellate authority may entertain an appeal under this sub-section after the expiry of the aforesaid period if it is satisfied that the appellant was prevented by sufficient cause from preferring the appeal within such period.

(2) After the receipt of an appeal under sub-section (1), the appellate authority may, after giving the appellant, the employer referred to in sub-section (5) of section 3B and the registering officer an opportunity of being heard in the matter, dispose of the appeal as expeditiously as possible.

**Power to
make
rules.**

3D. (1) The State Government may, by notification in the Official Gazette, make rules to carry out the purposes of this Chapter.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

(a) the form of application for the registration of a plantation, the particulars to be contained in such application and the fees to be accompanied along with such application;

(b) the form of the certificate of registration;

(c) the particulars regarding any change in respect of which intimation shall be given by the employer to the registering officer under sub-section (5) of section 3B and the form in which such change shall be intimated;

(d) the authority to which an appeal may be preferred under section 3C and the fees payable in respect of such appeal;

(e) the registers to be kept and maintained by a registering officer.”.

**Amend-
ment of
section 4.**

5. In section 4 of the principal Act, after sub-section (1), the following sub-section shall be inserted, namely:—

“(IA) The State Government may also, by notification in the Official Gazette, appoint such officers of the State Government or of any local authority under its control, as it thinks fit, to be additional inspectors of plantations for all or any of the purposes of this Act.”.

6. In section 12 of the principal Act,—

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

“(1) In every plantation wherein fifty or more women workers (including women workers employed by any contractor) are employed or were employed on any day of the preceding twelve months, or where the number of children of women workers (including women workers employed by any contractor) is twenty or more, there shall be provided and maintained by the employer suitable rooms for the use of children of such women workers.

Explanation.—For the purposes of this sub-section and sub-section (1A), “children” means persons who are below the age of six years.”;

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

“(1A) Notwithstanding anything contained in sub-section (1), if, in respect of any plantation wherein less than fifty women workers (including women workers employed by any contractor) are employed or were employed on any day of the preceding twelve months, or where the number of children of such women workers is less than twenty, the State Government, having regard to the number of children of such women workers deems it necessary that suitable rooms for the use of such children should be provided and maintained by the employer, it may, by order, direct the employer to provide and maintain such rooms and thereupon the employer shall be bound to comply with such direction.”;

(iii) in sub-section (2), for the words “Such rooms”, the words, brackets, figures and letter “The rooms referred to in sub-section (1) or sub-section (1A)” shall be substituted;

(iv) in sub-section (3), for the words “such rooms”, the words, brackets, figures and letter “the rooms referred to in sub-section (1) or sub-section (1A)” shall be substituted.

7. For section 15 of the principal Act, the following section shall be substituted, namely:—

“15. It shall be the duty of every employer to provide and maintain necessary housing accommodation—

(a) for every worker (including his family) residing in the plantation;

(b) for every worker (including his family) residing outside the plantation, who has put in six months of continuous service in such plantation and who has expressed a desire in writing to reside in the plantation:

Provided that the requirement of continuous service of six months under this clause shall not apply to a worker who is a member of the family of a deceased worker who, immediately before his death, was residing in the plantation.”.

Amend-
ment of
section 12.

Substitu-
tion of
new sec-
tion for
section 15.

Housing
facilities.

Insertion
of new
sections
16A to
16G.

Liability
of em-
ployer
in res-
pect of
accidents
resulting
from
collapse
of houses
provided
by him.

Appoint-
ment of
Commis-
sioners.

Appli-
cation for
compen-
sation.

Proce-
dure and
powers
of Com-
missioner.

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

'16A. (1) If death or injury is caused to any worker or a member of his family as a result of the collapse of a house provided under section 15, and the collapse is not solely and directly attributable to a fault on the part of any occupant of the house or to a natural calamity, the employer shall be liable to pay compensation.

(2) The provisions of section 4 of, and Schedule IV to, the Workmen's Compensation Act, 1923, as in force for the time being, regarding the amount of compensation payable to a workman under that Act shall, so far as may be, apply for the determination of the amount of compensation payable under sub-section (1).

8 of 1923.

16B. The State Government may, by notification in the Official Gazette, appoint as many persons, possessing the prescribed qualifications, as it thinks fit, to be Commissioners to determine the amount of compensation payable under section 16A and may define the limits within which each such Commissioner shall exercise the powers and discharge the functions conferred or imposed on him by or under this Act.

16C. (1) An application for payment of compensation under section 16A may be made to the Commissioner—

(a) by the person who has sustained the injury; or

(b) by any agent duly authorised by the person who has sustained the injury; or

(c) where the person who has sustained the injury is a minor, by his guardian; or

(d) where death has resulted out of the collapse of the house, by any dependant of the deceased or by any agent duly authorised by such dependant or, if such dependant is a minor, by his guardian.

(2) Every application under sub-section (1) shall be in such form and shall contain such particulars as may be prescribed.

(3) No application for compensation under this section shall be entertained unless it is made within six months of the collapse of the house:

Provided that the Commissioner may, if he is satisfied that the applicant was prevented by sufficient cause from making the application within the aforesaid period of six months, entertain such application within a further period of six months.

Explanation.—In this section, the expression "dependant" has the meaning assigned to it in clause (d) of section 2 of the Workmen's Compensation Act, 1923.

8 of 1923.

16D. (1) On receipt of an application under section 16C, the Commissioner may make an inquiry into the matter covered by the application.

(2) In determining the amount of compensation payable under section 16A, the Commissioner may, subject to any rules that may be made in this behalf, follow such summary procedure as he thinks fit.

5 of 1908. (3) The Commissioner shall have all the powers of a civil court while trying a suit under the Code of Civil Procedure, 1908 in respect of the following matters, namely:—

- (a) summoning and enforcing the attendance of any person and examining him on oath;
- (b) requiring the discovery and production of any document;
- (c) receiving evidence on affidavits;
- (d) requisitioning any public record or copy thereof from any court or office;
- (e) issuing commissions for the examination of witnesses or documents;
- (f) any other matter which may be prescribed.

(4) Subject to any rules that may be made in this behalf, the Commissioner may, for the purpose of determining any claim or compensation, choose one or more persons possessing special knowledge of any matter relevant to the inquiry to assist him in holding the inquiry.

16E. (1) Any question as to the liability of an employer to pay compensation under section 16A, or as to the amount thereof, or as to the person to whom such compensation is payable, shall be decided by the Commissioner.

(2) Any person aggrieved by a decision of the Commissioner refusing to grant compensation, or as to the amount of compensation granted to him, or to the apportionment thereof, may prefer an appeal to the High Court having jurisdiction over the place where the collapse of the house has occurred, within ninety days of the communication of the order of the Commissioner to such person:

Provided that the High Court may entertain any such appeal after the expiry of the period aforesaid if it is satisfied that the appellant was prevented by sufficient cause from preferring the appeal within such period:

Provided further that nothing in this sub-section shall be deemed to authorise the High Court to grant compensation in excess of the amount of compensation payable under section 16A.

(3) Subject to the decision of the High Court in cases in which an appeal is preferred under sub-section (2), the decision of the Commissioner under sub-section (1) shall be final and shall not be called in question in any court.

16F. The right of any person to claim compensation under section 16A shall be without prejudice to the right of such person to recover compensation payable under any other law for the time being in force; but no person shall be entitled to claim compensation more than once in respect of the same collapse of the house.

16G. (1) The State Government may, by notification in the Official Gazette, make rules for giving effect to the provisions of sections 16A to 16F (both inclusive),

Liability
to pay
compen-
sation,
etc., to be
decided by
Commis-
sioner.

Saving
as to
certain
rights.

Power
to make
rules.

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

(i) the qualifications and conditions of service of Commissioners;

(ii) the manner in which claims for compensation may be inquired into and determined by the Commissioner;

(iii) the matters in respect of which any person may be chosen to assist the Commissioner under section 16D and the functions that may be performed by such person;

(iv) generally for the effective exercise of any powers conferred on the Commissioner.'

Amend-
ment of
section
19.

9. Section 19 of the principal Act shall be renumbered as sub-section (1) thereof, and—

(i) in sub-section (1) as so renumbered,—

(a) for the words "fifty-four hours", the words "forty-eight hours" shall be substituted;

(b) for the words "forty hours", the words "twenty-seven hours" shall be substituted;

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

"(2) Where an adult worker works in any plantation on any day in excess of the number of hours constituting a normal working day or for more than forty-eight hours in any week, he shall, in respect of such overtime work, be entitled to twice the rates of ordinary wages:

Provided that no such worker shall be allowed to work for more than nine hours on any day and more than fifty-four hours in any week.

(3) For any work done on any closed holiday in the plantation or on any day of rest, a worker shall be entitled to twice the rates of ordinary wages as in the case of overtime work."

Amend-
ment of
section 20.

10. In sub-section (1) of section 20 of the principal Act, for clause (b), the following clause shall be substituted, namely:—

"(b) provide for the conditions subject to which, and the circumstances in which, an adult worker may be required or allowed to work overtime".

Amend-
ment of
section 30.

11. In sub-section (1) of section 30 of the principal Act,—

(i) the proviso shall be omitted;

(ii) the *Explanation* shall be numbered as *Explanation 1*, and after the *Explanation* as so numbered, the following *Explanation* shall be inserted, namely:—

Explanation 2.—The leave admissible under this sub-section shall be exclusive of all holidays, whether occurring during, or at either end of, the period of leave."

12. After Chapter VI of the principal Act, the following Chapter shall be inserted, namely:—

Insertion
of new
Chapter
VIA.

"CHAPTER VIA

ACCIDENTS

32A. Where in any plantation, an accident occurs which causes death or which causes any bodily injury to a worker by reason of which the worker injured is prevented from working for a period of forty-eight hours or more immediately following the accident, or which is of such a nature as may be prescribed in this behalf, the employer thereof shall send notice thereof to such authorities, in such form, and within such time, as may be prescribed.

Notice of accident.

32B. The employer shall maintain a register of all accidents which occur in the plantation in such form and in such manner as may be prescribed.".

Register of accidents.

13. After section 37 of the principal Act, the following section shall be inserted, namely:—

Insertion of new section 37A.

"37A. (1) Where an employer is convicted of an offence punishable under section 36, the court may, in addition to awarding any punishment, by order in writing, require him within such period as may be specified in the order (which the court may, if it thinks fit and on an application made in this behalf by the employer, from time to time, extend) to take such measures as may be so specified for remedying the matters in respect of which the offence was committed.

Power of court to make orders.

(2) Where an order is made under sub-section (1), the employer shall not be liable under this Act in respect of the continuation of the offence during the period or extended period, as the case may be, specified by the court, but if, on the expiry of such period or extended period, the order of the court has not been fully complied with, the employer shall be deemed to have committed a further offence and he shall, on conviction, be punishable with imprisonment for a term which may extend to six months and with fine which may extend to three hundred rupees for every day after such expiry.".

14. In sub-section (2) of section 43 of the principal Act,—

Amendment of section 43.

(i) in clause (j), the word "and" occurring at the end shall be omitted;

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

"(l) any other matter which is required to be, or may be, prescribed.".

THE INDIAN IRON AND STEEL COMPANY (ACQUISITION OF SHARES) AMENDMENT ACT, 1981

No. 59 OF 1981

[29th December, 1981.]

An Act further to amend the Indian Iron and Steel Company (Acquisition of Shares) Act, 1976.

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

Short title.

1. This Act may be called the Indian Iron and Steel Company (Acquisition of Shares) Amendment Act, 1981.

**Amend-
ment of
section 2.**

2. In section 2 of the Indian Iron and Steel Company (Acquisition of Shares) Act, 1976 (hereinafter referred to as the principal Act), in sub-clause (iii) of clause (h), for the words "on or before such date as the Central Government may, by notification, specify in this behalf", the words, brackets and figures "before the expiry of one hundred and twenty days from the date of commencement of the Indian Iron and Steel Company (Acquisition of Shares) Amendment Act, 1981" shall be substituted and shall be deemed always to have been substituted.

**Amend-
ment of
section 7.**

3. In section 7 of the principal Act,—

(a) in sub-section (1),—

(i) in the opening paragraph, for the words, figures and letters "on or before the 30th day of November, 1977", the words, brackets and figures "before the expiry of one hundred and twenty days from the date of commencement of the Indian Iron and Steel Company (Acquisition of Shares) Amendment Act, 1981" shall be substituted and shall be deemed always to have been substituted;

(ii) for the proviso, the following proviso shall be substituted and shall be deemed always to have been substituted, namely:—

"Provided that if the Commissioner is satisfied that the claimant was prevented by sufficient cause from preferring the claim before the expiry of the said period of one hundred and twenty days, he may entertain the claim within a

further period of one hundred and twenty days and not thereafter.”;

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

“(1A) Every claim preferred under sub-section (1) as it stood before the commencement of the Indian Iron and Steel Company (Acquisition of Shares) Amendment Act, 1981, after the expiry of the period or date specified therein shall be deemed to have been preferred under the said sub-section as amended by the said Amendment Act and shall be dealt with (even if it had been disallowed before such commencement) as if it had been preferred within time.”.

