



# TAMIL NADU GOVERNMENT GAZETTE

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## Part IV—Section 4

### CENTRAL ACTS AND ORDINANCES

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**MINISTRY OF LAW AND JUSTICE**

**(Legislative Department)**

*New Delhi, the 22nd December, 2016 / Pausha 1, 1938 (Saka)*

**THE ENEMY PROPERTY (AMENDMENT AND VALIDATION)  
FIFTH ORDINANCE, 2016**

**No. 8 of 2016**

Promulgated by the President in the Sixty-seventh Year of the Republic of India.

An Ordinance further to amend the Enemy Property Act, 1968 and the Public Premises (Eviction of Unauthorised Occupants) Act, 1971.

WHEREAS the Enemy Property (Amendment and Validation) Ordinance, 2016 was promulgated by the President on the 7th day of January, 2016;

AND WHEREAS the Enemy Property (Amendment and Validation) Bill, 2016 to replace the Enemy Property (Amendment and Validation) Ordinance, 2016 has been passed by the House of the People and is pending in the Council of States;

AND WHEREAS the Enemy Property (Amendment and Validation) Bill, 2016 was referred to the Select Committee of the Rajya Sabha for its examination and report;

AND WHEREAS in order to give continued effect to the Enemy Property (Amendment and Validation) Ordinance, 2016, the Enemy Property (Amendment and Validation) Second Ordinance was promulgated by the President on the 2nd day of April, 2016;

AND WHEREAS the Select Committee submitted its Report, along with the Enemy Property (Amendment and Validation) Bill, 2016 incorporating therein the amendments recommended by the said Committee, on the 6th day of May, 2016;

AND WHEREAS the Enemy Property (Amendment and Validation) Bill, 2016, as reported by the Select Committee, could not be taken up for consideration and passing in the Council of States;

AND WHEREAS the Enemy Property (Amendment and Validation) Third Ordinance, 2016 incorporating the recommendations of the Select Committee was promulgated by the President on the 31st day of May, 2016 and the Enemy Property (Amendment and Validation) Bill, 2016, as reported by the Select Committee could not be taken up for consideration and passing in the Council of States;

AND WHEREAS in order to give continued effect to the provisions of the Enemy Property (Amendment and Validation) Third Ordinance, 2016, along with the amendments as recommended by the Select Committee, the Enemy Property (Amendment and Validation) Fourth Ordinance, 2016 was promulgated by the President on the 28th day of August, 2016, which will cease to operate on the 27th day of December, 2016;

AND WHEREAS it is considered necessary to give continued effect to the provisions of the Enemy Property (Amendment and Validation) Fourth Ordinance, 2016 along with the amendments as recommended by the Select Committee;

AND WHEREAS Parliament is not in session and the President is satisfied that circumstances exist which render it necessary for him to take immediate action;

NOW, THEREFORE, in exercise of the powers conferred by clause (I) of article 123 of the Constitution, the President is pleased to promulgate the following Ordinance:-

**1. (1)** This Ordinance may be called the Enemy Property (Amendment and Validation) Fifth Ordinance, 2016.

(2) Save as otherwise provided, it shall be deemed to have come into force on the 7th day of January, 2016.

**2.** On and from the date of commencement of the Enemy Property Act, 1968 (hereinafter referred to as the principal Act), in section 2,

Short title and commencement.

Amendment of section 2.

34 of 1968.

(i) in clause (b),. --

(I) for the words "an enemy subject", the words "an enemy subject including his legal heir and successor whether or not a citizen of India or the citizen of a country which is not an enemy or the enemy, enemy subject or his legal heir and successor who has changed his nationality" shall be substituted and shall always be deemed to have been substituted;

(II) for the words "an enemy firm", the words "an enemy firm, including its succeeding firm whether or not partners or members of such succeeding firm are citizens of India or citizens of a country which is not an enemy or such firm which has changed its nationality" shall be substituted and shall always be deemed to have been substituted;

(III) for the words "does not include a citizen of India", the words "does not include a citizen of India other than those citizens of India, being the legal heir and successor of the "enemy" or "enemy subject" or "enemy firm" , shall be substituted and shall always be deemed to have been substituted;

(IV) the following *Explanations* shall be inserted and shall always be deemed to have been inserted at the end, namely:-

*Explanation 1.*-For the purposes of this clause, the expression "does not include a citizen of India" shall exclude and shall always be deemed to have been excluded those citizens of India, who are or have been the legal heir and successor of an "enemy" or an "enemy subject" or an "enemy firm" which or who has ceased to be an enemy due to death, extinction, winding up of business or change of nationality or that the legal heir and successor is a citizen of India" or the citizen of a country which is not an enemy.

