



## The Kerala Relief Undertakings (Special Provisions) Act, 1962

Act 6 of 1962

**Keyword(s):**

**Industry, Relief Undertaking**

**Amendments appended: 9 of 1981, 25 of 1990**

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## ACT 6 OF 1962<sup>[1]</sup>

### THE KERALA RELIEF UNDERTAKINGS (SPECIAL PROVISIONS) ACT, 1961

*An Act to make temporary provisions for industrial relation and other matters to enable the Government to conduct, or provide loan, guarantee or financial assistance for the conduct of, certain industrial undertakings as a measure of preventing unemployment or of unemployment relief.*

*Preamble.*-WHEREAS it is expedient to make temporary provisions for industrial relations and other matters to enable the Government to conduct, or provide loan, guarantee or financial assistance for the conduct of, certain industrial undertakings as a measure of preventing unemployment or of unemployment relief;

BE it enacted in the Twelfth Year of the Republic of India as follows:-

1. *Short title, extent and commencement.*-(1) This Act may be called the Kerala Relief Undertakings (Special Provisions) Act, 1961.

(2) It extends to the whole of the State of Kerala.

(3) It shall come into force on such date as the Government may, by notification in the Gazette, appoint.

2. *Definitions.*-In this Act, unless the context otherwise requires,-

(a) "Industry" means any business, trade, undertaking, manufacture or calling of employers and includes any plantation and any calling, service, employment, handicraft or industrial occupation or avocation of workmen and the word "industrial" shall be construed accordingly;

(b) "Relief undertaking" means an industrial undertaking in respect of which a declaration under section 3 is in force.

3. *Declaration of relief undertaking.*-(1) If at any time, it appears to the Government necessary to do so, the Government may, by notification in the Gazette, declare that an industrial undertaking specified in the notification, whether started, acquired or otherwise taken over by the Government, and carried on or proposed to be carried on by themselves or under their authority, or to which any loan, guarantee or other financial assistance has been provided by the Government, shall, with effect from the date specified for the purpose in the notification be conducted to serve as a measure of preventing unemployment or of unemployment relief and the undertaking shall accordingly be deemed to be a relief undertaking for purposes of this Act.

(2) A notification under sub-section (1) shall have effect for such period not exceeding two years as may be specified in the notification; but it shall be renewable by

like notifications from time to time for further periods not exceeding twelve months at a time, so however that all the periods in the aggregate do not exceeded [\[2\]](#)[ten years]

4. *Power to prescribe industrial relations and other facilities temporarily for relief undertaking.*-Notwithstanding any law, usage, custom, contract, instrument, decree, order, award, submission, settlement, standing order or other provision whatsoever, the Government may, by notification in the Gazette, direct that-

(a) in relation to any relief undertaking and in respect of the period of which the relief undertaking continues as such under sub-section (2) of section 3—

(i) all the provisions of the laws specified in the Schedule to this Act, which involve any financial commitment or expenditure shall not apply (and such relief undertaking shall be exempt therefrom), or all or any of such provisions shall, if so directed by the Government, be applied with such modifications (which do not however affect the policy of the said laws) as may be specified in the notification;

(ii) all or any of the agreements, settlements, or awards made under any of the laws specified in the Schedule to this Act, which may be applicable to the undertaking immediately before it was acquired or taken over by the Government, or before any loan, guarantee, or other financial assistance was provided to it by or with the approval of the Government for being run as a relief undertaking, shall be suspended in operation, or shall, if so directed by the Government, be applied with such modifications as may be specified in the notification;

[\[3\]](#)[(aa) during the period in which the relief undertaking continues as such under sub-section (2) of section 3, any liability of the undertaking to pay tax under the Kerala General Sales Tax Act, 1963 (15 of 1963), incurred before the undertaking was declared a relief undertaking and any remedy for enforcing the payment thereof shall be suspended and all proceedings relating to the levy, assessment, collection and recovery of such tax pending before any court, tribunal, officer or authority shall be stayed;]

(b) during the period in which the relief undertaking continues as such under sub-section (2) of section 3 any liability or obligation of the undertaking accrued or incurred before the undertaking was declared a relief undertaking and any remedy for the enforcement thereof shall be suspended and all proceedings relative thereto pending before any court, Tribunal, Officer or authority shall be stayed;

[\[4\]](#) [Provided that the provisions in this clause shall not apply to the liabilities or obligations accrued or incurred in favour of the national financial institutions and banks and to any remedy for the enforcement thereof.

*Explantion.*-For the purposes of this clause,-

(i) “national financial institution’ means any financial institution with jurisdiction all over India, set up by enacting Special Acts in the Parliament with the objective of providing financial assistance to the industrial units.

(ii) “bank” means a banking company as defined in clause (c) of section 5 of the banking Regulation Act, 1949 (Central Act 10 of 1949);]

(c) the right, privilege, obligation or liability referred to in [\[5\]](#)[clause (aa) or clause (b)] shall, on the notification ceasing to have force, revive and be enforceable and the proceedings referred to therein shall be continued.

