

MYSORE PALACE (ACQUISITION AND TRANSFER) ACT, 1998

32 of 1998

[November 13, 1998]

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MYSORE PALACE (ACQUISITION AND TRANSFER) ACT, 1998

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STATEMENT OF OBJECTS AND REASONS MYSORE ACT NO. 32 OF 1998 The palace at Mysore popularly known as the Mysore Palace, a unique historical, architectural and cultural heritage of Karnataka in particular and of the nation in general, with its immediate surroundings, including the open space, park and the garden around it, the Royal Treasure including the Royal Thrones, Royal Crowns, the Howdah, Royal Wears and ornaments and all other pieces of art, regalia, paintings, sculptures and furniture, is required for maintaining its public character; for preserving its identity as centre of the Dasara Festivity in Karnataka renowned world wide for its cultural heritage and as a Monument in its own Majesty and splendour; for developing it as an exclusive Museum of Royal Treasure, paintings and pieces of art and architecture; and to preserve the park and garden and to develop the open space as a horticultural garden, to serve the public purposes. Hence it is considered necessary to acquire and transfer by law, the Mysore Palace and the surrounding vacant land including buildings, temples and other places of worship, Royal Treasures, and all other pieces of art, regalia, paintings, sculpture and furniture and all other movable and immovable property belonging to or found in the palace (except movables left with the legal representatives or heirs while taking over possession of the palace by the Government in the year 1976) in the public interest, and for its preservation, maintenance and for matters, connected therewith. The Bill among other things provides for, (1) transfer and vesting of Mysore Palace in the State Government; (2) the general effect of vesting; (3) vesting of the palace in the Board; (4) payment of an amount of rupees thirty-two crores to the legal representatives or heirs or transferees for the transfer and vesting of the place in the State Government; (5) permitting Sri Srikantadatta

Narasimharaja Wadeyar and his wife to stay in the portion of the palace where they are residing now with an option to move out of the palace and live outside, in which case the Government will have to sanction one acre of land in Mysore Urban Agglomeration and rupees one crore; (6) duties of persons in charge of management of the palace; (7) regulation of management of temples and other places of worship located in the premises of the palace; (8) performance of rituals and other customary religious practices at the temple by the devotees including legal representatives and heirs and the rights of the legal representatives and heirs to worship the deity located in the premises of the palace; (9) appointment of Commissioner, and settlement of claims by the Commissioner; (10) constitution of Board of Trustees for management of the palace and the powers and duties of the Board; (11) appointment of an Executive Officer and other officers and their powers and duties. (12) penalty for contravention of the provisions of the Act. Certain incidental and consequential provisions are also made. Hence the Bill

CHAPTER 4

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1. Short title and commencement :-

(1) This Act may be called the Mysore Palace (Acquisition and Transfer) Act, 1998.

(2) It shall come into force on such date as the State Government may, by notification, appoint, and different dates may be appointed for different provisions of the Act.

2. Definitions :-

In this Act, unless the context otherwise requires.

(1) "Appointed day" means the date appointed under sub-section (2) of Section 1 ;

(2) "Mysore Palace" means the Palace of Mysore and the surrounding vacant land more fully described in Schedule 1, including the buildings, temples and other places of worship, the Royal Treasure including the Royal Thrones, Royal Crowns, the Howdah, Royal Wears and ornaments and all other pieces of art, regalia, paintings, sculptures and furniture, and all other moveable or immovable property belonging to or found in the Palace, other than the items of moveables left with the legal representatives or heirs, while transferring charge of Articles in pursuance of Government Order No. GAD 2 PSR 76, dated 26-02-1976 of the Government of Karnataka;

(3) "Board" means the Board of Trustees constituted under Section 24 ;

(4) "Commissioner" means the Commissioner of payments appointed under Section 15 ;

(5) "Legal representatives" and "heirs" means the legal representatives and heirs respectively of the late Sri Jayachamarajendra Wadeyar, former Maharaja of Mysore including their successors in interest;

(6)"Schedule" means the Schedule appended to this Act;

(7) "Specified date" means such date as the State Government may for the purpose of any provision of this Act by notification specify;

(8)"Transferee" means a person to whom any movable or immovable property in relation to the Palace is alienated by the legal representatives or heirs by way of sale, gift, mortgage, lease or otherwise on or after the Twenty-first day of April, 1998.