4. In section 11 of the principal Act, for the words “three years”, the words “six months” shall be substituted.

Amend-
ment of
section 11.

THE ASSAM APPROPRIATION (No. 2) ACT, 1981

No. 60 OF 1981

[29th December, 1981.]

An Act to authorise payment and appropriation of certain further sums from and out of the Consolidated Fund of the State of Assam for the services of the financial year 1981-82.

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

Short title.

Issue of Rs. 54,64,000 from and out of the Consolidated Fund of the State of Assam for the financial year 1981-82.

Appropriation.

1. This Act may be called the Assam Appropriation (No. 2) Act, 1981.
2. From and out of the Consolidated Fund of the State of Assam there may be paid and applied sums not exceeding those specified in column 3 of the Schedule amounting in the aggregate to the sum of fifty-four lakhs and sixty-four thousand rupees towards defraying the several charges which will come in course of payment during the financial year 1981-82, in respect of the services specified in column 2 of the Schedule.
3. The sums authorised to be paid and applied from and out of the Consolidated Fund of the State of Assam by this Act shall be appropriated for the services and purposes expressed in the Schedule in relation to the said year.

THE SCHEDULE
(See sections 2 and 3)

1 No. of Vote/ Appropri- ation	2 Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
21	Administrative and Functional Buildings . Revenue	..	13,000	13,000
26	Administrative Training . Revenue	2,34,000	..	2,34,000
30	State Lotteries . . Revenue	4,31,000	..	4,31,000
41	Civil Supplies . . Revenue	..	4,000	4,000
55	Agriculture . . Revenue	10,00,000	1,000	10,01,000
63	Industries . . Capital	37,50,000	..	37,50,000
67	Flood Control . . Revenue	..	20,000	20,000
68	Roads and Bridges . Capital	..	11,000	11,000
TOTAL . .		54,15,000	49,000	54,64,000

THE NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT ACT, 1981

ARRANGEMENT OF SECTIONS

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SECTIONS

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2. Definitions.

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ESTABLISHMENT OF THE NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT AND CAPITAL THEREOF

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4. Capital.

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8. Term of office of Managing Director and whole-time directors, conditions of service, etc.
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10. Vacation and resignation of office by directors.
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17. Dissolution of the Corporation and repeal of Act 10 of 1963.
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BORROWINGS BY THE NATIONAL BANK

SECTIONS

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32. Issue of guarantees.
33. Power to impose conditions for accommodation.
34. Power to call for repayment before agreed period.
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THE FIRST SCHEDULE.

THE SECOND SCHEDULE.

THE NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT ACT, 1981

No. 61 of 1981

[30th December, 1981.]

An Act to establish a bank to be known as the National Bank for Agriculture and Rural Development for providing credit for the promotion of agriculture, small-scale industries, cottage and village industries, handicrafts and other rural crafts and other allied economic activities in rural areas with a view to promoting integrated rural development and securing prosperity of rural areas, and for matters connected therewith or incidental thereto.

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

CHAPTER I

PRELIMINARY

1. (1) This Act may be called the National Bank for Agriculture and Rural Development Act, 1981.

(2) It extends to the whole of India.

(3) It shall come into force on such date¹ as the Central Government may, by notification in the Official Gazette, appoint, and different dates² may be appointed for different provisions of this Act, and any reference in any provision to the commencement of this Act shall be construed as a reference to the coming into force of that provision.

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

(a) “agriculture” includes horticulture, animal husbandry, forestry, dairy and poultry farming, pisciculture, and other allied activities, whether or not undertaken jointly with agriculture and the expression “agricultural operations” shall be construed accordingly.

Explanation.—For the purposes of this clause, “pisciculture” includes the development of fisheries, both inland and marine, catching of fish and all activities connected therewith or incidental thereto;

Short title,
extent and
commencement.

Definitions.

¹Ist May 1982, *vide* Notification No. S.O. 278 (E), dated 21-4-1982, (except sections 3, 16 and 18).

²12th July 1982, *vide* Notification No. S.O. 484 (E), dated 6-7-1982, (in respect of sections 3, 16 and 18).

10 of 1963.

(b) "Agricultural Refinance and Development Corporation" means the Corporation established under section 3 of the Agricultural Refinance and Development Corporation Act, 1963, and renamed under section 3A of that Act as the Agricultural Refinance and Development Corporation;

(c) "Board" means the Board of Directors of the National Bank;

(d) "central co-operative bank" means the principal co-operative society in a district in a State, the primary object of which is the financing of other co-operative societies in that district:

Provided that in addition to such principal society in a district, or where there is no such principal society in a district, the State Government may declare any one or more co-operative societies carrying on the business of financing other co-operative societies in that district to be also or to be a central co-operative bank or central co-operative banks within the meaning of this definition;

(e) "Chairman" means the Chairman of the Board appointed under section 6;

(f) "co-operative society" means a society registered, or deemed to be registered, under the Co-operative Societies Act, 1912 or any other law relating to co-operative societies for the time being in force in any State;

2 of 1912.

(g) "crops" includes products of agricultural operations;

(h) "director" means a director appointed under section 6;

(i) "industry in the tiny and decentralised sector" means industrial concerns in the tiny and decentralised sector and "industrial concern in the tiny and decentralised sector" means an industrial concern in which the investment in machinery and plant is not in excess of rupees two lakhs or such higher amount as the Central Government may specify by notification in this behalf having regard to trends in industrial development and other relevant factors;

(j) "Managing Director" means the Managing Director appointed under section 6;

(k) "marketing of crops" includes the processing of crops prior to marketing by any agricultural producers or any organisation of such producers;

(l) "National Bank" means the National Bank for Agriculture and Rural Development established under section 3;

(m) "notification" means a notification published in the Official Gazette;

(n) "primary rural credit society" means a co-operative society, by whatever name called,—

(1) which has as its object or business the provision of financial accommodation to its members for agriculture or agricultural operations or for the marketing of crops, or for rural development; and

(2) the bye-laws of which do not permit admission of any other co-operative society as member;

Provided that this sub-clause shall not apply to the admission, as a member, of a co-operative society, which is a State co-operative bank or a central co-operative bank by reason of such bank subscribing to the share capital of the co-operative society out of funds provided by the State Government for the purpose;

21 of 1976.

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

(p) "regional rural bank" means a regional rural bank established under section 3 of the Regional Rural Banks Act, 1976;

(q) "rural development" means development of rural areas through any activities conducive to such development.

Explanation.—For the purposes of this clause,—

(a) activities conducive to development of rural areas include activities relating to production of goods or provision of services in rural areas and activities for the promotion of cottage and village industries, industry in the tiny and decentralised sector and small-scale industry and handicrafts and other rural crafts;

(b) "rural area" means the area comprised in any village and includes the area comprised in any town, the population of which does not exceed ten thousand or such other figure as the Reserve Bank may specify from time to time;

2 of 1934.

(r) "Reserve Bank" means the Reserve Bank of India constituted under section 3 of the Reserve Bank of India Act, 1934;

2 of 1934.

(s) "scheduled bank" means a bank for the time being included in the Second Schedule to the Reserve Bank of India Act, 1934;

(t) "small-scale industry" means industrial concerns in the small scale sector and "industrial concern in the small scale sector" means an industrial concern—

(i) in which the investment in machinery and plant is not in excess of rupees twenty lakhs or such higher amount as the Central Government may specify by notification in this behalf having regard to trends in industrial development and other relevant factors, and

(ii) which is not an industrial concern in the tiny and decentralised sector;

(u) "State co-operative bank" means the principal co-operative society in a State, the primary object of which is the financing of other co-operative societies in the State

Provided that in addition to such principal society in a State, or where there is no such principal society in a State, the State Government may declare any one or more co-operative societies carrying on business in that State to be also or to be a State co-operative bank or State co-operative banks within the meaning of this definition;

(v) "State land development bank" means the co-operative society which is the principal land development bank (by whatever name called) in a State and which has as its primary object the providing of long-term finance for agricultural development:

Provided that, in addition to such principal land development bank in a State, or where there is no such bank in a State, the State Government may declare any co-operative society carrying on business in that State and authorised by the bye-laws of such co-operative society to provide long-term finance for agricultural development to be also or to be a State land development bank within the meaning of this definition;

(w) words and expressions used herein and not defined but defined in the Reserve Bank of India Act, 1934, shall have the meanings respectively assigned to them in that Act;

2 of 1934.

(x) words and expressions used herein and not defined either in this Act or in the Reserve Bank of India Act, 1934, but defined in the Banking Regulation Act, 1949, shall have the meanings respectively assigned to them in the Banking Regulation Act, 1949.

2 of 1934.

10 of 1949.

CHAPTER II

ESTABLISHMENT OF THE NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT AND CAPITAL THEREOF

Establishment and incorporation of National Bank for Agriculture and Rural Development.

Capital.

3. (1) With effect from such date as the Central Government may, by notification in the Official Gazette, appoint, there shall be established for the purposes of this Act, a bank to be known as the National Bank for Agriculture and Rural Development.

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

(3) The head office of the National Bank shall be at Bombay or at such other place as the Central Government may, by notification, specify.

(4) The National Bank may establish offices, branches or agencies at any place in India, and with the previous approval of the Central Government and in consultation with the Reserve Bank, at any place outside India.

4. (1) The capital of the National Bank shall be one hundred crores of rupees:

Provided that the Central Government may, in consultation with the Reserve Bank and by notification, increase the said capital up to five hundred crores of rupees.

(2) The capital of the National Bank shall be subscribed to by the Central Government and the Reserve Bank in equal proportions.

CHAPTER III

MANAGEMENT OF THE NATIONAL BANK

Management.

5. (1) The general superintendence, direction and management of the affairs and business of the National Bank shall vest in a Board of Directors, which shall exercise all powers and do all acts and things which may be exercised or done by the National Bank.

(2) Subject to the provisions of this Act, the Board in discharging its functions, shall act on business principles with due regard to public interest.

(3) Subject to the provisions of sub-section (1) and save as otherwise provided in the regulations made under this Act, the Managing Director shall also have powers of general superintendence, direction and management of the affairs and business of the National Bank and may also exercise all powers and do all acts and things which may be exercised or done by the National Bank.

(4) Any whole-time director appointed under sub-section (3) of section 6 shall assist the Managing Director in the discharge of his functions under sub-section (3) and perform such duties as the Board may entrust or delegate to him.

(5) In the discharge of his powers and functions under sub-section (3), the Managing Director shall follow such directions as the Chairman may give.

(6) In the discharge of its functions under this Act, the National Bank shall be guided by such directions in matters of policy involving public interest as the Central Government, in consultation with the Reserve Bank, or the Reserve Bank, may give in writing.

6. (1) The Board of Directors of the National Bank shall consist of the Board of Directors, following, namely:

(a) a Chairman;

(b) two directors from amongst experts in rural economics, rural development, handicrafts and other rural crafts, village and cottage industries and small-scale industries or in any other matter, the special knowledge or professional experience in which is considered by the Central Government as useful to the National Bank;

(c) three directors out of whom two shall be persons with experience in the working of co-operative banks and one shall be a person with experience in the working of commercial banks;

(d) three directors from out of the directors of the Reserve Bank;

(e) three directors from amongst the officials of the Central Government;

(f) two directors from amongst the officials of the State Governments; and

(g) a Managing Director.

(2) The Chairman and other directors shall be appointed by the Central Government in consultation with the Reserve Bank:

Provided that the Central Government shall also consult the Board with regard to any appointment (except appointment to the first Board) to the office of Managing Director.

(3) Where the Central Government is satisfied, in consultation with the Reserve Bank and the Board, that it is necessary so to do, it may appoint one or more whole-time directors with such designations as may be deemed appropriate by that Government and any whole-time director so appointed shall also be a member of the Board:

Provided that consultation with the Board shall not be necessary in the case of the appointment of a whole-time director to the first Board.

Term of office of Chairman and other directors, retirement and payment of fees.

7. (1) The Chairman shall hold office for such term not exceeding five years and shall receive such salary and allowances as the Central Government may, at the time of appointment, specify:

Provided that the Chairman shall notwithstanding the expiration of his term continue to hold office until his successor enters upon his office.

(2) The directors appointed under clauses (b) to (f) of sub-section (1) of section 6 shall hold office for a term of three years:

Provided that such director shall notwithstanding the expiration of his term continue to hold office until his successor enters upon his office.

(3) The Central Government may, in consultation with the Reserve Bank, remove the Chairman or any other director referred to in sub-section (2) at any time before the expiry of his term of office after giving him a reasonable opportunity of showing cause against the proposed removal.

(4) The Chairman and the directors referred to in sub-section (2) shall be paid such fees and allowances as may be prescribed for attending the meetings of the Board or of any of its committees and for attending to any other work of the National Bank:

Provided that no such fee shall be payable to the Chairman or any other director, who is an officer of the Government or an officer of the Reserve Bank.

Term of office of Managing Director and whole-time directors, conditions of service, etc.

