

The Orissa Gazette

EXTRAORDINARY
PUBLISHED BY AUTHORITY

No. 1000 CUTTACK, SATURDAY, JULY 15, 2006 / ASADHA 24, 1928

LAW DEPARTMENT

NOTIFICATION

The 13th July 2006

No. 9155—I-Legis.-12/2006-L.—The following Act of Parliament which is assented by the President on the 22nd March 2006 and published by the Government of India, Ministry of Law & Justice (Legislative Department) in the Gazette of India, Extraordinary, Part-II, Section-I, dated the 23rd March 2006 is hereby republished for general information.

By order of the Governor

D. K. SAHU

Principal Secretary to Government

(Assented on 22nd March 2006)

(Act No. 9 of 2006)

THE CHARTERED ACCOUNTANTS (AMENDMENT) ACT, 2006

An Act further to amend the Chartered Accountants Act, 1949

BE it enacted by Parliament in the Fifty-seventh Year of the Republic of India as follows :—

Short title
and
commence-
ment.

1. (1) This Act may be called the Chartered Accountants (Amendment) Act, 2006.

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

Provided that different dates may be appointed for different provisions of this Act and any reference in any such provision to the commencement of this Act shall be construed as a reference to the commencement of that provision.

Amendment of Section 2. **2.** In the Chartered Accountants Act, 1949 (hereinafter referred to as the principal Act), in section 2,—

(1) in sub-section (1), —

(i) after clause (a), the following clauses shall be inserted, namely:—

(aa) “Authority” means the Appellate Authority constituted under section 22-A;

(aaa) “Board” means the Quality Review Board constituted under section 28-A;’;

(ii) after clause (e), the following clause shall be inserted, namely:—

(ea) “notification” means a notification published in the Official Gazette;’;

(iii) after clause (h), the following clauses shall be inserted, namely:—

(ha) “specified” means specified by rules made by the Central Government under this Act;

(hb) “Tribunal” means a Tribunal established under sub-section (1) of section 10-B;

(II) in sub-section (2), in the Explanation, for the words “training of articled clerks”, the words “training of articled assistants” shall be substituted.

Amendment of Section 4. **3.** In Section 4 of the principal Act, for sub-section (3), the following sub-section shall be substituted, namely: —

“(3) Every person belonging to any of the classes mentioned in clauses (ii), (iii), (iv), (v) and (vi) of sub-section (1) shall have his name entered in the Register on application being made and granted in the prescribed manner and on payment of such fees, as may be determined, by notification, by the Council, which shall not exceed rupees three thousand:

Provided that the Council may, with the prior approval of the Central Government, determine the fee exceeding rupees three thousand, which shall not in any case exceed rupees six thousand.”.

Amendment of Section 5. **4.** In Section 5 of the principal Act, for sub-section (3), the following sub-section shall be substituted, namely:—

“(3) A member, being an associate who has been in continuous practice in India for at least five years, whether before or after the commencement

of this Act, or whether partly before and partly after the commencement of this Act, and a member who has been an associate for a continuous period of not less than five years and who possesses such qualifications as the Council may prescribe with a view to ensuring that he has experience equivalent to the experience normally acquired as a result of continuous practice for a period of five years as a chartered accountant shall, on payment of such fees, as may be determined, by notification, by the Council, which shall not exceed rupees five thousand and on application made and granted in the prescribed manner, be entered in the Register as a fellow of the Institute and shall be entitled to use the letters F. C. A. after his name to indicate that he is a fellow of the Institute of Chartered Accountants:

Provided that the Council may with the prior approval of the Central Government, determine the fee exceeding rupees five thousand, which shall not in any case exceed rupees ten thousand.”.

Amendment
of Section
6.

5. In Section 6 of the principal Act,—

(i) for sub-section (2), the following sub-section shall be substituted, namely:—

“(2) Every such member shall pay such annual fee for his certificate as may be determined, by notification, by the Council, which shall not exceed rupees three thousand, and such fee shall be payable on or before the 1st day of April in each year:

Provided that the Council may with the prior approval of the Central Government, determine the fee exceeding rupees three thousand, which shall not in any case exceed rupees six thousand.”;

(ii) after sub-section (2), the following sub-section shall be inserted, namely:—

“(3) The certificate of practice obtained under sub-section (1) may be cancelled by the Council under such circumstances as may be prescribed.”.

Amendment
of Section 9.

6. In Section 9 of the principal Act,—

(i) for sub-section (2), the following sub-section shall be substituted, namely:—

“(2) The Council shall be composed of the following persons, namely:—

(a) Not more than thirty-two persons elected by the members of the Institute from amongst the fellows of the Institute chosen in such manner and from such regional constituencies as may be specified:

Provided that a fellow of the Institute, who has been found guilty of any professional or other misconduct and whose name is removed from the Register or has been awarded penalty of fine, shall not be eligible to contest the election,—

(i) In case of misconduct falling under the First Schedule of this Act, for a period of three years;

(ii) In case of misconduct falling under the Second Schedule of this Act, for a period of six years,

from the completion of the period of removal of name from the Register or payment of fine, as the case may be;

(b) Not more than eight persons to be nominated in the specified manner, by the Central Government.”;

(ii) after sub-section (2), the following sub-sections shall be inserted, namely:—

“(3) No person holding a post under the Central Government or a State Government shall be eligible for election to the Council under clause (a) of sub-section (2).

(4) No person who has been auditor of the Institute shall be eligible for election to the Council under clause (a) of sub-section (2), for a period of three years after he ceases to be an auditor.”.

Substitution
of new
Section for
Section 10.

7. For Section 10 of the principal Act, the following section shall be substituted, namely:—

Re-election
or re-
nomination
to Council

“10. A member of the Council, elected or nominated under sub-section (2) of section 9, shall be eligible for re-election or, as the case may be, renomination:

Provided that no member shall hold the office for more than three consecutive terms:

Provided further that a member of the Council, who is or has been elected as President under sub-section (1) of Section 12, shall not be eligible for election or nomination as a member of the Council.”.

Insertion of
new
Sections
10-A and
10-B.

8. After Section 10 of the principal Act, the following sections shall be inserted, namely:—

Settlement
of dispute
regarding
election.

“10-A. In case of any dispute regarding any election under clause (a) of sub-section (2) of Section 9, the aggrieved person may make an application within thirty days from the date of declaration of the result of election to the Secretary of the Institute, who shall forward the same to the Central Government.

Establish-
ment of
Tribunal.

10-B. (1) On receipt of any application under Section 10-A, the Central Government shall, by notification, establish a Tribunal consisting of a Presiding Officer and two other Members to decide such dispute and the decision of such Tribunal shall be final.

(2) A person shall not be qualified for appointment,—

(a) as a Presiding Officer of the Tribunal unless he has been a Member of the Indian Legal Service and has held a post in Grade I of the service for at least three years;

(b) as a Member unless he has been a member of the Council for at least one full term and who is not a sitting member of the Council or who has not been a candidate in the election under dispute; or

(c) as a Member unless he holds the post of a Joint Secretary to the Government of India or any other post under the Central Government carrying a scale of pay which is not less than that of a Joint Secretary to the Government of India.

(3) The terms and conditions of service of the Presiding Officer and Members of the Tribunal, their place of meetings and allowances shall be such as may be specified.

(4) The expenses of the Tribunal shall be borne by the Council.”.

Amendment
of Section
12.

9. In Section 12 of the principal Act,—

(i) In sub-section (3), after the words “he shall be eligible for re-election”, the words, brackets and figure “under sub-section (1)” shall be inserted;

(ii) in sub-section (4), —

(a) for the word “President” occurring at both the places, the words “President and the Vice-President” shall be substituted;

(b) for the words “charge of his duties”, the words “charge of their duties” shall be substituted.

Amendment
of Section
13.

10. In Section 13 of the principal Act,—

(i) in sub-section (2), after the words “meetings of the Council”, the words “or he has been found guilty of any professional or other misconduct and awarded penalty of fine,” shall be inserted;

(ii) in the proviso to sub-section (3), for the words “six months”, the words “one year” shall be substituted.

Substitution
of new
section for
Section 15.

11. For Section 15 of the principal Act, the following section shall be substituted, namely:—

Functions
of Council.

“15. (1) The Institute shall function under the overall control, guidance and supervision of the Council and the duty of carrying out the provisions of this Act shall be vested in the Council.

