THE GOA, DAMAN AND DIU REORGANISATION ACT, 1987

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THE GOA, DAMAN AND DIU REORGANISATION ACT, 1987

ACT NO. 18 OF 1987

[23*rd May*, 1987.]

An Act to provide for the reorganisation of the Union territory of Goa, Daman and Diu and for matters connected therewith.

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

PART I

PRELIMINARY

1. Short title.—This Act may be called the Goa, Daman and Diu Reorganisation Act, 1987.

2. Definition.—In this Act, unless the context otherwise requires,—

(*a*) "Administrator" means the administrator appointed by the President under article 239;

(*b*) "appointed day"[1] means the day which the Central Government may, by notification, appoint;

(*c*) "article" means an article of the Constitution;

(*d*) "assembly constituency" and "parliamentary constituency" have the same meanings as in the Representation of the People Act, 1950 (43 of 1950);

(*e*) "Election Commission" means the Election Commission appointed by the President under article 324;

(*f*) "existing Union territory" means the Union territory of Goa, Daman and Diu as existing immediately before the appointed day;

(*g*) "law" includes any enactment, ordinance, regulation, order, bye-law, rule, scheme, notification or other instrument having immediately before the appointed day, the force of law in the whole or any part of the existing Union territory;

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

(*i*) "population ratio", in relation to the State of Goa and the Union, means the ratio of 42: 3.25;

(*j*) "sitting member", in relation to the House of the People or of the Legislative Assembly of the existing Union territory means a person who, immediately before the appointed day, is a member of that House or that Assembly;

(*k*) "treasury" includes a sub-treasury.

PART II

REORGANISATION OF THE UNION TERRITORY OF GOA, DAMANAND DIU

3. Formation of State of Goa.—On and from the appointed day, there shall be formed a new State to be known as the State of Goa comprising the territories which immediately before that day were comprised in the Goa district of the existing Union territory.

4. Formation of Union territory of Daman and Diu.—On and from the appointed day, there shall be formed a new Union territory to be known as the Union territory of Daman and Diu comprising the territories which, immediately before that day, were comprised in the Daman and Diu districts of the existing Union territory.

1. 30th May, 1987, *vide* notification No. S.O. 518(E), dated 26th May, 1987, *see* Gazette of India, Extraordinary, Part II, sec. 3(*ii*).

5. [*Amendment of First Schedule to the Constitution*].—*Rep. by the Repealing and Amending Act,* 2001 *(*30 *of* 2001*), s.* 2 *and the First Schedule (w.e.f.* 3-9-2001*).*

6. [*Amendment of the Fourth Schedule to the Constitution*].—*Rep. by s.* 2 *and the First Schedule, ibid. (w.e.f.* 3-9-2001*).*

7. Election to fill the seat allotted to the State of Goa.—As soon as may be after the appointed day, election shall be held to fill the seat allotted in the Council of States to the State of Goa.

The House of the People

8. Allocation of seats in the House of the People.—On and from the appointed day, there shall be allotted two seats to the State of Goa, and one seat to the Union territory of Daman and Diu in the House

of the People and the First Schedule to the Representation of the People Act, 1950 (43 of 1950) shall be deemed to be amended accordingly.

9. Parliamentary constituency of the Union territory of Daman and Diu.—The whole of the Union territory of Daman and Diu shall form one parliamentary constituency to be called the Daman and Diu parliamentary constituency and as soon as may be after the appointed day, election shall be held to the House of the People to elect a representative from that constituency, as if the seat of the member elected to the House of the People from that constituency has become vacant and the provisions of section 149 of the Representation of the People Act, 1951 (43 of 1951) shall, so far as may be, apply in relation to such election.

10. Parliamentary constituencies.—On and from the appointed day,—

(*a*) the Panaji parliamentary constituency, excluding the Daman and Diu assembly constituencies, and the Mormugao parliamentary constituency in the existing Union territory shall be deemed to be the parliamentary constituencies of the State of Goa and accordingly, in Part A of Schedule XXVI to the Delimitation of Parliamentary and Assembly Constituencies Order, 1976, for the figures and words "12-Cumbarjua, 13-Santo Andre, 29-Daman and 30-Diu", the figures and words "12-Cumbarjua and 13-Santo Andre" shall be substituted;

(*b*) the Daman and Diu assembly constituencies in the existing Union territory shall be deemed to comprise the parliamentary constituency of the Union territory of Daman and Diu.

11. Provisions as to sitting members.—(*1*) The sitting member of the House of the People representing the Panaji parliamentary constituency which, on the appointed day, by virtue of the provisions of clause (*a*) of section 10 stands altered and becomes a parliamentary constituency of the State of Goa shall, as from that day, be deemed to have been duly elected to that House by that constituency as so altered.

(*2*) The sitting member of the House of the People representing the Mormugao parliamentary constituency which, on the appointed day, by virtue of the provisions of clause (*a*) of section 10 becomes a parliamentary constituency of the State of Goa shall, as from that day, be deemed to have been duly elected to that House by that constituency in that State.

The Legislative Assembly

12. Provisions as to Legislative Assembly.—On and from the appointed day, the total number of seats in the Legislative Assembly of the State of Goa to be filled by persons, chosen by direct election from assembly constituencies shall be forty and the Second Schedule to the Representation of the People Act 1950 (43 of 1950), shall be deemed to be amended accordingly.

