
INDUSTRIES (DEVELOPMENT AND REGULATION) ACT, 1951

65 of 1951

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INDUSTRIES (DEVELOPMENT AND REGULATION) ACT, 1951

65 of 1951

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An Act to provide for the development and regulation of certain industries BE it enacted by Parliament as follows :-

CHAPTER 1

PRELIMINARY

1. Short title, extent and commencement :-

(1) This Act may be called the Industries (Development and Regulation) Act, 1951.

2. Declaration as to expediency of control by the Union :-

It is hereby declared that it is expedient in the public interest that the Union should take under its control the industries specified in the First Schedule.

3. Definitions :-

In this Act, unless the context otherwise requires,-

(d) "industrial undertaking" means any undertaking pertaining to a scheduled industry carried on in one or more factories by any person or authority including Government;

(e) "notified order" means an order notified in the Official Gazette;

(f) "owner" in relation to an industrial undertaking, means the person who, or the authority which, has the ultimate control over the affairs of the undertaking, and where the said affairs are entrusted to a manager, managing director or managing agent, such manager, managing director or managing agent shall be deemed to be the owner of the undertaking;

(g) "prescribed" means prescribed by rules made under this Act;

(h) "Schedule" means a Schedule to this Act;

(i) "Scheduled industry" means any of the industries specified in the First Schedule;

4. Saving :-

Omitted by the Industries (Development and Regulation) Amendment Act, 1953, w.e.f. 1-10-1953.}

CHAPTER 2

CENTRAL ADVISORY COUNCIL AND DEVELOPMENT COUNCILS

5. Establishment and constitution of Central Advisory Council and its functions :-

(1) For the purpose of advising it on matters concerning the development and regulation of scheduled industries, the Central Government may, by notified order, establish a Council to be called the Central Advisory Council.

(3) The term of office of, the procedure to be followed in the discharge of their functions by, and the manner of filling casual vacancies among members of the Advisory Council, shall be such as may be prescribed.

6. Establishment and constitution of Development Councils

and their functions :-

(2) The number and the term of office of, and the procedure to be followed in the discharge of their functions by, and the manner of filling casual vacancies among members of a Development Council, shall be such as may be prescribed.

(3) Every Development Council shall be, by virtue of this Act, a body corporate by such name as may be specified in the noticed order establishing it, and may hold and transfer property and shall by the said name sue and be sued.

(4) A Development Council shall perform such functions of a kind specified in the Second Schedule as may be assigned to it by the Central Government and for whose exercise by the Development Council it appears to the Central Government expedient to provide in order to increase the efficiency or productivity in the scheduled industry or group of scheduled industries for which the Development Council is established, to improve or develop the service that such industry or group of industries renders or could render to the community, or to enable such industry or group of industries to render such service more economically.

(5) A Development Council shall also perform such other functions as it may be required to perform by or under any other provision of this Act.

7. Reports and accounts of Development Councils :-

(1) A Development Council shall prepare and transmit to the Central Government and the Advisory Council annually a report setting out what has been done in the discharge of its functions during the financial year last completed.

(2) The report shall include a statement of the accounts of the Development Council for that year, and shall be transmitted as soon as accounts therefor have been audited, together with a copy of any report made by the auditors on the accounts.

(3) The statement of accounts shall be in such form as may be prescribed, being a form which shall conform to the best commercial standards, and the statement shall show the total of remuneration and allowances paid during the year to members and officers of the Council.

(4) A copy of each such report of a Development Council, or made

by the auditors on its accounts, shall be laid before Parliament by the Central Government.

8. Dissolution of Development Councils :-

(1) The Central Government may, if it is satisfied that a Development Council should cease to continue in being, by notified order, dissolve that Development Council.

(2) On the dissolution of a Development Council under sub-section (1), the assets of the Development Council, after its liabilities, if any, are met therefrom, shall vest in the Central Government for the purposes of this Act.

9. Imposition of cess on scheduled industries in certain cases :-

(1) There may be levied and collected as a cess for the purposes of this Act on all goods manufactured or produced in any such scheduled industry as may be specified in this behalf by the Central Government by notified order a duty of excise at such rate as may be specified in the notified order, and different rates may be specified for different goods or different classes of goods: Provided that no such rate shall in any case exceed 13 paise per cent of the value of the goods.

(2) The cess shall be payable at such intervals, within such time and in such manner as may be prescribed, and any rules made in this behalf may provide for the grant of a rebate for prompt payment of the cess.

(3) The said cess may be recovered in the same manner as an arrear of land revenue.