(2) In particular, and without prejudice to the generality of the foregoing powers, the duties of the Council shall include —

(a) to approve academic courses and their contents;

(b) the examination of candidates for enrolment and the prescribing of fees therefor;

(c) the regulation of the engagement and training of articled and audit assistants;

(d) the prescribing of qualifications for entry in the Register;

(e) the recognition of foreign qualifications and training for the purposes of enrolment;

(f) the granting or refusal of certificates of practice under this Act;

(g) the maintenance and publication of a Register of persons qualified to practice as chartered accountants;

(h) the levy and collection of fees from members, examinees and other persons;

(i) subject to the orders of the appropriate authorities under the Act, the removal of names from the Register and the restoration to the Register of names which have been removed;

(j) the regulation and maintenance of the status and standard of professional qualifications of members of the Institute;

(k) the carrying out, by granting financial assistance to persons other than members of the Council or in any other manner, of research in accountancy;

(l) the maintenance of a library and publication of books and periodicals relating to accountancy;

(m) to enable functioning of the Director (Discipline), the Board of Discipline, the Disciplinary Committee and the Appellate Authority constituted under the provisions of this Act;

(n) to enable functioning of the Quality Review Board;

(o) consideration of the recommendations of the Quality Review Board made under clause (a) of Section 28-B and the details of action taken thereon in its annual report; and

(p) to ensure the functioning of the Institute in accordance with the provisions of this Act and in performance of other statutory duties as may be entrusted to the Institute from time to time.”.

Insertion of new Section 15-A. **12.** After Section 15 of the principal Act, the following section shall be inserted, namely:— “

Imparting education by Universities and other bodies.

“15-A. (1) Subject to the provisions of this Act, any University established by law or any body affiliated to the Institute, may impart education on the subjects covered by the academic courses of the Institute.

(2) The Universities or bodies referred to in sub-section (1) shall, while awarding degree, diploma or certificate or bestowing any designation, ensure that the award or designation do not resemble or is not identical to one awarded by the Institute.

(3) Nothing contained in this section shall enable a University or a body to adopt a name or nomenclature which is in any way similar to that of the Institute.”.

Substitution of new Section for Section 16. **13.** For Section 16 of the principal Act, the following section shall be substituted, namely:—

Officers and employees, salary, allowances, etc. “ 16. (1) For the efficient performance of its duties, the Council shall—

(a) appoint a Secretary to perform such duties as may be prescribed;

(b) appoint a Director (Discipline) to perform such functions as are assigned to him under this Act and the rules and regulations framed thereunder.

(2) The Council may also—

(a) appoint such other officers and employees as it considers necessary;

(b) require and take from the Secretary or from any other officer or employee such security for the due performance of his duties, as the Council considers necessary;

(c) prescribe the salaries, fees, allowances of the officers and employees and their terms and conditions of service;

(d) with the previous sanction of the Central Government, fix the allowances of the President, Vice-President and other members of the Council and members of its Committees.

(3) The Secretary of the Council shall be entitled to participate in the meetings of the Council but shall not be entitled to vote thereat.”.

Amendment of Section 17. **14.** In Section 17 of the principal Act,—

(a) in sub-section (1), for clause (iii), the following clause shall be substituted, namely:—

“ (iii) a Finance Committee.”;

(b) for sub-sections (2) and (3), the following sub-sections shall be substituted, namely:—

“(2) The Council may also form such other committees from amongst its members as it consider necessary for the purpose of carrying out the provisions of this Act, and any Committee so

formed may, with the sanction of the Council, co-opt such other members of the Institute not exceeding one-third of the members of the committee as it thinks fit, and any member so co-opted shall be entitled to exercise all the rights of a member of the committee.

(3) Each of the Standing Committees shall consist of the President and the Vice-president *ex officio*, and minimum of three and maximum of five members to be elected by the Council from amongst its members.”.

Amendment
of Section
18.

15. In Section 18 of the principal Act,—

(i) for sub-sections (3), (4) and (5), the following sub-sections shall be substituted, namely:—

“(3) The Council shall keep proper accounts of the fund distinguishing capital from revenue in the manner prescribed.

(4) The Council shall prepare in the manner prescribed and approve, prior to the start of the financial year, an annual financial statement (the budget) indicating all its anticipated revenues as well as all proposed expenditures for the forthcoming year.

(5) The annual accounts of the Council shall be prepared in such manner as may be prescribed and be subject to audit by a chartered accountant in practice to be appointed annually by the Council:

Provided that no member of the Council or a person who has been a member of the Council during the last four years or a person who is in partnership with such member shall be eligible for appointment as an auditor under this sub-section:

Provided further that, in the event it is brought to the notice of the Council that the accounts of the Council do not represent a true and fair view of its finances, then, the Council may itself cause a special audit to be conducted:

Provided also that, if such information, that the accounts of the Council do not represent a true and fair view of its finances, is sent to the Council by the Central Government, then, the Council may, wherever appropriate cause a special audit or take such other action as it considers necessary and shall furnish an action taken report on it to the Central Government.”;

(ii) after sub-section (5), the following sub-sections shall be inserted, namely:—

“(5-A) As soon as may be practicable at the end of each year, the Council shall circulate the audited accounts to its members at least fifteen days in advance and consider and

approve these accounts in a special meeting convened for the purpose.

(5-B) The Council shall cause to be published in the Gazette of India not later than the 30th day of September of the year next following, a copy of the audited accounts and the Report of the Council for that year duly approved by the Council and copies of the said accounts and Report shall be forwarded to the Central Government and to all the members of the Institute.”.

Amendment
of Section
19.

16. In Section 19 of the principal Act,—

(i) in sub-section (3), the words “on payment of such amount as may be prescribed” shall be inserted at the end;

(ii) for sub-section (4), the following sub-section shall be substituted, namely:—

“(4) Every member of the Institute shall, on his name being entered in the Register, pay such annual membership fee as may be determined, by notification, by the Council, which shall not exceed rupees five thousand:

Provided that the Council may with the prior approval of the Central Government, determine the fee exceeding rupees five thousand, which shall not in any case exceed rupees ten thousand.”.

Amendment
of Section
20.

17. In Section 20 of the principal Act, after sub-section (2), the following sub-section shall be inserted, namely:—

“(3) If the name of any member has been removed from the Register under clause (c) of sub-section (1), on receipt of an application, his name may be entered again in the Register on payment of the arrears of annual fee and entrance fee along with such additional fee, as may be determined, by notification, by the Council which shall not exceed rupees two thousand:

Provided that the Council may with the prior approval of the Central Government, determine the fee exceeding rupees two thousand, which shall not in any case exceed rupees four thousand.”.

Substitution
of new
section for
Section 21.

18. For Section 21 of the principal Act, the following section shall be substituted, namely:—

Disciplinary
Directorate.

“21. (1) The Council shall, by notification, establish a Disciplinary Directorate headed by an officer of the Institute designated as Director (Discipline) and such other employees for making investigations in respect of any information or complaint received by it.

(2) On receipt of any information or complaint along with the prescribed fee, the Director (Discipline) shall arrive at a *prima facie* opinion on the occurrence of the alleged misconduct.

(3) Where the Director (Discipline) is of the opinion that a member is guilty of any professional or other misconduct mentioned in the First Schedule, he shall place the matter before the Board of Discipline and where the Director (Discipline) is of the opinion that a member is guilty of any professional or other misconduct mentioned in the Second Schedule or in both the Schedules, he shall place the matter before the Disciplinary Committee.

(4) In order to make investigations under the provisions of this Act, the Disciplinary Directorate shall follow such procedure as may be specified.

(5) Where a complainant withdraws the complaint, the Director (Discipline) shall place such withdrawal before the Board of Discipline or, as the case may be, the Disciplinary Committee, and the said Board or Committee may, if it is of the view that the circumstances so warrant, permit the withdrawal at any stage.”.

Insertion of
new
Sections
21-A, 21-B,
21-C and
21-D.

19. After Section 21 of the principal Act, the following sections shall be inserted, namely:—

Board of
Discipline.

‘21-A. (1) The Council shall constitute a Board of Discipline consisting of—

(a) a person with experience in law and having knowledge of disciplinary matters and the profession, to be its presiding officer;

(b) two members one of whom shall be a member of the Council elected by the Council and the other member shall be nominated by the Central Government from amongst the persons of eminence having experience in the field of law, economics, business, finance or accountancy;

(c) the Director (Discipline) shall function as the Secretary of the Board.

(2) The Board of Discipline shall follow summary disposal procedure in dealing with all cases before it.

(3) Where the Board of Discipline is of the opinion that a member is guilty of a professional or other misconduct mentioned in the First Schedule, it shall afford to the member an opportunity

of being heard before making any order against him and may thereafter take any one or more of the following actions, namely:—

(a) reprimand the member;

(b) remove the name of the member from the Register up to a period of three months;

(c) impose such fine as it may think fit, which may extend to rupees one lakh.