*Explanation 2.* For the purposes of this clause, it is hereby clarified that nothing contained in this Act shall affect any right of the legal heir and successor referred to in this clause (not being inconsistent to the provisions of this Act) which have been conferred upon him under any other law for the time being in force. ‘;

(ii) in clause (c), in the proviso,—

(I) after the words "dies in the territories to which this Act extends", the words "or dies in any territory outside India" shall be inserted and shall always be deemed to have been inserted;

(II) the following *Explanations* shall be inserted and shall always be deemed to have been inserted at the end, namely:

*Explanation 1.* —For the purposes of this clause, it is hereby clarified that "enemy property" shall, notwithstanding that the enemy or the enemy subject or the enemy firm has ceased to be an enemy due to death, extinction, winding up of business or change of nationality or that the legal heir and successor is a citizen of India or the citizen of a country which is not an enemy, continue and always be deemed to be continued as an enemy property.

*Explanation 2.*—For the purposes of this clause, the expression "enemy property" shall mean and include and shall be deemed to have always meant and included all rights, titles and interests in, or any benefit arising out of, such property.

3. On and from the date of commencement of the principal Act, in section 5, after sub-section (2), the following shall be inserted, and shall always be deemed to have been inserted, namely:-

Amendment of section 5.

‘(3) The enemy property vested in the Custodian shall, notwithstanding that the enemy or the enemy subject or the enemy firm has ceased to be an enemy due to death, extinction, winding up of business or change of nationality or that the legal heir and successor is a citizen of India or the citizen of a country which is not an enemy, continue to remain, save as otherwise provided in this Act, vested in the Custodian.

*Explanation.*—For the purposes of this sub-section, "enemy property vested in the Custodian" shall include and shall always be deemed to have been included all

rights, titles, and interests in, or any benefit arising out of, such property vested in him under this Act. ' .

Insertion of  
new  
section 5A.

4. After section 5 of the principal Act, the following section shall be inserted, namely:-

Issue of  
certificate  
by  
Custodian.

"5A. The Custodian may, after making such inquiry as he deems necessary, by order, declare that the property of the enemy or the enemy subject or the enemy firm described in the order, vests in him under this Act and issue a certificate to this effect and such certificate shall be the evidence of the facts stated therein."

Insertion of  
new  
section 5B.

5. On and from the date of commencement of the principal Act, after section 5A [as inserted by section 4 of the Enemy Property (Amendment and Validation) Ordinance, 2016], the following shall be inserted and shall always be deemed to have been inserted, namely:-

Law of  
succession  
or any  
custom or  
usage  
not to apply  
to  
enemy  
property.

'5B. Nothing contained in any law for the time being in force relating to succession or any custom or usage governing succession of property shall apply in relation to the enemy property under this Act and no person (including his legal heir and successor) shall have any right and shall be deemed not to have any right (including all rights, titles and interests in, or any benefit arising out of, such property) in relation to such enemy property.

*Explanation.*— For the purposes of this section, the expressions "custom" and "usage" signify any rule which, having been continuously and uniformly observed for a long time, has obtained the force of law in the matters of succession of property.'

Amendment of  
section 6.

6. On and from the date of commencement of the principal Act, for section 6 of the principal Act, the following section shall be substituted and shall always be deemed to have been substituted, namely:-

Prohibition to  
transfer any  
property  
vested in  
Custodian by  
an enemy,  
enemy  
subject or  
enemy firm.

"6. (1) No enemy or enemy subject or enemy firm shall have any right and shall never be deemed to have any right to transfer any property vested in the Custodian under this Act, whether before or after the commencement of this Act and any transfer of such property shall be void and shall always be deemed to have been void.

