

**FINANCE COMMISSION (MISCELLANEOUS PROVISIONS)
ACT, 1951**

33 of 1951

[16th May, 1951]

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STATEMENT OF OBJECTS AND REASONS "The object of the Bill is to prescribe the qualifications of the Chairman and members of the Finance Commission and to confer upon the Commission certain powers in accordance with the provisions of Art. 280 of the Constitution..." --- Gazette of India, 30-12-1950, Pt. II, S. 2, p. 659.

1. Short title :-

This Act may be called The Finance Commission (Miscellaneous Provisions) Act, 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 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;

(d) if he has such financial or other interest as is likely to affect prejudicially his functions as a member of the Commission.

6. Term of office of members and eligibility for reappointment :-

Every member of the Commission shall hold office for such period as may be specified in the order of the President appointing him,

but shall be eligible for reappointment : Provided that he may, by letter addressed to the President, resign his office.

7. Conditions of service bsalaries ballowances of members.-

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¹[(1)] 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 ²made [by ³notification in the official Gazette] in this behalf, determine.

³ [(2) 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 session, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, 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 the rule.]

1. S. 7 re-numbered as sub-section (1), by Delegated Legislation Provisions (Amendment) Act (4 of 1986) S. 2, Sch. (15-5-86).

2. For Finance Commission (Salaries and Allowances) Rules, 1951- See Gaz. of Ind., 1951, Pt. I, S. I, p. 452.

3. Inserted, S. 7 re-numbered as sub-section (1), by Delegated Legislation Provisions (Amendment) Act (4 of 1986) S.2, Sch. (15-5-86).

8. Procedure and powers of the Commission :-

(1) The Commision 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 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;

(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 ¹ [and any person so required shall, notwithstanding anything contained in sub-section (2) of S.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, 1860]

(3) The Commission shall be deemed to be a civil Court for the purposes of section 480 and Section 482 of the Code of Criminal Procedure, 1898.

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

1. Added by Finance Commission (Miscellaneous Provisions) Amendment Act, 1955 (13 of 1955), S. 2 (22-4-1955).