(4) The Director (Discipline) shall submit before the Board of Discipline all information and complaints where he is of the opinion that there is no *prima facie* case and the Board of Discipline may, if it agrees with the opinion of the Director (Discipline), close the matter or in case of disagreement, may advise the Director (Discipline) to further investigate the matter.

Disciplinary
Committee.

21-B. (1) The Council shall constitute a Disciplinary Committee consisting of the President or the Vice-President of the Council as the Presiding Officer and two members to be elected from amongst the members of the Council and two members to be nominated by the Central Government from amongst the persons of eminence having experience in the field of law, economics, business, finance or accountancy:

Provided that the Council may constitute more Disciplinary Committees as and when it considers necessary.

(2) The Disciplinary Committee, while considering the cases placed before it shall follow such procedure as may be specified.

(3) Where the Disciplinary Committee is of the opinion that a member is guilty of a professional or other misconduct mentioned in the Second Schedule or both the First Schedule and the Second Schedule, it shall afford to the member an opportunity of being heard before making any order against him and may thereafter take any one or more of the following actions, namely: —

(a) reprimand the member;

(b) remove the name of the member from the Register permanently or for such period, as it thinks fit;

(c) impose such fine as it may think fit, which may extend to rupees five lakhs.

(4) The allowances payable to the members nominated by the Central Government shall be such as may be specified.

Authority,
Disciplinary
Committee,
Board of
Discipline
and
Director
(Discipline)
to have
powers of
civil court.

21-C. For the purposes of an inquiry under the provisions of this Act, the Authority, the Disciplinary Committee, Board of Discipline and the Director (Discipline) shall have the same powers as are vested in a civil court under the Code of Civil Procedure, 1908. in respect of 5 of 1908. the following matters, namely:—

- (a) summoning and enforcing the attendance of any person and examining him on oath;
- (h) the discovery and production of any document; and
- (c) receiving evidence on affidavit.

Explanation—For the purposes of Sections 21, 21-A, 21-B, 21-C and 22, “member of the Institute” includes a person who was a member of the Institute on the date of the alleged misconduct although he has ceased to be a member of the Institute at the time of the inquiry.

Transitional
provisions.

21-D. All complaints pending before the Council or any inquiry initiated by the Disciplinary Committee or any reference or appeal made to a High Court prior to the commencement of the Chartered Accountants (Amendment) Act, 2006, shall continue to be governed by the provisions of this Act, as if this Act had not been amended by the Chartered Accountants (Amendment) Act, 2006.’.

Substitution
of new
section for
Section 22.

20. For Section 22 of the principal Act, the following section shall be substituted, namely:—

Professional
or other
misconduct
defined.

‘22. For the purposes of this Act, the expression “professional or other misconduct” shall be deemed to include any act or omission provided in any of the Schedules, but nothing in this section shall be construed to limit or abridge in any way the power conferred or duty cast on the Director (Discipline) under sub-section (1) of Section 21 to inquire into the conduct of any member of the Institute under any other circumstances.’.

Substitution
of new
sections for
Section 22-
A

21. For Section 22-A of the principal Act, the following sections shall be substituted, namely:—

Constitution
of Appellate
Authority.

“22-A. (1) The Central Government shall, by notification, constitute an Appellate Authority consisting of—

- (a) a person who is or has been a judge of a High Court, to be its Chairperson;

(b) two members to be appointed from amongst the persons who have been members of the Council for at least one full term and who is not a sitting member of the Council;

(c) two members to be nominated by the Central Government from amongst persons having knowledge and practical experience in the field of law, economics, business, finance or accountancy.

(2) The Chairperson and other members shall be part-time members.

Term of office of Chairperson and members of Authority.

22-B. (1) A person appointed as the Chairperson shall hold office for a term of three years from the date on which he enters upon his office or until he attains the age of sixty-five years, whichever is earlier.

(2) A person appointed as a member shall hold office for a term of three years from the date on which he enters upon his office or until he attains the age of sixty-two years, whichever is earlier.

Allowances and conditions of service of Chairperson and members of Authority.

22-C. The allowances payable to, and other terms and conditions of service of, the Chairperson and members and the manner of meeting expenditure of the Authority by the Council and such other authorities shall be such as may be specified.

Procedure to be regulated by Authority.

22-D. (1) The office of the Authority shall be at Delhi.

(2) The Authority shall regulate its own procedure.

(3) All orders and decisions of the Authority shall be authenticated by an officer duly authorised by the Chairperson in this behalf.

Officers and other staff of Authority.

22-E. (1) The Council shall make available to the Authority such officers and other staff members as may be necessary for the efficient performance of the functions of the Authority.

(2) The salaries and allowances and conditions of service of the officers and other staff members of the Authority shall be such as may be prescribed.

Resignation and removal of Chairperson and members.

22-F. (1) The Chairperson or a member may, by notice in writing under his hand addressed to the Central Government, resign his office:

Provided that the Chairperson or a member shall, unless he is permitted by the Central Government to relinquish his office sooner, continue to hold office until the expiry of three months from the date of receipt of such notice or until a person duly appointed as his successor enters upon his office or until the expiry of term of office, whichever is earlier.

(2) The Chairperson or a member shall not be removed from his office except by an order of the Central Government on the ground of proved misbehaviour or incapacity after an inquiry made by such person as the Central Government may appoint for this purpose in which the Chairperson or a member concerned has been informed of the charges against him and given a reasonable opportunity of being heard in respect of such charges.

Appeal to
Authority.

22-G. (1) Any member of the Institute aggrieved by any order of the Board of Discipline or the Disciplinary Committee imposing on him any of the penalties referred to in sub-section (3) of Section 21-A and sub-section (3) of Section 21-B, may within ninety days from the date on which the order is communicated to him, prefer an appeal to the Authority:

Provided that the Director (Discipline) may also appeal against the decision of the Board of Discipline or the Disciplinary Committee to the Authority, if so authorised by the Council, within ninety days:

Provided further that the Authority may entertain any such appeal after the expiry of the said period of ninety days, if it is satisfied that there was sufficient cause for not filing the appeal in time.

(2) The Authority may, after calling for the records of any case, revise any order made by the Board of Discipline or the Disciplinary Committee under sub-section (3) of Section 21-A and sub-section (3) of Section 21-B and may—

(a) confirm, modify or set aside the order;

(b) impose any penalty or set aside, reduce, or enhance the penalty imposed by the order;

(c) remit the case to the Board of Discipline or Disciplinary Committee for such further enquiry as the Authority considers proper in the circumstances of the case; or

(d) pass such other order as the Authority thinks fit:

Provided that the Authority shall give an opportunity of being heard to the parties concerned before passing any order.”.

Amendment of Section 24-A. **22.** In section 24-A of the principal Act, sub-section (3) shall be omitted.

Amendment of Section 26. **23.** In Section 26 of the principal Act, for sub-section (2), the following sub-section shall be substituted, namely:—

“(2) Any person who contravenes the provisions of sub-section (1) shall, without prejudice to any other proceedings, which may be taken against him, be punishable on first conviction with a fine not less than five thousand rupees but which may extend to one lakh rupees, and in the event of a second or subsequent conviction with imprisonment for a term which may extend to one year or with fine not less than ten thousand rupees but which may extend to two lakh rupees or with both.”.

Insertion of new Chapter VII-A. **24.** After Chapter VII of the principal Act, the following Chapter shall be inserted, namely:—

“CHAPTER VII-A

QUALITY REVIEW BOARD

Establishment of Quality Review Board. **28-A.** (1) The Central Government shall, by notification, constitute a Quality Review Board consisting of a Chairperson and ten other members.

(2) The Chairperson and members of the Board shall be appointed from amongst the persons of eminence having experience in the field of law, economics, business, finance or accountancy.

(3) Five members of the Board shall be nominated by the Council and other five members shall be nominated by the Central Government.

Functions of Board. **28-B.** The Board shall perform the following functions, namely:—

(a) to make recommendations to the Council with regard to the quality of services provided by the members of the Institute;

(b) to review the quality of services provided by the members of the Institute including audit services; and

(c) to guide the members of the Institute to improve the quality of services and adherence to the various statutory and other regulatory requirements.

Procedure
of Board.

28-C. The Board shall meet at such time and place and follow in its meetings such procedure as may be specified.

Terms and
conditions
of services
of
Chairperson
and
members
of Board
and its
expenditure.

28-D. (1) The terms and conditions of service of the Chairperson and the members of the Board, and their allowances shall be such as may be specified.

(2) The expenditure of the Board shall be borne by the Council.”.