13. Provisional Legislative Assembly.—(*1*) Notwithstanding anything contained in this Act (including provisions relating to the strength of the Legislative Assembly of the State of Goa), on and from the appointed day and until the Legislative Assembly of that State has been duly constituted and summoned to meet for the first session, there shall be a provisional Legislative Assembly which shall consist of,—

(*a*) members elected by the territorial constituencies of the Legislative Assembly of the existing Union territory, other than those members elected by the territorial constituencies of Daman and Diu; and

(*b*) members nominated to that Assembly.

(*2*) The period of five years referred to in clause (1) of Article 172 shall, in the case of provisional Legislative Assembly referred to in sub-section (*1*), be deemed to have commenced on the date on which the duration of the Legislative Assembly of the existing Union territory commenced under section 5 of the Government of Union Territories Act, 1963 (20 of 1963).

(*3*) For so long as the provisional Legislative Assembly constituted under this section is in existence,—

(*a*) it shall be deemed to be the Legislative Assembly of the State of Goa duly constituted under the Constitution and shall be competent to discharge all the functions of a Legislative Assembly of a State under the Constitution; and

(*b*) the members thereof, referred to in clause (*a*) of sub-section (*1*), shall be deemed to be the members of the Legislative Assembly of the State of Goa duly elected under the Constitution.

14. [*Amendment of Delimitation Orders*].—*Rep. by the Repealing and Amending Act,* 2001 *(*30 *of* 2001*), s.* 2 *and the First Schedule (w.e.f.* 3-9-2001*).*

15. Speaker of the provisional Legislative Assembly.—The person who immediately before the appointed day is the Speaker of the Legislative Assembly of the existing Union territory shall, on and from that day, be the Speaker of the provisional Legislative Assembly.

16. Rules of procedure.—The rules of procedure and conduct of business of the Legislative Assembly of the existing Union territory, as in force immediately before the appointed day shall, until rules are made under clause (1) of article 208, be the rules of procedure and conduct of business of the provisional Legislative Assembly referred to in section 13; subject to such modifications and adaptations as may be made therein by the Speaker thereof.

Delimitation of constituencies

17. Delimitation of constituencies.—(*1*) The Election Commission shall, in the manner herein provided, distribute, whether before or after the appointed day, the seats assigned to the Legislative Assembly of the State of Goa under section 12 to single-member territorial constituencies and delimit them having regard to the provisions of the Constitution and to the following provisions, namely:—

(*a*) all constituencies shall, as far as practicable, be geographically compact areas, and in delimiting them regard shall be had to physical features, existing boundaries of administrative units, facilities of communication and convenience to the public; and

(*b*) constituencies in which seats are reserved for the Scheduled Castes and the Scheduled Tribes shall, as far as practicable, be located in areas where the proportion of their population to the total population is the largest.

(*2*) For the purpose of assisting it in the performance of its functions under sub-section (*1*), the Election Commission shall associate with itself as associate members,—

(*a*) the sitting members of the House of the People referred to in section 11; and

(*b*) such six of the members of the Legislative Assembly of the existing Union territory or, as the case may be, the provisional Legislative Assembly referred to in section 13 as the Speaker thereof may nominate:

Provided that none of the associate members shall have a right to vote or to sign any decision of the Election Commission.

(*3*) If, owing to death or resignation, the office of an associate member falls vacant, it shall be filled if practicable, in accordance with the provisions of sub-section (*2*).

(*4*) The Election Commission shall—

(*a*) publish its proposals for the delimitation of constituencies together with the dissenting proposals, if any, of any associate member who desires publication thereof, in the Official Gazette and in such other manner as the Commission may consider fit, together with a notice inviting objections and suggestions in relation to the proposals and specifying a date on or after which the proposals will be further considered by it;

(*b*) consider all objections and suggestions which may have been received by it before the date so specified;

(*c*) after considering all objections and suggestions which may have been received by it before the date so specified, determine by one or more orders the delimitation of constituencies and cause such

order or orders to be published in the Official Gazette; and upon such publication, the order or orders shall have the full force of law and shall not be called in question in any Court.

(*5*) As soon as may be after such publication, every such order relating to assembly constituencies shall be laid before the Legislative Assembly of the existing Union territory or, as the case may be, the provisional Legislative Assembly referred to in section 13.

18. Power of Election Commission to maintain delimitation orders up-to-date.—(*1*) The Election Commission may, from time to time, by notification in the Official Gazette,—

(*a*) correct any printing mistakes in any order made under section 17 or any error arising therein from inadvertent slip or omission;

(*b*) where the boundaries or name of any territorial division mentioned in any such order are or is altered, make such amendments as appear to it to be necessary or expedient for bringing such order up-to-date.

(*2*) Every notification under this section relating to an assembly constituency shall be laid, as soon as may be after it is issued, before the Legislative Assembly of the existing Union territory, the provisional Legislative Assembly referred to in section 13 or the Legislative Assembly of the State of Goa, as the case may be.