(9) "Year" means the year commencing on the First day of April.

3. Declaration :-

In pursuance of Article 31-C of the Constitution of India, it is hereby declared that the provisions of this Act are enacted for giving effect to the policy of the State towards securing the principles specified in clause (b) of Article 39 of the Constitution.

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4. Transfer and vesting of the Palace in the State Government :-

On the appointed day, the Mysore Palace (hereinafter referred to as the "Palace") and the right, title and interest of the legal representatives or heirs and transferees in relation to the Palace, shall by virtue of this Act stand transferred to and shall vest absolutely in the State Government.

5. General effect of vesting :-

(1) The Palace shall be deemed to include all assets, rights, leaseholds, powers, authorities and privileges and all property, moveable and immovable including buildings, temples, places of worship, open space, park, garden and all other pieces of art, regalia, the Royal Treasures including Royal Thrones, Royal Crowns, the Howdah, Royal Wears and ornaments, paintings, art- works, sculptures and all other rights and interests in or arising out of such property, as were immediately before the appointed day in the ownership, possession, power or control of the legal representatives or heirs or transferees and all books of accounts, registers and other documents of whatever nature relating thereto.

(2) All properties, aforesaid, which have vested in the State Government under Section 4 shall, by virtue of such vesting be freed and discharged from any trust, obligation, mortgage, lease, charge, lien and all other encumbrances affecting them and any attachment, injunction, judgment, decree or order of any Court or other authority restricting the use of such property in any manner shall be deemed to have been withdrawn.

(3) Every legal representative or heir or transferee who has, on the appointed day, any right, title or interest in relation to the Palace shall have the right to prefer his claim in the prescribed manner before the commissioner for payment of amount out of the amount specified under Section 8 .

(4) Every mortgagee of any property which has vested under this Act in the

State Government and every person holding any charge, lease, lien or other interest in, or in relation to, any such property shall give, within such time and in such manner as may be prescribed, an intimation to the commissioner of such mortgage, lease, charge, lien or other interest.

(5) For the removal of doubts, it is hereby declared that the mortgagee of any property referred to in sub-section (4) or other person holding any charge, lease, lien or other interest in or in relation, to any such property shall be entitled to claim in accordance with the rights or interest, payment of the mortgage money or other dues in whole or in part out of the amount specified in Section 8 , but no such mortgage, lease, charge, lien or other interest shall be enforceable against any property which has vested in the State Government.

(6) If, on the appointed day, any suit, appeal or other proceeding of whatever nature, in relation to any property which has vested in the State Government under Section 4 , instituted or preferred by or against the legal representative or heir or transferees, is pending, the same shall not abate, be discontinued, or in any way prejudicially affected by reason of the transfer of the Palace or anything contained in this Act, but the suit, appeal or other proceeding may be continued, prosecuted and enforced by or against the State Government, or, where the Palace is directed under Section 7 to vest in the Board by or against the Board.

6. Legal representatives or heirs or transferees to be liable for certain prior liabilities :-

1) Every liability of the legal representatives, heirs and transferees in relation to the Palace in respect of any period, prior to the appointed day, shall be the liability of such legal representatives or heirs or transferees, as the case may be, and shall be enforceable against them and not against the State Government or where the Palace is directed under Section 7 to vest in the Board against the Board.

(2) For the removal of doubts, it is hereby declared that

(a) save as otherwise expressly provided in this section or in any other section of this Act, no liability of legal representatives or heirs or transferees in relation to the Palace in respect of any period prior to the appointed date shall be enforceable against the State Government, or where the Palace is directed under Section 7 to vest in the Board against the Board.

(b) no award, decree or other order of any Court, Tribunal or other authority in relation to the Palace passed after the appointed day in respect of any claim, or dispute in relation to any matter which arose before that day, shall be enforceable against the State Government or where the Palace is directed under Section 7 to vest in the Board against the Board.

(c) no liability incurred by the legal representatives or heirs or transferees before the appointed day for the contravention of any provision of any law for the time being in force shall be enforceable against the State Government or

where the Palace is directed under Section 7 to vest in the Board against the Board.

7. State Government to direct vesting of the Palace :-

(1) Notwithstanding anything contained in Section 4 and Section 5, the State Government shall subject to such terms and conditions as it may think fit to impose direct by notification, that the Palace which has vested in the State Government under Section 4 shall instead of continuing to vest in the State Government vest in the Board either on the date of notification or on such earlier date (not being a date earlier than the appointed day) as may be specified in the notification.