8. (1) The Managing Director and any whole-time director appointed under sub-section (3) of section 6 shall,—

(a) hold office for such term not exceeding five years as the Central Government may, at the time of appointment, specify;

(b) receive such salary and allowances and be governed by such terms and conditions of service as the Board may, with the previous approval of the Central Government and in consultation with the Reserve Bank, determine:

Provided that the Managing Director and any such whole-time director appointed to the first Board shall receive such salary and allowances and be governed by such terms and conditions of service as the Central Government may, in consultation with the Reserve Bank, determine.

(2) The Central Government may, in consultation with the Reserve Bank, remove the Managing Director or any whole-time director appointed under sub-section (3) of section 6 at any time before the expiry of his term of office, after giving him a reasonable opportunity of showing cause against the proposed removal.

(3) Notwithstanding anything contained in sub-section (1) or sub-section (2), the Central Government shall have the right to terminate the term of office of the Managing Director or of any whole-time director appointed under sub-section (3) of section 6 at any time before the expiry of the term fixed under sub-section (1) by giving him notice of not less than three months in writing or three months' salary and allowances in lieu of such notice:

Provided that the Central Government shall, before terminating the term of office of the Managing Director or any whole-time director appointed under sub-section (3) of section 6, consult the Reserve Bank.

9. (1) No person shall be a director who—

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

(b) is or has been convicted of any offence which, in the opinion of the Central Government, involves moral turpitude; or

(c) is, or at any time has been, adjudicated insolvent or has suspended payment of his debts or has compounded with his creditors.

(2) The appointment as director of any person who is a Member of Parliament or the Legislature of any State shall, unless within two months of the date of his appointment he ceases to be such member, be void on the expiry of the said period of two months and if any director is elected or nominated as a Member of Parliament or of any State Legislature he shall cease to be a director as from the date of such election or nomination, as the case may be.

10. (1) If a director—

(a) becomes subject to any of the disqualifications mentioned in section 9; or

(b) is absent without leave of the Board for more than three consecutive meetings thereof,

his seat shall thereupon become vacant.

(2) Any director may resign his office by giving notice thereof in writing to the Central Government, and on his resignation being accepted by the Central Government or if his resignation is not sooner accepted, on the expiry of three months from the receipt thereof by the Central Government, he shall be deemed to have vacated his office.

11. If the Managing Director is by infirmity or otherwise rendered incapable of carrying out his duties or is absent on leave or otherwise, in circumstances not involving the vacation of his appointment, the Central Government may, after consultation with the Reserve Bank and the Board, appoint another person to act in his place as Managing Director during his absence.

12. (1) The Board 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, or, if for any reason he is unable to attend any meeting, any other director nominated by the Chairman in this behalf, and in the absence of such nomination, any other director elected by the directors present at the meeting, shall preside at the meeting of the Board.

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

13. (1) The Board may constitute an Executive Committee consisting of such number of directors as may be prescribed.

(2) The Executive Committee shall discharge such functions as may be prescribed or may be delegated to it by the Board.

Disqualifications.

Vacation and resignation of office by directors.

Casual vacancy in the office of Managing Director.

Meetings of Board.

Committees of National Bank.

(3) The Board may constitute such other committees, whether consisting wholly of directors or wholly of other persons or partly of directors and partly of other persons as it thinks fit and for such purposes as it may decide and every committee so constituted shall discharge such functions as may be delegated to it by the Board.

(4) The Executive Committee 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.

(5) The times and places at which any committee constituted under sub-section (3) shall meet, the rules of procedure which such committee shall observe in regard to the transaction of business at its meetings, and the fees and allowances which may be paid to the members of such committee for attending the meetings of the committee and for attending to any other work of the National Bank shall be such as may be specified by that Bank.

Advisory Council.

14. (1) The Board shall constitute an Advisory Council consisting of such number of directors and such other persons who, in the opinion of the Board, have special knowledge of agriculture, agricultural credit, co-operation and rural economics, small-scale industries, village and cottage industries and handicrafts and other rural crafts or have special knowledge and appreciation of the country's overall developmental policies and in particular overall monetary and credit policies, which is considered by the Board as useful to the National Bank.

(2) The Advisory Council shall advise the National Bank in such matters as may be referred to the Advisory Council by the National Bank and may discharge such other functions as may be entrusted or delegated to the Advisory Council by the National Bank.

(3) A member of the Advisory Council shall hold office for such term not exceeding five years as the National Bank may fix, and receive such fees and allowances as may be prescribed for attending the meetings of the Advisory Council and for attending to any other work of the National Bank.

(4) The Advisory Council shall meet at such times and places and shall observe such rules of procedure in regard to transaction of business at its meetings as may be prescribed.

Member of Board or Committee thereof not to participate in meetings in certain cases.

15. A director of the Board or a member of a Committee, who has any direct or indirect pecuniary interest in any matter coming up for consideration at a meeting of the Board or a Committee thereof, shall, as soon as possible after relevant circumstances have come to his knowledge, disclose the nature of his interest at such meeting, and the disclosure shall be recorded in the minutes of the Board, or the Committee, as the case may be, and the director or member shall not take any part in any deliberation or decision of the Board or the Committee with respect to that matter.

CHAPTER IV

TRANSFER OF BUSINESS TO THE NATIONAL BANK

Transfer of assets and liabilities of Agricultural Refinance and Development Corporation.

16. (1) On such date as the Central Government, in consultation with the Reserve Bank may, by notification, appoint, the entire undertaking of the Agricultural Refinance and Development Corporation (hereafter in this Chapter referred to as the "Corporation") including all business, property, assets and liabilities, rights, interests, privileges and obligations of whatever nature, shall stand transferred to and vest in the National Bank.

(2) As compensation for the transfer of the undertaking of the Corporation to the National Bank under sub-section (1), the National Bank shall within six months from the date appointed under that sub-section (hereafter in this sec-

tion referred to as the appointed date) pay to the shareholders of the Corporation a sum equal to the total paid-up capital of the Corporation as on the date immediately preceding the appointed date.

(3) The amount of compensation payable under sub-section (2) to the shareholders of the Corporation shall be apportioned among the shareholders in proportion to their contributions to the paid-up capital of the Corporation as on the date immediately preceding the appointed date.

10 of 1963.

Explanation.—For the purposes of this sub-section, “shareholders of the Corporation” means shareholders of the Corporation whose names appear on the register of shareholders maintained under section 8 of the Agricultural Refinance and Development Corporation Act, 1963, on the date immediately preceding the appointed date.

10 of 1963.

(4) The National Bank shall also pay to the shareholders of the Corporation referred to in sub-section (2) an amount calculated at the rate at which the shares of the Corporation were guaranteed as to the payment of minimum dividend under section 6 of the Agricultural Refinance and Development Corporation Act, 1963, for the period, if any, that has expired in the accounting year of the Corporation before the appointed date and this amount the National Bank shall distribute to the shareholders of the Corporation referred to in sub-section (2) in proportion to the shares held by such shareholders on the date immediately preceding the appointed date and at the rate at which such shares were guaranteed as to the payment of minimum dividend.

(5) All contracts, deeds, bonds, agreements, powers of attorney, grants of legal representation and other instruments of whatever nature subsisting or having effect immediately before the appointed date and to which the Corporation is a party, or which are in favour of the Corporation, shall be of as full force and effect against or in favour of the National Bank, as the case may be, and may be enforced or acted upon as fully and effectually as if instead of the Corporation the National Bank had been a party thereto, or as if they had been in favour of the National Bank.

(6) If, immediately before the appointed date, any suit, appeal or other legal proceeding of whatever nature, is pending, by or against the Corporation, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer to the National Bank of the undertaking of the Corporation, or of anything contained in this Act, but the suit, appeal or other proceeding may be continued, prosecuted and enforced, by or against the National Bank.

17. On the date appointed under sub-section (1) of section 16,—

- (a) the Corporation shall stand dissolved; and
- (b) the Agricultural Refinance and Development Corporation Act, 1963, shall stand repealed.

Dissolu-
tion of
the Cor-
poration
and
repeal
of Act
10 of
1963.

Transfer
of
business
from
Reserve
Bank.

18. (1) On such date as the Central Government may, in consultation with the Reserve Bank, by notification, appoint, the assets and liabilities with the Reserve Bank relating to—

- (a) the National Agricultural Credit (Long Term Operations) Fund established and maintained under section 46A of the Reserve Bank of India Act, 1934; and

2 of 1934.

2 of 1934

(b) the National Agricultural Credit (Stabilisation) Fund established and maintained under section 46B of the Reserve Bank of India Act, 1934, shall stand transferred to the National Bank and form part of the National Rural Credit (Long Term Operations) Fund referred to in section 42 and the National Rural Credit (Stabilisation) Fund referred to in section 43, respectively.

(2) With effect from such date as the Central Government may, in consultation with the Reserve Bank, by notification, appoint, the loans and advances which the Reserve Bank has granted to State co-operative banks and regional rural banks under section 17 [except sub-clause (a) of clause (4)] of the Reserve Bank of India Act, 1934, and which the Reserve Bank may specify by a general or special order, shall, as far as may be, become and be deemed to be loans and advances granted by the National Bank under section 21; and the National Bank shall repay to the Reserve Bank, the amount of such loans and advances on such terms and conditions as the Central Government may specify, in consultation with the Reserve Bank.

(3) All rights, liabilities, interests, privileges and obligations of whatever nature (including the rights and obligations arising by way of purchase, sale and rediscount of any bills of exchange and promissory notes) of the Reserve Bank in relation to any asset or liability referred to in sub-section (1) or any loan or advance referred to in sub-section (2) shall stand transferred to and vest in the National Bank on the date on which such asset or liability stands transferred to the National Bank under sub-section (1) or, as the case may be, such loan or advance becomes under sub-section (2) a loan or advance granted by the National Bank.

(4) All contracts, deeds, bonds, agreements, powers of attorney, grants of legal representation and other instruments of whatever nature relating to any asset or liability referred to in sub-section (1) and subsisting or having effect immediately before the date appointed under that sub-section or relating to any loan or advance referred to in sub-section (2) and subsisting or having effect immediately before the date appointed under that sub-section shall be of as full force and effect against, or in favour of, the National Bank, as the case may be, and may be enforced or acted upon as fully and effectually as if instead of the Reserve Bank, the National Bank had been a party thereto, or as if they had been in favour of the National Bank.

(5) If, immediately before the date appointed under sub-section (1) or sub-section (2), as the case may be, any suit, appeal or other legal proceedings of whatever nature relating to any asset or liability referred to in sub-section (1) or any loan or advance referred to in sub-section (2) is pending, by or against the Reserve Bank, the same shall not abate, be discontinued, or be in any way prejudicially affected by reason of the transfer to the National Bank of such asset or liability under sub-section (1), or as the case may be, such loan or advance becoming under sub-section (2) a loan or advance granted by the National Bank, or of anything contained in this Act, but the suit, appeal or other proceedings may be continued, prosecuted and enforced, by or against the National Bank.

CHAPTER V

BORROWINGS BY THE NATIONAL BANK

Borrowings by the
the
National
Bank.

19. The National Bank may, for the purpose of carrying out its functions under this Act,—

(a) issue and sell bonds and debentures carrying interest, which bonds and debentures shall be guaranteed by the Central Government as to the repayment of principal and payment of interest at such rates as may be

fixed by the Central Government in consultation with the Reserve Bank at the time the bonds or debentures are issued;

(b) borrow money from the Reserve Bank repayable on demand or on the expiry of fixed periods not exceeding eighteen months from the date of the making of the loan or advance, on such terms and conditions including the terms relating to security and purpose as may be specified by the Reserve Bank;

(c) borrow money from the Central Government and from any other authority or organisation or institution approved by that Government, on such terms and conditions as may be agreed upon;

(d) accept from the Central Government, a State Government, a local authority, a State land development bank, a State co-operative bank or a scheduled bank or any person approved by the Central Government in this behalf, deposits repayable after the expiry of a period which shall not in any case be less than twelve months from the making of such deposit and on such other terms as the National Bank may, with the prior approval of the Reserve Bank fix; and

(e) receive gifts, grants, donations or benefactions from Government or any other source.

46 of 1973.

20. (1) Notwithstanding anything contained in the Foreign Exchange Regulation Act, 1973, or in any other law for the time being in force relating to foreign exchange, the National Bank may borrow, with the previous approval of the Central Government and in consultation with the Reserve Bank, foreign currency from any bank or financial institution in India or elsewhere. Borrowings in foreign currency.

(2) The Central Government may guarantee loans taken by the National Bank under sub-section (1) as to the repayment of principal and the payment of interest thereon and other incidental charges.

CHAPTER VI

CREDIT FUNCTIONS OF THE NATIONAL BANK

21. (1) The National Bank may provide by way of refinance, loans and advances, repayable on demand or on the expiry of fixed periods not exceeding eighteen months, to State co-operative banks, regional rural banks, or to any financial institution or to any class of financial institutions, which are approved by the Reserve Bank in this behalf, for financing— Production and marketing credit.

