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SEPARATE PAGING IS GIVEN TO THIS PART, IN ORDER THAT IT MAY BE FILED AS A SEPARATE COMPILATION

PART VI

Bills introduced into the Council of the Governor General of India and
Bills published before introduction in that CouncilGOVERNMENT OF INDIA
LEGISLATIVE ASSEMBLY DEPARTMENT

The following Bills were introduced in the Legislative Assembly on the 7th February, 1944 :—

L. A. BILL No. 1 OF 1944

A Bill further to amend the Coal Mines Safety (Stowing) Act, 1939

WHEREAS it is expedient further to amend the Coal Mines Safety (Stowing) Act, 1939 (XIX of 1939), for the purposes hereinafter appearing ;

It is hereby enacted as follows :—

1. Short title—This Act may be called the Coal Mines Safety (Stowing) Amendment Act, 1944.

2. Amendment of section 8, Act XIX of 1939—In sub-section (1) of section 8 of the Coal Mines Safety (Stowing) Act, 1939 (XIX of 1939) (hereinafter referred to as the said Act), in clause (iii), for the words "operations other than stowing" the words "stowing and other operations" shall be substituted.

3. Amendment of section 10, Act XIX of 1939—To section 10 of the said Act the following proviso shall be added, namely :—

"Provided that the power conferred by the proviso to sub-section (6) of the said section 10 to suspend the operation of a requisition under sub-section (1) of that section shall include a power similarly to suspend the operation of an order made under sub-section (3) of section 9 of this Act."

4. Insertion of new section 10A in Act XIX of 1939—After section 10 of the said Act the following section shall be inserted, namely :—

"10A. *Powers of Board in executing operations*—(1) If in the opinion of the Board it is necessary or desirable that any protective measures, including stowing, required in furtherance of the object of this Act, should be undertaken directly by the Board, the Board may execute or cause to be executed such measures under its own supervision.

(2) For the purposes of this section the Board shall have the right for itself and all persons employed in the execution of any work undertaken under this section to enter upon any property in which the work is to be done and to do therein all things necessary for the execution of the work.

(3) No person shall obstruct or interfere with the execution of any work undertaken under this section, and no person shall remove or tamper with any plant or machinery or any stowing or other material used in the execution of such work.

(4) Whoever contravenes the provisions of sub-section (3) shall be punishable with imprisonment for a term which may extend to six months or with fine or with both."

STATEMENT OF OBJECTS AND REASONS

The Bill is intended to remedy certain defects disclosed in the working of the Coal Mines Safety (Stowing) Act, 1939.

The Coal Mines Stowing Board has sometimes in an emergency to execute protective measures under its own supervision, as where a mine is abandoned, or its ownership is in dispute, or the owner is not in a position to undertake protective measures himself. Specific provision is lacking in the Act conferring the requisite powers for this purpose including the power to enter upon the property concerned; and protective works executed by the Board run the risk of being tampered with after they have been executed. Section 8 of the Act also fails to make clear that the Coal Mines Stowing Fund can be utilised to defray the cost of stowing operations when these are carried out by any other agency than the owner, agent or manager of the coal mine.

Under section 10 of the Act a colliery owner has a right of appeal against an order of the Chief Inspector or an Inspector under section 9 (3) requiring him to undertake protective measures. He is, however, required to give effect to the order even though an appeal may be pending.

Clauses 2 and 4 of the Bill make the requisite provisions to remove the first of these defects, while clause 3 supplies a power to suspend the operation of an order requiring protective measures to be taken.

B. R. AMBEDKAR

New DELHI

The 1st February 1944

L. A. BILL No. 2 OF 1944

A Bill further to amend the Indian Companies Act, 1913

WHEREAS it is expedient further to amend the Indian Companies Act, 1913 (VII of 1913), for the purpose hereinafter appearing ;

It is hereby enacted as follows :—

1. Short title and commencement—(1) This Act may be called the Indian Companies (Amendment) Act, 1944.

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

2. Insertion of new section after section 277H, Act VII of 1913—After section 277H of the Indian Companies Act, 1913 (VII of 1913) (hereinafter referred to as the said Act), the following section shall be inserted, namely :—

"277HH—*Prohibition of employment of managing agents and restrictions on certain forms of employment*—No banking company, whether incorporated in or outside British India, which carries on business in British India, shall, after the expiry of two years from the commencement of the Indian Companies (Amendment) Act, 1944, employ or be managed by a managing agent, or any person whose remuneration or part of whose remuneration takes the form of commission or a share in the profits of the company, or any person having a contract with the company for its management for a period exceeding five years at any one time :

Provided that any such contract may be renewed or extended for a further period not exceeding five years at a time if and so often as the company by resolution passed in general meeting authorises such renewal or extension."

3. Substitution of new section for section 277I, Act VII of 1913—For section 277I of the said Act the following section shall be substituted, namely :—

"277I. *Restrictions on commencement of business and conditions for carrying on business by banking company*—(1) Notwithstanding anything contained in section 103, no banking company incorporated under this Act on or after the 15th day of January 1937, shall commence business unless shares have been allotted to an amount sufficient to yield a sum of at least fifty thousand rupees as working capital, and unless a declaration duly verified by an affidavit signed by the directors and the manager that such a sum has been received by way of paid up capital has been filed with the registrar.

(2) No banking company, whether incorporated in or outside British India, if incorporated on or after the 15th day of January, 1937, shall, after the expiry of two years from the commencement of the Indian Companies (Amendment) Act, 1944, carry on business in British India unless it satisfies the following conditions, namely :—

(a) that the subscribed capital of the company is not less than half the authorised capital, and the paid up capital is not less than half the subscribed capital, and

(b) that the capital of the company consists of ordinary shares only, or ordinary shares and such preference shares as may have been issued before the commencement of the Indian Companies (Amendment) Act, 1944, only, and

(c) that the voting rights of all shareholders are strictly proportionate to the contribution made by the shareholder, whether a preference shareholder or an ordinary shareholder, to the paid up capital of the company.

4. Amendment of section 277L, Act VII of 1913—In sub-section (4) of section 277L of the said Act, after the word, figures and letter "section 277H" the words, figures and letters "section 277HH, section 277I" shall be inserted.

STATEMENT OF OBJECTS AND REASONS

Certain undesirable features in the structure and management of banking companies have of late come to notice, such as—

(i) the appointment of managing directors or managers on long-term contracts on payment of remuneration by commission or a share in the profit;

(ii) the fixation of the authorised capital at a very high figure as compared with the subscribed and paid up capital, and

(iii) the possession of large voting rights by an individual or a small group of individuals, usually partly-paid ordinary or deferred shareholders.

The first of these is contrary to the spirit of section 277H of the Indian Companies Act, 1913, though not at present expressly prohibited. The second gives the public a false impression of the status and importance of the bank. The third enables an individual or a small group of individuals to concentrate in his or their hands the control of the companies' activities, thereby facilitating the undertaking of unsafe or speculative business, to the detriment of the interests of the depositors.

2. It is desirable to remove these objectionable features by suitable amendments of the Indian Companies Act, 1913. At the same time, it is considered that some time should be given to the existing banking companies, which may be affected by the amendments, to adjust themselves to the requirements of the amended law.