(2) Where the right, title and interest in relation to the Palace have vested in the Board under sub-section (1), the Board shall, on and from the date of such vesting be deemed to have become the owner in relation to the Palace and all the rights and liabilities of the State Government under the Act on and from the date of such vesting be deemed to have become the rights and liabilities of the Board.

8. Amount to be given to legal representatives or heirs or transferees :-

For the transfer to and vesting in the State Government of the Palace under Section 4 and the right, title and interest in relation to the Palace, the State Government shall pay an amount of rupees thirty-two crores by depositing the same with the Commissioner and the said amount shall be paid to the legal representatives or heirs or transferees entitled thereto in the manner specified in Chapter IV.

9. Payment of further amount :-

(1) The amount specified in Section 8 shall carry simple interest at the rate of four per cent per annum for the period commencing on the appointed day and ending on the date on which payment of such amount is made by the State Government to the Commissioner.

(2) The amount determined in accordance with the provisions of sub-section (1) shall be given by the State Government to the legal representatives or heirs or transferees, as the case may be, in addition to the amount specified in Section 8.

(3) For the removal of doubts, it is hereby declared that the liability of the legal representatives or heirs or transferees in relation to the Palace which has vested in the State Government under Section 4 shall be discharged from the amount referred to in Section 8, and also from the amounts determined under sub-section (1), in accordance with the rights and interests of the creditors of the legal representatives or heirs, or transferees, as the case may be.

10. Right of Prince to live in portion of the Palace, etc :-

Notwithstanding anything contained in this Act Sri Srikantadatta Narasimharaj Wadeyar (hereinafter referred to as 'Prince'), and his wife shall be allowed to continue to live in the portion of the Palace specified in Schedule II for their

life time: Provided that if within two years from the appointed day the Prince and his wife exercise an option to vacate the portion of the Palace and live outside and such option is communicated to the State Government, the State Government shall within six months from the date of receipt of such communication grant to the Prince and his wife one acre of land within Mysore Urban Agglomeration and also rupees one crore towards cost of construction of a new house therein for their residence and the Prince and his wife shall within three years, from the date of such grant vacate the portion of the Palace and deliver the vacant possession thereof to the State Government or the Board, as the case may be.

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11. Management of the Palace :-

The general superintendence, direction, control and management of the Palace and the right, title and interest in relation to the Palace which has vested in the State Government under Section 4 , shall, where a direction has been made by the State Government under sub-section (1) of Section 7 , vest in the Board and thereupon the Board shall be entitled to exercise, to the exclusion of all other persons all such powers and do all such things as the Board is authorised to exercise and do in relation to the Palace.

12. Duties of persons in-charge of management of the Palace :-

(1) On the vesting of the management of the Palace in the Board all persons in-charge of the management of the Palace excepting the Committees of management of the temples or other place of worship located within the Palace premises, immediately before such vesting shall be bound to deliver to the Board all assets, books of accounts, registers or other documents in their custody relating to the Palace.

(2) The State Government may issue such directions as it may deem desirable in the circumstances of the case to the Board and the Board may also, if it considers necessary so to do, apply to the State Government at any time for instructions as to the manner in which the management of the Palace shall be conducted or in relation to any other matter arising in the course of such management.

13. Duty of persons to account for assets, in their possession :-

(1) Any person who has, on the appointed day, in his possession or under his control, any assets, books, documents and other papers relating to the Palace, which has vested in the State Government or in the Board under this Act and which belong to the legal representatives or heirs or transferees or would have so belonged, if the Palace had not vested in the State Government or the Board, shall be liable to account for the said assets, books, documents and other papers to the State Government or the Board or such person or persons as the State Government or the Board may specify in this behalf.

(2) The State Government or the Board may take or cause to be taken all

necessary steps for securing possession of the Palace which has vested in the State Government or the Board under this Act.

(3) The legal representatives, heirs and transferees, shall within such period as the State Government or the Board may allow in this behalf, furnish to the State Government or the Board, a complete inventory of all properties and assets, as on the appointed day, pertaining to the Palace which has vested in the State Government under Section 4 or in the Board under Section 7 and for this purpose, the State Government or the Board shall afford to the legal representatives or heirs or transferees all reasonable facilities.