Provided that in computing the period of limitation for the enforcement of such right, privilege, obligation or liability, the period during which it was suspended under [\[6\]](#)[clause (aa) or clause (b)] shall be excluded notwithstanding anything contained in any law for the time being in force.

5. *Utilisation of profits.*-Such percentage of the profits, if any, made by the Government, as may be prescribed, in carrying on any relief undertaking shall be utilized for the benefit of the persons employed in the undertaking in such manner as may be prescribed.

6. *Protection of action under the Act.*-No suit or other legal proceedings shall lie against the Government for anything which is in good faith done or intended to be done under this Act.

7. *Power to make rules.*-(1) The Government may, by notification in the Gazette, make rules to carry out the purposes of this Act.

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

(a) the rates of wages payable to the workmen and their work loads and the salary payable to the staff, the payment of bonus, gratuity compensation, etc.;

(b) the manner in which the relief undertaking should be run on behalf of the Government;

(c) the strength of staff and labour to be employed for running the relief undertaking economically;

(d) the manner in which the net profits or net losses or surplus funds should be appropriated or disposed of; and

(e) the percentage of profits to be utilized for the benefit of the persons employed in the undertaking and the manner of its utilization.

(3) All rule made under this section shall, as soon as possible after they are made, be laid before the Legislative Assembly for a period of not less than fourteen days and shall be subject to such modifications as the Legislative Assembly may make during the session in which they are so laid or the session immediately following.

#### THE SCHEDULE

##### *Central Acts*

- (1) The Industrial Disputes Act, 1947.
- (2) The Minimum Wages Act, 1948,

##### *State Acts*

- 1125.
- (1) The Travancore-Cochin Shops and Establishments Act,
  - (2) The Madras Shops and Establishments Act, 1947.

**THE KERALA RELIEF UNDERTAKING (SPECIAL PROVISIONS)  
AMENDMENT ACT, 1980 [\[1\]](#)**

**(Act 9 of 1981)**

*An Act to amend the Kerala Relief Undertakings (Special Provisions) Act, 1961 .*

*Preamble* .-WHEREAS it is expedient to amend the Kerala Relief Undertakings (Special Provisions) Act, 1961, for the purpose hereinafter appearing;

BE it enacted in the Thirty-first Year of the Republic of India as follows:-

1. *Short title and commencement* .-(1) This Act may be called the Kerala Relief Undertakings (Special Provisions) Amendment Act, 1980.

(2) It shall be deemed to have come into force on the 21 st day of November, 1980.

2. *Amendment of section 3*.-In section 3 of the Kerala Relief Undertakings (Special Provisions) Act, 1961 (6 of 1962) (hereinafter referred to as the principal Act), in sub-section (2), for the words “five years”, the words “ten years” shall be substituted.

3. *Amendment of section 4*.-In section 4 of the principal Act.-

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

“(aa) during the period in which the relief undertaking continues as such under sub-section (2) of section 3, any liability of the undertaking to pay tax under the Kerala General Sales Tax Act, 1963 (15 of 1963), incurred before the undertaking was declared a relief undertaking and any remedy for enforcing the payment thereof shall be suspended and all proceedings relating to the levy, assessment, collection and recovery of such tax pending before any court, tribunal, officer or authority shall be stayed;”;

(b) in clause (c), for the word, brackets and letter “clause (b)”, in both the places where they occur, the words, brackets and letters "clause (aa) or clause (b)” shall be substituted.

4. *Repeal and saving* .-(1) The Kerala Relief Undertakings (Special Provisions) Amendment Ordinance, 1980 (10 of 1980), is hereby repealed.

(2) Notwithstanding such repeal, anything done or any action taken under the principal Act as amended by the said Ordinance shall be deemed to have been done or taken under the principal Act as amended by this Act.

# THE KERALA RELIEF UNDERTAKINGS (SPECIAL PROVISIONS)

## AMENDMENT ACT, 1990<sup>[1]</sup>

(ACT 25 OF 1990)

*An Act further to amend the Kerala Relief Undertakings (Special Provisions) Act, 1961.*

*Preamble.*-WHEREAS it is expedient further to amend the Kerala Relief Undertakings (Special Provisions) Act, 1961 for the purposes hereinafter appearing;

BE it enacted in the Forty-first Year of the Republic of India as follows:-

1. *Short title and commencement.*-(1) This Act may be called the Kerala Relief Undertakings (Special Provisions) Amendment Act, 1990.

(2) It shall come into force at once.

2. *Amendment of section 4.*-In section 4 of the Kerala Relief Undertakings (Special Provisions) Act, 1961 (6 of 1962), to clause (b) the following proviso and explanation shall be added, namely:-

“Provided that the provisions in this clause shall not apply to the liabilities or obligations accrued or incurred in favour of the national financial institutions and banks and to any remedy for the enforcement thereof.

*Explanation.*-For the purposes of this clause,-

(i) “national financial institution” means any financial institution with jurisdiction all over India, set up by enacting Special Acts in the Parliament with the objective of providing financial assistance to industrial units

(ii) “bank” means a banking company as defined in clause (c) of section 5 of the Banking Regulation Act, 1949 (Central Act 10 of 1949);”