Insertion of
new Section
29-A.

25. After Section 29 of the principal Act, the following section shall be inserted, namely:—

Power of
Central
Government
to make
rules.

“29-A. (1) The Central Government may, by notification, make rules to carry out the provisions of this Act.

(2) In particular, and without prejudice to the generality of the foregoing powers, such rules may provide for all or any of the following matters, namely:—

(a) the manner of election and nomination in respect of members to the Council under sub-section (2) of Section 9;

(b) the terms and conditions of service of the Presiding Officer and Members of the Tribunal, place of meetings and allowances to be paid to them under sub-section (3) of Section 10-B;

(c) the procedure of investigation under sub-section (4) of Section 21;

(d) the procedure while considering the cases by the Disciplinary Committee under sub-section (2), and the fixation of allowances of the nominated members under sub-section (4) of Section 21-B;

(e) the allowances and terms and conditions of service of the Chairperson and members of the Authority and the manner of meeting expenditure by the Council under Section 22-C;

(f) the procedure to be followed by the Board in its meetings under Section 28-C; and

(g) the terms and conditions of service of the Chairperson and members of the Board under sub-section (1) of Section 28-D.”.

Amendment
of Section
30.

26. In Section 30 of the principal Act,—

(a) in sub-section (1), the words “and a copy of such regulations shall be sent to each member of the Institute” shall be omitted.

(b) in sub-section (2),—

(i) in clause (g), the words “the Council and” shall be omitted;

(ii) in clause (j), for the words “clerks” occurring at both the places, the word “assistants” shall be substituted;

(iii) in clause (r), the word “ and” shall be inserted at the end;

(iv) clause (s), shall be omitted.

Substitution
of new
section for
Section 30-B.

27. For Section 30-B of the principal Act, the following section shall be substituted, namely:—

Rules,
regulations
and
notiifications
to be laid
before
Parliament.

“30-B. Every rule and every regulation made and every notification issued under this Act shall be laid, as soon as may be after it is made or issued, 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 rule, regulation or notification, or both Houses agree that the rule, regulation or notification should not be made or issued, the rule, regulation or notification, 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 rule, regulation or notification.”.

Insertion of
new
Sections
30-C, 30-D
and 30-E.

28. After Section 30-B of the principal Act, the following sections shall be inserted, namely:—

Power of
Central
Government
to issue
directions.

“30-C. (1) In the event of non-compliance by the Council of any provisions of this Act, the Central Government may give to the Council such general or special directions as it considers necessary to ensure compliance and the Council shall, in the discharge of its functions under this Act, comply with such directions.

(2) If, in the opinion of the Central Government, the Council has persistently made default in giving effect to the directions issued under sub-section (1), it may, after giving an opportunity of being heard to

the Council, by notification, dissolve the Council, whereafter a new Council shall be constituted in accordance with the provisions of this Act with effect from such date as may be decided by the Central Government:

Provided that the Central Government shall ensure constitution of a new Council in accordance with the provisions of this Act within a period of one year from the date of its dissolution.

(3) Where the Central Government has issued a notification under sub-section (2) dissolving the Council, it shall, pending the constitution of a new Council in accordance with the provisions of this Act, nominate any person or body of persons not exceeding five members to manage the affairs and discharge all or any of the functions of the Council under this Act.

Protection of action taken in good faith.

30-D. No suit, prosecution or other legal proceeding shall lie against the Central Government or the Council or the Authority or the Disciplinary Committee or the Tribunal or the Board or the Board of Discipline or the Disciplinary Directorate or any officer of that Government, Council, Authority, Disciplinary Committee, Tribunal, Board, Board of Discipline or the Disciplinary Directorate, for any thing which is in good faith done or intended to be done under this Act or any rule, regulation, notification, direction or order made thereunder.

Members, etc., to be public servants.

30-E. The Chairperson, Presiding Officer, members and other officers and employees of the Authority, Disciplinary Committee, Tribunal, Board, Board of Discipline or the Disciplinary Directorate shall be deemed to be public servants within the meaning of Section 45 of 1860. 21 of the Indian Penal Code.”

Substitution of new Schedules for First Schedule and Second Schedule.

29. For the First Schedule and the Second Schedule to the principal Act, the following Schedules shall be substituted, namely:—

‘THE FIRST SCHEDULE
[See Sections 21 (3), 21-A(3) and 22]
PART I

Professional misconduct in relation to chartered accountants in practice

A chartered accountant in practice shall be deemed to be guilty of professional misconduct, if he—

(1) allows any person to practice in his name as a chartered accountant unless such person is also a chartered accountant in practice and is in partnership with or employed by him;

(2) pays or allows or agrees to pay or allow, directly or indirectly, any share, commission or brokerage in the fees or profits of his professional business, to any person other than a member of the Institute or a partner or a retired partner or the legal representative of a deceased partner, or a member of any other professional body or with such other persons having such qualifications as may be prescribed, for the purpose of rendering such professional services from time to time in or outside India.

Explanation. — In this item, “partner” includes a person residing outside India with whom a chartered accountant in practice has entered into partnership which is not in contravention of item (4) of this Part;

(3) accepts or agrees to accept any part of the profits of the professional work of a person who is not a member of the Institute:

Provided that nothing herein contained shall be construed as prohibiting a member from entering into profit sharing or other similar arrangements, including receiving any share commission or brokerage in the fees, with a member of such professional body or other person having qualifications, as is referred to in item (2) of this Part;

(4) enters into partnership, in or outside India, with any person other than a chartered accountant in practice or such other person who is a member of any other professional body having such qualifications as may be prescribed, including a resident who but for his residence abroad would be entitled to be registered as a member under clause (v) of sub-section (1) of Section 4 or whose qualifications are recognised by the Central Government or the Council for the purpose of permitting such partnerships;

(5) secures, either through the services of a person who is not an employee of such chartered accountant or who is not his partner or by means which are not open to a chartered accountant, any professional business:

Provided that nothing herein contained shall be construed as prohibiting any arrangement permitted in terms of items (2), (3) and (4) of this Part;

(6) solicits clients or professional work either directly or indirectly by circular, advertisement, personal communication or interview or by any other means:

Provided that nothing herein contained shall be construed as preventing or prohibiting—

(i) any chartered accountant from applying or requesting for or inviting or securing professional work from another chartered accountant in practice; or

(ii) a member from responding to tenders or enquiries issued by various users of professional services or organisations from time to time and securing professional work as a consequence;

(7) advertises his professional attainments or services, or uses any designation or expressions other than chartered accountant on professional documents, visiting cards, letter heads or sign boards, unless it be a degree of a University established by law in India or recognised by the Central Government or a title indicating membership of the Institute of Chartered Accountants of India or of any other institution that has been recognised by the Central Government or may be recognised by the Council:

Provided that a member in practice may advertise through a write up, setting out the services provided by him or his firm and particulars of his firm subject to such guidelines as may be issued by the Council;

(8) accepts a position as auditor previously held by another chartered accountant or a certified auditor who has been issued certificate under the Restricted Certificate Rules, 1932 without first communicating with him in writing;

(9) accepts an appointment as auditor of a company without first ascertaining from it whether the requirements of Section 225 of the Companies Act, 1956 in respect of such appointment have been duly ¹ of 1956. complied with;

(10) charges or offers to charge, accepts or offers to accept in respect of any professional employment, fees which are based on a percentage of profits or which are contingent upon the findings, or results of such employment, except as permitted under any regulation made under this Act;

(11) engages in any business or occupation other than the profession of chartered accountant unless permitted by the Council so to engage:

Provided that nothing contained herein shall disentitle a chartered accountant from being a director of a company (not being a managing director or a wholtime director) unless he or any of his partners is interested in such company as an auditor;

(12) allows a person not being a member of the Institute in practice, or a member not being his partner to sign on his behalf or on behalf of his firm, any balance-sheet, profit and loss account, report or financial statements.

PART II

Professional misconduct in relation to members of the Institute in service

A member of the Institute (other than a member in practice) shall be deemed to be guilty of professional misconduct, if he being an employee of any company, firm or person—

(1) pays or allows or agrees to pay directly or indirectly to any person any share in the emoluments of the employment undertaken by him;

(2) accepts or agrees to accept any part of fees, profits or gains from a lawyer, a chartered accountant or broker engaged by such company, firm or person or agent or customer of such company, firm or person by way of commission or gratification.