3. The Bill makes the necessary provisions with a view to meeting the objects mentioned above.

M. AZIZ-UL-HUQUE

NEW DELHI

The 1st February 1944

L. A. BILL. No. 3 of 1944

A Bill further to amend the Indian Aircraft Act, 1934

WHEREAS it is expedient further to amend the Indian Aircraft Act, 1934 (XXII of 1934), for the purpose hereinafter appearing;

It is hereby enacted as follows:—

1. Short title—This Act may be called the Indian Aircraft (Amendment) Act, 1944

2. Amendment of Section 5, Act XXII of 1934—In sub-section (2) of section 5 of the Indian Aircraft Act, 1934 (XXII of 1934), after clause (a) the following clauses shall be inserted, namely:—

"(aa) the regulation of air transport services, and the prohibition of the use of aircraft in such services except under the authority of and in accordance with a licence authorising the establishment of the service;

(ab) the information to be furnished by an applicant for, or the holder of, a licence authorising the establishment of an air transport service to such authorities as may be specified in the rules;"

STATEMENT OF OBJECTS AND REASONS

The Indian Aircraft Act, 1934, contains no specific provision for control and regulation of the development of air transport. At the time it was enacted there were meagre prospects of development and it was considered unnecessary and undesirable to hamper the free development of air transport services by private initiative in the early stages. Little experience had been gained of the system of licensing air transport services which had recently been introduced by the United States of America, to control the unprecedented boom in transport in that country. In 1936, His Majesty's Government followed the precedent of the United States, and the Australian Government have followed suit. In the intervening years two air transport services have been established in India on the basis of Government mail contracts, and there have been one or two other developments of air transport services which have proved unstable. The war has arrested development along normal lines, but there is every indication that after the war there will be very great development in air transport all over the world. There is evidence of considerable interest, both in this country and abroad, in the development of aviation in India. Plans for the establishment of air transport services are being prepared for consideration by Government. It is essential, if this

development is to proceed on a rational and economic basis, that provision should be made for its control and regulation. It is therefore proposed to establish an Air Transport Licensing Board and to prohibit the operation of air transport services without a licence.

Following the course adopted in the United Kingdom, where the necessary powers are taken by Order in Council under section 5 of the Air Navigation Act, 1936, it is proposed to take the necessary powers by rule under section 5 of the Indian Aircraft Act, 1934. But, again, in conformity with the course adopted in the United Kingdom, it is proposed in the first place to amend sub-section (2) of section 5 of the Indian Act by inserting therein clauses specifically directed to the objects in view.

This Bill makes the necessary provision for the purpose.

NEW DELHI

The 1st February 1944

G. V. BEWOOR

L. A. BILL* No. 4 of 1944

A Bill to provide for the creation of a fund for the improvement and development of the cultivation, marketing and utilization of coconuts in India

WHEREAS it is expedient to provide for the creation of a fund to be expended by a Committee specially constituted in this behalf for the improvement and development of the cultivation, marketing and utilization of coconuts in India;

It is hereby enacted as follows:—

1. Short title and extent—(1) This Act may be called the Indian Coconut Cess Act, 1944.

(2) It extends to the whole of British India.

2. Definitions—In this Act, unless there is anything repugnant in the subject or context,—

(a) "Collector" means, in reference to copra consumed in a mill in British India, the Collector of the district in which the mill is situated or any other officer appointed by the Central Government to perform the duties of a Collector under this Act;

(b) "the Committee" means the Indian Central Coconut Committee constituted under this Act;

(c) "mill" means any place in which copra is crushed for the extraction of oil, which is a factory as defined in section 2 of the Indian Factories Act, 1934 (XXV of 1934);

(d) "prescribed" means prescribed by rules made under this Act.

3. Imposition of coconut cess—There shall be levied and collected, as a cess for the purposes of this Act, on all copra consumed in any mill in British India, whether produced in or imported from outside British India, a duty of excise at the rate of three rupees two annas per ton.

4. Constitution of Indian Central Coconut Committee—As soon as may be after the commencement of this Act, the Central Government shall cause to be constituted a Committee consisting of the following members, to receive and expend the proceeds of the duty collected under this Act, namely:—

(a) the Vice-Chairman, Imperial Council of Agricultural Research;

(b) nine persons representing the growers of coconut in India, of whom two shall be nominated by the Government of Madras, two by the Government of the State of Travancore, and one each by the Government of Bombay, the Government of Bengal, the Government of Orissa, the Government of the State of Mysore, and the Government of the State of Cochin;

(c) five persons representing the coconut oil industry, nominated, respectively, by the Government of Madras, the Government of the State of Travancore, the Government of the State of Cochin, the Indian Merchants Association, Bombay, and the Bombay Chamber of Commerce, Bombay;

(d) three persons representing, respectively the Provincial Government of Madras, the Government of the State of Mysore and the Government of the State of Travancore, appointed in each case by the Government concerned;

(e) one person nominated by the Travancore Chamber of Commerce;

(f) one person appointed by the Central Government.

5. Incorporation of the Committee—The Committee shall be a body corporate by the name of the Indian

*The Governor-General has been pleased to give the previous sanction required by section 67 (2) (a) of the Government of India Act, as saved from repeal by paragraph 12 of the Government of India (Commencement and Transitory Provisions) Order, 1936, and by the proviso to sub-section (1) of section 102 of the Government of India Act, 1935, to the introduction in the Legislative Assembly of this Bill.

Central Coconut Committee, having perpetual succession and a common seal with power to acquire and hold property, both moveable and immovable, and to contract, and shall by the said name sue and be sued.

6. Vacancies—(1) If within the period prescribed in this behalf, any authority or body fails to make any nomination or appointment which it is entitled to make under section 4, the Central Government may itself appoint a member to fill the vacancy in the Committee.

(2) Where a member of the Committee dies, resigns or is removed, or ceases to reside in India, or becomes incapable of acting, the Central Government may, on the recommendation of the authority or body which was entitled to make the first nomination or appointment under section 4, or where such recommendation is not made within a reasonable time, then on its own initiative, appoint a person to fill the vacancy.

(3) No. act done by the Committee shall be questioned on the ground merely of the existence of any vacancy, in, or any defect in the constitution of, the Committee.

7. President of Committee, Secretary, sub-committees and staff—(1) The Vice-Chairman, Imperial Council of Agricultural Research, shall be the President of the Committee.

(2) The Central Government shall appoint a person to be the Secretary of the Committee and such person shall be paid by the Committee such salary and such allowances as may be fixed by the Central Government.

(3) The Committee may appoint such sub-committees and staff as may be necessary for the efficient performance of its functions under this Act.

8. Commissioner for Coconut Production—The Central Government may appoint a person to be Commissioner for Coconut Production, who shall be paid by the Committee such salary and allowances as may be fixed by the Central Government, and shall discharge under the direction of the Committee such duties as may be prescribed.