19. [*Amendment of Scheduled Castes and Scheduled Tribes Orders***].—***Rep. by the Repealing and Amending Act,*** 2001*(30 *of* 2001*), s.* 2 *and the First Schedule (w.e.f.* 3-9-2001*).*

PART IV

HIGH COURT

20. Common High Court for Maharashtra, Goa, Dadra and Nagar Haveli and Daman and Diu.—(*1*) On and from the appointed day,—

(*a*) there shall be a common High Court for the States of Maharashtra and Goa, and for the Union territories of Dadra and Nagar Haveli, and Daman and Diu, to be called the High Court of Bombay (hereinafter referred to as the common High Court);

(*b*) the Judges of the High Court of Bombay (hereinafter referred to as the existing High Court), holding office immediately before that day shall, unless they have elected otherwise, become, on that day, the Judges of the common High Court.

(*2*) The expenditure in respect of the salaries and allowances of the Judges of the common High Court shall be allocated amongst the States of Maharashtra and Goa and the Union in such proportion as the President may, by order, determine.

(*3*) On and from the appointed day, the common High Court shall have, in respect of the territories comprised in the States of Maharashtra and Goa and the Union territories of Dadra and Nagar Haveli and Daman and Diu, all such jurisdiction, powers and authority as, under the law in force immediately before the appointed day, are exercisable in respect of those territories by the High Court of Bombay.

21. Provision as to advocates.—(*1*) On and from the appointed day,—

(*a*) in the Advocates Act, 1961 (43 of 1961), in section 3, in sub-section (*1*), for Clause (*ccc*), the following clause shall be substituted, namely:—

"(*ccc*) for the States of Maharashtra and Goa and the Union territories of Dadra and Nagar Haveli and Daman and Diu, to be known as the Bar Council of Maharashtra and Goa;";

(*b*) the Bar Council of Maharashtra shall be deemed to be the Bar Council of Maharashtra and Goa with the Advocate-General of the State of Goa also as an *ex officio* member.

(*2*) Any person who, immediately before the appointed day, is an advocate entitled to practice in the existing High Court shall be entitled to practice as an advocate in the common High Court.

(*3*) All persons who, immediately before the appointed day, are advocates on the roll of the Bar Council of Maharashtra, shall, as from that day, become advocates on the roll of the Bar Council of Maharashtra and Goa.

(*4*) The right of audience in the common High Court shall be regulated in accordance with the like principles as, immediately before the appointed day, are in force with respect to the right of audience in existing High Court;

Provided that as between the Advocates-General of the States of Maharashtra and Goa, the right of audience shall be determined with reference to their dates of enrolment as advocates.

22. Practice and procedure in the common High Court.—Subject to the provisions of this Part, the law in force immediately before the appointed day with respect to practice and procedure in the existing High Court shall, with the necessary modifications, apply in relation to the common High Court.

23. Custody of seal of the common High Court.—The law in force immediately before the appointed day with respect to the custody of the seal of the existing High Court shall, with the necessary modifications, apply with respect to the custody of the seal of the common High Court.

24. Form of writs and other processes.—The law in force immediately before the appointed day with respect to the form of writs and other processes used, issued or awarded by the existing High Court shall, with necessary modifications, apply with respect to the form of writs and other processes used, issued or awarded by the common High Court.

25. Powers of Judges.—The law in force immediately before the appointed day with respect to the powers of the Chief Justice, single Judges and division Courts of the existing High Court and with respect to all matters, ancillary to the exercise of those powers shall, with the necessary modification apply in relation to the common High Court.

26. Principal seat and other places of sitting of the common High Court.—(*1*) The principal seat of the common High Court shall be at the same place at which the principal seat of the existing High Court is located immediately before the appointed day.

(*2*) The president may, by notified order, provide for the establishment of a permanent bench or benches of the common High Court at one or more places within the territories to which the jurisdiction of the High Court extends, other than the principal seat of the High Court, and for any matters connected therewith:

Provided that before issuing any order under this sub-section, the President shall consult the Chief Justice of the common High Court, and the Governor of the State in which the bench or benches is or are proposed to be established.

(*3*) Notwithstanding anything contained in sub-section (*1*) or sub-section (*2*), the Judges and division Courts of the common High Court may also sit at such other place or places within the territories to which the jurisdiction of that High Court extends as the Chief Justice of that High Court may, with the approval of the Governor of the State or the Administrator of the Union territory concerned, appoint.

27. Procedure as to appeals to Supreme Court.—The law in force immediately before the appointed day relating to appeals to the Supreme Court from the existing High Court and the Judges and division Courts thereof shall, with the necessary modifications, apply in relation to the common High Court.

28. Transfer of proceedings to the common High Court.—(*1*) All proceedings pending in the existing High Court immediately before the appointed day shall, from such day, stand transferred to the common High Court.

(*2*) Every proceeding transferred under sub-section (*1*) shall be disposed of by the common High Court as if such proceeding was entertained by that High Court.

29. Interpretation, etc.—(*1*) For the purposes of section 28,—

(*a*) proceedings shall be deemed to be pending in a Court until that court has disposed of all issues between the parties, including any issues with respect to the taxation of the costs of the proceedings and shall include appeals, applications for leave to appeal to the Supreme Court, applications for review, petitions for revision and petitions for writs; and

(*b*) references to a High Court shall be construed as including references to a Judge or division Court thereof and references to an order made by a Court or a Judge shall be construed as including references to a sentence, judgment or decree passed or made by that Court or Judge.

(*2*) Any person who, immediately before the appointed day, is an advocate entitled to practice in the existing High Court and was authorised to appear or to act in any proceedings transferred from that High Court to the common High Court under section 28 shall have the right to appear or to act, as the case may be, in the common High Court in relation to those proceedings.