(i) agricultural operations or the marketing of crops, or

(ii) the marketing and distribution of inputs necessary for agriculture or rural development, or

(iii) any other activity for the promotion of or in the field of agriculture or rural development, or

(iv) bona fide commercial or trade transactions, or

(v) the production or marketing activities of artisans or of small-scale industries, industries in the tiny and decentralised sector, village and cottage industries or of those engaged in the field of handicrafts and other rural crafts.

(2) The National Bank may make loans and advances under sub-section (1) against the security of—

(i) stocks, funds and securities other than immovable property, in

which a trustee is authorised to invest trust money by any law for the time being in force;

(ii) promissory notes supported by documents of title to goods, such documents having been transferred, assigned or pledged to the borrowing institution as security for a loan or advance made for any of the purposes specified in sub-section (1):

Provided that the National Bank may, whenever it considers it necessary so to do, accept, in lieu of the actual assignment of any such security in favour of the National Bank, a declaration in writing from the borrowing institution,—

(a) stating that it holds such documents of title to goods as may be set out in the declaration; and

(b) containing such other particulars as may be required by the National Bank.

(3) Notwithstanding anything contained in sub-section (2), the National Bank may in its discretion grant a loan or advance—

(a) to any State co-operative bank if the loan or advance is fully guaranteed for repayment of principal and interest by Government;

(b) to any State co-operative bank which is a scheduled bank, if the loan or advance is secured either by a bill of exchange or promissory note executed by the central co-operative bank and assigned in favour of the State co-operative bank.

(4) Notwithstanding anything contained in sub-sections (2) and (3), the National Bank may also make loans and advances repayable on demand or on the expiry of fixed periods not exceeding eighteen months against promissory notes of a State co-operative bank or a regional rural bank or an institution approved under sub-section (1):

Provided that the borrowing institution furnishes a declaration in writing, setting out the purpose for which it has made loans and advances and such other particulars as may be required by the National Bank.

**Conversion loan
for production
credit.**

22. Where the National Bank is satisfied that owing to drought, famine or other natural calamities, military operations or enemy action, any State co-operative bank, regional rural bank or any such financial institution or any financial institution falling under any such class of financial institutions, as may be approved by the Reserve Bank in this behalf, requires assistance under this section, it may provide to such bank or institution such financial assistance as it may deem fit by way of making loans and advances repayable on the expiry of fixed periods not exceeding seven years and on such terms and conditions as may be specified in this behalf by the National Bank:

Provided that loans and advances may be made under this section only for the purpose of enabling the borrowing bank or institution,—

(i) to pay any dues to the National Bank for credit extended for financing agricultural operations or the marketing of crops under clause (i) of sub-section (1) of section 21, or

(ii) to make to central co-operative banks or primary rural credit societies, loans or advances repayable on the expiry of fixed periods not being less than eighteen months and not exceeding seven years, by way of reimbursement of loans and advances made by such co-operative banks or

societies for agriculture or agricultural operations or for reimbursement of such loans or advances which have been converted into loans or advances repayable on expiry of fixed periods not being less than eighteen months and not exceeding seven years from the date of conversion:

Provided further that no loan or advance shall be made under this section to a State co-operative bank unless such loan or advance is fully guaranteed as to the repayment of the principal and payment of interest, by the State Government.

23. Where the National Bank is satisfied that owing to unforeseen circumstances the rescheduling of any loans and advances made to artisans, small-scale industries, industries in the tiny and decentralised sector, village and cottage industries and those engaged in the field of handicrafts and other rural crafts, by any State co-operative bank, regional rural bank or any such financial institution or any financial institution falling under such class of financial institutions as may be approved by the Reserve Bank in this behalf, has become necessary, it may provide to such bank or institution such financial assistance as it may deem fit by way of loans and advances repayable on the expiry of fixed periods not being less than eighteen months and not exceeding seven years against such securities as may be specified in this behalf by the National Bank:

Resched-
uling of
loans to
artisans,
small-
scale
indus-
tries, etc.

Provided that no loan or advance shall be made under this section to a State co-operative bank unless such loan or advance is fully guaranteed as to the repayment of the principal and payment of interest, by the State Government but such guarantee may be waived by the National Bank if other security to the satisfaction of the National Bank is furnished, or if, for reasons to be recorded by it in writing, the National Bank is satisfied that the guarantee or other security is not necessary.

24. The National Bank shall provide such financial assistance as it may consider necessary by way of making to State co-operative banks, regional rural banks, loans and advances repayable on the expiry of fixed periods not being less than eighteen months and not exceeding seven years against such securities as may be specified, in this behalf, by the National Bank and such loans or advances may be made for agriculture, rural development or such other purposes as the National Bank may, from time to time, determine:

Invest-
ment
credit—
medium
term.

Provided that no loan or advance shall be made under this section to a State co-operative bank unless such loan or advance is fully guaranteed as to the repayment of the principal and payment of interest, by the State Government but such guarantee may be waived by the National Bank, if other security to the satisfaction of the National Bank is furnished, or if, for reasons to be recorded by it in writing, the National Bank is satisfied that the guarantee or other security is not necessary.

25. (1) The National Bank may provide such financial assistance as it may consider necessary for promoting agriculture and rural development by—

Other in-
vestment
credit.

(a) making loans and advances, by way of refinance, on such terms and conditions as the National Bank may think fit to impose, to a State land development bank or a State co-operative bank or a scheduled bank or any other financial institution approved by the Reserve Bank in this behalf, and also rescheduling the payment of such loans and advances;

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Provided that the maximum period for which any such loan or advance may be granted, whether originally or by rescheduling the payment thereof, shall not exceed twenty-five years;

(b) purchasing or selling, or subscribing to the bonds or debentures issued by any bank or institution referred to in clause (a) and repayable within a period not exceeding twenty-five years from the dates on which they are issued;

(c) making loans and advances on such terms and conditions as the National Bank may think fit to impose, to a State co-operative bank or a scheduled bank for the purpose of enabling such bank to make loans or advances to artisans, small-scale industries, industries in the tiny and decentralised sector, village and cottage industries and those engaged in the field of handicrafts and other rural crafts and also rescheduling the payment of such loans and advances:

Provided that the maximum period for which any such loan or advance may be granted, whether originally or by rescheduling the payment thereof, shall not exceed twenty-five years;

(d) making, where it is considered necessary so to do in connection with any financial assistance under clause (a) or clause (b) or clause (c), to a State land development bank or a State co-operative bank or a scheduled bank, loans and advances repayable on demand or on the expiry of a fixed period not exceeding eighteen months, by way of refinance to such bank and also rescheduling the payment of such loans and advances for such period as the National Bank may deem fit.

(2) The provisions of this section shall be in addition to, and not in derogation of, the provisions of section 21 and section 24.

Purchase and sale of shares. 26. The National Bank may contribute to the share capital of, or purchase and sell shares of, or invest in the securities of, any institution concerned with agriculture and rural development, which the Central Government may notify, in consultation with the Reserve Bank.

Loans to State Governments for share capital contribution. 27. The National Bank may make loans and advances to State Governments, repayable on the expiry of fixed periods not exceeding twenty years from the date of making such loans and advances, from the National Rural Credit (Long Term Operations) Fund established under section 42 for enabling them to subscribe directly or indirectly to the share capital of a co-operative credit society.

Security for credit. 28. (1) No accommodation shall be granted by the National Bank under clause (a) or clause (c) of sub-section (1) of section 25 or section 30 or section 32 to an institution other than a scheduled bank unless it is fully and unconditionally guaranteed by the Government as to the repayment of principal and payment of interest:

Provided that no such guarantee shall be required in cases in which security to the satisfaction of the Board is furnished by the borrowing institution.

(2) No accommodation shall be granted by the National Bank under clause (a) or clause (c) of sub-section (1) of section 25 or section 32 to any scheduled bank unless security to the satisfaction of the Board is furnished by such scheduled bank.

(3) Notwithstanding anything contained in sub-section (1) or sub-section (2), no guarantee or security referred to therein shall be required in any case

in which the Board, for reasons to be recorded by it in writing, decides having regard to the nature and scope of the scheme or schemes for which accommodation is granted by the National Bank that such security or guarantee is not necessary.

29. (1) Any sums received by a borrowing institution in repayment or realisation of loans and advances refinanced either wholly or partly by the National Bank shall, to the extent of the accommodation granted by the National Bank and remaining outstanding, be deemed to have been received by the borrowing institution in trust for the National Bank, and shall accordingly be paid by such institution to the National Bank, as per the repayment schedule fixed by the National Bank.

(2) Where an accommodation has been granted to a borrowing institution, all securities held, or which may be held, by such borrowing institution, on account of any transaction in respect of which such accommodation has been granted by the National Bank, shall be held by such institution in trust for the National Bank.

30. The National Bank may make loans and advances otherwise than by way of refinance to any institution approved in this behalf by the Central Government on such terms and conditions (including security) and repayable within such period not exceeding twenty-five years as the National Bank may deem fit.

31. The National Bank may receive, for the rendering of any of the services mentioned in this Chapter or Chapter VII, such commission or other consideration as may be agreed upon.

32. The National Bank may guarantee, with the prior approval of the Central Government and on such terms and conditions as may be agreed upon, deferred payments in connection with the purchase of capital goods—

(i) due from a co-operative society approved by the Reserve Bank in this behalf or such other institutions which may, on the recommendation of the Reserve Bank, be approved by the Central Government in this behalf, or

(ii) due from any other person and guaranteed to the National Bank by a State land development bank or a State co-operative bank or a scheduled bank.

33. In entering into any transaction under this Chapter with a borrowing institution, the National Bank may impose such conditions as it may think necessary or expedient for protecting the interests of the National Bank.

34. Notwithstanding anything to the contrary contained in any agreement, the National Bank may, by notice in writing, require any borrowing institution to which it has granted any loan or advance to discharge forthwith in full its liabilities to the National Bank—

(a) if it appears to the Board that false or misleading information in any material particular was given in the application for the loan or advance; or

(b) if the borrowing institution has failed to comply with any of the terms of its contract with the National Bank in the matter of the loan or advance; or

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**National
Bank to
have
access to
records.**

(c) if there is a reasonable apprehension that the borrowing institution is unable to pay its debts or that proceedings for liquidation may be commenced in respect thereof; or

(d) if for any reason, it is necessary so to do to protect the interests of the National Bank.

**Validity
of loan
or
advance
not to
be ques-
tioned.**

35. (1) The National Bank shall have free access to all such records of any institution which seeks to avail of any credit facilities from the National Bank and to all such records of any such person who seeks to avail of any credit facilities from such institution, perusal whereof may appear to the National Bank to be necessary in connection with the providing of finance or other assistance to such institution or the refinancing of any loan or advance made to such person by the borrowing institution.

(2) The National Bank may require any institution or person referred to in sub-section (1) to furnish to it copies of any of the records referred to in that sub-section and the institution or the person, as the case may be, shall be bound to comply with such requisition.

**National
Bank
not to
grant
loans or
advances
against
its own
bonds or
deben-
tures:**

36. Notwithstanding anything to the contrary contained in any other law for the time being in force, the validity of any loan or advance granted by the National Bank in pursuance of the provisions of this Act shall not be called in question merely on the ground of non-compliance with the requirements of such other law as aforesaid or of any resolution, contract, memorandum, articles of association or other instrument:

Provided that nothing in this section shall render valid any loan or advance obtained by any company or co-operative society where such company or co-operative society is not empowered by its memorandum to obtain loans or advances.

37. The National Bank shall not grant any loan or advance on the security of its own bonds or debentures.

CHAPTER VII

OTHER FUNCTIONS OF THE NATIONAL BANK

**Other
functions
of
National
Bank.**

38. The National Bank—

(i) shall co-ordinate its operations and the operations of various institutions engaged in the field of rural credit and maintain expert staff to study all problems relating to agriculture and rural development and be available for consultation to the Central Government, the Reserve Bank, the State Governments and the other institutions engaged in the field of rural development;

(ii) may act as the agent for the Central Government or a State Government or the Reserve Bank in the transaction of any business in respect of loans and advances granted or to be granted, or bonds or debentures purchased or subscribed for, or to be purchased or subscribed for;

(iii) may provide facilities for training, for dissemination of information and the promotion of research including the undertaking of studies, researches, techno-economic and other surveys in the field of rural banking, agriculture and rural development and it may for the said purposes make grants including grants by way of provision for fellowships and chairs to any institution.

39. The National Bank may also do all such things as may be necessary or incidental to or consequential upon the exercise of its powers, discharge of its functions and the performance of its duties, under this Act, or under any other law for the time being in force.

Inciden-tal
powers.

40. The National Bank may invest its funds in promissory notes, stocks or securities of the Central Government or keep the moneys deposited with the Reserve Bank or with any agency of the Reserve Bank or, in consultation with the Reserve Bank, with a State co-operative bank or a scheduled bank.

Deposits
and
invest-
ments.

41. The National Bank may, for the purpose of the efficient discharge of its functions under this Act, collect from or furnish to the Central Government, the Reserve Bank or any banking company or such other financial institution as may be notified by the Central Government in this behalf, credit information or other information.