9. Functions of the Committee—It shall be the duty of the Committee to promote the improvement of the cultivation and marketing of coconuts and their utilization in the production of copra, coconut oil and coconut poonac—

(a) by undertaking or assisting agricultural, technological and economic research;

(b) by the supply of technical advice to growers;

(c) by encouraging the adoption of improved methods of cultivation;

(d) by carrying out such propaganda in the interests of the coconut industry as may be necessary;

(e) by collecting statistics from growers, dealers and millers on all relevant matters bearing on the industry;

(f) by fixing approved grades of copra;

(g) by recommending the maximum and minimum prices to be fixed for copra;

(h) by advising on all matters which require attention for the development of the industry; and

(i) by adopting any other measures or performing any other duties which it may be required by the Central Government to adopt or perform.

10. Delivery of monthly returns—(1) The owner of every mill shall furnish to the Collector, on or before the 7th day of each month, a return stating the total amount of copra consumed in the mill during the preceding month, together with such further information in regard thereto as may be prescribed:

Provided that no return shall be required in regard to copra consumed before the commencement of this Act.

(2) Every such return shall be made in such form and shall be verified in such manner as may be prescribed.

11. Collection of cess by Collector—(1) On receiving any return made under section 10, the Collector shall assess the amount of the duty payable under section 3 in respect of the period to which the return relates, and if the amount has not already been paid shall cause a notice to be served upon the owner of the mill requiring him to make payment of the amount assessed within ten days of the service of the notice.

(2) If the owner of any mill fails to furnish in due time the return referred to in sub-section (1) of section 10 or furnishes a return which the Collector has reason to believe is incorrect or defective, the Collector shall assess the amount payable by him in such manner, if any, as may be prescribed, and the provisions of sub-section (1) shall thereupon apply as if such assessment had been made on the basis of a return furnished by the owner:

Provided that, in the case of a return which he has reason to believe is incorrect or defective, the Collector shall not assess the duty at an amount higher than that at

which it is assessable on the basis of the return without giving to the owner a reasonable opportunity of proving the correctness and completeness of the return.

(3) A notice under sub-section (1) may be served on the owner of a mill either by post or by delivering it or tendering it to the owner or his agent at the mill.

12. Finality of assessment and recovery of unpaid duty—(1) An assessment made in accordance with the provisions of section 11 shall not be questioned in any Court.

(2) Any owner of a mill who is aggrieved by an assessment made under section 11 may, within three months of service of the notice referred to in sub-section (1) of that section, apply to the Central Government for the cancellation or modification of the assessment and, on such application, the Central Government may cancel or modify the assessment and order the refund to such owner of the whole or part, as the case may be, of any amount paid thereunder.

(3) Any sum recoverable under section 11 may be recovered as an arrear of land-revenue.

13. Power to inspect mills and take copies of records and accounts—(1) The Collector or any officer empowered by general or special order of the Central Government in this behalf shall have free access at all reasonable times during working hours to any mill or to any part of any mill.

(2) The Collector or any such officer may at any time, with or without notice to the owner, examine the working records, sale records and accounts of any mill and take copies of or extracts from all or any of the said records or accounts for the purpose of testing the accuracy of any return or of informing himself as to the particulars regarding which information is required for the purposes of this Act or any rules made thereunder.

(3) Where any officer other than the Collector proposes to examine under sub-section (2) any record or account containing the description or formulae of any trade process, the owner of the mill may give to the said officer, for transmission to the Collector, a written notice of objection and the officer shall thereupon seal up the record or account pending the orders of the Collector.

14. Information acquired to be confidential—(1) All such copies and extracts and all information acquired by a Collector or any other officer from an inspection of any mill or warehouse or from any return submitted under this Act shall be treated as confidential.

(2) If the Collector or any such officer discloses to any person other than a superior officer any such information as aforesaid without the previous sanction of the Central Government, he shall be punishable with imprisonment which may extend to six months and shall also be liable to fine:

Provided that nothing in this section shall apply to the disclosure of any such information for the purposes of a prosecution in respect of the making of a false return under this Act.

15. Application of proceeds of duty—(1) On the last day of each month, or as soon thereafter as may be convenient, the proceeds of the duty recovered during that month shall after deduction of the expenses, if any, of collection and recovery, be paid to the Committee.

(2) Subject to such conditions as may be prescribed, the said proceeds and any other monies received by the Committee shall be applied to meeting the expenses of the Committee and the cost of such measures as it may subject to the control of the Central Government decide to undertake in the exercise of the functions specified in section 9.

16. Keeping and auditing of accounts—(1) The Committee shall publish an annual report and shall keep accounts of all duty received by it under this Act and of the manner in which it is expended and shall also publish a summary of the accounts along with the annual report.

(2) Such accounts shall be examined and audited annually in the prescribed manner, and the auditors shall have power to disallow any item which has been, in their opinion, expended otherwise than in pursuance of the purposes of this Act.

(3) If any item is disallowed, an appeal shall lie to the Central Government whose decision shall be final.

17. Dissolution of Committee—The Central Government may, by notification in the official Gazette, declare that, with effect from such date as may be specified in the notification, the Committee shall be dissolved, and on the making of such declaration all funds and other property vested in the Committee shall vest in His Majesty for the purposes of the Central Government and this Act shall be deemed to have been repealed.

18. Power of the Central Government to make rules—(1) The Central Government may make rules for the purpose of carrying into effect 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) for prescribing the time within which nominations shall be made under section 4 whether in the first instance or on the occurrence of vacancies;

(b) for prescribing the term of office of the members of the Committee;

(c) for prescribing the circumstances in which and the authority by which any member may be removed;

(d) for prescribing the quorum of the Committee;

(e) for the holding of a minimum number of meetings of the Committee during any year;

(f) for the maintenance by the Committee of a record of all business transacted and the submission of copies of such records to the Central Government;

(g) for the definition of the powers of the Committee to enter into contracts which shall be binding on the Committee, and the manner in which such contracts shall be executed;

(h) for the regulation of the travelling allowances of members of the Committee and of their remuneration, if any;

(i) for the definition of the powers of the Committee, in respect of the appointment, promotion and dismissal of officers and servants of the Committee, and in respect of the creation and abolition of appointments of such officers or servants;

(j) for the regulation of the grant of pay and leave to officers and servants of the Committee, and the payment of leave allowances to such officers and servants, and the remuneration to be paid to any person appointed to act for any officer or servant to whom leave is granted;

(k) for the regulation of the payment of pensions, gratuities, compassionate allowances and travelling allowances to officers and servants of the Committee;

(l) for prescribing the establishment and maintenance of a provident fund for the officers and servants of the Committee, and for the deduction of subscriptions to such provident fund from the pay and allowances of such officers and servants, other than Government servants whose services have been lent or transferred to the Committee;

(m) for prescribing the preparation of budget estimates of the annual receipts and expenditure of the Committee and of supplementary estimates of expenditure not included in the budget estimates, and the manner in which such estimates shall be sanctioned and published;

(n) for defining the powers of the Committee, the Standing Finance Sub-Committee, if any, and the President, respectively, in the regard to the expenditure of the funds of the Committee, whether provision has or has not been made in the budget estimates or by re-appropriation for such expenditure, and in regard to the re-appropriation of estimated savings in the budget estimates of expenditure;

(o) for prescribing the maintenance of the accounts of the receipts and expenditure of the Committee and providing for the audit of such accounts;

(p) for prescribing the manner in which payments are to be made by or on behalf of the Committee, and the officers by whom orders for making deposits or investments or for withdrawals or disposal of the funds of the Committee shall be signed;

(q) for determining the custody in which the current account of the Committee shall be kept, and the bank or banks at which surplus monies at the credit of the Committee may be deposited at interest, and the conditions on which such monies may be otherwise invested;

(r) for prescribing the preparation of a statement showing the sums allotted to Provincial Departments of Agriculture or institutions not under the direct control of the Committee for expenditure on research, the actual expenditure incurred, the outstanding liabilities, if any, and the disposal of unexpended balances at the end of the year;

(s) for prescribing the duties of the Commissioner for Coconut Production, and the powers and duties of the Secretary of the Committee;

(t) any other matter which is to be or may be prescribed.