PART III

Professional misconduct in relation to members of the Institute generally

A member of the Institute, whether in practice or not, shall be deemed to be guilty of professional misconduct, if he—

(1) not being a fellow of the Institute, acts as a fellow of the Institute;

(2) does not supply the information called for, or does not comply with the requirements asked for, by the Institute, Council or any of its Committees, Director (Discipline), Board of Discipline, Disciplinary Committee, Quality Review Board or the Appellate Authority;

(3) while inviting professional work from another chartered accountant or while responding to tenders or enquiries or while advertising through a write up or anything as provided for in items (6) and (7) of Part I of this Schedule, gives information knowing it to be false.

PART IV

Other misconduct in relation to members of the Institute generally

A member of the Institute, whether in practice or not, shall be deemed to be guilty of other misconduct, if he—

(1) is held guilty by any civil or criminal court for an offence which is punishable with imprisonment for a term not exceeding six months;

(2) in the opinion of the Council, brings disrepute to the profession or the Institute as a result of his action whether or not related to his professional work.

THE SECOND SCHEDULE

[See Sections 21 (3), 21-B (3) and 22]

PART I

Professional misconduct in relation to chartered accountants in practice

A chartered accountant in practice shall be deemed to be guilty of professional misconduct, if he—

(1) discloses information acquired in the course of his professional engagement to any person other than his client so engaging him, without the consent of his client or otherwise than as required by any law for the time being in force;

(2) certifies or submits in his name, or in the name of his firm, a report of an examination of financial statements unless the examination of such statements and the related records has been made by him or by a partner or an employee in his firm or by another chartered accountant in practice;

(3) permits his name or the name of his firm to be used in connection with an estimate of earnings contingent upon future transactions in a manner which may lead to the belief that he vouches for the accuracy of the forecast;

(4) expresses his opinion on financial statements of any business or enterprise in which he, his firm, or a partner in his firm has a substantial interest;

(5) fails to disclose a material fact known to him which is not disclosed in a financial statement, but disclosure of which is necessary in making such financial statement where he is concerned with that financial statement in a professional capacity;

(6) fails to report a material misstatement known to him to appear in a financial statement with which he is concerned in a professional capacity;

(7) does not exercise due diligence, or is grossly negligent in the conduct of his professional duties;

(8) fails to obtain sufficient information which is necessary for expression of an opinion or its exceptions are sufficiently material to negate the expression of an opinion;

(9) fails to invite attention to any material departure from the generally accepted procedure of audit applicable to the circumstances;

(10) fails to keep moneys of his client other than fees or remuneration or money meant to be expended in a separate banking account or to use such moneys for purposes for which they are intended within a reasonable time.

PART II

Professional misconduct in relation to members of the Institute generally

A member of the Institute, whether in practice or not, shall be deemed to be guilty of professional misconduct, if he—

(1) contravenes any of the provisions of this Act or the regulations made thereunder or any guidelines issued by the Council;

(2) being an employee of any company, firm or person, discloses confidential information acquired in the course of his employment except as and when required by any law for the time being in force or except as permitted by the employer;

(3) includes in any information, statement, return or form to be submitted to the Institute, Council or any of its Committees, Director (Discipline), Board of Discipline, Disciplinary Committee, Quality Review Board or the Appellate Authority any particulars knowing them to be false;

(4) defalcates or embezzles moneys received in his professional capacity.

PART III

Other misconduct in relation to members of the Institute generally

A member of the Institute, whether in practice or not, shall be deemed to be guilty of other misconduct, if he is held guilty by any civil or criminal court for an offence which is punishable with imprisonment for a term exceeding six months.'

The above Bill has been passed by the Houses of Parliament.

Dated the

Speaker.

I assent to this Bill.

Dated the

President.

(Assented on the 22nd May 2006)

ACT No. 10 OF 2006

THE KHADI AND VILLAGE INDUSTRIES COMMISSION (AMENDMENT) ACT, 2006

An Act further to amend the Khadi and Village Industries Commission Act, 1956.

BE it enacted by Parliament in the Fifty-seventh Year of the Republic of India as follows:—

Short title
and
commence-
ment.

1. (1) This Act may be called the Khadi and Village Industries Commission (Amendment) Act, 2006.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, specify in this behalf.

Amendment
of Section 2.

2. In Section 2 of the Khadi and Village Industries Commission Act, 61 of 1956. 1956 (hereinafter referred to as the principal Act),—

(i) in clause (ff), for the words “ten thousand”, the words “twenty thousand” shall be substituted;

(ii) in clause (h), in sub-clause (i),—

(A) for the words “fifteen thousand rupees”, the words “one lakh rupees” shall be substituted;

(B) after the proviso, the following proviso shall be inserted, namely:—

‘Provided further that in the case of any industry located in a hilly area, the provisions of this sub-clause shall have effect as if for the words “one lakh rupees”, the words “one lakh and fifty thousand rupees” had been substituted.’.

Amendment
of Section
4.

3. In Section 4 of the principal Act,—

(a) after sub-section (1), the following sub-section shall be inserted, namely:—

“(1-A) Save as otherwise provided under this Act and the rules made thereunder, the exercise of all powers and discharge of all functions under this Act, including general superintendence, direction and management of day-to-day affairs of the Commission, shall vest in the Commission.”;

(b) in sub-section (2),—

(i) in clause (a), for the words “having specialised knowledge and experience of khadi and village industries”, the words “having specialised knowledge and not less than ten years of experience of khadi or village industries” shall be substituted;

(ii) for clause (b), the following clause shall be substituted, namely:—

(b) four non-official members of whom each member shall be from the following disciplines, namely:—

(i) one member having expert knowledge and experience in Science and Technology;

(ii) one member having expert knowledge and experience in Marketing;

(iii) one member having expert knowledge and experience in Rural Development; and

(iv) one member having expert knowledge and experience in Technical Education and Training;

(iii) after clause (b), the following clause shall be inserted, namely:—

“(ba) the Chairman of the State Bank of India constituted under sub-section (1) of Section 3 of the State Bank of India Act, 23 of 1955. 1955 or an officer not below the rank of the Deputy Managing Director as may be nominated by the Chairman of the State Bank of India—*ex officio*.”;

(iv) for clauses (c) and (d), the following clauses shall be substituted, namely:—

“(c) a Chief Executive Officer, *ex officio*; and

(d) a Financial Adviser, who shall also be the Chief Accounts Officer of the Commission, *ex officio*.”;

(v) after clause (d), the proviso shall be omitted.

Amendment
of Section
5.

4. In Section 5 of the principal Act,—

(a) for sub-section (1), the following sub-sections shall be substituted, namely:—

“(1) Subject to the provisions contained in sub-section (1-A) of Section 4, the Chief Executive Officer, appointed under clause (c) of sub-section (2) of Section 4, shall exercise such powers and discharge such functions in respect of general superintendence over the affairs of the Commission and its day-to-day management, as may be prescribed.

(1-A) Without prejudice to the powers and functions referred to in sub-section (1), the Chief Executive Officer shall exercise such powers and discharge such functions under the general superintendence, direction and management of the Commission.”.

(b) in sub-section (2), for the words “shall be responsible”, the words “shall, in addition to exercise of the powers and discharge of the functions referred to in sub-section (1), be responsible” shall be substituted.

Amendment
of Section
5-A.

5. In Section 5-A of the principal Act, for the words, brackets, letter and figures “appointed under clause (c) of sub-section (2) of Section 4 shall be in charge of all financial matters of the Commission including its budget, accounts and audit”, the words, brackets, letter and figures “appointed under clause (d) of sub-section (2) of Section 4 shall be in charge of such financial matters of the Commission including its budget, accounts and audit, as may be prescribed” shall be substituted.

Amendment
of Section
10.

6. Section 10 of the principal Act, shall be numbered as sub-section (1) thereof and,—

(a) in sub-section (1) as so numbered, for the words “Khadi and Village Industries Board”, the words “National Khadi and Village Industries Board” shall be substituted;

(b) after sub-section (1) as so numbered, the following sub-sections shall be inserted, namely:—

“(2) The Board shall, subject to the provisions of sub-section (3), meet at such times and places and observe such rules of procedure in regard to the transaction of business at its meetings including the quorum at meetings as may be prescribed.

(3) The Board shall meet at least twice in a year.”.

Amendment of Section 12. **7.** In Section 12 of the principal Act, in sub-section (3), for the words “votes of the members present”, the words and brackets “votes of the members (including *ex-officio* members) present” shall be substituted.