(2) Where any property vested in the Custodian under this Act had been transferred, before the commencement of the Enemy Property (Amendment and Validation) Fifth Ordinance, 2016, by an enemy or enemy subject or enemy firm and such transfer has been declared, by an order, made by the Central Government, to be void, and the property had been vested or deemed to have been vested in the Custodian [by virtue of the said order made under section 6, as it stood before its substitution by section 6 of the Enemy Property (Amendment and Validation) Fifth Ordinance, 2016 such property shall, notwithstanding anything contained in any judgment, decree or order of any court, tribunal or other authority, continue to vest or be deemed to have been vested in the Custodian and no person (including an enemy or enemy subject or enemy firm) shall have any right or be deemed to have any right (including all rights, titles and interests, or any benefit arising out of, such property) over the said property vested or deemed to have been vested in the Custodian."

Amendment of  
section 8.

7. In section 8 of the principal Act,

(i) on and from the date of commencement of the principal Act, for sub-section (1), the following sub-section shall be substituted and shall always be deemed to have been substituted, namely:—

"(1) With respect to the property vested in the Custodian under this Act, the Custodian may take or authorise the taking of such measures as he considers necessary or expedient for preserving such property till it is disposed of in accordance with the provisions of this Act.";

(ii) in sub-section (2),-

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

“(ia) fix and collect the rent standard rent, lease rent, licence fee or usage charges, as the case may be in respect of the enemy property;”;

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

“(iva) secure vacant possession of the enemy property by evicting the unauthorised or illegal occupant or trespasser and remove unauthorised or illegal constructions, if any.”.

8. After section 8 of the principal Act, the following section shall be inserted, namely—

Insertion of  
new section  
8A.

“8A.(1) Notwithstanding anything contained in any judgment, decree or order of any court, tribunal or other authority or any law for the time being in force, the Custodian may, within such time as may be specified by the Central Government in this behalf, dispose of whether by sale or otherwise, as the case may be, with prior approval of the Central Government, by general or special order, enemy properties vested in him immediately before the date of commencement of the Enemy Property (Amendment and Validation) Fifth Ordinance, 2016 in accordance with the provisions of this Act, as amended by the Enemy Property (Amendment and Validation) Fifth Ordinance, 2016.

Sale of Property  
by custodian

(2) The Custodian may, for the purpose of disposal of enemy property under sub-section (1), make requisition of the services of any police officer to assist him and it shall be the duty of such officer to comply with such requisition.

(3) The Custodian shall, on disposal of enemy property under sub-section (1) immediately deposit the sale proceeds into the Consolidated Fund of India and intimate details thereof to the Central Government.

(4) The Custodian shall send a report to the Central Government at such intervals, as it may specify, for the enemy properties disposed of under sub-section (1) containing such details (including the price for which such property has been sold and the particulars of the buyer to whom the properties have been sold or disposed of and the details of the proceeds of sale or disposal deposited into the Consolidated Fund of India). as it may specify.

(5) The Central Government may, by general or special order, issue such directions to the Custodian on the matters relating to disposal of enemy property under sub-section (1) and such directions shall be binding upon the Custodian and the buyer of the enemy properties referred to in that sub-section and other persons connected to such sale or disposal.

(6) The Central Government may, by general or special order, make such guidelines for disposal of enemy property under sub-section (1).

(7) Notwithstanding anything contained in this section, the Central Government may direct that disposal of enemy property under sub-section (1) shall be made by any other authority or Ministry or Department instead of the Custodian and in that case all the provisions of this section shall apply to such authority or Ministry or Department in respect of disposal of enemy property under sub-section (1).

(8) Notwithstanding anything contained in sub-sections (1) to (7), the Central Government may deal with or utilise the enemy property in such manner as it may deem fit.”.

9. After section 10 of the principal Act, the following section shall be inserted, namely:-

Insertion of  
new section  
10A.

“10A. (1) Where the Custodian proposes to sell any enemy immovable property vested in him, to any person, he may on receipt of the sale proceeds of such property, issue a certificate of sale in favour of such person and such certificate of sale shall, notwithstanding the fact that the original title deeds of the property have not been handed over to the transferee, be valid and conclusive proof of the ownership of such property by such person.

Power to issue  
certificate of  
sale.