19. Power of the Committee to make regulations—The Committee may with the previous sanction of the Central Government, make regulations consistent with this Act

and with any rules made under section 18 to provide for all or any of the following matters, namely:—

(a) the appointment of a Standing Finance Sub-Committee or other Sub-Committee and the delegation thereto of any powers exercisable under this Act by the Committee;

(b) the method of appointment, removal and replacement and the term of office of members of the Sub-Committees, and for the filling of vacancies therein;

(c) the dates, times and places for meetings of the Committee and the Sub-Committees and the procedure to be observed at such meetings;

(d) the circumstances in which security may be demanded from officers and servants of the Committee, and the amount and nature of such security in each case;

(e) the times at which, and the circumstances in which, payments may be made out of the provident fund and the conditions on which such payments shall relieve the fund from further liability;

(f) the contribution, if any, payable from the funds of the Committee to the provident fund;

(g) generally all matters incidental to the provident fund and the investment thereof.

20. Publication of rules and regulations—All rules made under section 18 and all regulations made under section 19 shall be published in the *Gazette of India*

STATEMENT OF OBJECTS AND REASONS

Even before the outbreak of the present war the supply of coconuts and coconut products from indigenous sources was insufficient to meet India's growing requirements and a large balance had to be imported. With the enemy occupation of some of the world's principal coconut-growing countries an acute shortage has developed abroad and it has become necessary to secure an immediate increase in the production of coconuts in India in order to meet as far as possible from internal sources India's increased demand for coconut products for essential purposes, military and civil. There is reason to believe that present production can be substantially increased in a comparatively short time by the adoption of better cultural and manurial practices and that the process of extracting the oil is similarly susceptible of considerable improvement. The time also appears opportune to provide for and initiate the agricultural and technological research necessary to render possible a general intensification of production, the better utilisation of the coconut and coconut products and the rehabilitation of the industry.

The Government of India consider that both the war-time and the long-term aspects of the problem can best be served by the immediate establishment of an all-India organisation on lines for which the Indian Central Cotton Committee and similar bodies concerned with coffee and lac afford precedent. The Bill accordingly seeks to establish an Indian Central Coconut Committee, with an independent source of income, for the improvement and development of the growing, marketing and manufacture of the coconut in India and for promoting and safeguarding the interests of all branches of its production and manufacture, from the producer to the consumer. An exception will be coir and coir-manufactured goods, which will for the present be excluded from the purview of the proposed Committee in deference to the wishes of the Government of Travancore the largest producer of these commodities. Complete agreement has been reached with the Provincial and State Governments concerned as to the desirability of setting up such a Committee and as to its constitution, functions and pecuniary resources.

NEW DELHI

J. D. TYSON

The 27th January 1944

L. A. BILL No. 5 OF 1944

A Bill further to amend the Coffee Market Expansion Act, 1942.

WHEREAS it is expedient further to amend the Coffee Market Expansion Act, 1942 (VII of 1942), for the purposes hereinafter appearing;

It is hereby enacted as follows:—

1. Short title—This Act may be called the Coffee Market Expansion (Amendment) Act, 1944.

2. Amendment of section 3, Act VII of 1942—In section 3 of the Coffee Market Expansion Act, 1942 (VII of 1942) (hereinafter referred to as the said Act), after clause (e) the following clause shall be inserted, namely:—

'(ee) "dealer" means a person carrying on the business of selling coffee, whether wholesale or by retail;'

3. Amendment of section 36, Act VII of 1942—In subsection (1) of section 36 of the said Act, after the words

"any licensed curer" the words "or dealer" shall be inserted.

4. Amendment of section 40, Act VII of 1942—In sub-section (2) of section 40 of the said Act, after the words "Provincial Government" the following shall be inserted, namely:—

"or of the offence specified in sub-section (2) of section 16 except on complaint made by an officer authorised in this behalf either by the Provincial Government or by the Board".

STATEMENT OF OBJECTS AND REASONS

Under sub-section (1) of section 16 of the Coffee Market Expansion Act, 1942, the Central Government has the power to fix the wholesale and retail prices at which coffee shall be sold in the Indian market, and sub-section (2) of the same section provides that no registered owner or licensed curer or dealer shall sell coffee at a price or prices higher than the price or prices fixed by the Central Government. A registered owner or a licensed curer who sells coffee at a higher price or prices in contravention of the above provision can be punished under section 36 (1) of the Act. No provision, however, exists in section 31 (1) or elsewhere in the Act for prosecuting a dealer for a similar offence, though such provision is necessary to enforce the control of coffee prices.

The Bill is therefore designed to define a dealer and to make him liable to prosecution for violating the provisions sub-section (2) of section 16 of the Act, and also to provide that any prosecution for the above offence may be launched on a complaint made not only by an authorised officer of the Indian Coffee Board but also by an authorised officer of a Provincial Government.

NEW DELHI

M. AZIZ-UL-HUQUE

The 1st February 1944

The following Bills were introduced in the Legislative Assembly on the 14th February 1944:—

L. A. BILL No. 8 OF 1944

A Bill further to amend the Insurance Act, 1938

WHEREAS it is expedient further to amend the Insurance Act 1938 (IV of 1938), for the purposes hereinafter appearing;

It is hereby enacted as follows:—

1. Short title—This Act may be called the Insurance (Amendment) Act, 1944.

2. Amendment of section 46, Act IV of 1938—To section 46 of the Insurance Act, 1938 (IV of 1938) (hereinafter referred to as the said Act), the following proviso shall be added, namely:—

"Provided that nothing in this section shall apply to a policy of marine insurance."

3. Amendment of section 48, Act IV of 1938—In section 48 of the said Act,—

(a) in sub-section (2) before the words "be eligible for election as directors" the following shall be inserted, namely:—

"unless disqualified under sub-section (2A)";

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

"(2A) A person shall be ineligible for election as a director under sub-section (1) of any company if he is a director, managing agent, officer, employee, or legal or technical adviser of that company, or of any other insurer, or is an insurance agent or employer of insurance agents, and shall cease to be a director under sub-section (1) if after election he acquires any disqualification specified in this sub-section or no longer holds the qualifications required by sub-section (2):

Provided that nothing in this sub-section shall disqualify a person who is an elected director under sub-section (1) and is not otherwise disqualified under this sub-section, from being re-elected:

Provided further that any director holding office at the commencement of the Insurance (Amendment) Act, 1944, shall not become ineligible to remain a director by virtue of this sub-section until the expiry of six months from the commencement of that Act."