Insertion of new Section 12-A. **8.** After Section 12 of the principal Act, the following section shall be inserted, namely:—

Zonal Committee. “12-A. (1) The Commission shall constitute for each of the six geographical zones, referred to in clause (a) of sub-section (2) of Section 4, a Zonal Committee, which shall consist of the following, namely:—

(a) the non-official member representing the zone, referred to in clause (a) of sub-section (2) of Section 4, who shall be the Chairman of the Zonal Committee constituted for respective zones;

(b) one representative of each of the State Khadi and Village Industries Boards of the States or, as the case may be, the Government of each State in the zone, to be notified by the Central Government in consultation with the State Government concerned—Member;

(c) the Zonal Deputy Chief Executive Officer of the Commission, who shall be the convener of the Zonal Committee—Member;

(d) the State Directors in-charge of the Commission’s Directorates for the States in the zone—Member;

(e) a Zonal or Regional Manager of one of the lead banks operating in the zone—Member; and

(f) one representative of an institution of repute, working for at least ten years in the khadi or village industries sector and having a good record of performance, from each State in the zone, to be notified by the Central Government—Member.

(2) The Zonal Committee shall meet at such times and places and shall, subject to the provisions of sub-section (3), observe such rules of procedure in regard to the transaction of business at its meetings (including the quorum at the meetings) as may be provided

by regulations made by the Commission under this Act:

Provided that the Committee shall meet at least once in every three months.

(3) The Chairman of the Zonal Committee or, in his absence, any member chosen by the members present from among themselves, shall preside at a meeting of the Committee.

(4) The Zonal Committee shall generally function as a forum for consultation and, accordingly, *inter alia*,—

(a) act as a conduit for the dissemination of information relating to the programmes and schemes of the Commission for the development of khadi and village industries in the zone;

(b) monitor, from time to time, the implementation of the programmes and schemes referred to in clause (a);

(c) provide feedback to the Commission on the problems and difficulties envisaged and suggestions made by banks, voluntary agencies, artisans and others engaged in the operation of programmes and schemes referred to in clause (a).”.

Amendment of Section 13. **9.** In Section 13 of the principal Act, in sub-section (1), for the words “for a term of five years”, the words “at the pleasure of the Central Government which shall not exceed continuous period of five years” shall be substituted.

Amendment of Section 15. **10.** In Section 15 of the principal Act,—

(a) in sub-section (1), for the words “plan, promote, organise”, the words “plan, promote, facilitate, organise” shall be substituted;

(b) in sub-section (2),—

(i) in clause (a), for the words “plan and organise”, the words “plan and organise, directly or through specified agencies” shall be substituted;

(ii) in clause (b),—

(A) for the words “build up”, the words “build up, directly or through specified agencies,” shall be substituted;

(B) for the words “supply them”, the words “supply them or arrange supply of the raw materials and implements” shall be substituted;

(iii) in clause (g), for the words “provide financial assistance”, the words “provide financial assistance, directly or through specified agencies”, shall be substituted;

(iv) in clause (h), for the words “undertake experiments”, the words “undertake, directly or through specified agencies, experiments”, shall be substituted;

(c) after sub-section (2), the following *Explanation* shall be inserted at the end, namely:—

Explanation.—For the purposes of clauses (a), (b), (g) and (h) of sub-section (2), the expression “specified agencies” means the agencies which the Central Government may, by notification in the Official Gazette, specify in this behalf.’

Amendment of Section 19-A. **11.** In Section 19-A of the principal Act, in sub-section (1), the following proviso shall be inserted, namely:—

“Provided that the Chief Executive Officer and Financial Adviser shall be *ex officio* members of the Standing Finance Committee in respect of each of the three separate funds referred to in sub-section (1) of Section 18.”.

Amendment of Section 25. **12.** In Section 25 of the principal Act, after sub-section (2), the following sub-section shall be inserted at the end, namely:—

“(3) Any time after the issue of the notification under sub-section (1), the Central Government may re-establish the Commission in accordance with the provisions of Section 4 and on and from the date of the re-establishment of the Commission, the properties and funds which had previously vested in the Central Government under clause (a) of sub-section (2) shall stand vested in the Commission so re-established.”.

Amendment of Section 26. **13.** In Section 26 of the principal Act, in sub-section (2), after clause (a), the following clauses shall be inserted, namely:—

“(aa) the powers to be exercised and functions to be discharged by the Chief Executive Officer under sub-section (1) of Section 5;

(ab) the financial matters in respect of which the Financial Adviser shall be in charge under Section 5-A;

(ac) the transaction of business at the meetings of the Board under sub-section (2) of Section 10;”.

Amendment of Section 27. **14.** In Section 27 of the principal Act, in sub-section (2),—

(i) after clause (A), the following clause shall be inserted, namely:—

“(ba) the transaction of business at the meetings of the Zonal Committee under sub-section (2) of Section 12-A;”;

(ii) in clause (c), the words “the Chief Executive Officer or” shall be omitted.

(Assented on the 22nd March 2006)

ACT No. 11 OF 2006

THE APPROPRIATION (RAILWAYS) VOTE ON ACCOUNT

ACT, 2006

An Act to provide for the withdrawal of certain sums from and out of the Consolidated Fund of India for the services of a part of the financial year 2006-07 for the purposes of Railways.

BE it enacted by Parliament in the Fifty-seventh Year of the Republic of India as follows:—

Short title. **1.** This Act may be called the Appropriation (Railways) Vote on Account act, 2006.

Withdrawal of Rs. 18662,54,76,000 from and out of the Consolidated Fund of India for the financial year 2006-07. **2.** From and out of the Consolidated Fund of India there may be withdrawn sums not exceeding those specified in column 3 of the Schedule amounting in the aggregate to the sum of eighteen thousand six hundred sixty-two crores, fifty-four lakhs, seventy-six thousand rupees towards defraying the several charges which will come in course of payment during the financial year 2006-07, in respect of the services relating to Railways specified in column 2 of the Schedule.

Appropriation. **3.** The sums authorised to be withdrawn from and out of the Consolidated Fund of India by this Act shall be appropriated for the services and purposes stated in the Schedule in relation to the said year.

THE SCHEDULE

(See Sections 2 and 3)

1	2	3		
		Sums not exceeding		
No. of Vote	Services and purposes	Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
1	Railway Board	14,16,73,000	..	14,16,73,000
2	Miscellaneous Expenditure (General)	46,59,27,000	..	46,59,27,000
3	General Superintendence and Services on Railways.	359,62,02,000	..	359,62,02,000
4	Repairs and Maintenance of Permanent Way and Works.	659,72,21,000	23,000	659,72,44,000
5	Repair and Maintenance of Motive Power.	355,94,07,000	8,000	355,94,15,000
6	Repairs and Maintenance of Carriages and Wagon.	717,86,62,000	..	717,86,62,000
7	Repairs and Maintenance of Plant and Equipment.	386,15,41,000	53,000	386,15,94,000
8	Operating Expenses—Rolling Stock and Equipment.	529,09,58,000	..	529,09,58,000
9	Operating Expenses—Traffic	1778,54,77,000	14,000	1778,54,91,000
10	Operating Expenses—Fuel	1812,59,70,000	..	1812,59,70,000
11	Staff Welfare and Amenities	289,92,42,000	8,33,000	290,00,75,000
12	Miscellaneous Working Expenses	309,30,53,000	6,58,91,000	315,89,44,000
13	Provident Fund, Pension and Other Retirement Benefits.	1325,96,98,000	11,87,000	1326,08,85,000
14	Appropriation to Funds	3208,32,33,000	..	3208,32,33,000

1 No. of Vote	2 Services and purposes	3		
		Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
15	Dividend to General Revenues, Repayment of loans taken from General Revenues and Amortization of Over Capitalization.	4,28,12,000	. .	4,28,12,000
16	Assets—Acquisition, Construction and Replacement—Revenue.	8,33,33,000	. .	8,33,33,000
	<i>Other Expenditure</i>			
	Capital	3926,07,57,000	1,11,67,000	3927,19,24,000
	Railway Funds	2411,44,00,000	53,00,000	2411,97,00,000
	Railway Safety Fund	118,47,00,000	67,000	118,47,67,000
	Special Railway Safety Fund	391,66,17,000	50,000	391,66,67,000
	Total ..	18654,08,83,000	8,45,93,000	18662,54,76,000

(Assented on the 22nd March 2006)

ACT No. 12 OF 2006

THE APPROPRIATION (RAILWAYS) ACT, 2006

An Act to authorise payment and appropriation of certain further sums from and out of the Consolidated Fund of India for the services of the financial year 2005-06 for the purposes of Railways.

BE it enacted by Parliament in the Fifty-seventh Year of the Republic of India as follows:—

Short title.

1. This Act may be called the Appropriation (Railways) Act, 2006.

Issue of Rs. 9148,83,42,000 out of the Consolidated Fund of India for the financial year 2005-06.