30. Saving.—Nothing in this Part shall affect the application to the common High Court of any provisions of the Constitution, and this Part shall have effect subject to any provision that may be made on or after the appointed day with respect to that High Court by any Legislature or other authority having power to make such provision.

PART V

AUTHORISATION OF EXPENDITURE AND DISTRIBUTION AND REVENUES

31. Authorisation of expenditure pending its sanction by the Legislature.—(*1*) The President may, at any time before the appointed day, authorise by order such expenditure from the Consolidated Fund of the State of Goa as he deems necessary for a period of not more than six months beginning with the appointed day, pending the sanction of such expenditure by the Legislative Assembly of the State of Goa:

Provided that the Governor of Goa may, after the appointed day, authorise by order such further expenditure as he deems necessary from the Consolidated Fund of the State of Goa for any period not extending beyond the said period of six months.

(*2*) The President or, as the case may be, the Governor of Goa shall make separate orders under sub-section (*1*) in respect of periods falling in different financial years.

(*3*) The President may, at any time, before or after the appointed day, authorise by order such expenditure from the Consolidated Fund of India as he deems necessary for a period of not more than six months beginning with the appointed day for the administration of the affairs of the Union territory of Daman and Diu pending the sanction of such expenditure by Parliament.

32. Reports relating to the accounts of the existing Union territory.—(*1*) The reports of the Comptroller and Auditor-General of India referred to in section 49 of the Government of Union Territories Act, 1963 (20 of 1963), relating to the accounts of the existing Union territory in respect of any period prior to the appointed day, shall be submitted to the Governor of the State of Goa and the President who shall cause them to be laid before the Legislative Assembly of that State or the House of the People, as the case may be.

(*2*) The Governor may, by order,—

(*a*) declare any expenditure incurred out of the Consolidated Fund of the existing Union territory on any service in respect of any period prior to the appointed day during the financial year 1987-88 or in respect of any earlier financial year in excess of the amount granted for that service and for that year as disclosed in the report referred to in sub-section (*1*) to have been duly authorised; and

(*b*) provide for any action to be taken on any matter arising out of the said reports.

33. Distribution of revenues.—The President shall, by order, determine the grants-in-aid of the revenues of the State of Goa and the share of that State in the Union duties of excise, estate duty and taxes on income and for that purpose amend thereby the relevant provisions of the Additional Duties of Excise (Goods of Special Importance) Act, 1957 (58 of 1957), the Union Duties of Excise (Distribution) Act, 1979 (24 of 1979), the Estate Duty (Distribution) Act, 1962 (9 of 1962) and the Construction (Distribution of Revenues) Order,1985 in such manne

PART VI

ASSETS AND LIABILITIES

34. Definition.—In this Part "Union purposes" means the purposes of Government relatable to any of the matters mentioned in List I in the Seventh Schedule to the Constitution.

35. Land and goods.—(*1*) Subject to the other provisions of this Part, all land and all stores, articles and other goods held immediately before the appointed day, by the Union for the purposes of the governance of the existing Union territory, shall, on and from that day, pass to the State of Goa, unless any such land, stores, articles or goods are situate in the districts of Daman and Diu of the existing Union territory or are held for Union purposes:

Provided that where the Central Government is of the opinion that any goods or class of goods should be distributed otherwise than according to the situation of the goods, the Central Government may issue such directions as it thinks fit for a just and equitable distribution of the goods.

(*2*) The stores held for specific purposes, such as use or utilisation in particular institutions, workshops or undertakings or on particular works under construction, shall be retained by the Union if such institution, workshop, undertaking or work is situated in the districts of Daman and Diu of the existing Union territory.

(*3*) In this section, the expression "land" includes immovable property of every kind and any rights in or over such property.

36. Cash balances.—The total of the cash balances in all treasuries, the Reserve Bank of India, the State Bank of India and any nationalised bank, of the existing Union territory immediately before the appointed day shall be divided between the State of Goa and the Union according to the population ratio:

Provided that for the purposes of such division, there shall be no transfer of cash balances from any treasury to any other treasury and the apportionment shall be effected by adjusting the balances in the books of the Reserve Bank of India.

Explanation.—In this section, "balance" includes a debit balance.

37. Arrears of taxes.—(*1*) The right to recover arrears of any tax or duty (including arrears of land revenue) on any property situated in the district of Goa of the existing Union territory shall belong to the State of Goa.

(*2*) The right to recover arrears of any tax or duty, other than a tax or duty specified in sub-section (*1*), shall belong to the State of Goa if the place of assessment of that tax or duty is included in the district of Goa of the existing Union territory.

38. Right to recover loans and advances.—The right to recover any loans or advances made by the Union before the appointed day to any local body, society, agriculturist or other person in the district of Goa of the existing Union territory shall belong to the State of Goa:

Provided that right to recover loans or advances of pay and travelling allowance to a Government servant made before the appointed day by the Administrator shall pass to the State of Goa if such Government servant is allotted to that State.

39. Investments in and loans, etc., to certain corporate bodies.—Where any body corporate constituted under a Central Act or a State Act for the existing Union territory, or any part thereof, has, by virtue of the provisions of Part II, become an inter-State body corporate, the investments in, or loans or advances to any such body by the Union made before the appointed day shall be divided between the State of Goa and the Union in such manner as may be agreed between them before the expiration of one year from the appointed day, or in default of such agreement in such manner as the Central Government may, by order, direct.