14. Regulation of Management of Temples and other places of worship, etc :-

(1) Notwithstanding anything contained in this Act the management of the temples and other places of worship located in the Palace premises shall not vest in the Board but shall continue to be regulated in accordance with the provisions of the Mysore Religious and Charitable Institutions Act, 1927 (Mysore Act 7 of 1927) or any corresponding law for the time being in force.

(2) For the removal of doubts it is hereby declared that nothing contained in this Act shall affect the offering of pooja and performance of rituals or other customary religious practices at the temples by the devotees including the legal representatives or heirs, or the rights vested in the legal representatives or heirs to worships any Deity or perform any ritual or other customary religious practices in any temple or other place of worship located in the premises of the Palace.

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15. Appointment of Commissioner of payments :-

(1) The State Government shall for the purpose of disbursing the amount payable under Section 8 , by notification in the Official Gazette, appoint a Commissioner of payments.

(2) The State Government may appoint such other persons as it may think fit to assist the Commissioner and there upon the Commissioner may authorise one or more of such persons also to exercise all or any of the powers exercisable by him under this Act and different persons may be authorised to exercise different powers.

(3) Any person authorised by the Commissioner to exercise any of the powers exercisable by the Commissioner may exercise these powers in the same manner and with the same effect, as if they have been conferred on that person directly by this Act and not by way of authorisation.

(4) The salaries and allowances of the Commissioner and other persons appointed under this section shall be defrayed out of the consolidated fund of the State.

16. Payment by the State Government to the Commissioner :-

(1) The State Government shall within thirty days from the specified date, deposit in cash, with the Commissioner for payments, to the legal representatives, heirs and transferees.

(a) an amount equal to the amount specified in Section 8 , and

(b) an amount equal to the amount payable under Section 9 .

(2) A deposit account shall be opened by the State Government in the name of the Commissioner in the public account of the State, and every amount paid under this Act to the Commissioner shall be deposited by him to the credit of the deposit account and the said deposit account shall be operated by the Commissioner.

(3) Records shall be maintained by the Commissioner in respect of the Palace in relation to which payments have been made to him under this Act.

(4) The interest accruing on the amount standing to the credit of the deposit account referred to in sub-section (2) shall enure to the benefit of the legal representatives or heirs or transferees.

17. Certain powers of the State Government and the Board :-

(1) The State Government or the Board, as the case may be, shall be entitled to receive upto the appointed day, to the exclusion of all other persons, any money due in respect of the Palace which has vested in the State Government or the Board, and realised after the appointed day, notwithstanding that the realisation pertains to a period prior to the appointed day.

(2) The State Government or the Board, as the case may be, may make a claim to the Commissioner with regard to every payment made by the State Government or the Board after the appointed day for discharging any liability of the legal representatives or heirs or transferees in relation to th Palace in respect of any period prior to the appointed day, and every such claim shall have priority in accordance with the priorities attached unde this Act to the matters in relation to which such liability has been dis charged by the State Government or the Board.

(3) Save as otherwise provided in this Act, the liabilities of the legal representatives or heirs or transferees in relation to the Palace in respect of any transaction prior to the appointed day, which have not been discharged on or before such day shall be the liabilities of the legal representatives or heirs or transferees, as the case may be.

18. Claims to be made to the Commissioner :-

Every person having a claim with regard to any of the matters specified in Schedule III in relation to the Palace before the appointed day shall prefer such claim before the Commissioner within thirty days from the specific date: Provided that if the Commissioner is satisfied that the claimant was prevented by sufficient cause from preferring the claim within the said period of thirty days, he may entertain the claim within a further period of thirty days but not thereafter.

19. Priority of claims :-

The claims made under Section 18 shall have priority in accordance with the following principles, namely:

(a) Category I shall have precedence over all other categories and Category II shall have precedence over Category III and so on;

(b) The claims specified in each of the categories shall rank equally and be paid in full, but if the amount is not sufficient to meet such claims in full they shall abate in equal proportions and be paid accordingly; and

(c) The question of discharging any liability with regard to a matter specified in a lower category shall arise only if surplus is left after meeting all the liabilities specified in the immediate higher category.

20. Examination of claims :-

(1) On receipt of the claims made under Section 18 , the Commissioner shall arrange the claims in the order of priority specified in Schedule III and examine the same in accordance with such order of priority.

