

APPENDIX II

(See paragraph 4)

THE FINANCE COMMISSION (MISCELLANEOUS PROVISIONS) ACT, 1951,
AS AMENDED BY THE FINANCE COMMISSION (MISCELLANEOUS PRO-
VISIONS) AMENDMENT ACT NO. XIII OF 1955.

AN ACT

to determine the qualifications requisite for appointment as members of the Finance Commission and the manner in which they shall be selected, and to prescribe their powers.

BE it enacted by Parliament as follows:—

1. *Short title.*—This Act may be called the Finance Commission (Miscellaneous Provisions) Act, 1951 (Act XXXIII of 1951).

2. *Definition.*—In this Act, “the Commission” means the Finance Commission constituted by the President pursuant to clause (1) of article 280 of the Constitution.

3. *Qualifications for appointment as, and the manner of selection of, members of the Commission.*—The Chairman of the Commission shall be selected from among persons who have had experience in public affairs, and the four other members shall be selected from among persons who

- (a) are, or have been, or are qualified to be appointed as Judges of a High Court; or
- (b) have special knowledge of the Finances and accounts of the Government;
- (c) have had wide experience in financial matters and in administration; or
- (d) have special knowledge of economics.

4. *Personal interest to disqualify members.*—Before appointing a person to be a member of the Commission, the President shall satisfy himself that that person will have no such financial or other interest as is likely to affect prejudicially his functions as a member of the Commission; and the President shall also satisfy himself from time to time with respect to every member of the Commission that he has

ratios, whether arrived at on the basis of the percentage ratios prescribed for the distribution of income tax or otherwise, or the distribution should be on the basis of assessments, location of the property taxed, residence of assessee, etc.

8. Central loans have been given to the States for a variety of purposes ranging from the construction of big irrigation and multi-purpose projects to the construction of minor irrigation works, grow-more-food schemes, famine works, rehabilitation of displaced persons etc. Some of them have also been given loans to cover budgetary deficits. The rates of interest and terms of repayment of these loans vary for different categories of loans. These will be reviewed and any changes necessary in the interests of sound finance indicated.

9. The Finance Commission would welcome the views of those who are interested in and have made a study of these questions. They would be glad if such views could be embodied in a self-contained memorandum and sent to the Secretary, Finance Commission, to reach him on or before 30th November 1956.

no such information shall be furnished by any person who is, or whom the President proposes to appoint to be a member of the Commission shall, whenever so required by the President so to do, furnish to him such information as the President considers necessary for the performance by him of his duties under this section.

5. *Disqualifications for being a member of the Commission.*—A person shall be disqualified for being appointed as, or for being a member of the Commission—

- (a) if he is of unsound mind;
- (b) if he is an undischarged insolvent;
- (c) if he has been convicted of an offence involving moral turpitude; and
- (d) if he has such financial or other interest as is likely to affect prejudicially his functions as a member of the Commission.

6. *Terms of office of members and eligibility for re-appointment.*—Every member of the Commission shall hold office for such period as may be provided for in the order of the President appointing him, but shall be eligible for re-appointment:

Provided that he may, by letter addressed to the President, resign his office.

7. *Conditions of service and salaries and allowances of members.*—The members of the Commission shall render whole time or part time service to the Commission as the President may in each case specify and there shall be paid to the members of the Commission such fees or salaries and such allowances as the Central Government may, by rules made in this behalf, determine.

8. *Procedure and powers of the Commission.*—(1) The Commission shall determine their procedure and in the performance of their functions shall have all the powers of a civil court under the Code of Civil Procedure, 1908 (Act V of 1908) while trying a suit in respect of the following matters, namely:—

- (a) summoning and enforcing the attendance of witnesses;
- (b) requiring the production of any document; and
- (c) requisitioning any public record from any court or office.

(2) The Commission shall have power to require any person to furnish information on such points or matters as in the opinion of the Commission may be useful for, or relevant to, any matter under the

consideration of the Commission and any person so required shall, notwithstanding anything contained in sub-section (2) of section 54 of the Indian Income-tax Act, 1922, or in any other law for the time being in force be deemed to be legally bound to furnish such information within the meaning of section 176 of the Indian Penal Code.

(3) The Commission shall be deemed to be a civil court for the purposes of sections 480 and 482 of the Code of Criminal Procedure, 1898 (Act V of 1898).

Explanation.—For the purposes of enforcing the attendance of witnesses, the local limits of the Commission's jurisdiction shall be the limits of the territory of India.