40. Assets and liabilities of State undertakings.—The assets and liabilities relating to any commercial undertaking of the existing Union territory shall,—

(*a*) if the undertaking is located in the district of Goa of the existing Union territory, pass to the State of Goa;

(*b*) if the undertaking is located in the district of Goa, as well as the districts of Daman and Diu, of the existing Union territory, be divided in such manner as may be agreed upon between the State of Goa and the Union before the expiration of one year from the appointed day, or in default of such agreement, as the Central Government may, by order, direct.

41. Refund of taxes collected in excess.—The liability of the Union to refund—

(*a*) any tax or duty on property, including land revenue collected in excess shall go to the State of Goa if the property is situated in the district of Goa of the existing Union territory;

(*b*) any other tax or duty collected in excess shall go to the State of Goa if the place of assessment of that tax or duty is included in the district of Goa of the existing Union territory.

42. Certain deposits.—The liability of the Union in respect of any civil deposit or local fund shall, on and from the appointed day, be the liability of the State of Goa, if the deposit has been made in the district of Goa of the existing Union territory.

43. Provident fund.—(*1*) The liability of the Union in respect of the provident fund account of a Government servant employed in connection with the administration of the existing Union territory and in service on the appointed day shall, on and from that day, be the liability of the State of Goa if that Government servant is permanently allotted to that State.

(*2*) The liability of the Union in respect of the provident fund account of a Government servant employed in connection with the administration of the existing Union territory who has retired from service before the appointed day shall be the liability of the State of Goa in the first instance and shall be adjusted between the State of Goa and the Union according to the population ratio.

44. Pensions granted by the Administrator, etc.—(*1*) Subject to the adjustments mentioned in sub-section (*4*), the State of Goa shall, in respect of pensions granted before the appointed day by the Administrator, pay the pensions drawn in the treasuries in the Goa district of the existing Union territory.

(*2*) Subject to the adjustments mentioned in sub-section (*4*), the liability in respect of pensions of Government servants employed in connection with the affairs of the existing Union territory who retire or proceed on leave preparatory to retirement before the appointed day but whose claims for pensions are outstanding immediately before that day, shall be the liability of the State of Goa.

(*3*) The liability of the Union in respect of pensions granted before the appointed day by the Administrator and drawn in any treasury outside the existing Union territory shall be the liability of the State of Goa subject to adjustments to be made in accordance with sub-section (*4*), as if such pensions had been drawn in the treasuries referred to in sub-section (*1*).

(*4*) In respect of the period commencing on the appointed day and ending on the 31st day of March, 1988, and in respect of each subsequent financial year, the total payments made by the State of Goa in respect of pensions referred to in sub-section (*1*) and sub-section (*2*) shall be apportioned between the State of Goa and the Union in the population ratio.

(*5*) The liability in respect of the pension of any Government servant employed immediately before the appointed day in connection with the affairs of the existing Union territory and retiring on or after that day, shall be that of the State of Goa or the Union, as the case may be, but the portion of the pension in respect of the period of service of any such Government servant before the appointed day shall be apportioned between the State of Goa and the Union in the population ratio.

(*6*) Any reference in this section to a pension shall be construed as including a reference to the commuted value of the pension.

45. Contracts.—(*1*) Where before the appointed day, the Union has made any contract in the exercise of its executive power for any purposes of the existing Union territory that contract shall be deemed to have been made in the exercise of the executive power of the State of Goa,—

(*a*) if the purposes of the contract are, on and from the appointed day, exclusively purposes of that State; and

(*b*) if the purposes of the contract are, on and from that day, not exclusively purposes of any area in the districts of Daman and Diu of the existing Union territory,

and all rights and liabilities which have accrued, or may accrue, under any such contract shall, to the extent to which they would have been rights or liabilities of the Union, be rights or liabilities of the State of Goa:

Provided that in any such case as is referred to in clause (*b*), the initial allocation of rights and liabilities made by this sub-section shall be subject to such financial adjustments as may be agreed upon between the State of Goa and the Union or in default of such agreement, as the Central Government may, by order, direct.

(*2*) For the purposes of this section, there shall be deemed to be included in the liabilities which have accrued or may accrue under any contract—

(*a*) any liability to satisfy an order or award made by any court or other tribunal in proceedings relating to the contract; and

(*b*) any liability in respect of expenses incurred in, or in connection with, any such proceedings.

(*3*) This section shall have effect subject to the other provisions of this Part relating to the apportionment of liabilities in respect of loans, guarantees and other financial obligations.

46. Liability in respect of actionable wrong.—Where, immediately before the appointed day, the Union in connection with the governance of the existing Union territory is subject to any liability in respect of an actionable wrong, other than breach of contract, that liability shall,—

(*a*) if the cause of action arose wholly within the district of Goa of the existing Union territory, be a liability of the State of Goa; and

(*b*) in any other case, be initially a liability of the State of Goa but subject to such financial adjustments as may be agreed upon between the State of Goa and the Union, or in default of such agreement, as the Central Government may, by order, direct.