4. Amendment of Third Schedule, Act IV of 1938—In the Third Schedule to the said Act,—

(a) in Part I, in Regulation 2, after the words "appropriate for fire insurance" the words "and for marine insurance" shall be inserted, and the sentence "Form E is, as set out in Part II of this Schedule, appropriate for marine insurance business" shall be omitted;

(b) in Part II, Form E shall be omitted, and in Form F, for the words "and to" in the heading the words

"Marine Insurance Business and" shall be substituted, and for the entry "United Kingdom, Foreign and Dominion Taxes" in the first column the entry "United Kingdom, British Indian, Dominion and Foreign Taxes" shall be substituted.

5. Transitory provision—An insurer preparing in compliance with section 11 or section 16 of the Insurance Act, 1938 (IV of 1938), a revenue account in respect of marine insurance with reference to any year ending on any date before the 1st day of January 1945, may prepare it in accordance with the Third Schedule to that Act either as it stood before or as it stands after its amendment by this Act.

STATEMENT OF OBJECTS AND REASONS

Section 46 of the Insurance Act, 1938, provides that the holder of a policy of insurance issued in respect of insurance business transacted in British India shall have the right, notwithstanding anything to the contrary contained in the policy,—

(a) to receive payment in British India of any sum secured thereby, and

(b) to sue for any relief in respect of the policy in any court in British India.

It also provides that if any such suit is brought in British India, any question of law arising in connection with the policy shall be determined according to the law in force in this country.

The application of this section to policies of marine insurance seriously interferes with the normal business of marine insurers inasmuch as marine insurance contracts are international in scope and are effected mostly for the benefit of the consignees abroad who have the option of stipulating the place where contracts are intended to be carried out.

Under section 48(2) of the Insurance Act, employees and agents of insurance companies are eligible for appointment as policy-holders' directors. This is destructive of the object of section 48 since a policy-holder, who is an employee or agent of an insurance company, cannot be expected to safeguard the interests of policy-holders where those interests conflict with those of the share-holders. Such persons should therefore be disqualified from becoming policy-holders' directors.

These defects it is now sought to remedy by amending sections 46 and 48 of the Insurance Act. Opportunity has also been taken to make Form "F" of the Third Schedule applicable to marine insurance business as being more suitable than Form "E".

Provision is made for meeting any temporary embarrassment caused by the changes in the Act.

NEW DELHI

M. AZIZ-UL-HUQUE

The 10th February 1944

L. A. BILL No. 9 OF 1944

A Bill further to amend the Transfer of Property Act, 1882

WHEREAS it is expedient further to amend the Transfer of Property Act, 1882 (IV of 1882), for the purposes hereinafter appearing;

It is hereby enacted as follows:—

1. Short title—This Act may be called the Transfer of Property (Amendment) Act, 1944.

2. Insertion of new section 130A in Act IV of 1882—After section 130 of the Transfer of Property Act, 1882 (IV of 1882) (hereinafter referred to as the said Act), the following section shall be inserted, namely:—

"130A. *Transfer of policy of marine insurance*—
(1) A policy of marine insurance may be transferred by assignment unless it contains terms expressly prohibiting assignment, and may be assigned either before or after loss.

(2) A policy of marine insurance may be assigned by endorsement thereon or in any other customary manner.

(3) Where the insured person has parted with or lost his interest in the subject-matter insured, and has not, before or at the time of so doing, expressly or impliedly agreed to assign the policy, any subsequent assignment of the policy is inoperative:

Provided that nothing in this sub-section affects the assignment of a policy after loss.

(4) Nothing in clause (e) of section 6 shall affect the provisions of this section."

3. Substitution of new section for section 135, Act IV of 1882—For section 135 of the said Act the following section shall be substituted, namely:—

"*Assignment of rights under policy of insurance against fire*—Every assignee, by endorsement or other writing, of a policy of insurance against fire, in whom the property in

the subject insured shall be absolutely vested at the date of the assignment, shall have transferred and vested in him all rights of suit as if the contract contained in the policy had been made with himself."

4. Insertion of new section 135A in Act IV of 1882—
After section 135 of the said Act, as substituted by this Act, the following section shall be inserted, namely:—

"135A. *Assignment of rights under policy of marine insurance*—(1) Where a policy of marine insurance has been assigned so as to pass the beneficial interest therein, the assignee of the policy is entitled to sue thereon in his own name; and the defendant is entitled to make any defence arising out of the contract which he would have been entitled to make if the action had been brought in the name of the person by or on behalf of whom the policy was effected.

(2) Where the insurer pays for a total loss, either of the whole, or, in the case of goods, of any apportionable part, of the subject matter insured, he thereupon becomes entitled to take over the interest of the insured person in whatever may remain of the subject-matter so paid for, and he is thereby subrogated to all the rights and remedies of the insured person in and in respect of that subject-matter as from the time of the casualty causing the loss.

(3) Where the insurer pays for a partial loss, he acquires no title to the subject-matter insured, or such part of it as may remain, but he is thereupon subrogated to all rights and remedies of the insured person as from the time of the casualty causing the loss, in so far as the insured person has been indemnified by such payment for the loss.

(4) Nothing in clause (e) of section 6 shall affect the provisions of this section."

STATEMENT OF OBJECTS AND REASONS

The rules and principles governing a marine insurance policy being materially different from those governing a fire insurance policy, it is very unsatisfactory to accord the same treatment in the matter of assignment to both categories of policies. To take but one instance, a fire insurance policy is not assignable after loss, but the nature of a marine insurance contract is such as to require that marine insurance policies should be assignable even after loss. In the United Kingdom, assignability of marine insurance policies after loss is placed beyond doubt by section 50 of the Marine Insurance Act. But in the absence of a similar provision here, it is doubtful if Courts in British India would hold that they are so assignable. It is proposed, therefore, to amend the Transfer of Property Act by—

(1) omitting from section 135 thereof the reference to marine insurance policy; and

(2) inserting a new section reproducing the provisions of section 50 of the Marine Insurance Act.

Provincial Governments, High Courts, and commercial bodies in the Provinces have been consulted and they are almost unanimously in favour of legislation on these lines. As assignability of marine insurance policies is dealt with in the United Kingdom in section 50 and 51 of the Marine Insurance Act, it is, as suggested by the Calcutta High Court, also necessary, for the sake of completeness, to reproduce the provisions of section 51 of that Act which precludes assignments where the insured has no subsisting interest in the property insured.

The need for the enactment of provisions corresponding to section 79 of the Marine Insurance Act and for amending section 6(e) of the Transfer of Property Act has also been represented to Government. On consideration of the opinions expressed by the Provincial Governments, High Courts, and leading commercial bodies, Government has now reached the conclusion that this is desirable.