CHAPTER 3

REGULATION OF SCHEDULED INDUSTRIES

10. Registration of existing industrial undertakings :-

(2) The Central Government shall also cause to be registered in the same manner every existing industrial undertaking of which it is the owner.

10A. Revocation of registration in certain cases :-

If the Central Government is satisfied that the registration of any industrial undertaking has been obtained by misrepresentation as to an essential fact or that any industrial undertaking has ceased to

be registrable under this Act by reason of any exemption granted under this Act becoming applicable thereto or that for any other reason the registration has become useless or ineffective and therefore requires to be revoked, the Central Government may after giving an opportunity to the owner of the undertaking to be heard revoke the registration.]

11. Licensing of new industrial undertakings :-

(1) No person or authority other than the Central Government, shall, after the commencement of this Act, establish any new industrial undertaking, except under and in accordance with a licence issued in that behalf by the Central Government: Provided that a Government other than the Central Government may, with the previous permission of the Central Government, establish a new industrial undertaking.

11A. Licence for producing or manufacturing new articles :-

The owner of an industrial undertaking not being the Central Government which is registered under Section 10 or in respect of which a licence or permission has been issued under Section 11 shall not produce or manufacture any new article unless-

11B. Power of Central Government to specify the requirements which shall be complied with by small scale industrial undertakings :-

(3) A copy of every notified order proposed to be made under subsection (1) shall be laid in draft 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 disapproving the issue of the proposed notified order or both Houses agree in making any modification in the proposed notified order, the notified order shall not be made, or, as the case may be, shall be made only in such modified form as may be agreed upon by both the Houses.

(4) Notwithstanding anything contained in sub-section (1), an industrial undertaking which, according to the law for the time being in force, fell, immediately before the commencement of the Industries (Development and Regulation) Amendment Act, 1984, under the definition of an ancillary, or small scale industrial undertaking, shall, after such commencement, continue to be

regarded as an ancillary, or small scale industrial undertaking for the purposes of this Act until the definition aforesaid is altered or superseded by any notified order made under sub-section (1).]

12. Revocation and amendment of licences in certain cases

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13. Further provision for licensing of industrial undertakings in special cases :-

14. Procedure for the grant of licence or permission :-

Before granting any licence or permission under ¹ [Section 11 , Section 11A , 3[Section 13 or Section 29B]], the Central Government may require such officer or authority as it may appoint for the purpose, to make a full and complete investigations in respect of applications received in this behalf, and report to it the result of such investigation and in making any such investigation, the officer or authority shall follow such procedure as may be prescribed.

1. "except the State of Jammu and Kashmir" omitted by the Industries (Development and Regulation) Amendment Act, 1961, w.e.f. 15-2-1962.

15. Power to cause investigation to be made into scheduled industries or Industrial undertakings. :-

Where the Central Government is of the opinion that-

15A. Power to investigate into the affairs of a company in liquidation :-

(1) Where a company, owning an industrial undertaking is being wound up by or under the supervision of the High Court, and the business of such company is not being continued, the Central Government may, if it is of opinion that it is necessary, in the interest of the general public and, in particular in the interests of production, supply or distribution of articles or class of articles relatable to the concerned scheduled industry, to investigate into the possibility of running or restarting the industrial undertaking, make an application to the High Court praying for permission to make, or cause to be made, an investigation into such possibility by such person or body of persons as that Government may appoint for the purpose.

(2) Where an application is made by the Central Government under sub-section (1), the High Court shall, notwithstanding anything

contained in the Companies Act, 1956 (1 of 1956), or in any other law for the time being in force, grant the permission prayed for.]

16. Powers of Central Government on completion of Investigation under section 15 :-

(2) Where a case relating to any industry or industrial undertaking or undertakings is under investigation, the Central Government may issue at any time any direction of the nature referred to in sub-section (1) to the industrial undertaking or undertakings concerned, and any such direction shall have effect until it is varied or revoked by the Central Government.

17. Special provisions for direct control by Central Government in certain cases :-

¹ [Omitted by the Amendment Act, 1953, w.e.f. 1-10-1953.]

1. "except the State of Jammu and Kashmir" omitted by the Industries (Development and Regulation) Amendment Act, 1961, w.e.f. 15-2-1962.

18. Power of person or body of persons appointed under section 15 1[or section 15A] to call for assistance in any investigation :-

(2) The person or body of persons so appointed shall have all the powers of a Civil Court under the Code of Civil Procedure, 1908 (5 of 1908), for the purpose of taking evidence on oath (which he or it is hereby empowered to administer) and of enforcing the attendance of witnesses and compelling the production of documents and material objects, and the person or body of persons shall be deemed to be a Civil Court for all the purposes of section 195 and Chapter XXXV of the Code of Criminal Procedure, 1898 (5 of 1898).