47. Liability as guarantor of co-operative societies.—Where, immediately before the appointed day, the Union in connection with the governance of the existing Union territory is liable as guarantor in respect of any liability of a registered co-operative society or other person, that liability of the Union shall be a liability of the State of Goa—

(*a*) if the area of the operations of such society or person is limited to the territories in the district of Goa of the existing Union territory; and

(*b*) if the area of the operations of such society or person extends to the whole of the existing Union territory:

Provided that in any such case as is referred to in clause (*b*), the initial allocation of liabilities under this section shall be subject to such financial adjustments as may be agreed upon between the State of Goa and the Union or in default of such agreement, as the Central Government may, by order, direct.

48. Items in suspense.—If any item in suspense is ultimately found to affect an asset or liability of the nature referred to in any of the foregoing provisions of this Part, it shall be dealt with in accordance with that provision.

49. Residuary provision.—The benefit or burden of any assets or liabilities of the Union in connection with the governance of the existing Union territory not dealt with in the foregoing provisions of this Part shall be retained by the Union for the purposes of the governance of the Union territory of Daman and Diu.

50. Apportionment of assets or liabilities by agreement.—Where the State of Goa and the Union agree that the benefit or burden of any particular asset or liability should be apportioned between them in a manner other than that provided for s of this Part, then, notwithstanding

anything contained therein, the benefit or burden of that asset or liability shall be apportioned in the manner agreed upon.

51. Power of Central Government to order allocation or adjustment in certain cases.—Where, by virtue of any of the provisions of this Part, the Union becomes entitled to any property or obtains any benefits or the State of Goa becomes subject to any liability, and the Central Government is of opinion on a reference made within a period of three years from the appointed day by the State of Goa that it is just and equitable that that property or those benefits should be transferred to, or shared with, the State of Goa or that a contribution towards that liability should be made by the Union the said property or benefits shall be allocated in such manner, or the Union shall make to the State of Goa such contribution in respect thereof, as the Central Government may, after consultation with the Government of the State of Goa by order, determine.

PART VII

PROVISIONS AS TO ARRANGEMENTS, CORPORATIONS AND INTER-STATE AGREEMENTS

52. Continuance of certain arrangements.—Where any arrangement in regard to the supply of electric power or the supply of water for any area in the districts of Daman and Diu of the existing Union territory or in regard to the execution of any project for such supply from an area included in the State of Goa by the provisions of Part II exists, such arrangement will be continued, unless terminated by agreement, between the State of Goa and the Union in accordance with such terms and conditions as may be mutually agreed upon by the State Government of Goa and the Union within a period of one year from the appointed day, and, where no such agreement is arrived at within such period, the Central Government may give such directions as it deems fit to that State Government or the authority concerned for the continuance, so far as is practicable, of the previous arrangement.

53. Provision as to co-operative banks.—Notwithstanding anything contained in section 22 of the Banking Regulation Act, 1949 (10 of 1949), where by virtue of the provisions of Part II, a co-operative bank is newly formed on the appointed day or within three months thereof in the State of Goa or the Union territory of Daman and Diu, it may commence and conduct banking business without obtaining a licence under that section from the Reserve Bank of India, until it is granted such a licence or until it is informed by the Reserve Bank of India that such a licence cannot be granted to it:

Provided that such bank applies to the Reserve Bank of India for such a licence within a period of three months from the date of formation of the Bank.

54. General provisions as to statutory corporations.—(*1*) Where any body corporate constituted under any Central Act, State Act or Provincial Act for the existing Union territory or any part thereof has, by virtue of the provisions of Part II, become an inter-State body corporate, then, the body corporate shall, on and from the appointed day, continue to function and operate in those areas in respect of which it was functioning and operating immediately before that day, subject to such directions as may from time to time be issued by the Central Government until other provision is made by law in respect of the said body corporate.

(*2*) Any direction issued by the Central Government under sub-section (*1*) in respect of any such body corporate may include a direction that any law by which the said body corporate is governed shall, in its application to that body corporate, have effect, subject to such exceptions and modifications as may be specified in the direction.

55. Temporary provisions as to continuance of certain existing road transport permits.—(*1*) Notwithstanding anything contained in section 63 of the Motor Vehicles Act, 1939 (4 of 1939), a permit granted in the existing Union territory shall, if such permit was immediately before the appointed day, valid and effective in any area therein, be deemed to continue to be valid and effective in that area up to the 31st day of March,1988, subject to the provisions of that Act as for the time being in force in that area and it shall not be necessary for any such permit to be countersigned by any State or Regional Transport Authority for the purpose of validating it for use in such area:

Provided that the Central Government may, after consultation with the State Government of Goa add to, amend or vary the conditions attached to the permit by the authority by which the permit was granted.

(*2*) No toll, entrance fees or other charges of a like nature shall be levied for a period up to and inclusive of the 31st day of March, 1988, in respect of any transport vehicle for its operations in either the State of Goa or the Union territory of Daman and Diu under any such permit, if such vehicle was immediately before that day exempt from the payment of any such toll, entrance fees or other charges for its operations within the existing Union territory:

Provided that the Central Government may, after consultation with the State Government of Goa authorise the levy of any such toll, entrance fees or other charges, as the case may be.