(2) Notwithstanding anything contained in any law for the time being in force, the certificate of sale, referred to in sub-section (1), issued by the Custodian shall

be a valid instrument for the registration of the property in favour of the transferee and the registration in respect of enemy property for which such certificate of sale had been issued by the Custodian, shall not be refused on the ground of lack of original title deeds in respect of such property or for any such other reason.”.

Amendment of section 11.

**10.** In section 11 of the principal Act, after sub-section (2), the following sub-section shall be inserted, namely:-

“(3) The Custodian, Deputy Custodian or Assistant Custodian shall have, for the purposes of exercising powers or discharging his functions under this Act, the same powers as are vested in a civil court under the Code of Civil Procedure, 1908, while dealing with any case under this Act. in respect of the following matters, namely:-

5 of 1908.

(a) requiring the discovery and inspection of documents;

(b) enforcing the attendance of any person, including any officer dealing with land, revenue and registration matters, banking officer or officer of a company and examining him on oath;

(c) compelling the production of books, documents and other records; and

(d) issuing commissions for the examination of witnesses or documents.”.

Amendment of section 17.

**11.** In section 17 of the principal Act, in sub-section (1), for the words “two per centum”, at both the places where they occur, the words “five per centum” shall be substituted.

Substitution of new Section for Section 18.

**12.** For section 18 of the principal Act, the following section shall be substituted, namely:-

Transfer of property vested as enemy property in certain cases.

“18. The Central Government may, on receipt of a representation from a person, aggrieved by an order vesting a property as enemy property in the Custodian within a period of thirty days from the date of receipt of such order or from the date of its publication in the Official Gazette, whichever is earlier and after giving a reasonable opportunity of being heard, if it is of the opinion that any enemy property vested in the Custodian under this Act and remaining with him was not an enemy property, it may by general or special order, direct the Custodian that such property vested as enemy property in the Custodian may be transferred to the person from whom such property was acquired and vested in the Custodian.”.

Insertion of new section 18A.

**13.** On and from the date of commencement of the principal Act, after section 18 [as substituted by section 12 of the Enemy Property (Amendment and Validation) Ordinance, 2016], the following section shall be inserted and shall always be deemed to have been inserted, namely-

Income not liable to be returned.

“18A. Any income received in respect of the enemy property by the Custodian shall not, notwithstanding that such property had been transferred by way of sale under section 8A or section 18, as the case may be, to any other person, be returned or liable to be returned to ‘such person or any other person.’”.

Insertion of new section 18B and 18C.

**14.** After section 18A of the principal Act [as so inserted by section 13 of the Enemy Property (Amendment and Validation) Ordinance, 2016], the following sections shall be inserted, namely:-

Ord. 1 of 2016.

‘18B. Save as otherwise provided in this Act, no civil court or authority shall have jurisdiction to entertain any suit or proceedings in respect of any property, subject matter of this Act, as amended by the Enemy Property (Amendment and Validation) Fifth Ordinance, 2016, or any action taken by the Central Government or the Custodian in this regard.

Exclusion of Jurisdiction of civil courts. Appeal to High Court.

18C. Any person aggrieved by an order of the Central Government under section 18 of this Act, may, within a period of sixty days from the date of communication or receipt of the order, file an appeal to the High Court on any question of fact or law arising out of such orders, and upon such appeal the High Court may, after hearing the parties, pass such orders thereon as it thinks proper:

Provided that the High Court may, if it is satisfied that the appellant was prevented by sufficient cause from filing an appeal within the said period, allow it to be filed within a further period not exceeding sixty days.



*Explanation.*—In this section, “High Court” means the High Court of a State or Union territory in which the property referred to in section 18 is situated. ‘ .

**15.** In section 20 of the principal Act, for the words “five hundred rupees” at both the places where they occur, the words “ten thousand rupees” shall be substituted. Amendment of section 20.

**16.** On and from the date of commencement of the principal Act, in section 22 of the principal Act, after the words “for the time being in force”, the brackets and words “(including any law of succession or any custom or usage in relation to succession of property)” shall be inserted and shall always be deemed to have been inserted. Amendment of section 22.

**17.** After section 22 of the principal Act, the following section shall be inserted and shall always be deemed to have been inserted with effect from the 2nd July, 2010, namely: - Insertion of new section 22A.