(2) If, on examination of the claims the Commissioner is of opinion that the amount paid to him under this Act is not sufficient to meet the liabilities specified in any lower category, he shall not be required to examine the claims in respect of such category.

21. Admission or rejection of claims :-

(1) After examining the claims with reference to the priorities specified in Schedule III, the Commissioner shall fix a certain date on or before which every claimant shall file the proof of his claim.

(2) Not less than fourteen days notice of the date so fixed shall be given by an advertisement in one issue of a daily newspaper in the English Language having wide circulation in the country and one issue of a daily newspaper in the Kannada language having wide circulation in the State and every such notice shall call upon the claimant to file the proof of his claim with the Commissioner within the time specified in the advertisement.

(3) Every claimant, who fails to file the proof of his claim within the time specified by the Commissioner, shall be excluded from the disbursement made by the Commissioner.

(4) The Commissioner shall after such investigation as may, in his opinion, be necessary and after giving the claimant a reasonable opportunity of being heard, determine the nature and extent of such claims and by order in writing admit or reject the claim in whole or in part and in determining the nature and extent of the claims of the legal representatives or heirs or transferees, the Commissioner shall take into consideration, the effect of the final order passed in the writ petitions pending against the orders of the Competent URBAN LAND (CEILING AND REGULATION) ACT, 1976, and the rights of the State Government thereunder. The Commissioner shall also decide any dispute as to the person or persons who are entitled to the amount and any dispute as to

who are the legal representatives of any deceased claimant.

(5) The Commissioner shall have the power to regulate his own procedure in all matters arising out of the discharge of his functions, and shall, for the purpose of making an investigation under this Act, have the same powers as are vested in a Civil Court under the Code of Civil Procedure, 1908 while trying a suit, in respect of the following matters, namely.

(a) the summoning and enforcing the attendance of any witness and examining him on oath;

(b) the discovery and production of any document or other material object used as evidence;

(c) the receiving of evidence on affidavit;

(d) the issuing of any commission for the examination of witnesses.

(6) Any investigation before the Commissioner shall be deemed to be a judicial proceeding, within the meaning of Section 193 OF THE INDIAN PENAL CODE, 1860 and Section 228 Of the Indian Penal Code, 1860 and the Commissioner shall be deemed to be a Civil Court for the purposes of Section 195 OF THE CODE OF CRIMINAL PROCEDURE, 1973 and Chapter XXVI of the Code of Criminal Procedure, 1973 .

(7) A claimant, who is aggrieved by the decision of the Commissioner, may prefer an appeal against the decision to the District Court within the local limits of whose jurisdiction the Palace is situated.

22. Disbursement of the amount by the Commissioner :-

(1) After admitting a claim under this Act the amount due in respect of such claim shall be paid by the Commissioner to the person or persons to whom such amount is due and on such payment the liability in relation to the Palace in respect of such claims shall stand discharged.

(2) If out of the amount paid to the Commissioner in relation to the Palace, there is a balance left after meeting the liabilities as specified in Schedule III, the Commissioner shall disburse such balance amount to the legal representatives, heirs and transferees.

23. Undisbursed or unclaimed amount to be deposited to the General Revenue Account :-

Any amount paid to the Commissioner which remains undisbursed or unclaimed on the date immediately preceding the date on which the office of the Commissioner is finally wound up, shall be transferred by the Commissioner, to the General Revenue Account of the State Government, but a claim to any amount so transferred may be preferred to the State Government by the person entitled to such payment and shall be dealt with as if such transfer had not been made and the order, if any, for payment of the claim, being treated as an order for the refund of revenue.

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24. The Board of Trustees :-

(1) There shall be a Board of Trustees for the administration and management of the Palace, consisting of the following:

(1)	The Chief Secretary to Government of Karnataka	Chairman
(2)	The Secretary to Government, Finance Department	Member
(3)	The Secretary to Government, Department of Law	Member
(4)	The Secretary to Government, Public Works Department	Member
(5)	The Secretary to Government, Incharge of Muzarai Institutions in the Revenue Department	Member
(6)	The Director of Archaeology	Member
(7)	Sri Srikantadatta Narasimharaja Wadeyar	Member
(8)	A person to represent the State Lalitha Kala Academy to be nominated by the State Government	Member
(9)	Three persons of eminence in the field of law, public administration, art or culture to be nominated by the State Government	Member
(10)	The Executive Officer	Member Sec

(2) Subject to the pleasure of the State Government, the persons nominated under clauses (8) and (9) shall hold office for a period of three years and they shall be eligible for renomination.