Credit
infor-ma-
tion.

2 of 1934.

Explanation.—For the purposes of this section, the expressions "banking company" and "credit information" shall have the same meanings as in section 45A of the Reserve Bank of India Act, 1934.

CHAPTER VIII

FUNDS, ACCOUNTS AND AUDIT

42. (1) The National Bank shall establish and maintain a Fund to be known as the National Rural Credit (Long Term Operations) Fund.

National
Rural
Credit
(Long
Term
Opera-
tions)
Fund.

(2) The Fund shall (in addition to assets and liabilities transferred under section 18) include,—

(a) such sums of money as the Central Government and the State Governments may contribute from time to time;

(b) such sums of money as the Reserve Bank may contribute every year; and

(c) such further sums of money as the Board may contribute every year.

(3) The amount in the said Fund shall be applied by the National Bank only to provide financial assistance by way of loans and advances under section 23, section 24, sub-section (1) of section 25 or section 27 or for the purposes of section 26.

43. (1) The National Bank shall establish and maintain a Fund to be known as the National Rural Credit (Stabilisation) Fund.

National
Rural
Credit
(Stabi-
lisation)
Fund.

(2) The Fund shall (in addition to assets and liabilities transferred under section 18) include,—

(a) such sums of money as the Central Government and the State Governments may contribute from time to time;

(b) such sums of money as the Reserve Bank may contribute every year; and

(c) such further sums of money as the Board may contribute every year.

(3) The amounts in the said Fund shall be applied by the National Bank only to provide loans and advances under section 22.

**Research
and
Develop-
ment
Fund.**

44. (1) The National Bank shall establish and maintain a Fund to be known as the Research and Development Fund, to which shall be credited—

(a) such sums of money as are transferable to this Fund in accordance with section 47;

(b) such sums of money as the Board may contribute every year to this Fund from out of its annual profits; and

(c) such gifts, grants, donations or benefactions which the National Bank may receive and which the Board may earmark for this purpose.

(2) The Research and Development Fund shall be expended on matters of importance to agriculture, agricultural operations and rural development, including the provision of training and research facilities and the making of grants under clause (iii) of section 38.

**Reserve
Fund
and
other
Funds.**

45. The National Bank shall establish a Reserve Fund and such other Funds as the Board may consider necessary by transferring such sums as it may deem fit, out of its annual profits and out of receipts from gifts, grants, donations or benefactions, which it may receive.

**Prepara-
tion of
balance-
sheet, etc.,
of
National
Bank.**

46. (1) The balance-sheet and accounts of the National Bank shall be prepared and maintained in such form and manner as may be prescribed.

(2) The Board shall cause the books and accounts of the National Bank to be balanced and closed as on the thirtieth day of June, each year.

**Disposal
of
surplus.**

47. After making provision for bad and doubtful debts, depreciation of assets and all other matters for which provision is necessary or expedient or which is usually provided for by bankers, and for the Funds referred to in sections 42, 43 and 45, the National Bank shall transfer—

(i) for a period of fifteen years, following the accounting year during which the National Bank is established, the amount remaining (hereafter in this section referred to as surplus) to the Research and Development Fund under section 44; and

(ii) after the expiry of the said period of fifteen years the National Bank shall, after making provision for the Fund referred to in clause (i), transfer half of the balance of surplus to the Central Government and the other half to the Reserve Bank.

Audit.

48. (1) The accounts of the National Bank shall be audited by auditors duly qualified to act as auditors under sub-section (1) of section 226 of the Companies Act, 1956, who shall be appointed by the Central Government in consultation with the Reserve Bank, for such term and on such remuneration as the Central Government may fix.

(2) The auditors shall be supplied with a copy of the annual balance-sheet of the National Bank and it shall be their duty to examine it together with the accounts and vouchers relating thereto and they shall have a list delivered to them of all books kept by the National Bank and shall at all reasonable times have access to the books, accounts, vouchers and other documents of the National Bank.

(3) The auditors may, in relation to the accounts of the National Bank, examine any director of the Board or any officer or other employee of the National Bank and shall be entitled to require from the Board or officers or employees of the National Bank such information and explanation as they may think necessary for the performance of their duties.

(4) The auditors shall make a report to the National Bank upon the annual balance-sheet and accounts examined by them and in every such report, they shall state whether in their opinion the balance-sheet is a full and fair balance-sheet containing all necessary particulars and properly drawn up so as to exhibit a true and fair view of the state of affairs of the National Bank and in case they had called for any explanation or information from the Board or any officer or other employee of the National Bank, whether it has been given and whether it is satisfactory.

(5) The National Bank shall furnish to the Central Government and the Reserve Bank within four months from the date on which the annual accounts of the National Bank are closed and balanced, a copy of its balance-sheet as on the close of that year together with a copy of the profit and loss account for the year and a copy of the auditors' report and a report of the working of the National Bank during the relevant year, and the Central Government shall, as soon as may be after they are received by it, cause the same to be laid before each House of Parliament and cause the copies of the said balance-sheet, profit and loss account and auditors' report to be published in the Official Gazette.

(6) Without prejudice to anything contained in the preceding sub-sections, the Central Government may, at any time, appoint the Comptroller and Auditor General of India to examine and report upon the accounts of the National Bank and any expenditure incurred by him in connection with such examination and report shall be payable by the National Bank to the Comptroller and Auditor General of India.

49. The National Bank shall furnish, from time to time, to the Central Government and to the Reserve Bank, such returns as the Central Government or the Reserve Bank may require.

Returns.

CHAPTER IX

STAFF

50. (1) The National Bank may appoint such number of officers and other employees as it considers necessary or desirable for the efficient performance of its functions and determine the terms and conditions of their appointment and service.

Staff
of
National
Bank.

(2) Without prejudice to the provisions of sub-section (1), it shall be lawful for the National Bank to utilise, and for the Reserve Bank to make available, the services of such staff of the Reserve Bank on such terms and conditions as may be agreed upon between the National Bank and the Reserve Bank.

(3) Subject to the provisions of sub-section (6), at any time before the expiry of six months from the appointed day, the Reserve Bank may, in public interest, transfer to the National Bank, such members of the staff of Reserve Bank whom the Reserve Bank considers as engaged, or as suitable to be engaged, in attending to the work of a nature which is same or similar to that which the National Bank may require for its efficient functioning, and upon such transfer they shall be deemed to be appointed by the National Bank under sub-section (1) with effect from the date of such transfer:

Provided that every person so transferred may, before the expiry of a period of six months from the appointed day, or before the expiry of a period of thirty days from such transfer, whichever period expires later, elect to go back to the Reserve Bank by exercising an option in writing to that effect, the option once exercised being final, and on the exercise of such option, the Reserve Bank shall, before the expiration of a period of eighteen months from the appointed day, take back such member of the staff and he shall be deemed to have been on deputation to the National Bank during the period he was a member of the staff of the National Bank.

(4) (a) Any member of the staff of the Reserve Bank who is not appointed under sub-section (3), may, if he so desires, make an application to the Reserve Bank within six months from the appointed day, to be considered for appointment as a member of the staff of the National Bank.

(b) The Reserve Bank may, in consultation with the National Bank, consider such application having regard to the suitability of the person so applying, the availability of vacancies in the National Bank, the exigencies of service in the Reserve Bank and the National Bank and such other factors as may be considered relevant in this regard, and, if the Reserve Bank is satisfied having regard to these factors, that such applicant is suitable for being so appointed recommend his appointment to the National Bank.

(c) The National Bank may thereupon, within eighteen months from the appointed day, appoint such a person applying under this sub-section, as a member of the staff of the National Bank, and on such appointment, such a person shall be deemed to have been appointed in the National Bank under sub-section (3):

Provided that the proviso to sub-section (3) and the proviso to sub-section (5) shall not apply in respect of such a person.

(5) Notwithstanding anything contained elsewhere in this Act or in any other law or in any contract, for the time being in force, at any time before the expiry of six months from the appointed day, the Reserve Bank may, if it considers it necessary in consultation with the National Bank so to do in the interest of the National Bank, transfer on promotion any member of the staff of the National Bank to the Reserve Bank, and on such transfer to the Reserve Bank, each such member of the staff shall be deemed to be a member of the staff of the Reserve Bank and shall be entitled to the same salary, emoluments and other conditions of service to which he was entitled immediately before the date of such transfer, including benefits, if any, arising directly out of such promotion:

Provided that every member of the staff who is transferred as aforesaid may, before the expiry of a period of six months from the appointed day or within thirty days from such transfer, whichever period expires later, elect to go back

to the National Bank by exercising an option in writing to that effect, the option once exercised being final, and on the exercise of such option, the National Bank shall, before the expiration of a period of eighteen months from the appointed day, take back such member of the staff and he shall be deemed to have been on deputation to the Reserve Bank during the period he was a member of the staff of the Reserve Bank.

(6) Every person,—

(a) who, immediately before the date appointed under sub-section (1) of section 16, is a member of the staff of the Agricultural Refinance and Development Corporation; or

(b) who is a member of the staff of the Reserve Bank but whose services are being utilised immediately before that date by the said Corporation,

shall be deemed to be appointed by the National Bank under sub-section (1) on the said date:

Provided that every member of the staff of the Reserve Bank, who is so deemed to be appointed, and who was not recruited specifically for utilisation in the Agricultural Refinance and Development Corporation, may, before the expiry of a period of six months from the appointed day or within a period of thirty days from the date appointed under sub-section (1) of section 16, whichever period expires later, elect to go back to the Reserve Bank by exercising an option in writing to that effect, the option once exercised being final, and on the exercise of such option, the Reserve Bank shall, before the expiration of a period of eighteen months from the appointed day, take back such member of the staff and he shall be deemed to have been on deputation to the National Bank during the period he was a member of the staff of the National Bank.

(7) Notwithstanding anything contained in any other law or in any agreement, for the time being in force, no member of the staff shall be entitled to claim any compensation for, or in relation to any matter concerning, his transfer, appointment or as the case may be, return, under sub-sections (3) to (6) and no claim in respect thereof shall be entertained by any court, tribunal or other authority.

(8) Subject to the provisions of sub-section (10) and sub-section (11), every member of the staff of the Agricultural Refinance and Development Corporation or of the Reserve Bank who is deemed to be appointed as a member of the staff of the National Bank under this section, shall be deemed to have been appointed by the National Bank on the same salary, emoluments and other terms and conditions of service to which he was entitled immediately before his appointment in the National Bank.

(9) The provisions relating to superannuation benefits, namely, the regulations relating to provident fund and the rules relating to payment of gratuity and compassionate gratuity and any other provision relating to superannuation as are applicable to the staff of the Reserve Bank on the appointed day shall, so far as may be, apply to the staff of the National Bank, unless and until the National Bank alters or amends the same:

Provided that after the appointed day, any such alteration or amendment may be effected by the National Bank as regards provident fund regulations

in accordance with section 60, and as regards the other rules in the manner they would have been altered or amended but for this sub-section:

Provided further that after the expiry of six months from the appointed day, the balances held in the Reserve Bank of India Employees' Provident Fund to the credit of any member of the staff of the Reserve Bank whose services are transferred under this section to the National Bank and who does not opt to go back to the Reserve Bank, shall be transferred to, and held in, the Provident Fund of the National Bank on same or similar terms subject to which those balances were held earlier in the Reserve Bank of India Employees' Provident Fund.

(10) Notwithstanding anything contained in any other law, settlement, or agreement, every person employed by the National Bank or whose services have been transferred to the National Bank under this Act, shall be liable to serve anywhere in India.

(11) Notwithstanding anything contained in the Industrial Disputes Act, 1947, or any other law for the time being in force, or in any award, judgment, decree, decision or order of any Industrial Tribunal, Court or other authority, or any settlement or agreement, made or entered into before the date of transfer to the National Bank of the services of any person under this section, the National Bank shall be free to alter, amend or repeal in such manner and to such extent it may consider necessary, any of the terms and conditions of service applicable to such persons whose services are so transferred to the National Bank and who are appointed in the National Bank under this section except that the National Bank shall not alter to their prejudice the terms relating to payment of salary and other emoluments, retirement benefits and eligibility for leave.

Explanation.—For the purposes of this section, "appointed day" means the date of establishment of the National Bank under section 3.

: 14 of 1947.

CHAPTER X

MISCELLANEOUS

Obligation as to fidelity and secrecy.

51. (1) The National Bank shall not, except as otherwise required by this Act or any other law, 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 the National Bank to divulge such information.

(2) Every director, member of a committee, auditor, officer or other employee of the National Bank or of the Reserve Bank, whose services are utilised by the National Bank under the provisions of this Act, shall, before entering upon his duties, make a declaration of fidelity and secrecy in the form set out in the First Schedule to this Act.

Defects in appointment not to invalidate acts, etc.

52. (1) No act or proceeding of the Board or of any committee of the National Bank shall be questioned on the ground merely of the existence of any vacancy in, or defect in the constitution of, the Board or the committee, as the case may be.