It is recognised that, while legislation on the above lines would clarify the law of assignment and subrogation of marine insurance, the whole law of marine insurance will not be put on a satisfactory basis, unless, comprehensive legislation on the lines of the Marine Insurance Act, 1906, is enacted for British India. Such a project, however, must necessarily await the termination of the war.

A. K. ROY

NEW DELHI: The 10th February 1944

MD. RAFI

Secy. to the Govt. of India

The following Report of the Select Committee on the Bill further to amend the Indian Merchant Shipping Act, 1923, was presented to the Legislative Assembly on the 7th February, 1944:—

We, the undersigned, members of the Select Committee, to which the Bill further to amend the Indian Merchant Shipping Act, 1923, was referred, have considered the Bill and the papers noted in the margin, and have now the honour to submit this our Report, with the Bill as amended by us annexed thereto.

The only change made in the Bill is, by the modification of sub-clause (2) of clause 1, to provide for the postponement of the operation of the Bill when enacted until normal conditions are re-established.

The first proviso to section 209-A of the Indian Merchant Shipping Act relieves shipping companies of the liability to make the payments referred to in that section in the event of war disturbance, and their liability is accordingly practically suspended at present. It would be inopportune therefore to give immediate effect to the provisions of the Bill.

2. The Bill was published as follows:—

IN ENGLISH

Gazette	Date
Gazette of India ...	20th February, 1943
Fort St. George Gazette ...	14th September, 1943
Bambay Government Gazette ...	16th September, 1943
Calcutta Gazette ...	18th March, 1943
United Provinces Government Gazette ...	18th September, 1943
Punjab Government Gazette ...	10th, 17th and 24th September, 1943
Central Provinces and Berar Gazette ...	10th September, 1943
Assam Gazette ...	22nd September, 1943
Bihar Gazette... ...	22nd September, 1943
Orissa Gazette ...	7th May, 1943
Coorg Gazette ...	2nd October, 1943
Sind Government Gazette ...	9th September, 1943

IN THE INDIAN LANGUAGES

Province	Language	Date
Madras ...	Tamil ...	21st September, 1943
	Telugu ...	
	Hindustani ...	
	Kanarese ...	
	Malayalam ...	
Bombay ...	Marathi ...	30th September, 1943
	Gujarathi ...	
	Kanarese ...	
Central Provinces and Berar ...	Urdu ...	7th October 1943
	Hindi ...	
Bihar ...	Kanarese ...	17th September, 1943
	Hindi ...	
Orissa ...	Urdu
	Urdu ...	
Assam ...	Assamese ...	22nd September, 1943
	Bengalee ...	
	Kanarese ...	
Coorg ...	Kanarese
	Marathi ...	
Sind ...	Sindhi ...	9th September, 1943

3. We think that the Bill has not been so altered as to require re-publication and we recommend that it be passed as now amended.

ASOKA K. ROY

N. B. KHARE

MD. MUZZAM

GHULAM BHIK NAIRANG

FAZL-I-HAQUE PIRACHA

The 7th February, 1944

[AS AMENDED BY THE SELECT COMMITTEE]
(Alterations made are indicated by underlining)

L. A. BILL No. 6 OF 1943

A Bill further to amend the Indian Merchant Shipping Act, 1923

WHEREAS it is expedient further to amend the Indian Merchant Shipping Act, 1923 (XXI of 1923), for a certain purpose;

It is hereby enacted as follows:—

1. Short title, and commencement—(1) This Act may be called the Indian Merchant Shipping (Amendment) Act, 1944.

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

2. Amendment of section 209A, Act XXI of 1923—In sub-section (1) of section 209A of the Indian Merchant Shipping Act, 1923 (XXI of 1923), after the words "together with a sum of one rupee for each day" the words "in respect of a deck pilgrim and a sum of three rupees for each day in respect of a cabin class pilgrim" shall be inserted,

MD. RAFI

Secy. to the Govt. of India

The following Report of the Select Committee on the Bill to provide for the creation of a fund for the improvement and development of the cultivation, marketing and utilization of coconuts in India, was presented to the Legislative Assembly on the 23rd February, 1944:—

We, the undersigned, members of the Select Committee to which the Bill to provide for the creation of a fund for the improvement and development of the cultivation, marketing and utilization of coconuts in India was referred, have considered the Bill and have now the honour to submit this our Report, with the Bill as amended by us annexed thereto.

1. We have altered the name of the Committee set up by the Bill by omitting the word "Central" and we have also substituted a more appropriate short title for that contained in the Bill.

The rate of duty proposed by the Bill is a fixed rate of Rs. 3-2-0 per ton, working out approximately to Re. 0-2-6 per cwt., and was fixed by reference to the sum estimated as necessary for the inauguration of the scheme set up by the Bill and for the initial stages of the working of the Act. We realize that as the work of the Committee develops more ample funds will be required, and we think that the best method to secure elasticity is to provide a maximum limit which the cess must not transcend, and give the Central Government power within that limit to fix the amount of the cess from time to time by notification. Accordingly we have laid down in clause 3 Rs. 0-4-0 per cwt. as that limit, but we are of opinion that on the Act coming into force the Central Government should in the first instance fix the rate of the cess at Re. 0-2-0 per cwt., that is to say, the rate provided for in the Bill as introduced. Our amendment, in that it increases the rate of cess which the Bill proposed, requires the previous sanction of the Governor General before it could be moved, and we request that this previous sanction may be obtained.

In the constitution of the Committee provision is already made for the representation of the interests of growers of coconuts and persons engaged in the coconut oil industry. We consider that it is desirable also to have persons to represent the interests of the general consumer. This, we consider, can best be done by providing for the appointment of additional members to be chosen by election from among the elected members of the Legislature. Accordingly, we have provided for the appointment of two such persons from the Legislative Assembly, and one from the Council of State; and in order that the three States primarily concerned with the subject-matter of the Bill may have similar representation, we have provided for nominations by the State Governments. We hope that the State Governments in making their nominations will find it suitable to base their choice on the principles which we have provided to be followed in British India.

We consider that a member elected by virtue of his being an elected member of the Legislature should remain on the Committee only so long as he continues to be an elected member of the Legislature, and we contemplated modifying the provisions of clause 6 to express this. But the effect can be achieved by the use of the rule-making power conferred by clauses (b) and (c) sub-clause (2) of clause 18, and we consider that the rules made under this clause should so provide.

The first amendment made in clause 6 (1) allows of an extension of time where there is a failure to make an appointment to the Committee within the prescribed time. The insertion of the word "election" is necessitated by our amendment of clause 4.

Clause 8 has been altered to provide power to appoint not merely one executive officer, but such officers, whether executive or technical, as the Committee may need for the proper discharge of its functions.

The amendments made in clause 9 are intended generally to clarify and enlarge the expressed functions of the Committee, one important function not sufficiently clearly expressed being that of encouraging extension of the cultivation of coconuts. The addition to sub-clause (i), while in one direction enlarging the functions of the Committee by enabling it on its own accord to initiate measures, indicates that its activities under the sub-clause are confined to matters within the scope of the Act.

The other amendments made by us are either consequential or self-explanatory.

2. The Bill was published in the *Gazette of India* dated the 12th February 1944.

3. We think that the Bill has not been so altered as to require re-publication and we recommend that it be passed as now amended.