CHAPTER 3A

DIRECT MANAGEMENT OR CONTROL OF INDUSTRIAL UNDERTAKINGS BY CENTRAL GOVERNMENT IN CERTAIN CASES

18A. Power of Central Government to assume management or control of an industrial undertaking in certain cases :-

18AA. Power to take over industrial undertakings without investigation under certain circumstances :-

(3) Nothing contained in sub-section (1) and sub-section (2) shall apply to an industrial undertaking owned by a company which is

being wound up by or under the supervision of the court.

(4) Where any notified order has been made under sub-section (1), the person or body of persons having, for the time being, charge of the management or control of the industrial undertaking, whether by or under the orders of any court or any contract, instrument or otherwise, shall, notwithstanding anything contained in such order, contract, instrument or other arrangement, forthwith make over the charge of management or control, as the case may be, of the industrial undertaking to the authorised person.

18B. Effect of notified order under section 15A :-

(2) Subject to the other provisions contained in this Act and to the control of the Central Government, the person or body of persons authorised to take over the management of an industrial undertaking, shall take such steps as may be necessary for the purpose of efficiently managing the business of the industrial undertaking and shall exercise such other powers and have such other duties as may be prescribed.

(3) Where any person or body of persons has been authorised to exercise any functions of control in relation to an industrial undertaking, the undertaking shall be carried on pursuant to any directions given by the authorised person in accordance with the provisions of the notified order, and any person having any functions of management in relation to the undertaking or part thereof shall comply with all such directions.

18C. Contracts in bad faith, etc., may be cancelled or varied :-

Without prejudice to the provisions contained in section 18B, the person or body of persons authorised under Section 18A to take over the management of an industrial undertaking may, with the previous approval of the Central Government, make an application to any Court having jurisdiction in this behalf for the purpose of cancelling or varying any contract or agreement entered into, at any time before the issue of the notified order under Section 18A, between the industrial undertaking and any other person and the Court may, if satisfied after due inquiry that such contract or agreement had been entered into in bad faith and is detrimental to the interests of the industrial undertaking, make an order cancelling or varying (either unconditionally or subject to such conditions as it may think fit to impose) that contract or

agreement, and the contract or agreement shall have effect accordingly.

18D. No right to compensation for termination of office or contract :-

Notwithstanding anything contained in any law for the time being in force, no person who ceases to hold any office by reason of the provisions contained in clause (a) of Section 18B , or whose contract of management is terminated by reason of the provisions contained in clause (b) of that section, shall be entitled to any compensation for the loss of office or for the premature termination of his contract of management : Provided that nothing contained in this section shall affect the right of any such person to recover from the industrial undertaking moneys recoverable other wise than by way of such compensation

18E. Application of Act 7 of 1913 :-

18F. Power of Central Government to cancel notified order under section 18A :-

If at any time it appears to the Central Government on the application of the owner of the industrial undertaking or otherwise that the purpose of the order made under Section 18A has been fulfilled or that for any other reason it is not necessary that the order should remain in force, the Central Government may, by notified order, cancel such order and on the cancellation of any such order the management or the control, as the case may be, of the industrial undertaking shall vest in the owner of the undertaking.]

CHAPTER 3AA

MANAGEMENT OR CONTROL OF INDUSTRIAL UNDERTAKINGS OWNED BY COMPANIES IN LIQUIDATION

18FA. Power of Central Government to authorise, with the permission of the High Court, persons to take over management or control of industrial undertakings :-

(2) Where an application is made under sub-section (1), the High Court shall make an order empowering the Central Government to authorise any person or body of persons (hereinafter referred to as the 'authorised person') to take over the management of the industrial undertaking or to exercise functions of control in relation to the whole or any part of the industrial undertaking (hereinafter referred to as the 'concerned part') for a period not exceeding five

years: Provided that if the Central Government is of opinion that it is expedient in the interests of the general public that the authorised person should continue to manage the industrial undertaking, or continue to exercise functions of control in relation to the concerned part, as the case may be, after the expiry of the

period of five years aforesaid, it may make an application to the High Court for the continuance of such management or functions of control, for such period, not exceeding two years at a time, as may be specified in the application and thereupon the High Court may make an order permitting the authorised person to continue to manage the industrial undertaking or to exercise functions of control in relation to the concerned part : Provided further that the total period of such continuance (after the expiry of the initial period of five years) shall not, in any case, be permitted to exceed ¹ [twelve years].