“22A. Notwithstanding anything contained in any judgment, decree or order of any court, tribunal or other authority,— Validation.

(a) the provisions of this Act, as amended by the Enemy Property (Amendment and Validation) Fifth Ordinance, 2016, shall have and shall always be deemed to have effect for all purposes as if the provisions of this Act, as amended by the said Ordinance, had been in force at all material times;

(b) any enemy property divested from the Custodian to any person under the provisions of this Act, as it stood immediately before the commencement of the Enemy Property (Amendment and Validation) Fifth Ordinance, 2016, shall stand transferred to and vest or continue to vest, free from all encumbrances, in the Custodian in the same manner as it was vested in the Custodian before such divesting of enemy property under the provisions of this Act, as if the provisions of this Act, as amended by the aforesaid Ordinance, were in force at all material times;

(c) no suit or other proceedings shall, without prejudice to the generality of the foregoing provisions, be maintained or continued in any court or tribunal or authority for the enforcement of any decree or order or direction given by such court or tribunal or authority directing divestment of enemy property from the Custodian vested in him under section 5 of this Act, as it stood before the commencement of the Enemy Property (Amendment and Validation) Fifth Ordinance, 2016, and such enemy property shall continue to vest in the Custodian under section 5 of this Act, as amended by the aforesaid Ordinance, as if the said section, as amended by the aforesaid Ordinance was in force at all material times;

(d) any transfer of any enemy property, vested in the Custodian, by virtue of any order of attachment, seizure or sale in execution of decree of a civil court or orders of any tribunal or other authority in respect of enemy property vested in the Custodian which is contrary to the provisions of this Act, as amended by the Enemy Property (Amendment and Validation) Fifth Ordinance, 2016, shall be deemed to be null and void and notwithstanding such transfer, continue to vest in the Custodian under this Act.”.

**18.** In section 23 of the principal Act, in sub-section (2), clause (d) shall be omitted. Amendment of section 23.

40 of 1971.

**19.** (1) If any difficulty arises in giving effect to the provisions of the principal Act, as amended by the Enemy Property (Amendment and Validation) Fifth Ordinance, 2016, the Central Government may, by an order, published in the Official Gazette, make such provisions not inconsistent with the provisions of this Act, as amended by the Enemy Property (Amendment and Validation) Fifth Ordinance, 2016, or the Public Premises (Eviction of Unauthorised Occupants) Act, 1971, as amended by the Enemy Property (Amendment and Validation) Fifth Ordinance, 2016, as may appear to be necessary for removing the difficulty: Power to remove difficulties.

Provided that no such order shall be made under this section after the expiry of two years from the date on which the Bill replacing the Enemy Property (Amendment and Validation) Fifth Ordinance, 2016, receives the assent of the President.

(2) Every order made under this section shall be laid, as soon as may be after it is made, before each House of Parliament.





## MINISTRY OF LAW AND JUSTICE

## (Legislative Department)

*New Delhi, the 28th December, 2016/Pausha 7, 1938 (Saka)*

## THE PAYMENT OF WAGES (AMENDMENT) ORDINANCE, 2016

**No. 9 of 2016**

Promulgated by the President in the Sixty-seventh Year of the Republic of India.

An Ordinance further to amend the Payment of Wages Act, 1936.

WHEREAS the Payment of Wages (Amendment) Bill, 2016 has been introduced in the House of the People on the 15th December, 2016 and is pending in that House;

AND WHEREAS Parliament is not in session and the President is satisfied that circumstances exist which render it necessary for him to take immediate action;

Now, THEREFORE, in exercise of the powers conferred by clause (1) of article 123 of the Constitution, the President is pleased to Promulgate the following Ordinance:-

1. (1) This Ordinance may be called the Payment of Wages (Amendment) Ordinance, 2016-

(2) It shall come into force at once.

2. For section 6 of the Payment of Wages Act, 1936, the following section shall be substituted, namely:-

"6. All wages shall be paid in current coin or currency notes or by cheque or by crediting the wages in the bank account of the employee:

Short title and commencement.

Substitution of section 6 of Act 4 of 1936.

Wages to be paid in current coin or currency notes or by cheque or crediting in bank account.