(2) No act done by any person acting in good faith as a director of the Board or as a member of a committee of the National Bank shall become

invalid merely on the ground that he was disqualified to be a director or that there was any other defect in his appointment.

53. No suit or other legal proceeding shall lie against the National Bank or any director or any officer or other employee of the National Bank or any other person authorised by the National Bank to discharge any functions under this Act for any loss or damage caused or likely to be caused by anything which is in good faith done or intended to be done in pursuance of this Act or of any other law or provision having the force of law.

Protection
of
action
taken
under
the Act.

54. (1) Every director shall be indemnified by the National 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.

Indem-
nity of
direc-
tors.

(2) A director shall not be responsible for any other director or for any officer or other employee of the National Bank or for any loss or expenses resulting to the National Bank from the insufficiency or deficiency of the value of, or title to, any property or security acquired or taken on behalf of the National Bank or the insolvency or wrongful act of any debtor or any person under obligation to the National Bank or anything done in good faith in the execution of the duties of his office in relation thereto.

43 of 1961.
7 of 1964.

55. Notwithstanding anything contained in the Income-tax Act, 1961, or the Companies (Profits) Surtax Act, 1964, or any other enactment for the time being in force relating to tax on income, profits or gains, the National Bank shall not be liable to pay income-tax, surtax or any other tax in respect of any income, profits or gains derived or any amount received by the National Bank.

Exemp-
tion from
income-
tax, etc.

56. (1) Whoever in any return, balance-sheet, or other document or in any information required or furnished by or under or for the purposes of any provision of this Act, wilfully makes a statement which is false in any material particular, knowing it to be false, or wilfully omits to make a material statement, shall be punishable with imprisonment for a term which may extend to three years and shall also be liable to fine.

Penalties.

(2) If any person fails to produce any book, account or other document, or to furnish any statement or information which, under the provisions of this Act, it is his duty to produce or furnish, he shall be punishable with a fine which may extend to two thousand rupees in respect of each offence and in the case of a continuing failure, with an additional fine which may extend to one hundred rupees for every day during which the failure continues after conviction for the first such failure.

57. (1) Where an offence has been committed by a company, every person who, at the time the offence was committed, was in charge of, and was responsible to the company for the conduct of the business of the company, as well as the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly:

Offences
by
compa-
nies.

Provided that nothing contained in this sub-section shall render any such person liable to any punishment provided in this Act, if he proves that the offence was committed without his knowledge or that he exercised all due diligence to prevent the commission of such offence.

(2) Notwithstanding anything contained in sub-section (1), where an offence under this Act has been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or is attributable to any neglect on the part of any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall also be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

Explanation.—For the purposes of this section—

(a) “company” means any body corporate and includes a firm or other association of individuals; and

(b) “director”, in relation to a firm, means a partner in the firm.

Bankers' Books Evidence Act, 1891, to apply in relation to National Bank.

Liquidation of National Bank.

Power of Board to make regulations.

58. The Bankers' Books Evidence Act, 1891, shall apply in relation to the National Bank as if it were a bank as defined in section 2 of that Act.

18 of 189

59. No provision of law relating to the winding up of companies shall apply to the National Bank and the National Bank shall not be placed in liquidation save by order of the Central Government and in such manner as it may direct.

60. (1) The Board may, with the previous approval of the Central Government and in consultation with the Reserve Bank, by notification, make regulations not inconsistent with this Act 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 all or any of the following matters, namely:—

(a) the fees or allowances that may be paid to the directors or members of the Advisory Council;

(b) the times and places of the meetings of the Board or the Executive Committee or the Advisory Council and the procedure to be followed at such meetings including the quorum necessary for the transaction of business;

(c) the number of directors constituting the Executive Committee and the functions that such Committee shall discharge;

(d) the manner and terms of issue and redemption of bonds and debentures by the National Bank;

(e) the conditions which the National Bank may impose in granting loans and advances;

(f) the manner and conditions subject to which the National Bank may borrow in foreign currency;

(g) The form and manner in which the balance-sheets and the accounts of the National Bank shall be prepared or maintained;

(h) the forms of returns and statements which the National Bank may require under this Act;

(i) the duties and conduct, salaries, allowances and conditions of service of officers and other employees;

(j) the establishment and maintenance of provident or other benefit funds for employees of the National Bank; and

(k) such other matters for which the Board may consider it expedient or necessary to provide for by way of regulations.

(3) Any regulation which may be made by the Board under this Act may be made by the Reserve Bank, in consultation with the Central Government, before the expiry of three months from the date of establishment of the National Bank, and any regulation so made may be altered and rescinded by the Board in the exercise of its powers under this Act.

(4) The power to make regulations conferred by this section shall include the power to give retrospective effect to the regulations or any of them from a date not earlier than the date of commencement of this Act, but no retrospective effect shall be given to any regulation so as to prejudicially affect the interests of any person to whom such regulation may be applicable.

(5) The Central Government shall cause every regulation made under this Act to be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the regulation or both Houses agree that the regulation should not be made, the regulation shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that regulation.

61. The enactments specified in the Second Schedule to this Act shall be amended in the manner provided therein and unless otherwise provided in that Schedule, such amendments shall take effect on and from the date of establishment of the National Bank under section 3.

Amend-
ment of
certain en-
actments.

62. If any difficulty arises in giving effect to the provisions of this Act, the Central Government may, by order, not inconsistent with the provisions of this Act, remove the difficulty:

Power to
remove
difficulty.

Provided that no such order shall be made after the expiry of a period of three years from the commencement of this Act.

THE FIRST SCHEDULE

[See section 51(2)]

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, officer or other employee (as the case may be) of the National Bank for Agri-

National Bank for Agriculture and
Rural Development

[ACT 61]

culture and Rural Development and which properly relate to the office or position held by me in the said National 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 National Bank for Agriculture and Rural Development or to the affairs of any person having any dealing with the said National 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 National Bank for Agriculture and Rural Development and relating to the business of the said National Bank or the business of any person having any dealing with the said National Bank.

Signed before me

(Signature)

THE SECOND SCHEDULE

(See section 61)

AMENDMENTS TO CERTAIN ENACTMENTS

PART I

AMENDMENTS TO THE RESERVE BANK OF INDIA ACT, 1934

(2 OF 1934)

Amendments

1. In section 2,—

(a) clauses (a), (ai), (bi), (bii), (biii), (biv), (bv), (bvi), (ci), (cia), (cii), (ciii), (civ), (cv) and (f) shall be omitted;

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

(ccc) "National Bank" means the National Bank for Agriculture and Rural Development established under section 3 of the National Bank for Agriculture and Rural Development Act, 1981;;

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

(h) "agricultural operations", "central co-operative bank", "co-operative society", "crops", "marketing of crops", "pisciculture", "regional rural bank" and "State co-operative bank" shall have the meanings respectively assigned to them in the National Bank for Agriculture and Rural Development Act, 1981;

(i) "co-operative bank", "co-operative credit society", "director", "primary agricultural credit society", "primary co-operative bank" and "primary credit society" shall have the meanings respectively assigned to them in Part V of the Banking Regulation Act, 1949;.

2. In section 8, in sub-section (2), after the existing proviso, the following proviso shall be inserted, namely:—

“Provided further that the Central Government may, in consultation with the Bank, appoint a Deputy Governor as the Chairman of the National Bank, on such terms and conditions as that Government may specify.”.

3. In section 17,—

(a) for clause (4AA), the following clause shall be substituted, namely:—

“(4AA) the making of annual contributions to the National Rural Credit (Long Term Operations) Fund and the National Rural Credit (Stabilisation) Fund established under sections 42 and 43, respectively, of the National Bank for Agriculture and Rural Development Act, 1981;”;

(b) for clause (4E), the following clause shall be substituted, namely:—

“(4E) the making to the National Bank of loans and advances repayable on demand or on the expiry of fixed period not exceeding eighteen months from the date of making of the loan or advance, either—

(i) against the security of stocks, funds and securities (other than immovable property) in which a trustee is authorised to invest trust money by any law for the time being in force in India; or

(ii) on such other terms and conditions as the Bank may specify;”;

(c) in clause (8A), for the expression “Agricultural Refinance and Development Corporation”, the expression “National Bank” shall be substituted.

4. For sub-section (3) of section 33, the following sub-section shall be substituted, namely:—

“(3) The remainder of the assets shall be held in rupee coin, Government of India rupee securities of any maturity, promissory notes drawn by the National Bank for any loans or advances under clause (4E) of section 17 and such bills of exchange and promissory notes payable in India as are eligible for purchase by the Bank under sub-clause (a) or sub-clause (b) or sub-clause (bb) of clause (2) of section 17 or under clause (1) of section 18.”.

5. In section 42,—

(a) in the *Explanation* occurring after sub-section (1), in sub-clause (ii) of clause (c), for the expression “Agricultural Refinance and Development Corporation”, the expression “National Bank” shall be substituted;

(b) after sub-section (6), the following sub-section shall be inserted, namely:—

“(6A) In considering whether a State co-operative bank or a regional rural bank should be included in or excluded from

the Second Schedule, it shall be competent for the Bank to act on a certificate from the National Bank on the question whether or not a State co-operative bank or a regional rural bank, as the case may be, satisfies the requirements as to paid-up capital and reserves or whether its affairs are not being conducted in a manner detrimental to the interests of its depositors.”.

6. For section 45, the following section shall be substituted, namely:—

Appoint-
ment of
agents.

“45. (1) Unless otherwise directed by the Central Government with reference to any place, the Bank may, having regard to public interest, convenience of banking, banking development and such other factors which in its opinion are relevant in this regard, appoint the National Bank, or the State Bank, or a corresponding new bank constituted under section 3 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, or a corresponding new bank constituted under section 3 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980, or any subsidiary bank as defined in the State Bank of India (Subsidiary Banks) Act, 1959, as its agent at all places, or at any place in India for such purposes as the Bank may specify.

5 of 1970.

40 of 1980.

38 of 1959.

(2) When any bank is appointed by the Bank as its agent under sub-section (1) to receive on behalf of the Bank any payment required to be made into the Bank, or any bill, hundies or other securities required to be delivered into the Bank, under any law or rule, regulations or other instructions having the force of law, the same may be paid or delivered into the bank so appointed as the agent of the Bank.”.

7. On and from the date appointed under sub-section (1) of section 18 of the National Bank for Agriculture and Rural Development Act, 1981, for sections 46A and 46B, the following section shall be substituted, namely:—

Contri-
bu-
tion to
Na-
tional
Rural
Credit
(Long
Term Ope-
ra-
tions)
Fund and
Na-
tional
Rural
Credit
(Stabili-
sa-
tion)
Fund.

“46A. The Bank shall contribute every year such sums of money as it may consider necessary and feasible to do so, to the National Rural Credit (Long Term Operations) Fund and the National Rural Credit (Stabilisation) Fund established and maintained by the National Bank under sections 42 and 43, respectively, of the National Bank for Agriculture and Rural Development Act, 1981.”.

Rural
Credit
and
Devel-
op-
ment.

8. For section 54, the following section shall be substituted, namely:—

“54. The Bank may maintain expert staff to study various aspects of rural credit and development and in particular it may,—

(a) tender expert guidance and assistance to the National Bank;

(b) conduct special studies in such areas as it may consider necessary to do so for promoting integrated rural development.”.

PART II

AMENDMENTS TO THE BANKING REGULATION ACT, 1949

(10 OF 1949)

Amendments

1. In section 5,—

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

‘(ha) “National Bank” means the National Bank for Agriculture and Rural Development established under section 3 of the National Bank for Agriculture and Rural Development Act, 1981;’;

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

‘(ja) “regional rural bank” means a regional rural bank established under section 3 of the Regional Rural Banks Act, 1976;’.

21 of 1976.

2. In section 23, after sub-section (4), the following sub-section shall be inserted, namely:—

“(4A) Any regional rural bank requiring the permission of the Reserve Bank under this section shall forward its application to the Reserve Bank through the National Bank which shall give its comments on the merits of the application and send it to the Reserve Bank:

Provided that the regional rural bank shall also send an advance copy of the application directly to the Reserve Bank.”

3. In section 24, to sub-section (3), the following proviso shall be added, namely:—

“Provided that every regional rural bank shall also furnish a copy of the said return to the National Bank.”

4. In section 25, to sub-section (2), the following proviso shall be added, namely:—

“Provided that every regional rural bank shall also furnish a copy of the said return to the National Bank.”

5. In section 26, after the existing proviso, the following proviso shall be inserted, namely:—

“Provided further that every regional rural bank shall also furnish a copy of the said return to the National Bank.”

6. In section 27, after sub-section (2), the following sub-section shall be inserted, namely:—

“(3) Every regional rural bank shall submit a copy of the return which it submits to the Reserve Bank under sub-section (1) also to the National Bank and the powers exercisable by the Reserve Bank under sub-section (2) may also be exercised by the National Bank in relation to regional rural banks.”

Power to
publish
infor-
mation:

7. For section 28, the following section shall be substituted, namely:—

“28. The Reserve Bank or the National Bank, or both, if they consider it in the public interest so to do, may publish any information obtained by them under this Act in such consolidated form as they think fit.”