(3) Where an order has been made by the High Court under subsection (2), the High Court shall direct the Official Liquidator or any other person having, for the time being, charge of the management or control of the industrial undertaking, whether by or under the orders of any Court, or any contract or instrument or otherwise, to make over the management of such undertaking or the concerned part, as the case may be, to the authorised person and thereupon the authorised person shall be deemed to be the Official Liquidator in respect of the industrial undertaking or the concerned part, as the case may be.

(5) On taking over the management of the industrial undertaking, or on the commencement of the exercise of functions of control in relation to the concerned part, the authorised person shall take immediate steps to so run the industrial undertaking or the concerned part as to ensure the maintenance of production.

(6) The authorised person may, on such terms and conditions and subject to such limitations or restrictions as may be prescribed, raise any loan for the purpose of running the industrial undertaking or the concerned part, and may, for that purpose, create a floating charge on the current assets of the industrial undertaking or the concerned part, as the case may be.

(7) Where the authorised person is of opinion that the replacement or repair of any machinery of the industrial undertaking or the concerned part is necessary for the purpose of efficient running of the industrial undertaking or such part, he shall, on such terms and conditions and subject to such limitations- or restrictions as may be

prescribed, make such replacement or repair, as the case may be.

(8) The loan obtained by the authorised person shall be recovered from the assets of the industrial undertaking or the concerned part, in such manner and subject to such conditions as may be prescribed.

(9) For the purpose of running the industrial undertaking, or exercising functions of control in relation to the concerned part, the authorised person may employ such of the former employees of the industrial undertaking whose services became discharged by reason of the winding up of the company owning such undertaking and every such person employed by the authorised person shall be deemed to have entered into a fresh contract of service with the company.

1. "except the State of Jammu and Kashmir" omitted by the Industries (Development and Regulation) Amendment Act, 1961, w.e.f. 15-2-1962.

CHAPTER 3AB

POWER TO PROVIDE RELIEF TO CERTAIN INDUSTRIAL UNDERTAKINGS

18FB. Power of Central Government to make certain declarations in relation to Industrial undertakings, the management or control of which has been taken over under section 18A, section 18AA or section 18FA :-

(3) Any notified order made under sub-section (1) shall have effect notwithstanding anything to the contrary contained in any other law, agreement or instrument or any decree or order of a Court, Tribunal, officer or other authority or of any submission, settlement or standing order.

(5) In computing the period of limitation for the enforcement of any right, privilege, obligation or liability referred to in clause (b) of sub-section (1), the period during which it or the remedy for the enforcement thereof remained suspended shall be excluded.]

CHAPTER 3AC

LIQUIDATION OR RECONSTRUCTION OF COMPANIES

18FC. Power of Central Government to call for report on the affairs and working of managed company :-

Where the management or control of an industrial undertaking has been taken over under Section 18A , whether before or after the commencement of the Industries (Development and Regulation)

Amendment Act, 1971, or under Section 18AA or Section 18FA , the Central Government may, at any time during the continuance of such management or control, call for a report from the authorised person on the affairs and working of the industrial undertaking and in submitting the report the authorised person shall take into account the inventory and the lists of members and creditors prepared under section 18FG.

18FD. Decision of Central Government in relation to managed company :-

18FE. Provisions where Government decides to follow the course of action specified in section 18FD(1) :-

(2) The authorised person shall make a report to the Central Government as to what should be the reserve price for the sale of the industrial undertaking as a running concern.

(4) Notice of the reserve price determined by the authorised person shall be given in such manner as may be prescribed to the members and creditors of the company owning such industrial undertaking to make representations within a specified time to the Central Government through the authorised person and the Central Government shall, after considering the representations received and the report of the authorised person, determine the reserve price.

(5) The authorised person shall thereafter, with the permission of the High Court, invite tenders from the public in such manner as may be determined by the High Court for the sale of the industrial undertaking as a running concern subject to the condition that it will be sold to the person offering the highest price which shall not be less than the reserve price determined under sub-section (4): Provided that the High Court shall not refuse to grant such permission if it is satisfied that the company is not in a position to meet its current liabilities out of its current assets.

(6) The industrial undertaking shall be sold to the highest bidder, as a running concern, only if the price offered by him therefore is not less than the reserve price.

(7) Where no offer of price is equal to, or more than, the reserve price, the industrial undertaking shall be purchased by the Central Government at the reserve price.

(8)(a) The amount realised from the sale of the industrial undertaking as a running concern together with any other sum which may be realised from any contributory, purchaser or any other person from whom any money is due to the company shall be utilised in accordance with the provisions of the Companies Act, 1956 (I of 1956), in discharging the liabilities of the company and distributing the balance, if any, amongst the members of the company. (b) In other respects, the provisions of the Companies Act, 1956 (I of 1956), relating to the winding up of a company by the High Court shall, as far as may be, apply.

