

THE GENERAL INSURANCE BUSINESS  
(NATIONALISATION) AMENDMENT ACT, 1985

No. 3 OF 1985

[9th February, 1985.]

An Act further to amend the General Insurance Business  
(Nationalisation) Act, 1972.

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

Short  
title  
and  
com-  
mence-  
ment.

1. (1) This Act may be called the General Insurance Business  
(Nationalisation) Amendment Act, 1985.

(2) It shall be deemed to have come into force on the 17th day of  
September, 1984.

Amend-  
ment of  
clause (o)  
of sec-  
tion 3.

2. In section 3 of the General Insurance Business (Nationalisation)  
Act, 1972 (hereinafter referred to as the principal Act), in clause (o),  
after the words and figures "framed under section 16"; the words, figures  
and letter "and also includes a scheme framed under section 17A" shall be  
inserted.

57 of 1972.

Amend-  
ment of  
section 16.

3. In section 16 of the principal Act, after sub-section (7), the following  
sub-section shall be inserted, namely:—

"(8) The power to frame a scheme under sub-section (1), and  
the power conferred by sub-section (6) to add to, amend or vary any  
scheme framed under this section, shall include the power to frame  
such scheme with retrospective effect from a date not earlier than  
the appointed day."

Insertion  
of new  
Chapter  
VA.

4. In the principal Act, after Chapter V, the following Chapter shall  
be inserted, namely:—

"CHAPTER VA

TERMS AND CONDITIONS OF SERVICE OF OFFICERS AND OTHER EMPLOYEES

Power of  
Central  
Govern-  
ment to  
regulate

17A. (1) The Central Government may, by notification in the  
Official Gazette, frame one or more schemes for regulating the pay  
scales and other terms and conditions of service of officers and other  
employees of the Corporation or of any acquiring company.

(2) A scheme framed under sub-section (1) may add to, amend or vary any scheme framed under section 16 [including any addition, amendment or variation made therein by notification under sub-section (6) of section 16] with respect to rationalisation or revision of pay scales and other terms and conditions of service of officers and other employees of the Corporation or of any acquiring company, to provide for further rationalisation or revision of such pay scales and other terms and conditions of service notwithstanding that such further rationalisation or revision is unrelated to, or unconnected with, the amalgamation of insurance companies or merger consequent on nationalisation of general insurance business.

the terms and conditions of service of officers and other employees.

(3) The Central Government may, by notification, add to, amend or vary any scheme framed under this section.

(4) The power to frame a scheme under sub-section (1), and the power conferred by sub-section (3) to add to, amend or vary any scheme framed under this section, shall include the power to frame such scheme, or, as the case may be, to make such addition, amendment or variation in any scheme framed under this section, with retrospective effect from a date not earlier than the appointed day.

(5) A copy of every scheme, and every amendment thereto, framed under this section shall be laid, as soon as may be after it is made, before each House of Parliament.

(6) The provisions of this section and of any scheme framed under it shall have effect notwithstanding anything to the contrary contained in any other law or any agreement, award or other instrument for the time being in force."

5. (1) Notwithstanding anything contained in any judgment, decree or order of any court, tribunal or other authority or in any other law, agreement, award or other instrument for the time being in force, every scheme framed or purporting to have been framed with retrospective effect under sub-section (1) of section 16 of the principal Act and every notification made or purporting to have been made with retrospective effect under sub-section (6) of that section before the commencement of the General Insurance Business (Nationalisation) Amendment Act, 1985 shall be, and shall be deemed always to have been, for all purposes, as valid and effective as if the amendment made in the said section 16 by section 3 of this Act had been part of that section and had been in force at all material times.

Validation.

(2) Notwithstanding anything contained in any judgment, decree or order of any court, tribunal or other authority or in any other law, agreement, award or other instrument for the time being in force,—

(a) every scheme framed, or purporting to have been framed, by the Central Government under sub-section (1) of section 16 of the principal Act; and

(b) every notification made, or purporting to have been made, by the Central Government under sub-section (6) of the said section 16,

before the commencement of the General Insurance Business (Nationalisation) Amendment Act, 1985, in so far as such scheme or notification provides (whether with or without retrospective effect) for any rationalisation or revision of pay scales or other terms and conditions of service of officers and other employees of the Corporation or of any acquiring company, otherwise than in relation to, or in connection with, amalgamation of insurance companies or merger consequent on nationalisation of general insurance business shall be, and shall be deemed always to have been, for all purposes, as valid and effective as if section 17A, as inserted in the principal Act by section 4, of this Act had been part of the principal Act, and had been in force at all material times and such schemes or notification in so far as it provides as aforesaid had been framed or made, under the said section 17A:

Provided that nothing in this section shall apply to, or in relation to, the notification dated the 30th day of September, 1980, framing the General Insurance (Nationalisation and Revision of Pay Scales and Other Conditions of Service of Supervisory, Clerical and Subordinate Staff) Second Amendment Scheme, 1980.

*Explanation.*—In this section, the expressions “acquiring company” and “Corporation” shall have the meanings respectively assigned to them in the principal Act.

6. (1) The General Insurance Business (Nationalisation) Amendment Ordinance, 1984, 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.

Repeal  
and  
saving.

10 of 1984.