2. From and out of the Consolidated Fund of India there may be paid and applied sums not exceeding those specified in column 3 of the Schedule amounting in the aggregate to the sum of nine thousand one hundred forty-eight crores, eight-three lakhs, forty-two thousand rupees towards defraying the several charges which will come in course of payment during the financial year 2005-06, in respect of the services relating to Railways specified in column 2 of the Schedule.

Appropriation.

3. The sums authorised to be paid and applied from and out of the Consolidated Fund of India by this Act shall be appropriated for the services and purposes stated in the Schedule in relation to the said year.

THE SCHEDULE

(See Sections 2 and 3)

1	2	3		
No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	<i>Charged</i> on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
3	General Superintendence and Services on Railways.	62,67,08,000	6,99,000	62,74,07,000
4	Repairs and Maintenance of Permanent Way and Works.	35,04,35,000	1,30,57,000	36,34,92,000
5	Repair and Maintenance of Motive and Power.	..	40,000	40,000
6	Repairs and Maintenance of Carriages and Wagons.	144,46,78,000	73,000	144,47,51,000
7	Repairs and Maintenance of Plant and Equipment.	..	1,80,000	1,80,000
8	Operating Expenses—Rolling Stock and Equipment.	..	6,00,000	6,00,000
9	Operating Expenses—Traffic	..	26,08,000	26,08,000
10	Operating Expenses—Fuel	1013,25,87,000	50,00,000	1013,75,87,000
11	Staff Welfare and Amenities	43,72,56,000	22,52,000	43,95,08,000
12	Miscellaneous Working Expenses	18,61,43,000	16,19,30,000	34,80,73,000
13	Provident Fund, Pension and other Retirement Benefits.	77,67,58,000	12,99,000	77,80,57,000
14	Appropriation to Funds	3982,55,00,000	..	3982,55,00,000
16	Assets—Acquisition, Construction and Replacement—Revenue.	4,88,72,000	11,28,000	5,00,00,000
	<i>Other Expenditure</i>			
	Capital	1054,45,07,000	32,28,50,000	1086,73,57,000
	Railway Funds	2659,62,89,000	10,68,000	2659,73,57,000
	Railway Safety Fund	..	58,25,000	58,25,000
	Total ..	9096,97,33,000	51,86,09,000	9148,83,42,000

(Assented on the 22nd March 2006)

ACT No. 13 OF 2006

THE APPROPRIATION (RAILWAYS) No. 2 ACT, 2006

An Act to provide for authorisation of appropriation of moneys out of the Consolidated Fund of India to meet the amounts spent on certain services for the purposes of Railways during the financial year ended on the 31st day of March, 2004 in excess of the amounts granted for those services and for that year.

BE it enacted by Parliament in the Fifty-seventh Year of the Republic of India as follows:—

Short title. **1.** This Act may be called the Appropriation (Railways) No. 2 Act, 2006.

Issue of Rs. 1136,92,35,051 out of the Consolidated Fund of India to meet certain expenditure for the year ended on the 31st day of March, 2004. **2.** From and out of the Consolidated Fund of India the sums specified in column 3 of the Schedule amounting in the aggregate to the sum of one thousand one hundred and thirty-six crores, ninety-two lakhs, thirty-five thousand and fifty-one rupees shall be deemed to have been authorised to be paid and applied to meet the amounts spent for defraying the charges in respect of the services relating to Railways specified in column 2 of the Schedule during the financial year ended on the 31st day of March, 2004 in excess of the amounts granted for those services and for that year.

Appropriation. **3.** The sums deemed to have been authorised to be paid and applied from and out of the Consolidated Fund of India under this Act shall be deemed to have been appropriated for the services and purposes stated in the Schedule in relation to the financial year ended on the 31st day of March, 2004.

THE SCHEDULE

(See Sections 2 and 3)

1 No. of Vote	2 Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
3	General Superintendence and Services on Railways.	..	18,35,750	18,35,750
7	Repairs and Maintenance of Plant and Equipment.	..	21,996	21,996
8	Operating Expenses—Rolling Stock and Equipment.	..	1,22,059	1,22,059

1 No. of Vote	2 Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
9	Operating Expenses—Traffic	..	4,85,568	4,85,568
10	Operating Expenses—Fuel	..	7,61,37,047	7,61,37,047
11	Staff Welfare and Amenities	..	17,74,451	17,74,451
14	Appropriation to Funds	681,61,81,059	..	681,61,81,059
15	Dividend to General Revenues, Repayment of loans taken from General Revenues and Amortization of Over-Capitalization.	71,66,71,479	..	71,66,71,479
16	Assets—Acquisition, Construction and Replacement—Revenue.	..	491	491
	<i>Other Expenditure</i>			
	Capital	239,45,64,676	2,90,42,372	242,36,07,048
	Railway Funds	..	70,18,381	70,18,381
	Special Railway Safety Fund	132,53,79,722	..	132,53,79,722
	Total ..	1125,27,96,936	11,64,38,115	1136,92,35,051

(Assented on the 22nd March 2006)

ACT No. 14 OF 2006

THE APPROPRIATION ACT, 2006

An Act to authorise payment and appropriation of certain further sums from and out of the Consolidated Fund of India for the services of the financial year 2005-06.

BE it enacted by Parliament in the Fifty-seventh Year of the Republic of India as follows:—

Short title.

1. This Act may be called the Appropriation Act, 2006.

Issue of Rs.
439924,60,00,000
out of the
Consolidated
Fund of India
for the financial
year, 2005-06.

2. From and out of the Consolidated Fund of India there may be paid and applied sums not exceeding those specified in column 3 of the Schedule amounting in the aggregate to the sum of four lakh thirty-nine thousand nine hundred twenty-four crores and sixty lakh rupees towards defraying the several charges which will come in the course of payment during the financial year 2005-06 in respect of the services specified in column 2 of the Schedule.

Appropriation.

3. The sums authorised to be paid and applied from and out of the Consolidated Fund of India by this Act shall be appropriated for the services and purposes stated in the Schedule in relation to the said year.

THE SCHEDULE

(See Sections 2 and 3)

1 No. of Vote	2 Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
1	Department of Agriculture and Co-operation. . . Revenue	3,00,000	..	3,00,000
	Capital	22,16,00,000	..	22,16,00,000
2	Department of Agricultural Research and Education. . . Revenue	1,00,000	..	1,00,000
3	Department of Animal Husbandry and Dairying. . . Revenue	1,00,000	8,42,00,000	8,43,00,000
4	Ministry of Agro and Rural Industries . . . Revenue	12,53,00,000	..	12,53,00,000
5	Atomic Energy . . . Revenue	86,35,00,000	..	86,35,00,000
	Capital	2,00,000	..	2,00,000
6	Nuclear Power Schemes . . . Revenue	95,18,00,000	..	95,18,00,000
7	Department of Chemicals and Petrochemicals. . . Capital	10,00,00,000	..	10,00,00,000
8	Department of Fertilisers . . . Revenue	1200,00,00,000	..	1200,00,00,000
	Capital	16,00,00,000	..	16,00,00,000
9	Ministry of Civil Aviation . . . Revenue	56,04,00,000	..	56,04,00,000
10	Ministry of Coal . . . Capital	43,00,00,000	..	43,00,00,000
12	Department of Commerce . . . Revenue	86,26,00,000	..	86,26,00,000
13	Department of Industrial Policy and Promotion. . . Revenue	1,00,000	46,00,000	47,00,000
	Capital	1,65,00,000	..	1,65,00,000
14	Department of Posts . . . Revenue	51,62,00,000	4,00,000	51,66,00,000
	Capital	48,90,00,000	4,00,000	48,94,00,000
15	Department of Telecommunications. . . Revenue	513,20,00,000	..	513,20,00,000
17	Ministry of Company Affairs. . . Capital	3,60,00,000	..	3,60,00,000
18	Department of Consumer Affairs. . . Capital	1,00,000	..	1,00,000