ASOKA K. ROY
MUHAMMAD AZHAR ALI
F. E. JAMES
JOHN D. TYSON
Y. N. SUKTHANKAR
L. K. MAITRA

The 23rd February 1944

L. A. BILL No. 4 OF 1944

[AS AMENDED BY THE SELECT COMMITTEE]

(Changes made by the Select Committee are indicated by side lines or underlining, and omissions by asterisks)
A Bill to provide for the creation of a fund for the improvement and development of the cultivation marketing and utilization of coconuts in India

WHEREAS it is expedient to provide for a creation of a fund to be expended by a Committee specially constituted in this behalf for the improvement and development of the cultivation, marketing and utilization of coconuts in India;

It is hereby enacted as follows:—

1. Short title and extent—(1) This Act may be called the Indian Coconut Committee Act, 1944.

(2) It extends to the whole of British India.

2. Definitions—In this Act, unless there is anything repugnant in the subject or context,—

(a) "Collector" means, in reference to copra consumed in a mill in British India, the Collector of the district in which the mill situated or any other officer appointed by the Central Government to perform the duties of a Collector under this Act;

(b) "the Committee" means the Indian Coconut Committee constituted under this Act;

(c) "mill" means any place in which copra is crushed for the extraction of oil, which is a factory as defined in section 2 of the Indian Factories Act, 1934 (XXV of 1934);

(d) "prescribed" means prescribed by rules made under this Act.

3. Imposition of coconut cess—There shall be levied and collected, as a cess for the purposes of this Act, on all copra consumed in any mill in British India, whether produced in or imported from outside British India a duty of excise at such rate, not exceeding four annas per cwt., as the Central Government may, after consulting the Committee, by notification in the official Gazette, fix in this behalf.

4. Constitution of Indian Coconut Committee—

As soon as may be after the commencement of this Act, the Central Government shall cause to be constituted a Committee consisting of the following members to receive and expend the proceeds of the duty collected under this Act, namely:—

(a) the Vice-Chairman, Imperial Council of Agricultural Research;

(b) nine persons representing the growers of coconut in India, of whom two shall be nominated by the Government of Madras, two by the Government of the State of Travancore, and one each by the Government of Bombay, the Government of Bengal, the Government of Orissa, the Government of the State of Mysore and the Government of the State of Cochin;

(c) five persons representing the coconut oil industry, nominated, respectively, by the Government of Madras, the Government of the State of Travancore, the Government of the State of Cochin, the Indian Merchants Association, Bombay, and the Bombay Chamber of Commerce, Bombay;

(d) three persons representing respectively, the Provincial Government of Madras, the Government of the State of Mysore and the Government of the State of Travancore, appointed in each case by the Government concerned;

(e) one person nominated by the Travancore Chamber of Commerce;

(f) one person appointed by the Central Government;

(g) six other persons, of whom two shall be persons elected from among themselves by the elected members of the Legislative Assembly of the Central Legislature, one shall be a person elected from among themselves by the elected members of the Council of State, and three shall be persons nominated respectively by the Governments of the States of Travancore, Mysore and Cochin.

5. Incorporation of the Committee.—The Committee shall be a body corporate by the name of the Indian Central Coconut Committee, having perpetual succession and a common seal with powers to acquire and hold property, both movable and immovable, and to contract, and shall by the said name sue and be sued.

6. Vacancies.—(1) If within the period prescribed in this behalf, or within such further period as the Central Government may allow, any authority or body fails to make any nomination, election or appointment which it is entitled to make under section 4, the Central Government may itself appoint a member to fill the vacancy in the Committee.

(2) Where a member of the Committee dies, resigns or is removed, or ceases to reside in India, or becomes incapable of acting, the Central Government may, on the recommendation of the authority or body which was entitled to make the first nomination, election or appointment under section 4, or where such recommendation is not made within a reasonable time, then on its own initiative, appoint a person to fill the vacancy.

(3) No act done by the Committee shall be questioned on the ground merely of the existence of any vacancy in, or any defect in the constitution of, the Committee.

7. President of Committee, Secretary, sub-committees and staff.—(1) The Vice-Chairman, Imperial Council of Agricultural Research, shall be the President of the Committee.

(2) The Central Government shall appoint a person to be the Secretary of the Committee and such person shall be paid by the Committee such salary and such allowances as may be fixed by the Central Government.

(3) The Committee may appoint such sub-committees and staff as may be necessary for the efficient performance of its functions under this Act.

8. Appointment of officers.—The Central Government may, on the recommendation of the Committee, appoint an officer or officers to discharge under the direction of the Committee such duties as may be prescribed, and such officer or officers shall be paid by the Committee such salary and allowances as may be fixed by the Central Government.

9. Functions of the Committee.—It shall be the duty of the Committee to promote the improvement and development of the cultivation and marketing of coconuts and their utilization for the production of copra, coconut oil and coconut poonac and for such other purposes as the Committee may think fit—

(a) by undertaking, * assisting or encouraging agricultural, industrial, technological and economic research;

(b) by the supply of technical advice to growers;

(c) by encouraging the adoption of improved methods of cultivation;

(d) by carrying on such propaganda in the interests of the coconut industry as may be necessary;

(e) by collecting statistics from growers, dealers * millers and other sources on all relevant matters bearing on the industry;

(f) by fixing * grade standards of copra and its products;

(g) by recommending the maximum and minimum prices to be fixed for copra;

(h) by advising on all matters which require attention for the development of the industry; and

(i) by adopting any other measures or performing any other duties which it may be required by the Central Government to adopt or perform or which it may itself think necessary or advisable in order to carry out the purposes of this Act.

10. Delivery of monthly returns.—(1) The owner of every mill shall furnish to the Collector, on or before the 7th day of each month, a return stating the total amount of copra consumed in the mill during the preceding month, together with such further information in regard thereto as may be prescribed;

Provided that no return shall be required in regard to copra consumed before the commencement of this Act.

(2) Every such return shall be made in such form and shall be verified in such manner as may be prescribed.

11. Collection of cess by Collector.—(1) On receiving any return made under section 10, the Collector shall assess the amount of the duty payable under section 3 in respect of the period to which the return relates, and if the amount has not already been paid shall cause a notice to be served

upon the owner of the mill requiring him to make payment of the amount assessed within thirty days of the service of the notice.

(2) If the owner of any mill fails to furnish in due time the return referred to in sub-section (1) of section 10 or furnishes a return which the Collector has reason to believe is incorrect or defective, the Collector shall assess the amount payable by him in such manner, if any, as may be prescribed, and the provisions of sub-section (1) shall thereupon apply as if such assessment had been made on the basis of a return furnished by the owner:

Provided that, in the case of a return which he has reason to believe is incorrect or defective, the Collector shall not assess the duty at an amount higher than that at which it is assessable on the basis of the return without giving to the owner a reasonable opportunity of proving the correctness and completeness of the return.

(3) A notice under sub-section (1) may be served on the owner of a mill either by post or by delivering it or tendering it to the owner or his agent at the mill.

12. Finality of assessment and recovery of unpaid duty.—(1) An assessment made in accordance with the provisions of section 11 shall not be questioned in any Court.