8. In section 31, after the existing proviso, the following proviso shall be inserted, namely:—

“Provided further that a regional rural bank shall furnish such returns also to the National Bank.”

9. In sub-section (3) of section 34A, after the words “the Industrial Development Bank of India,” the words “the National Bank” shall be inserted.

10. In section 35, after sub-section (5), the following sub-section shall be inserted, namely:—

“(6) The powers exercisable by the Reserve Bank under this section in relation to regional rural banks may (without prejudice to the exercise of such powers by the Reserve Bank in relation to any regional rural bank whenever it considers necessary so to do) be exercised by the National Bank in relation to the regional rural banks, and accordingly, sub-sections (1) to (5) shall apply in relation to regional rural banks as if every reference therein to the Reserve Bank included also a reference to the National Bank.”

11. In sub-section (3) of section 36AD, after the words “the Industrial Development Bank of India,” the words “the National Bank” shall be inserted.

12. In section 47, for the words “the Reserve Bank”, wherever they occur, the words “the Reserve Bank or, as the case may be, the National Bank” shall be substituted.

13. In section 56,—

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

“(i) after clause (cc), the following clauses shall be inserted, namely:—

“(cc) “co-operative bank” means a state co-operative bank, a central co-operative bank and a primary co-operative bank;

(ccii) “co-operative credit society” means a co-operative society, the primary object of which is to provide financial accommodation to its members and includes a co-operative land mortgage bank;

(cciii) "director", in relation to a co-operative society, includes a member of any committee or body for the time being vested with the management of the affairs of that society;

(cciv) "primary agricultural credit society" means a co-operative society,—

(1) the primary object or principal business of which is to provide financial accommodation to its members for agricultural purposes or for purposes connected with agricultural activities (including the marketing of crops); and

(2) the bye-laws of which do not permit admission of any other co-operative society as a member:

Provided that this sub-clause shall not apply to the admission of a co-operative bank as a member by reason of such co-operative bank subscribing to the share capital of such co-operative society out of funds provided by the State Government for the purpose;

(ccv) "primary co-operative bank" means a co-operative society, other than a primary agricultural credit society,—

(1) the primary object or principal business of which is the transaction of banking business;

(2) the paid-up share capital and reserves of which are not less than one lakh of rupees; and

(3) the bye-laws of which do not permit admission of any other co-operative society as a member:

Provided that this sub-clause shall not apply to the admission of a co-operative bank as a member by reason of such co-operative bank subscribing to the share capital of such co-operative society out of funds provided by the State Government for the purpose;

(ccvi) "primary credit society" means a co-operative society, other than a primary agricultural credit society,—

(1) the primary object or principal business of which is the transaction of banking business;

(2) the paid-up share capital and reserves of which are less than one lakh of rupees; and

(3) the bye-laws of which do not permit admission of any other co-operative society as a member:

Provided that this sub-clause shall not apply to the admission of a co-operative bank as a member by reason of such co-operative bank subscribing to the share capital of such co-operative society out of funds provided by the State Government for the purpose.

Explanation.—If any dispute arises as to the primary object or principal business of any co-operative society

referred to in clauses (cciv), (ccv) and (ccvi), a determination thereof by the Reserve Bank shall be final;

(ccvii) "central co-operative bank", "co-operative society", "primary rural credit society" and "state co-operative bank" shall have the meanings respectively assigned to them in the National Bank for Agriculture and Rural Development Act, 1981;"";

(ii) in clause (p),—

(a) for the words, figures and brackets "in section 23, for sub-section (1), the following sub-section shall be substituted, namely", the following shall be substituted, namely:—

"in section 23,—

(i) for sub-section (1), the following sub-section shall be substituted, namely":

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

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

"(4A) Any co-operative bank requiring the permission of the Reserve Bank under this section shall forward its application to the Reserve Bank through the National Bank which shall give its comments on the merits of the application and send it to the Reserve Bank:

Provided that the co-operative bank shall also send an advance copy of the application directly to the Reserve Bank."";

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

"(iii) to sub-section (3), the following proviso shall be added, namely:—

'Provided that every co-operative bank, other than a primary co-operative bank, shall also furnish a copy of the said return to the National Bank.'";

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

'(ri) in the second proviso to section 26, for the expression "regional rural bank", the expression "co-operative bank, other than a primary co-operative bank" shall be substituted;

(rii) in section 27, for sub-section (3), the following sub-section shall be substituted, namely:—

"(3) Every co-operative bank, other than a primary co-operative bank, shall submit a copy of the return which it submits to the Reserve Bank, under sub-section (1) also to the National Bank and the powers exercisable by the Reserve Bank under sub-section (2) may also be exercised by the National Bank in relation to co-operative banks, other than primary co-operative banks."';

(v) for clause (t), the following clause shall be substituted, namely:—

'(t) in section 31,—

(i) for the words "within three months" and "of three months", the words "within six months" and "of six months" shall, respectively, be substituted;

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

"Provided further that a co-operative bank, other than a primary co-operative bank, shall furnish such returns also to the Nationalised Bank.";

(vi) in clause (w), existing sub-clause (iii) shall be re-numbered as sub-clause (iv) and before sub-clause (iv) as so re-numbered, the following sub-clause shall be inserted, namely:—

'(iii) in sub-section (6), for the expressions "regional rural banks" and "regional rural bank", wherever they occur, the expressions "co-operative banks other than primary co-operative banks" and "co-operative bank other than a primary co-operative bank" shall, respectively, be substituted.';

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

'(zji) in section 54, after the expression "Reserve Bank", wherever it occurs, the expression "or the National Bank" shall be inserted.';

(viii) in the Third Schedule as substituted by clause (zl), after the expression "Reserve Bank", wherever it occurs, the expression "the National Bank" shall be inserted.

10 of 1949.

14. In the Banking Regulation Act, 1949, for the words "Agricultural Refinance Corporation", wherever they occur, the words "National Bank" shall be substituted.

PART III

AMENDMENT TO THE INDUSTRIAL DISPUTES ACT, 1947

(14 of 1947)

Amendment

* In section 2, in clause (a), for the words and figures "the Agricultural Refinance Corporation established under section 3 of the Agricultural Refinance Corporation Act, 1963", the words and figures "the National Bank for Agriculture and Rural Development established under section 3 of the National Bank for Agriculture and Rural Development Act, 1981" shall be substituted.

PART IV**AMENDMENT TO THE DEPOSIT INSURANCE AND CREDIT GUARANTEE
CORPORATION ACT, 1961**

(47 OF 1961)

Amendment

In section 2, for clause (q), the following clauses shall be substituted, namely:—

(q) the expressions "central co-operative bank", "co-operative society" and "State co-operative bank" shall have the meanings respectively assigned to them in the National Bank for Agriculture and Rural Development Act, 1981;

(r) the expressions "primary co-operative bank" and "primary credit society" shall have the meanings respectively assigned to them in Part V of the Banking Regulation Act, 1949.

10 of 1949.

PART V**AMENDMENT TO THE PAYMENT OF BONUS ACT, 1965**

(21 OF 1965)

Amendment

In section 32, for sub-clause (d) of clause (ix), the following sub-clause shall be substituted, namely:—

"(d) the National Bank for Agriculture and Rural Development."

THE ALIGARH MUSLIM UNIVERSITY (AMENDMENT)
ACT, 1981

No. 62 OF 1981

[31st December, 1981.]

An Act further to amend the Aligarh Muslim University Act, 1920.

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

1. (1) This Act may be called the Aligarh Muslim University (Amendment) Act, 1981.

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

40 of 1920.

2. In the Aligarh Muslim University Act, 1920 (hereinafter referred to as the principal Act), in the long title and in the preamble, the words "establish and" shall be omitted.

3. In section 2 of the principal Act,—

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

'(hh) "non-teaching staff" means the employees of the University other than the teachers;'

(ii) clause (j) shall be omitted;

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

'(l) "University" means the educational institution of their choice established by the Muslims of India, which originated as the Muhammadan Anglo-Oriental College, Aligarh, and which was subsequently incorporated as the Aligarh Muslim University.'

Short
title
and
commen-
cement.

Amend-
ment of
long title
and pre-
amble.

Amend-
ment of
section 2.

¹10th February 1982, *vide* Notification No. S.O. 69 (E), dated 9-2-1982,
Gazette of India, Extraordinary, Pt. II, Sec. 3 (ii), page 114.

Amend-
ment of
section 5.

4. In section 5 of the principal Act,—

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

“(c) to promote especially the educational and cultural advancement of the Muslims of India;”;

(ii) in clause (7), the words “and determine their conditions of service in accordance with the Statutes” shall be added at the end;

(iii) for clause (9), the following clause shall be substituted, namely:—

“(9) to institute and maintain Halls for the students of the University;”;

(iv) in clause (11B), the words “and determine their conditions of service in accordance with the Statutes” shall be added at the end.

Substitu-
tion of
new sec-
tion for
section 8.

5. For section 8 of the principal Act, the following section shall be substituted, namely:—

Uni-
vers-
ity open
to all
persons.

“8. The University shall be open to all persons (including the teachers and taught) of either sex and of whatever race, religion, creed, caste or class:

Provided that nothing in this section shall be deemed to prevent religious instruction being given in the manner prescribed by the Ordinances to those who have consented to receive it.”

Amend-
ment of
section 16.

6. In section 16 of the principal Act,—

(i) after clause (3A), the following clause shall be inserted, namely:—

“(3B) The Honorary Treasurer;”;

(ii) existing clauses (3B), (3C) and (3D) shall be renumbered as clauses (3C), (3D) and (3E) thereof respectively.

Amend-
ment of
section 17.

7. In section 17 of the principal Act, for sub-section (1), the following sub-section shall be substituted, namely:—

“(1) The Chancellor of the University shall be elected by the Court in such manner and for such term as may be prescribed by the Statutes.”

Amend-
ment of
section 18.

8. In section 18 of the principal Act, for sub-section (1), the following sub-section shall be substituted, namely:—

“(1) The Pro-Chancellor shall be elected by the Court in such manner and for such term as may be prescribed by the Statutes.”

9. Sections 20A and 20B of the principal Act shall be renumbered as sections 20B and 20C respectively, and before section 20B as so renumbered, the following section shall be inserted, namely:—

“20A. (1) The Honorary Treasurer shall be elected by the Court in such manner and for such term as may be prescribed by the Statutes.

(2) The Honorary Treasurer shall exercise such powers and perform such functions as may be prescribed by the Statutes.”

10. In section 21 of the principal Act, after the words “the Pro-Vice-Chancellor,” the words “the Honorary Treasurer,” shall be inserted.

11. In section 22 of the principal Act,—

(i) after clause (3), the following clause shall be inserted, namely:—

“(3A) ‘The Finance Committee;’;

(ii) in clause (3B), the word “and” shall be inserted at the end;

(iii) clause (3C) shall be omitted.

12. For section 23 of the principal Act, the following section shall be substituted, namely:—

“23. (1) The Court shall consist of the Chancellor, the Pro-Chancellor, the Vice-Chancellor and the Pro-Vice-Chancellor (if any) for the time being, and such other persons as may be specified in the Statutes.

(2) The Court shall be the supreme governing body of the University and shall exercise all the powers of the University, not otherwise provided for by this Act, the Statutes, the Ordinances and the Regulations and it shall have power to review the acts of the Executive and the Academic Councils (save where such Councils have acted in accordance with powers conferred on them under this Act, the Statutes or the Ordinances).

(3) Subject to the provisions of this Act, the Court shall exercise the following powers and perform the following duties, namely:—

(a) to make Statutes and to amend or repeal the same;

(b) to consider Ordinances;

(c) to consider and pass resolutions on the annual report, the annual accounts and the financial estimates;

(d) to elect such persons to serve on the authorities of the University and to appoint such officers as may be prescribed by this Act or the Statutes; and

Insertion
of new
section
20A.

The
Honorary
Treasurer.

Amend-
ment of
section 21.

Amend-
ment of
section 22.

Substi-
tution
of new
section
for
section 23.

The
Court.

(e) to exercise such other powers and perform such other duties as may be conferred or imposed upon it by this Act or the Statutes.”.

Amend-
ment of
section 26.

13. In section 26 of the principal Act, for the words “and functions of the Faculties and of the Students’ Council”, the words “and functions of the Finance Committee and of the Faculties” shall be substituted.

Insertion
of new
section
26A.

14. After section 26 of the principal Act, the following section shall be inserted, namely:—

Disqualifi-
cations for
mem-
ber-
ship.

“26A. A person shall be disqualified for being chosen as, and for being, a member of any of the authorities of the University if he is not a citizen of India.”.

Amend-
ment of
section 27.

15. In section 27 of the principal Act,—

(i) in clause (a), the words “, the Finance Committee” shall be omitted;

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

“(c) the manner of election or appointment, as the case may be, of the Chancellor, the Pro-Chancellor, the Vice-Chancellor and other officers of the University.”.

Substitu-
tion of
new
section
for
section 28.