Provided that the appropriate Government may, by notification in the Official Gazette, specify the industrial or other establishment, the employer of which shall pay to every person employed in such industrial or other establishment, the wages only by cheque or by crediting the wages in his bank account."

PRANAB MUKHERJEE,  
*President.*

DR. G. NARAYANA RAJU,  
*Secretary to the Government of India.*

(Re-published by order of the Governor)

A. ARUNAGIRI,  
*Additional Secretary to Government,  
Law Department.*

## MINISTRY OF LAW AND JUSTICE

## (Legislative Department)

*New Delhi, the 30th December, 2016/Pausha 9, 1938 (Saka)*

## THE SPECIFIED BANK NOTES (CESSATION OF LIABILITIES) ORDINANCE, 2016

## No. 10 of 2016

Promulgated by the President in the Sixty-seventh Year of the Republic of India.

An Ordinance to provide for cessation of liabilities on the specified bank notes and for matters connected therewith or incidental thereto.

WHEREAS, the Central Government, on the recommendations of the Central Board of the Reserve Bank, *vide* notification No. S.O. 3407(E), dated the 8th November, 2016, declared the then existing series of the bank notes of the denominational value of five hundred rupees and one thousand rupees to cease to be legal tender with effect from the 9th November, 2016 to the extent specified therein;

AND WHEREAS, a part of the series of bank notes in circulation which have ceased to be legal tender on account of the said notification has come back to the Reserve Bank of India;

AND WHEREAS, such bank notes which have ceased to be legal tender are a liability in the books of accounts of the Reserve Bank of India under section 34 of the Reserve Bank of India Act, 1934;

AND WHEREAS, it is necessary to have clarity and finality to the liabilities of the Reserve Bank of India and the Central Government arising from such bank notes which have ceased to be legal tender on the basis of the said notification;

AND WHEREAS, Parliament is not in session and the President is satisfied that circumstances exist which render it necessary for him to take immediate action;

Now. THEREFORE, in exercise of the powers conferred by article 123 of the Constitution, the President is pleased to promulgate the following Ordinance:-

Short title and commencement.

1. (1) This Ordinance may be called the Specified Bank Notes (Cessation of Liabilities) Ordinance, 2016.

(2) It shall come into force on the 31st day of December, 2016.

Definitions.

2. (1) In this Ordinance, unless the context otherwise requires,-

(a) "appointed day" means the 31st day of December, 2016;

(b) "grace period" means the period to be specified by the Central Government, by notification, during which the specified bank notes can be deposited in accordance with this Ordinance;

(c) "notification" means a notification published in the Official Gazette;

(d) "Reserve Bank" means the Reserve Bank of India constituted by the Central Government under section 3 of the Reserve Bank of India Act, 1934;

2 of 1934.

(e) "specified bank note" means a bank note of the denominational value of five hundred rupees or one thousand rupees of the series existing on or before the 8th day of November, 2016.

(2) The words and expressions used and not defined in this Ordinance but defined in the Reserve Bank of India Act, 1934 or the Banking Regulation Act, 1949 shall have the meanings respectively assigned to them in those Acts.

2 of 1934

10 of 1949.

Specified bank notes to cease to be liability of Reserve Bank or Central Government.

3. On and from the appointed day, notwithstanding anything contained in the Reserve Bank of India Act, 1934 or any other law for the time being in force, the specified bank notes which have ceased to be legal tender, in view of the notification of the Government of India in the Ministry of Finance, number S.O.3407(E), dated the 8th November, 2016, issued under sub-section (2) of section 26 of the Reserve Bank

2 of 1934

of India Act, 1934, shall cease to be liabilities of the Reserve Bank under section 34 and shall cease to have the guarantee of the Central Government under sub-section (1) of section 26 of the said Act.

4. (1) Notwithstanding anything contained in section 3, the following persons holding specified bank notes on or before the 8th day of November, 2016 shall be entitled to tender within the grace period with such declarations or statements, at such offices of the Reserve Bank or in such other manner as may be specified by it, namely:-

Exchange of Specified Bank Notes.

(i) a citizen of India who makes a declaration that he was outside India between the 9th November, 2016 to 30th December, 2016 subject to such conditions as may be specified, by notification, by the Central Government; or

(ii) such class of persons and for such reasons as may be specified, by notification, by the Central Government.