56. Special provision relating to retrenchment compensation in certain cases.—Where, by virtue of the provisions of Part II, any body corporate constituted under a Central Act, State Act or Provincial Act, any co-operative society registered under any law relating to cooperative societies or any commercial or industrial undertaking is reconstituted or reorganised in any manner whatsoever or is amalgamated with any other body corporate, co-operative society or undertaking, or is dissolved, and in consequence of such reconstitution, reorganisation, amalgamation or dissolution, any workman employed by such body corporate or any such co-operative society or undertaking, is transferred to, or re-employed by any other body corporate, or in any other co-operative society or undertaking, then, notwithstanding anything contained in section 25F, section 25FF or section 25FFF, of the Industrial Disputes Act, 1947 (14 of 1947), such transfer or re-employment shall not entitle him to any compensation under that section:

Provided that—

(*a*) the terms and conditions of service applicable to the workman after such transfer or re-employment are not less favourable to the workman than those applicable to him immediately before the transfer or re-employment; and

(*b*) the employer in relation to the body corporate, the co-operative society or the undertaking where the workman transferred or re-employed, is by agreement or otherwise, legally liable to pay to the workman, in the event of his retrenchment, compensation under section 25F, section 25FF or section 25FFF of the Industrial Disputes Act, 1947 (14 of 1947), on the basis that his service has been continuous and has not been interrupted by the transfer or re-employment.

57. Special provision as to income-tax.—Where the assets, rights and liabilities of any body corporate carrying on business are, under the provisions of this Part, transferred to any other bodies corporate which after the transfer carry on the same business, the losses of profits or gains sustained by the body corporate first mentioned which, but for such transfer, would have been allowed to be carried forward and set off in accordance with the provisions of Chapter VI of the Income-tax Act, 1961 (43 of 1961) shall be apportioned amongst the transferee bodies corporate in accordance with the rules to be made by the Central Government in this behalf and, upon such apportionment, the share of loss allotted to each transferee body corporate shall be dealt with in accordance with the provisions of Chapter VI of the said Act as if the transferee body corporate had itself sustained such loss in a business carried on by it in the years in which these losses were sustained.

58. Continuance of existing facilities in certain institutions.—On and from the appointed day, the Government of Goa shall, in respect of the technical institutions located in the State of Goa continue to provide facilities to the persons resident in the territories comprising the Union territory of Daman and Diu which shall not in any respect be less favourable than those which were being provided to them immediately before that day upon such terms and conditions (including those relating to any contribution or payment to be made for the provisions of such facilities) as may be agreed upon between the State of Goa and the Union before the 1st day of April, 1988, or if no such agreement is reached by the said date, as may be fixed by the order of the Central Government.

PART VIII

PROVISIONS AS TO SERVICES

59. Provisions relating to All India on, the expression "State Cadre",—

(*a*) in relation to the Indian Administrative Service, has the meaning assigned to it in the Indian Administrative Service (Cadre) Rules, 1954;

(*b*) in relation to the Indian Police Service, has the meaning assigned to it in the Indian Police Service (Cadre) Rules, 1954, and

(*c*) in relation to the Indian Forest Service, has the meaning assigned to it in the Indian Forest Service (Cadre) Rules, 1966.

(*2*) The strength and composition of the State Cadre of Goa shall, on and from the appointed day, be such as is determined by the Central Government in consultation with the State Government.

(*3*) The members of each of the said Services borne on the Union territories cadre immediately before the appointed day shall continue to be in the cadre of the same service of the Union territory in which they stand allocated before the appointed day.

(*4*) Nothing in this section shall be deemed to affect the operation, on or after the appointed day, of the All India Services Act, 1951 (61 of 1951), or the rules made thereunder, in relation to the State cadres of the said services and in relation to the members of those services borne on the said cadres.

60. Provisions relating to other services.—(*1*) Every person employed in connection with the affairs of the Union territory or the State of Goa and serving, immediately before the appointed day, in the district of Goa of the existing Union territory shall, on and from that day,—

(*a*) continue to serve in connection with the affairs of the State of Goa; and

(*b*) be deemed to be provisionally allotted to serve in connection with the affairs of the said State:

Provided that nothing in clause (*b*) shall apply to a person to whom the provisions of section 59 apply or to a person on deputation from any State.

(*2*) As soon as may be after the appointed day, the Central Government shall by general or special order, determine whether every person referred to in clause (*b*) of sub-section (*1*) shall be finally allotted for service in the State of Goa or under the Union in connection with the affairs of the Union territory of Daman and Diu and the date with effect from which such allotment shall take effect or be deemed to have taken effect.

(*3*) Every person who is finally allotted under the provisions of sub-section (*2*) to the State of Goa or the Union shall, if he is not already serving therein or thereunder be made available for serving in that State or under the Union from such date as may be agreed upon between the State of Goa and the Union or in default of such agreement, as may be determined by the Central Government.

(*4*) As soon as may be after the Central Government passes orders finally allotting an employee in terms of sub-section (*2*), the State of Goa or the Union shall take steps to integrate him into the services under its control in accordance with such special or general orders or instructions as may be issued by the Central Government from time to time in this behalf.