1	2	3		
No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	<i>Charged</i> on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
19	Department of Food and Public . . Capital Distribution.	1,00,000	..	1,00,000
20	Ministry of Culture . . Revenue	2,00,000	..	2,00,000
21	Ministry of Defence . . Capital	1,00,000	..	1,00,000
22	Defence Pensions . . Revenue	263,01,00,000	..	263,01,00,000
24	Defence Services–Navy . . Revenue	316,83,00,000	..	316,83,00,000
25	Defence Services–Air Force . . Revenue	157,59,00,000	..	157,59,00,000
26	Defence Ordnance Factories . . Revenue	66,80,00,000	..	66,80,00,000
27	Defence Services–Research . . Revenue and Development.	..	1,25,00,000	1,25,00,000
29	Ministry of Development . . Revenue of North-Eastern Region.	89,75,00,000	..	89,75,00,000
30	Ministry of Environment . . Revenue and Forests.	2,00,000	..	2,00,000
31	Ministry of External Affairs . . Revenue	260,00,00,000	..	260,00,00,000
34	Payments to Financial . . Revenue Institutions. Capital	1759,70,00,000 1,00,000	.. ..	1759,70,00,000 1,00,000
	<i>CHARGED—Interest Payments</i> . . Revenue	..	587,00,00,000	587,00,00,000
36	Transfers to State and Union . . Revenue Territory Governments. Capital	437,34,00,000 ..	.. 1298,00,00,000	437,34,00,000 1298,00,00,000
	<i>CHARGED—Repayment of Debt</i> . . Capital	..	420203,72,00,000	420203,72,00,000
40	Pensions . . Revenue	382,31,00,000	4,69,00,000	387,00,00,000
41	Indian Audit and Accounts . . Revenue Department. Capital	4,14,00,000 1,58,00,000	2,47,00,000 ..	6,61,00,000 1,58,00,000
43	Direct Taxes . . Revenue	39,54,00,000	..	39,54,00,000
46	Ministry of Food Processing . . Revenue Industries.	1,00,000	..	1,00,000
47	Department of Health . . Revenue	2,00,000	..	2,00,000
48	Department of Ayurveda, Yoga. . Revenue and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH).	1,00,000	..	1,00,000
49	Department of Family Welfare . . Revenue	1,00,000	..	1,00,000

1	2	3		
No.of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	<i>Charged</i> on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
50	Department of Heavy Industry .. Revenue Capital	1499,55,00,000 20,01,00,000	.. ..	1499,55,00,000 20,01,00,000
51	Department of Public .. Revenue Enterprises.	23,00,000	..	23,00,000
53	Cabinet .. Revenue	40,48,00,000	17,00,000	40,65,00,000
54	Police .. Revenue	287,68,00,000	..	287,68,00,000
55	Other Expenditure of the .. Revenue Ministry of Home Affairs.	..	1,00,000	1,00,000
56	Transfers to Union Territory .. Revenue Governments. Capital	139,10,00,000 74,99,00,000	.. ..	139,10,00,000 74,99,00,000
57	Department of Elementary .. Revenue Education and Literacy.	1,00,000	..	1,00,000
58	Department of Secondary .. Revenue Education and Higher Education	56,05,00,000	..	56,05,00,000
59	Department of Women .. Revenue and Child Development.	23,00,000	..	23,00,000
60	Ministry of Information and .. Revenue Broadcasting. Capital	99,42,00,000 1,00,000	.. ..	99,42,00,000 1,00,000
61	Ministry of Labour .. Revenue and Employment.	22,90,00,000	..	22,90,00,000
62	Election Commission .. Revenue	56,00,000	..	56,00,000
	<i>CHARGED—Supreme Court of India..Revenue</i>	..	3,93,00,000	3,93,00,000
65	Ministry of Non-Conventional .. Revenue Energy Sources.	1,00,000	..	1,00,000
68	Department of Ocean .. Capital Development.	..	54,00,000	54,00,000
71	Ministry of Petroleum and .. Revenue Natural Gas.	5750,00,00,000	..	5750,00,00,000
72	Ministry of Planning .. Revenue	11,25,00,000	..	11,25,00,000
73	Ministry of Power .. Revenue Capital	10,34,00,000 1,00,000	.. ..	10,34,00,000 1,00,000
	<i>CHARGED—Staff, Household and .. Revenue Allowances of the President.</i>	..	51,00,000	51,00,000

1	2	3		
No.of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
76	Rajya Sabha . . Reveunue	2,73,00,000	10,00,000	2,83,00,000
78	Secretariat of the Vice-President . . Revenue	67,00,000	..	67,00,000
79	Department of Rural . . Revenue Development.	3005,21,00,000	..	3005,21,00,000
81	Department of Drinking . . Revenue Water Supply.	10,11,00,000	..	10,11,00,000
82	Department of Science & Revenue Technology. Capital	1,00,000	..	1,00,000
83	Department of Scientific . . Revenue and Industrial Research.	1,00,000	..	1,00,000
84	Department of Bio-technology . . Revenue	1,00,000	..	1,00,000
85	Department of Shipping . . Revenue Capital	49,32,00,000	..	49,32,00,000
86	Ministry of Road Transport . . Revenue and Highways.	132,74,00,000	25,00,000	132,99,00,000
87	Ministry of Small Scale . . Revenue Industries. Capital	85,00,000	..	85,00,000
88	Ministry of Social Justice and . . Revenue Empowerment.	100,00,00,000	..	100,00,00,000
90	Ministry of Statistics and . . Revenue Programme Implementation.	1,00,000	..	1,00,000
91	Ministry of Steel . . Revenue	9,98,00,000	..	9,98,00,000
92	Ministry of Textiles . . Revenue Capital	3,00,000	..	3,00,000
93	Ministry of Tourism . . Capital	12,01,00,000	..	12,01,00,000
94	Ministry of Tribal Affairs . . Revenue	1,00,000	..	1,00,000
95	Andaman and Nicobar Islands . . Revenue	6,00,000	..	6,00,000
96	Chandigarh . . Revenue Capital	42,38,00,000	..	42,38,00,000
97	Dadra and Nagar Haveli . . Revenue	103,31,00,000	..	103,31,00,000
98	Daman and Diu . . Revenue	50,00,000	..	50,00,000
99	Lakshadweep . . Revenue Capital	12,22,00,000	..	12,22,00,000
		1,00,000	..	1,00,000

1	2	3		
No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
100	Department of Urban Development. . . Revenue	6,51,00,000	2,01,00,000	8,52,00,000
	Capital	1250,01,00,000	1,00,00,000	251,01,00,000
101	Public Works . . Revenue	6,30,00,000	. .	6,30,00,000
103	Ministry of Urban Employment and Poverty Alleviation. . . Revenue	1,00,000	. .	1,00,000
105	Ministry of Youth Affairs and Sports. . . Revenue	1,00,000	. .	1,00,000
	Total . .	17809,99,00,000	422114,61,00,000	439924,60,00,000

(Assented on the 22nd March 2006)

ACT No. 15 OF 2006

THE APPROPRIATION (No. 2) ACT, 2006

An Act to provide for the authorisation of appropriation of moneys out of the Consolidated Fund of India to meet the amounts spent on certain services during the financial year ended on the 31st day of March, 2004, in excess of the amounts granted for those services and for that year.

BE it enacted by Parliament in the Fifty-seventh Year of the Republic of India as follows:—

Short title.

1. This Act may be called the Appropriation (No. 2) Act, 2006.

Issue of Rs.
42227,70,03,825
out of the
Consolidated
Fund of India to
meet certain
excess
expenditure for
the year ended
on the 31st
March, 2004.

2. From and out of the Consolidated Fund of India, the sums specified in column 3 of the Schedule, amounting in the aggregate to the sum of forty-two thousand two hundred twenty-seven crores, seventy lakhs, three thousand, eight hundred twenty-five rupees shall be deemed to have been authorised to be paid and applied to meet the amount spent for defraying the charges in respect of the services specified in column 2 of the Schedule during the financial year ended on the 31st day of March, 2004, in excess of the amounts granted for those services and for that year.

Appropriation.

3. The sums deemed to have been authorised to be paid and applied from and out of the Consolidated Fund of India under this Act

shall be deemed to have been appropriated for the services and purposes stated in the Schedule in relation to the financial year ended on the 31st day of March, 2004.

THE SCHEDULE

(See Sections 2 and 3)

1 No.of Vote	2 Services and purposes	3		
		Voted portion	Excess <i>Charged</i> Portion	Total
		Rs.	Rs.	Rs.
15	Department of .. Revenue Telecommunications.	3,97,85,153	..	3,97,85,153
16	Department of .. Capital Information Technology.	1,28,59,171	..	1,28,59,171
24	Defence Ordnance Factories .. Revenue	37,50,27,533	..	37,50,27,533
27	Department of Development of .. Capital North-Eastern Region.	11,95,395	..	11,95,395
	<i>CHARGED—Repayment of Debt.</i> .. Capital	..	42182,73,71,247	42182,73,71,247
39	Pensions .. Revenue	..	1,99,58,401	1,99,58,401
52	Cabinets .. Revenue	..	5,58,839	5,58,839
67	Ministry of Personnel, Public .. Capital Grievances and Pensions.	2,48,086	..	2,48,086
	Total ..	429994,91,15,338	42184,78,88,487	42227,70,03,825