16. For section 28 of the principal Act, the following section shall be substituted, namely:—

Statutes.

“28. (1) On the commencement of the Aligarh Muslim University (Amendment) Act, 1981, the Statutes in force immediately before such commencement, as amended by that Act, shall be the Statutes of the University.

(2) After the commencement of the Aligarh Muslim University (Amendment) Act, 1981, the Court may, notwithstanding anything contained in sub-section (1), make new or additional Statutes or may amend or repeal the Statutes referred to in sub-section (1) in the manner hereinafter provided in this section.

(3) The Executive Council may propose to the Court the draft of any Statute for its consideration and such draft shall be considered by the Court at its next meeting:

Provided that the Executive Council shall not propose the draft of any Statute or of any amendment of a Statute affecting the status, powers or constitution of any authority of the University until such authority has been given an opportunity of expressing an opinion

in writing upon the proposal and any opinion so expressed shall be considered by the Court.

(4) The Court may approve any such draft as is referred to in sub-section (3) or reject it or return it to the Executive Council for reconsideration, either in whole or in part, together with any amendments which the Court may suggest.

(5) Any member of the Court may propose to the Court, the draft of any Statute and the Court may reject the proposal or refer such draft for consideration to the Executive Council, which may either reject the proposal or submit the draft to the Court in such form as the Executive Council may approve and the provisions of this section shall apply in the case of any draft so submitted as they apply in the case of a draft proposed by the Executive Council.

(6) No new Statute or amendment or addition or repeal of any Statute shall come into force unless it is approved by the Visitor, who may sanction or disallow it, or return it for further consideration."

17. In sub-section (2) of section 29 of the principal Act, clause (ii) shall be omitted.

Amend-
ment of
section
29.

18. In sub-section (3) of section 31 of the principal Act, after the words "this section", the words "other than any Regulation made by the Court," shall be inserted.

Amend-
ment of
section
31.

19. In section 34 of the principal Act, after sub-section (2), the following sub-section shall be inserted, namely:—

"(3) A copy of the annual report as submitted to the Visitor shall also be submitted to the Central Government, which shall, as soon as may be, cause the same to be laid before both Houses of Parliament."

Amend-
ment of
section
34.

20. For section 35 of the principal Act, the following section shall be substituted, namely:—

Substitu-
tion of
new
section
for
section
35.

Annual
accounts.

"35. (1) The annual accounts and balance sheet of the University shall be prepared under the direction of the Executive Council and shall, once at least every year and at intervals of not more than fifteen months, be audited by the Comptroller and Auditor-General of India or by such person or persons as he may authorise in this behalf.

(2) A copy of the annual accounts, together with the audit report thereon, shall be submitted to the Court and the Visitor along with the observations of the Executive Council.

(3) Any observations made by the Visitor on the annual accounts shall be brought to the notice of the Court and the observations of the Court, if any, shall, after being considered by the Executive Council, be submitted to the Visitor.

(4) A copy of the annual accounts, together with the audit report, as submitted to the Visitor, shall also be submitted to the Central Government, which shall, as soon as may be, cause the same to be laid before both Houses of Parliament:

(5) The audited annual accounts, after having been laid before both the Houses of Parliament, shall be published in the Gazette of India.”

Amend-
ment of
Statutes.

21. Notwithstanding anything contained in the principal Act, the Statutes of the University shall be amended as follows:—

(i) throughout the Statutes, for the words “Head of Department”, wherever they occur, the words “Chairman of Department” shall be substituted, and such consequential amendments as the rules of grammar may require shall also be made;

(ii) for Statutes 1 and 1A, the following Statutes shall be substituted, namely:—

The
Chancel-
lor.

“1. (1) The Chancellor shall be elected by the Court by a simple majority.

(2) The Chancellor shall hold office for a term of three years and shall be eligible for re-election.

(3) The Chancellor shall, if present, preside over the meetings of the Court.

The Pro-
Chancel-
lor.

(4) Every proposal for the conferment of an honorary degree shall be subject to confirmation by the Chancellor.

1A. (1) The Pro-Chancellor shall be elected by the Court by a simple majority.

(2) The Pro-Chancellor shall hold office for a term of three years and shall be eligible for re-election.

(3) Any casual vacancy in the office of the Pro-Chancellor shall be filled by the Chancellor on the recommendation of the Executive Council and the person so appointed shall hold office until the next annual meeting of the Court.

(4) The Pro-Chancellor shall, in the absence of the Chancellor, perform the functions of the Chancellor.”;

(iii) in Statute 2, for clauses (1) and (2), the following clause shall be substituted, namely:—

“(1) The Vice-Chancellor shall be appointed by the Visitor from a panel of at least three persons recommended by the Court from a panel of five persons recommended by the Executive Council:

Provided that if the Visitor does not approve of any of the persons recommended by the Court, he may call for fresh recommendations.”;

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

“4A. (1) The Honorary Treasurer shall be elected by the Court by a simple majority.

(2) The Honorary Treasurer shall hold office for a term of three years and shall be eligible for re-election for another term.

(3) The Honorary Treasurer shall hold office on such terms and conditions as may be prescribed by the Ordinances.

(4) The Honorary Treasurer shall be a member of the Finance Committee and shall exercise general supervision over the funds of the University.”;

(v) in Statute 6, for clause (4), the following clause shall be substituted, namely:—

“(4) The Finance Officer shall advise the University as regards its financial policy and perform such other financial functions as may be assigned to him by the Executive Council or as may be prescribed by these Statutes or the Ordinances:

Provided that the Finance Officer shall not incur any expenditure or make any investment exceeding ten thousand rupees without the previous approval of the Executive Council.”;

(vi) Statute 9 shall be omitted;

(vii) for Statute 14, the following Statute shall be substituted, namely:—

“14. (1) The Court shall consist of the following members, namely:—

Ex-officio members

- (i) Chancellor;
- (ii) Pro-Chancellor;
- (iii) Vice-Chancellor;
- (iv) Pro-Vice-Chancellor;
- (v) Honorary Treasurer;
- (vi) All Ex-Vice-Chancellors;
- (vii) All Deans of Faculties;
- (viii) Dean of Students' Welfare;
- (ix) Librarian;
- (x) Registrar;
- (xi) Five Provosts by rotation according to seniority;
- (xii) Proctor;

Representatives of the Departments and Colleges

- (xiii) Twenty Chairmen of Departments, by rotation according to seniority;

- (xiv) Principals of Colleges;

Representatives of teachers other than Chairmen of Departments and Principals of Colleges

- (xv) Two Professors, who are not Chairmen of Departments, to be elected from amongst themselves;

Honorary
Treasurer

Court.

(xvi) Three Readers to be elected from amongst themselves;

(xvii) Five Lecturers to be elected from amongst themselves;

Representatives of Schools maintained by the University

(xviii) Two Principals of Schools maintained by the University by rotation according to seniority;

Representatives of non-teaching staff

(xix) Five representatives of non-teaching staff, to be elected from amongst themselves;

Representatives of ex-students

(xx) Twenty-five representatives of ex-students to be elected by the Alumni (Old Boys') Association;

Representatives of donors

(xxi) Ten representatives of donors who have donated at least a sum of ten thousand rupees or transferred property worth at least ten thousand rupees to the University, to be elected from amongst themselves;

Representatives of learned professions, industry and commerce

(xxii) Ten persons representing the learned professions, industry and commerce, to be elected by the Court;

Representatives of the All-India Muslim Education Conference

(xxiii) Five representatives of the All-India Muslim Education Conference;

Representatives of Parliament

(xxiv) Ten members of Parliament, six to be elected by the House of the People (Lok Sabha) from amongst its members and four to be elected by the Council of States (Rajya Sabha) from amongst its members;

Representatives of Muslim culture and learning

(xxv) Fifteen persons representing Muslim culture and learning to be elected by the Court, of whom ten shall be persons residing outside the State of Uttar Pradesh;

(xxvi) Six persons representing Muslim Colleges of Oriental Learning in India, to be elected by the Court;

(xxvii) Four persons from amongst the Chairmen (including Presidents) of the Wakf Boards constituted under the Wakf Act, 1954 (29 of 1954), or under any other law in force in a State, to be elected by the Court;

(xxviii) Two persons representing Urdu Language and literature, to be elected by the Court;

(xxix) Five persons representing Muslim Educational and Cultural Societies situated outside the State of Uttar Pradesh, to be elected by the Court;

Representatives of students

(xxx) (a) President, Vice-President, Secretary and one nominee of the Executive Council of the Students' Union *ex-officio*;

(b) Eleven students to be elected by a simple majority by students of the various faculties classified into groups in the manner prescribed by the Ordinances;

Nominated persons

(xxxi) Five persons to be nominated by the Visitor;

(xxxii) One person to be nominated by the Chief Rector;

(xxxiii). One person to be nominated by the Chancellor:

Provided that in making nominations under items (xxxi) to (xxxiii), due regard shall be had to the representation of the different areas of the country in view of the all-India character of the University:

Provided further that no employee of the University shall be eligible to be a member under items (xx) to (xxix) or under items (xxx) to (xxxiii).

(2) All the members of the Court, other than *ex-officio* members and members representing students, shall hold office for a term of three years.

(3) An *ex-officio* member shall cease to be a member of the Court as soon as he vacates the office by virtue of which he is such a member.

(4) Members representing students shall hold office for a period of one year or till such time as they continue to be students, whichever is earlier.”;

(viii) in Statute 15—

(a) for clause (3), the following clause shall be substituted, namely:—

“(3) One-third of the members of the Court shall form a quorum for a meeting of the Court.”;

(b) in the proviso to clause (4), for the words “thirty-five members”, the words “one-third of the members” shall be substituted;

Executive
Council.

In section (ix) for Statute 16, the following Statute shall be substituted, namely:—

"16. (1) The Executive Council shall consist of the following members, namely:—

(i) Vice-Chancellor;

(ii) Pro-Vice-Chancellor;

(iii) Honorary Treasurer;

(iv) Five Deans of Faculties, by rotation according to seniority;

(v) Two Principals of Colleges, other than the Principal of the Women's College, by rotation according to seniority;

(vi) Principal, Women's College;

(vii) One Provost, by rotation according to seniority;

(viii) Proctor;

(ix) Six members of the Court, none of whom shall be an employee of the University, to be elected from amongst themselves;

(x) Two representatives of Professors and Readers to be elected from amongst themselves;

(xi) Two representatives of Lecturers to be elected from amongst themselves;

(xii) Three persons to be nominated by the Visitor;

(xiii) One person to be nominated by the Chief Rector:

Provided that no employee of the University shall be eligible for nomination under items (xii) and (xiii).

(2) All the members of the Executive Council, other than ex-officio members, shall hold office for a term of three years.

(3) Fifteen members of the Executive Council shall form a quorum for a meeting of the Executive Council.";

(x) in Statute 18—

(a) in clause (1)—

(1) in item (iv), for the word "Heads", the word "Chairmen" shall be substituted;

(2) item (vii) shall be omitted;

(3) after item (xii), the following items shall be inserted, namely:—

"(xiii) The President, Students' Union;

(xiv) Two post-graduate students, one research student and one under-graduate student, to be elected by the students from amongst themselves:

Provided that no student-member of the Academic Council shall participate in the discussions in respect of matters relating to examinations, Selection Committees, appointment and conditions of service of the teaching staff.";

(b) in clause (2), after the words "ex-officio members", the words "and student-members" shall be inserted;

(c) after clause (2), the following clause shall be inserted, namely:—

"(2A) The President, Students' Union shall hold office for so long as he continues to hold the office of the President, Students' Union, and every other student-member shall hold office for a period of one year:

Provided that a student-member shall cease to hold office upon his ceasing to be a student of the University.";

(xi) Statutes 24 and 25 shall be omitted.

22. (1) The Court and the Executive Council of the Aligarh Muslim University shall, as soon as may be, after the commencement of this Act, be constituted in accordance with the provisions of the principal Act and of the Statutes, as amended by this Act, and until the Court or the Executive Council is so constituted, the Court or the Executive Council functioning immediately before such commencement, shall continue to exercise all the powers and perform all the functions under the principal Act, as so amended. Transitional provisions.

(2) The Chancellor and the Pro-Chancellor shall, as soon as may be, after the commencement of this Act, be elected in accordance with the provisions of the principal Act and of the Statutes, as amended by this Act, and the person holding any such office immediately before such commencement, shall continue to hold that office until his successor enters upon his office.

(3) The Vice-Chancellor and the Pro-Vice-Chancellor and the Heads of Departments of the Aligarh Muslim University holding office immediately before the commencement of this Act, shall, on and from such commencement, hold their respective offices by the same tenure and upon the same terms and conditions as they held it immediately before such commencement.

23. Anything done, any action taken or any degree or other academic distinction conferred by the Aligarh Muslim University before the commencement of this Act shall, notwithstanding any change made by this Act in the constitution of the Court or the Executive Council, be valid as if such thing was done, action was taken, or degree or academic distinction was conferred under the provisions of the principal Act, as amended by this Act. Saving.

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