(*5*) The Central Government may, by order establish one or more Advisory Committees for the purpose of assisting it in regard to—

(*a*) the division of the services between the State of Goa and the Union; and

(*b*) the ensuring of fair and equitable treatment to all persons affected by the provisions of this section and the proper consideration of any representations made by such persons:

Provided that notwithstanding anything to the contrary contained in any law or rule for the time being in force, no representation shall be against any order passed by the competent authority on matters arising out of the division and integration of services under this Act, on the expiry of three months from the date of publication or service, whichever is earlier, of such order:

Provided further that, notwithstanding anything contained in the preceding proviso, the Central Government may *suo motu* or otherwise and for reasons to be recorded, reopen any matter and pass such orders thereon, as may appear to it to be appropriate if it is satisfied that it is necessary so to do, in order to prevent any miscarriage of justice to any

(*6*) Nothing in this section shall be deemed to affect, on or after the appointed day, the operation of the provisions of Chapter I of Part XIV of the Constitution in relation to the determination of the conditions of service of persons serving in connection with the affairs of the State of Goa or the Union:

Provided that the conditions of service applicable immediately before the appointed day to the case of any person referred to in sub-section (*1*) or sub-section (*2*) shall not be varied to his disadvantage except with the previous approval of the Central Government.

(*7*) All service prior to the appointed day rendered by a person allotted under sub-section (*2*) in connection with the affairs of the existing Union territory shall for purposes of the rules regarding his conditions of service, be deemed to have been rendered in connection with the affairs of the State or the Union to which he is finally allotted.

(*8*) The provisions of this section other than clause (*a*) of sub-section (*1*) shall not apply in relation to any person to whom the provisions of section 59 apply.

61. Provisions as to continuance of officers in the same posts.—Every person who immediately before the appointed day is holding or discharging the duties of any post or office in connection with the affairs of the existing Union territory shall continue to hold the same post or office and shall be deemed, on and from that day, to have been duly appointed on the same terms and conditions of appointment and on the same tenure to that post or office by the Government of, or the other appropriate authority, in the State of Goa or of the Union, as the case may be:

Provided that nothing in this section shall be deemed to prevent a competent authority, on or after the appointed day, from passing in relation to such person, any order affecting his continuance in such post or office.

62. Powers of Central Government to give directions.—The Central Government may give such directions to the State Government as may appear to it to be necessary for the purpose of giving effect to the foregoing provisions of this Part and the said Government shall comply with such directions.

PART IX

LEGAL AND MISCELLANEOUS PROVISION

63. [*Amendment of certain Articles***].—***Rep. by the Repealing and Amending Act,* 2001 *(*30 *of* 2001*), s.* 2 *and the First Schedule (w.e.f.* 3-9-2001*).*

64. [*Amendment of Act* 37 *of* 1956].—*Rep. by s.* 2 *and the First Schedule, ibid. (w.e.f.* 3-9-2001*).*

65. [*Amendment of Act* 20 *of* 1963].—*Rep. by s.* 2 *and the First Schedule, ibid. (w.e.f.* 3-9-2001*).*

66. Territorial extent of laws.—The provisions of Part II shall not be deemed to have effected any change in the territories to which any law in force immediately before the appointed day extends or applies, and the territorial references in any such law to the existing Union territory shall, until otherwise provided by a competent Legislature or other competent authority, be construed as meaning the territories within the existing Union territory before the appointed day.

67. Power to adapt laws.—For the purpose of facilitating the application in relation to the State of Goa or the Union territory of Daman and Diu of any law made before the appointed day, the appropriate Government may, within two years from that day, by order, make such adaptations and modifications of the law, whether by way of repeal or amendment, as may be necessary or expedient, and thereupon every such law shall have effect subject to the adaptations and modifications so made until altered, repealed or amended by a competent Legislature or other competent authority.

Explanation.— In this section, the expression "appropriate Government" means, as respects any law relating to a matter enumerated in the Union List in the Seventh Schedule to the Constitution, the Central Government, and as respects any other law,

(*i*) in its application to the State of Goa, the State Government, and

(*ii*) in its application to the Union territory of Daman and Diu, the Central Government.

68. Power to construe laws.—Notwithstanding that no provision or insufficient provision has been made under section 67 for the adaptati appointed day, any court, tribunal or

authority required or empowered to enforce such law may, for the purpose of facilitating its application in relation to the State of Goa, or the Union territory of Daman and Diu construe the law in such manner not affecting the substance as may be necessary or proper in regard to the matter before the court, tribunal or authority, as the case may be.

69. Provisions as to continuance of courts, etc.—All courts and tribunals and all authorities discharging lawful functions throughout the existing Union territory or any part thereof immediately before the appointed day shall unless their continuance is inconsistent with the provisions of this Act or until other provision is made by a competent Legislature or other competent authority, continue to exercise their respective functions.

70. Effect of provisions of Act inconsistent with other laws.—The provisions of this Act shall have effect notwithstanding anything inconsistent therewith contained in any other law.

71. Power to remove difficulties.—(*1*) If any difficulty arises in giving effect to the provisions of this Act, the President may, by order, do anything not inconsistent with such provisions which appears to him to be necessary or expedient for the purpose of removing the difficulty:

Provided that no such order shall be made after the expiry of three years from the appointed day.

(*2*) Every order made under this section shall be laid before each House of Parliament.

72. Power to make rules.—(*1*) The Central Government may, by notification, make rules to give effect to the provisions of this Act.

(*2*) Every rule made under this section shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive 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.

[THE FIRST SCHEDULE].—*Rep. by the Repealing and Amending Act,* 200*(*30 *of* 2001*), s.* 2 *and the First Schedule (w.e.f.* 3-9-2001*)*.

[THE SECOND SCHEDULE].—*Rep. by s.* 2 *and the First Schedule, ibid. (w.e.f.* 3-9-2001*).*