

APPENDIX II

THE FINANCE COMMISSION (MISCELLANEOUS PROVISIONS) ACT, 1951, AS AMENDED BY THE FINANCE COMMISSION (MISCELLANEOUS PROVISIONS) 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; or
- (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 no such interest and any person who is, or whom the President

proposes to appoint to be a member of the Commission shall, whenever 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 documents; 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.

APPENDIX III

CORRESPONDENCE WITH THE UNION AND STATE GOVERNMENTS

- (i) Letter (dated 15th April 1964) to all Accountants-General regarding Statewise collections of income-tax.
- (ii) Note (dated 15th April 1964) to Ministry of Finance (Deptt. of Economic Affairs), New Delhi regarding forecast, revenue and capital grants, plan schemes and loan repayments.
- (iii) Letter (dated 30th April 1964) to all Accountants-General regarding repayment of loans.
- (iv) Letter (dated 12th May 1964) to all State Governments regarding Memorandum on Commission's terms of reference, forecast and information on Subsidiary Points.
- (v) Letter (dated 9th July 1964) to all State Governments (except Nagaland) regarding questionnaire relating to terms of reference (e) and supplementary information.
- (vi) Letter (dated 5th August 1964) to Secretary, Deptt. of Economic Affairs, Ministry of Finance, Government of India.
- (vii) Letter (dated 11th August 1964) from the Secretary, Deptt. of Economic Affairs, Ministry of Finance, Government of India, to Member-Secretary, Finance Commission.
- (viii) Letter (dated 28th November 1964) to Secretary, Deptt. of Economic Affairs, Ministry of Finance, Government of India.
- (ix) Letter (dated 4th December 1964) to all States regarding details of committed expenditure.
- (x) Letter (dated 9th March 1965) from Secretary, Deptt. of Economic Affairs, Ministry of Finance, Government of India with enclosures.
- (xi) Letter (dated 11th January 1955) from Shri M. V. Rangachari, Deptt. of Revenue and Expenditure, Ministry of Finance, Government of India, to Finance Secretaries of all Part A and Part B States except J. & K.