18FF. Provisions where Government decides to follow the course of action specified In section 18FD(2) :-

(3) (a) A copy of the scheme, as approved by the Central Government, shall be sent in draft to the company, to the registered trade unions, if any, of which the employees of the company are members and to the creditors thereof for suggestions and objections, if any, within such period as the Central Government may specify for this purpose. (b) The Central Government may make such modifications, if any, in the draft scheme as it may consider necessary in the light of the suggestions and objections received from the company, from the registered trade unions of which the employees of the company are members and from any members or creditors of the company.

(4) The scheme shall thereafter be placed before the High Court for its sanction and the High Court, if satisfied that the scheme is in the interests of the general public or in the interests of the shareholders or for securing the proper management of the company and that the scheme is designed to be fair and reasonable to the members and creditors of the company, may, after giving a reasonable opportunity to the company and to its members and creditors of showing cause, sanction the scheme without any modification or with such modifications as it may consider necessary.

(5) The Scheme, as so sanctioned by the High Court, shall come into force on such date as that Court may specify in this behalf: Provided that different dates may be specified for different provisions of the scheme.

(6) The sanction accorded by the High Court under sub-section (4) shall be conclusive evidence that all the requirements of this

section relating to the reconstruction of the company have been complied with, and a copy of the sanctioned scheme certified by the High Court to be a true copy thereof, shall, in all legal proceedings (whether original or in appeal or otherwise), be admitted as evidence to the same extent as the original scheme.

(7) On and from the date of the coming into operation of the scheme or any provision thereof, the scheme or such provision shall be binding on the company and also on all the members and other creditors and employees of the company and on any other person having any right or liability in relation to the company.

(8) On the coming into operation of the scheme or any provision thereof, the authorised person shall cease to function, and the management of the reconstructed company shall be assumed by the board of directors as provided in the scheme.

(9) Copies of the scheme shall be laid before each House of Parliament, as soon as may be, after the scheme has been sanctioned by the Court.

18FG. Preparation of inventory of assets and liabilities and list of members and creditors of managed company :-

For the purposes of this Act, the authorised person shall, as soon as may be, after taking over the management of the industrial undertaking of a company under Section 18A or Section 18AA or Section 18FA , -

18FH. Stay of suits and other proceedings :-

In the case of a company in respect of which an order under section 18FD has been made, no suit or other legal proceeding shall be instituted or continued against the company except with the previous permission of the Central Government or any officer or authority authorised by that Government in this behalf.]

CHAPTER 3B

CONTROL OF SUPPLY, DISTRIBUTION, PRICE, ETC., OF CERTAIN ARTICLES

18G. Power to control supply, distribution, price, etc., of certain articles :-

CHAPTER 4

MISCELLANEOUS

19. Powers of inspection :-

20. General prohibition of taking over management or

control of industrial undertakings :-

After the commencement of this Act, it shall not be competent for any State Government or a local authority to take over the management or control of any industrial undertaking under any law for the time being in force which authorises any such Government or local authority so to do.

21. Certain administrative expenses of Development Councils to be paid from moneys provided by Parliament :-

Such administrative expenses as relate to the emoluments of officers of a Development Council who are appointed by or with the approval of the Central Government, shall be defrayed out of moneys provided by Parliament.

22. Power of the Central Government to issue directions to Development Councils :-

In the exercise of its functions under this Act, every Development Council shall be guided by such instructions as may be given to it by the Central Government and such instructions may include directions relating to the manner in which, and the purpose for which, any proceeds of the cess levied under Section 9 which may have been handed over to it shall be expended.

23. Decision of Central Government final respecting certain matters :-

If, for the purposes of this Act, any question arises as to whether-

(a) there has been a substantial expansion of an industrial undertaking, or

(b) an industrial undertaking is producing or manufacturing any new article, the decision of the Central Government thereon shall be final.]

24. Penalties :-

(2) If the person contravening any of the said provisions is 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 contravention 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.

24A. Penalty for false statement :-

If any person,-

(a) when required by this Act or by any order under this Act to make any statement or furnish any information, makes any statement or furnishes any information which is false in any material particular and which he knows or has reasonable cause to believe to be false or does not believe to be true ; or

(b) makes any such statement as aforesaid in any book, account, record, declaration, return or other document which he is required by any order made under this Act to maintain or furnish ; he shall be punishable with imprisonment which may extend to three months, or with fine which may extend to two thousand rupees, or with both.]

25. Delegation of powers :-

(2) Any power exercisable by a State Government by virtue of a direction under sub-section (1) may, unless otherwise provided in such direction, be exercised also by such officer or authority subordinate to that State Government as it may, by notified order, specify in this behalf.]