(2) The Reserve Bank may, if satisfied, after making such verifications as it may consider necessary that the reasons for failure to deposit the notes within the period specified in the notification referred to in section 3, are genuine, credit the value of the notes in his Know Your Customer compliant bank account in such manner as may be specified by it.

(3) Any person, aggrieved by the refusal of the Reserve Bank to credit the value of the notes under sub-section (2), may make a representation to the Central Board of the Reserve Bank within fourteen days of the communication of such refusal to him.

*Explanation.-* For the purposes of this section, the expression "Know Your Customer compliant bank account" means the account which complies with the conditions specified in the regulations made by the Reserve Bank under the Banking Regulations Act, 1949.

10 of 1949.

5. On and from the appointed day, no person shall, knowingly or voluntarily, hold, transfer or receive any specified bank note:

Prohibition on holding, transferring or receiving specified bank notes.

Provided that nothing contained in this section shall prohibit the holding of specified bank notes-

(a) by any person-

(i) up to the expiry of the grace period; or

(ii) after the expiry of the grace period,

(A) not more than ten notes in total, irrespective of the denomination; or

(B) not more than twenty-five notes for the purposes of study, research or numismatics;

(b) by the Reserve Bank or its agencies, or any other person authorised by the Reserve Bank;

(c) by any person on the direction of a court in relation to any case pending in that court.

6. Whoever knowingly and wilfully makes any declaration or statement specified under sub-section (1) of section 4, which is false in material particulars, or omits to make a material statement, or makes a statement which he does not believe to be true, shall be punishable with fine which may extend to fifty thousand rupees or five times the amount of the face value of the specified bank notes tendered, whichever is higher.

Penalty for contravention of section 4.

7. Whoever contravenes the provisions of section 5, shall be punishable with fine which may extend to ten thousand rupees or five times the amount of the face value of the specified bank notes involved in the contravention, whichever is higher.

Penalty for contravention of section 5.

8. (1) Where a person committing a contravention or default referred to in section 6 or section 7 is a company, every person who, at the time the contravention or default was committed, was in charge of, and was responsible to, the company for

Offences by companies.

the conduct of the business of the company, as well as the company, shall be deemed to be guilty of the contravention or default 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 punishment if he proves that the contravention or default was committed without his knowledge or that he had exercised all due diligence to prevent the contravention or default.

(2) Notwithstanding anything contained in sub-section (1), where an offence under this Ordinance has been committed by a company and it is proved that the same was committed with the consent or connivance of, or is attributable to any neglect on the part of, any director, manager, secretary, or other officer or employee of the company, such director, manager, secretary, other officer or employee shall also be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly.

*Explanation.—For the purpose of this section,—*

(a) “a company” means any body corporate and includes a firm, trust, a co-operative society and other association of individuals;

(b) “director”, in relation to a firm or trust, means a partner in the firm or a beneficiary in the trust.

Special provisions relating to offences.

**9.** Notwithstanding anything contained in section 29 of the Code of Criminal Procedure, 1973, the court of a Magistrate of the First Class or the court of a Metropolitan Magistrate may impose a fine for contravention of the provisions of this Ordinance.

2 of 1974.

Protection of action taken in good faith

**10.** No suit, prosecution or other legal proceeding shall lie against the Government, the Reserve Bank or any of their officers for anything done or intended to be done in good faith under this Ordinance.

Power to make rules.

**11.** (1) The Central Government may, by notification, make rules for carrying out the provisions of this Act.

(2) Every rule made under this Ordinance 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 rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

Power to remove difficulties.

**12.** (1) If any difficulty arises in giving effect to the provisions of this Ordinance, the Central Government may, by order published in the Official Gazette, make such provisions not inconsistent with the provisions of this Ordinance, as may appear to it to be necessary or expedient for removing the difficulty.

(2) Every order made under this section shall, as soon as may be after it is made, be laid before each House of Parliament.

PRANAB MUKHERJEE,  
*President.*

DR. G. NARAYANA RAJU,  
*Secretary to the Government of India.*

(Re-published by order of the Governor)

A. ARUNAGIRI,  
*Additional Secretary to Government,  
Law Department.*