(2) Any owner of a mill who is aggrieved by an assessment made under section 11 may, within three months of service of the notice referred to in sub-section (1) of that section, apply to the Central Government for the cancellation or modification of the assessment and, on such application, the Central Government may cancel or modify the assessment and order the refund to such owner of the whole or part, as the case may be, of any amount paid thereunder.

(3) Any sum recoverable under section 11 may be recovered as an arrear of land-revenue.

13. Power to inspect mills and take copies of records and accounts.—(1) The Collector or any officer empowered by general or special order of the Central Government in this behalf shall have free access at all reasonable times during working hours to any mill or to any part of any mill.

(2) The Collector or any such officer may at any time, with or without notice to the owner, examine the working records, sale records and accounts of any mill and take copies of or extracts from all or any of the said records or accounts for the purpose of testing the accuracy of any return or of informing himself as to the particulars regarding which information is required for the purposes of this Act or any rules made thereunder.

(3) Where any officer other than the Collector proposes to examine under sub-section (2) any record or account containing the description or formulæ of any trade process, the owner of the mill may give to the said officer, for transmission to the Collector, a written notice of objection and the officer shall thereupon seal up the record or account pending the orders of the Collector.

14. Information acquired to be confidential.—(1) All such copies and extracts and all information acquired by a Collector or any other officer from an inspection of any mill or warehouse or from any return submitted under this Act shall be treated as confidential.

(2) If the Collector or any such officer discloses to any person other than a superior officer any such information as aforesaid without the previous sanction of the Central Government, he shall be punishable with imprisonment which may extend to six months and shall also be liable to fine:

Provided that nothing in this section shall apply to the disclosure of any such information for the purposes of a prosecution in respect of the making of a false return under this Act.

15. Application of proceeds of duty.—(1) On the last day of each month, or as soon thereafter as may be convenient, the proceeds of the duty recovered during that month shall, after deduction of the expenses, if any, of collection and recovery, be paid to the Committee.

(2) Subject to such conditions as may be prescribed, the said proceeds and any other monies received by the Committee shall be applied to meeting the expenses of the Committee and the cost of such measures as it may subject to the control of the Central Government decide to undertake in the exercise of the functions specified in section 9.

16. Keeping and auditing of accounts.—(1) The Committee shall publish an annual report and shall keep accounts of all duty received by it under this Act and of the manner in which it is expended and shall also publish a summary of the accounts along with the annual report.

(2) Such accounts shall be examined and audited annually in the prescribed manner, and the auditors shall

have power to disallow any item which has been, in their opinion, expended otherwise than in pursuance of the purposes of this Act.

(3) If any item is disallowed, an appeal shall lie to the Central Government whose decision shall be final.

17. Dissolution of Committee—The Central Government may, by notification in the official Gazette, declare that, with effect from such date as may be specified in the notification, the Committee shall be dissolved, and on the making of such declaration all funds and other property vested in the Committee shall vest in His Majesty for the purposes of the Central Government and this Act shall be deemed to have been repealed.

18. Power of the Central Government to make rules—

(1) The Central Government may make rules for the purpose of carrying into effect 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) for prescribing the time within which nominations or elections shall be made under section 4 whether in the first instance or on the occurrence of vacancies ;

(b) for prescribing the term of office of the members of the Committee ;

(c) for prescribing the circumstances in which and the authority by which any member may be removed ;

(d) for prescribing the quorum of the Committee ;

(e) for the holding of a minimum number of meetings of the Committee during any year ;

(f) for the maintenance by the Committee of a record of all business transacted and the submission of copies of such records to the Central Government ;

(g) for the definition of the powers of the Committee to enter into contracts which shall be binding on the Committee, and the manner in which such contracts shall be executed ;

(h) for the regulation of the travelling allowances of members of the Committee and of their remuneration, if any ;

(i) for the definition of the powers of the Committee, in respect of the appointment, promotion and dismissal of officers and servants of the Committee, and in respect of the creation and abolition of appointments of such officers or servants ;

(j) for the regulation of the grant of pay and leave to officers and servants of the Committee, and the payment of leave allowances to such officers and servants and the remuneration to be paid to any person appointed to act for any officer or servant to whom leave is granted ;

(k) for the regulation of the payment of pensions, gratuities, compassionate allowances and travelling allowances to officers and servants of the Committee ;

(l) for prescribing the establishment and maintenance of a provident fund for the officers and servants of the Committee, and for the deduction of subscription to such provident fund from the pay and allowances of such officers and servants, other than Government servants whose services have been lent or transferred to the Committee ;

(m) for prescribing the preparation of budget estimates of the annual receipts and expenditure of the Committee and of supplementary estimates of expenditure not included in the budget estimates, and the manner in which such estimates shall be sanctioned and published ;

(n) for defining the powers of the Committee, the Standing Finance Sub-Committee, if any, and the

President, respectively, in regard to the expenditure of the funds of the Committee, whether provision has or has not been made in the budget estimates or by re-appropriation for such expenditure, and in regard to the re-appropriation of estimated savings in the budget estimates of expenditure ;

(o) for prescribing the maintenance of accounts of the receipts and expenditure of the Committee and providing for the audit of such accounts ;

(p) for prescribing the manner in which payments are to be made by or on behalf of the Committee, and the officers by whom orders for making deposits or investments or for withdrawals or disposal of the funds of the Committee shall be signed ;

(q) for determining the custody in which the current account of the Committee shall be kept, and the bank or banks at which surplus monies at the credit of the Committee may be deposited at interest, and the conditions on which such monies may be otherwise invested ;

(r) for prescribing the preparation of a statement showing the sums allotted to * Departments of Agriculture or institutions not under the direct control of the Committee for expenditure on research, the actual expenditure incurred, the outstanding liabilities, if any, and the disposal of unexpended balances at the end of the year ;

(s) for prescribing the duties of the officers appointed under section 8, and the powers and duties of the Secretary of the Committee ;

(t) any other matter which is to be or may be prescribed.

19. Power of the Committee to make regulations—The Committee may, with the previous sanction of the Central Government, make regulations consistent with this Act and with any rules made under section 18 to provide for all or any of the following matters, namely :—

(a) the appointment of a Standing Finance Sub-Committee or other Sub-Committee and the delegation thereto of any powers exercisable under this Act by the Committee ;

(b) the method of appointment, removal and replacement and the term of office of members of the Sub-Committees, and for the filling of vacancies therein ;

(c) the dates, times and places for meetings of the Committee and the Sub-Committees and the procedure to be observed at such meetings ;

(d) the circumstances in which security may be demanded from officers and servants of the Committee, and the amount and nature of such security in each case ;

(e) the times at which, and the circumstances in which, payments may be made out of the provident fund and the conditions on which such payments shall relieve the fund from further liability ;

(f) the contribution, if any, payable from the funds of the Committee to the provident fund ;

(g) generally all matters incidental to the provident fund and the investment thereof.

20. Publication of rules and regulations—All rules made under section 18 and all regulations made under section 19 shall be published in the *Gazette of India*.

MD. RAFI
Secy. to the Govt. of India