26. Power to issue directions :-

The Central Government may give directions to any State Government as to the carrying into execution in the State of any of the provisions of this Act or of any order or direction made thereunder.]

27. Cognizance of offences :-

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 a person who is a public servant as defined in Section 21 .]

28. Burden of proof incertain cases :-

Where any person is prosecuted for contravening any order made under Section 18G which prohibits him from doing an act or being in possession of a thing without lawful authority or without a permit, licence or other document, the burden of proving that he has such authority, permit, licence or other document shall be on

him.]

29. Jurisdiction of Courts :-

(1) Subject to the provisions of sub-section (2), no Court inferior to that of a presidency magistrate or a magistrate of the first class shall try any offence punishable under this Act.

29A. Special provision regarding fines :-

Notwithstanding anything contained in Section 32 , it shall be lawful for any magistrate of the first class and for any presidency magistrate to pass a sentence of fine exceeding one thousand rupees on any person convicted of any offence under this Act.]

29B. Power to exempt In special cases :-

(2B) The Central Government shall, with a view to determining the nature of any article or class of articles that may be reserved for production by the ancillary, or small scale industrial undertakings, constitute an Advisory Committee consisting of such persons as have, in the opinion of that Government, the necessary expertise to give advice on the matter.

(2D) The production of any reserved article or class of reserved articles by any industrial undertaking (not being an ancillary, or small scale industrial undertaking) which, on the date of reservation, is engaged in, or has taken effective steps for, the production of any reserved article or class of reserved articles, shall, after the commencement of the Industries (Development and Regulation) Amendment Act, 1984, or, as the case may be, the date of reservation, whichever is later, be subject to such conditions as the Central Government may, by notified order, specify.

(2E) While specifying any condition under sub-section (2D), the Central Government may take into consideration the level of production of any reserved article or class of reserved articles achieved, immediately before the date of reservation, by the industrial undertaking referred to in sub-section (2D), and such other factors as may be relevant.

(2H) Every notified order made under sub-section (2A) 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 notified order or both Houses agree that the notified order should not be made, the notified 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 notified order.]

29C. Protection of action taken under the Act :-

(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 under this Act or any rule or order made thereunder.

(2) No suitor other legal proceeding shall lie against the 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 order made thereunder.]

29D. Debts incurred by the authorised person to have priority :-

Every debt arising out of any loan obtained by the authorised person for carrying on the management of, or exercising functions of control in relation to, an industrial undertaking or part thereof, the management of which has been taken over under Section 18A or Section 18AA or Section 18FA ,-

(a) shall have priority over all other debts, whether secured or unsecured, incurred before the management of such industrial undertaking was taken over;

30. Power to make rules :-

(1) The Central Government may, subject to the conditions of previous publication, make rules for carrying out the purposes of this Act.

(4) All rules made under this section shall be laid for not less than seven days before Parliament as soon as possible after they are made, and shall be subject to such modifications as Parliament may make during the session in which they are so laid, or the session immediately following.,.

31. Application of other laws not barred :-

The provisions of this Act shall be in addition to and not, save as otherwise expressly provided in this Act, in derogation of any other Central Act for the time being in force, relating to any of the scheduled industries.

32. Amendment of section 2, Act 14 of 1947 :-

Omitted by the Amendment Act, 1957, w.e.f. 17-9-1957].

SCHEDULE 1

FIRST SCHEDULE

[See Section 2 (0) Any industry engaged in the manufacture or production of any of the articles mentioned under each of the following headings or sub-headings, namely :- 1. Metallurgical industries A. Ferrous: (1) Iron and steel (metal) (2) Ferro-alloys (3) Iron and steel castings and forgings (4) Iron and steel structurals (5) Iron and steel pipes (6) Special steels (7) Other products of iron and steel B. Non-ferrous: [(1) Precious metals, including gold and silver, and their alloys (1A) Other non-ferrous metals and their alloys] (2) Semi-manufactures and manufactures 2. Fuels (1) Coal, lignite, coke and their derivatives (2) Mineral oil (crude oil), motor and aviation spirit, diesel oil, kerosene oil, fuel oil, diverse hydrocarbon oils and their blends including synthetic fuels, lubricating oils and the like (3) Fuel gases - (coal gas, natural gas and the like) 3. Boilers and steam generating plants Boilers and steam generating plants 4. Prime movers (other than electrical generators) (1) Steam engines and turbines (2) Internal combustion engines 5. Electrical equipment (1) Equipment for generation, transmission and distribution of electricity including transformers (2) Electrical motors (3) Electrical fans (4) Electrical lamps (5) Electrical furnaces (6) Electrical cables and wires (7) X-ray equipment (8) Electronic equipment (9) Household appliances such as electric irons, heaters and the like (10) Storage batteries (11) Dry cells 6. Telecommunications (1) Telephones (2) Telegraph equipment (3) Wireless communication apparatus (4) Radio receivers, including amplifying and public address equipment (5) Television sets (6) Teleprinters 7. Transportation (1) Aircraft (2) Ships and other vessels drawn by power (3) Railway locomotives (4) Railway rolling stock (5) Automobiles (motor cars, buses, trucks, motor cycles, scooters and the like) (6) Bicycles (7) Others, such as fork lift trucks and the like 8. Industrial machinery A. Major items of specialised equipment used in specific industries : (1) Textile machinery (such as spinning frames, carding machines, powerlooms and the like) including textile accessories (2) Jute machinery (3) Rayon machinery (4) Sugar machinery (5) Tea machinery (6) Mining machinery (7) Metallurgical machinery (8) Cement machinery (9) Chemical machinery (10) Pharmaceuticals machinery (11) Paper machinery B. General items of machinery used in several industries, such as the equipment required for various 'unit processes': (1) Size reduction equipment - crushers, ball mills and the like (2) Conveying equipment-bucket elevators, skip hoists, cranes, derricks and the like (3) Size separation units-screens, classifiers and the like (4) Mixers and reactors-kneading mills, turbo mixers and the like (5) Filtration equipment-filter presses, rotary filters and the like (6) Centrifugal machines (7) Evaporators (8) Distillation equipment (9) Crystallisers (10) Driers (11) Power-driven pumps-reciprocating, centrifugal and the like (12) Air and gas compressors and vacuum pipes (excluding electrical furnaces) (13) Refrigeration plants for industrial use (14) Fire-fighting equipment and appliances including fire engines C. Other items of industrial machinery :

(1) Ball, roller and tapered bearings (2) Speed reduction units (3) Grinding wheels and abrasives 9. Machine tools Machine tools 10. Agricultural machinery (1) Tractors, harvesters and the like (2) Agricultural implements 11. Earth-moving machinery Bulldozers, dumpers, scrapers, loaders, shovels, drag lines, bucket wheel excavators, road rollers and the like 12. Miscellaneous mechanical and engineering Industries (1) Plastic moulded goods (2) Hand tools, small tools and the like (3) Razor blades [(4) Pressure cookers (5) Cutlery (6) Steel furniture] 13. Commercial, office and house hold equipment (1) Typewriters (2) Calculating machines (3) Air-conditioners and refrigerators (4) Vacuum cleaners (5) Sewing and knitting machines (6) Hurricane lanterns 14. Medical and surgical appliances Surgical instruments - sterilisers, incubators and the like 15. Industrial instruments (1) Water meters, steam meters, electricity meters and the like (2) Indicating, recording and regulating devices for pressure, temperature, rate of flow, weights, levels and the like (3) Weighing machines 16. Scientific instruments Scientific instruments 17. Mathematical, surveying and drawing instruments Mathematical, surveying and drawing instruments 18. Fertilisers (1) Inorganic fertilisers (2) Organic fertilisers (3) Mixed fertilisers 19. Chemicals (other than fertilisers) (1) Inorganic heavy chemicals (2) Organic heavy chemicals (3) Fine chemicals including photographic chemicals (4) Synthetic resins and plastics (5) Paints, varnishes and enamels (6) Synthetic rubbers (7) Man-made fibres including regenerated cellulose-rayon, nylon and the like (8) Cock oven by-products (9) Coal-tar distillation products like naphthalene, anthracene and the like (10) Explosives including gun-powder and safety fuses (11) Insecticides, fungicides, weedicides and the like (12) Textile auxiliaries (13) Sizing materials including starch (14) Miscellaneous chemicals 20. Photographic raw film and paper (1) Cinema film (2) Photographic amateur film (3) Photographic printing paper 21. Dye-stuffs Dye-stuffs 22. Drugs and pharmaceuticals Drugs and pharmaceuticals 23. Textiles (including those dyed, printed or otherwise processed) (1) made wholly or in part of cotton, including cotton yarn, hosiery and rope (2) made wholly or in part of jute, including jute twine and rope (3) made wholly or in part of wool, including wool tops, woollen yarn, hosiery, carpets and druggets (4) made wholly or in part of silk, including silk yarn and hosiery (5) made wholly or in part of synthetic, artificial (man-made) fibres, including yarn and hosiery of such fibres 24. Paper and pulp including paper products (1) Paper-writing, printing and wrapping (2) Newsprint (3) Paper board and straw board (4) Paper for packaging (corrugated paper, kraft paper, paper bags, paper containers and the like) (5) Pulp-wood pulp, mechanical, chemical, including dissolving pulp 25. Sugar Sugar 26. Fermentation industries (1) Alcohol (2) Other products of fermentation industries 27. Food processing industries (1) Canned fruits and fruit products (2) Milk foods (3) Malted foods (4) Flour (5) Other processed-foods 28. Vegetable oils and Vanaspati (1) Vegetable oils, including solvent extracted oils (2) Vanaspati 29. Soaps, cosmetics and toilet preparations (1) Soaps (2) Glycerine (3) Cosmetics (4) Perfumery (5) Toilet preparations 30. Rubber goods (1) Tyres and tubes (2) Surgical and medicinal products including prophylactics (3) Footwear (4) Other rubber goods 31. Leather, leather goods and pickers Leather, leather goods and pickers 32. Glue and gelatin Glue and gelatin 33. Glass (1) Hollow ware (2) Sheet and plate glass (3) Optical glass (4) Glass wool (5) Laboratory ware (6) Miscellaneous ware 34. Ceramics (1) Firebricks (2) Refractories (3) Furnace lining bricks - acidic, basic and neutral (4) Chinaware and pottery (5) Sanitaryware (6) Insulators (7) Tiles [(8) Graphite crucibles] 35. Cement and gypsum products (1) Portland cement (2) Asbestos cement (3) Insulating boards (4) Gypsum boards, wall boards

and the like 36. Timber products (1) Plywood (2) Hardboard, including fibre-board, chip-board and the like (3) Matches (4) Miscellaneous (furniture components, bobbins, shuttles and the like) 37. Defence industries Arms and ammunition 38. Miscellaneous industries [(1) Cigarettes [(2) Linoleum, whether felt based or jute based] [(3) Zip fasteners (metallic and non-metallic) (4) Oil stoves (5) Printing, including litho printing industry] Explanation I: The articles specified under each of the Heading Nos. 3,4, 5, 6, 7,8, 10, II and 13 shall include their component parts and accessories. Explanation 2: The articles specified under each of the Heading Nos. 18,19,21 and 22 shall include the intermediates required for their manufacture.]

SCHEDULE 2

SECOND SCHEDULE

[See Section 6 (4)] Functions which may be assigned to Development Councils : (1) Recommending targets for production, co-ordinating production programmes and reviewing progress from time to time; (2) Suggesting norms of efficiency with a view to eliminating waste, obtaining maximum production, improving quality and reducing costs; (3) Recommending measures for securing the fuller utilisation of the in- stalled capacity and for improving the working of the industry, particularly of the less efficient units; (4) Promoting arrangements for better marketing and helping in the devising of a system of distribution and sale of the produce of the industry which would be satisfactory to the consumer; (5) Promoting standardisation of products; (6) Assisting in the distribution of controlled materials and promoting arrangements for obtaining materials for the industry; (7) Promoting or undertaking inquiry as to materials and equipment and as to methods of production, management and labour utilisation, including the discovery and development of new materials, equipment and methods and of improvements in those already in use, the assessment of the advantages of different alternatives and the conduct of experimental establishments and of tests on a commercial scale; (8) Promoting the training of persons engaged or proposing engagement in the industry and their education in technical or artistic subjects relevant thereto; (9) Promoting the retraining in alternative occupations of personnel engaged in or retrenched from the industry; (10) Promoting or undertaking scientific and industrial research, research into matters affecting industrial psychology and research into matters relating to production and to the consumption or use of goods and services supplied by the industry; (11) Promoting improvements and standardisation of accounting costing methods and practice; (12) Promoting or undertaking the collection and formulation of statistics; (13) Investigating possibilities of decentralising stages and processes of production with a view to encouraging the growth of allied small-scale and cottage industries; (14) Promoting the adoption of measures for increasing the productivity of labour, including measures for securing safer and better working condi- tions and the provision and improvement of amenities and incentives for workers; (15) Advising on any matters relating to the industry (other than remuneration and conditions of employment) as to which the Central Government may request the Development Council to advise and undertaking inquiries for the purpose of enabling the Development Council so to advise; and (16) Undertaking arrangements for making available to the industry informa- tion obtained and for advising on matters with which the Development Councils are concerned in the exercise of any of their functions.

SCHEDULE 3

THIRD SCHEDULE

[See Section 18FB] 1. The Industrial Employment (Standing Orders) Act, 1946 (20 of 1946). 2. The Industrial Disputes Act, 1947 (14 of 1947). 3. The Minimum Wages Act, 1948 (11 of 1948).]