(3) The members of the Board shall receive such allowances as may be prescribed.

(4) The Board shall meet at such time, at such place and shall conduct its business in such manner as may be prescribed.

25. Powers and duties of the Board :-

Subject to the rules made under this Act, the powers and duties of the Board shall be.

(a) to administer and manage the Palace;

(b) to protect the Palace building and its surroundings as monuments;

(c) to maintain parks, gardens and to preserve tree growth in the land surrounding the Palace;

(d) to utilise the land surrounding the Palace for developing it as a Horticultural Garden;

(e) to protect and preserve the Royal Treasure, including the Royal Thrones, Royal Crowns, Howdah, Royal Wears and ornaments and all other pieces of art, regalia, paintings, sculptures and furniture;

(f) to levy, subject to such condition as the State Government may impose, fees for entry into the Palace, museum, art gallery, park and garden; and

(g) to do such other acts as may be prescribed and as are incidental or

conducive to the efficient administration of the Palace.

26. Appointment of Executive Officer and other Officers :-

(1) The State Government shall appoint an Executive Officer to the Board and such number of other officers as it considers necessary to assist him.

(2) The salary and other allowances payable to the Executive Officer and other Officers appointed under sub-section (1), shall be met out of the fund of the Board.

(3) The Executive Officer and other Officers appointed by the State Government shall be deemed to be public servants within the meaning of S.21 of the INDIAN Penal Code, 1960.

27. Powers and duties of the Executive Officer and other Officers :-

(1) Subject to such restrictions and conditions as may be laid down by the State Government in the rules or in any general or special order and subject to the general control of the Board, the Executive Officer,

(a) shall have power to manage the affairs of the Board;

(b) shall be responsible for the proper custody of all properties, records, moneys, paintings, funds and other valuables belonging to the Board, and

(c) shall arrange for the proper collection of the income and for the incurring of the expenditure of the Board.

(2) The Executive Officer may, in case of emergency direct execution of any work or doing of any act which is not provided for in the budget of the year and the immediate execution of the doing of which is, in his opinion necessary for the preservation of the properties of the Board and may direct that the expenses of executing such work or the doing of such act shall be paid from the fund of the Board: Provided that the Executive Officer shall report forthwith to the Board any action taken by him under this sub-section and reasons therefor.

(3) The Executive Officer may delegate any of the powers conferred or duties imposed on him by or under this Act to any officer appointed under Section 26 to assist him, subject to such restriction and control as the Board may, by general or special order, lay down and also subject to such limitation and conditions, if any, as may be specified in the order of delegation.

(4) The Board may delegate to the Executive Officer such of its powers, duties or functions as may be prescribed.

28. Suits and other legal proceedings by or against the Board :-

In all suits or other legal proceedings by or against the Board the pleadings shall be signed and verified by the Executive Officer and in such suits and proceedings notice shall be issued to or served on the Executive Officer.

29. Fund :-

(1) There shall be a fund called the Board Fund which shall be administered by

the Board.

(2) The following shall form part of or be paid into the Board Fund, namely:

(i) the income from Palace or proceeds of any property vested in the Board;

(ii) all fees and charges paid to or levied by or on behalf of the Board under this Act;

(iii) all grants, and contributions made by the State Government or any other authority;

(iv) all contributions and donations made by any person;

(v) sums raised by way of loan by the Board with the previous sanction of the State Government; and

(vi) any other sums.

30. Power to borrow :-

The Board may, with the previous sanction of the State Government and subject to such conditions as may be prescribed borrow any sum for the purposes of this Act.

31. Utilisation of the Fund. :-

The fund may be utilised for all or any of the following purposes, namely.

(i) maintenance, management and administration of the Palace;

(ii) maintenance and improvement of park and garden in the premises of the Palace;

(iii) preservation of tree growth in the premises of the Palace;

(iv) development of Museum and Horticultural garden in the Palace premises;

(v) payment of salaries and allowances of the Executive Officer and other Officers appointed under Section 26 ;

(vi) any other purpose as may be prescribed.

32. Audit :-

(1) The State Government shall appoint annually an Auditor to audit the accounts of the Board and fix the remuneration which shall be paid to such Auditor from the Board Fund. The Auditor shall send his report to the State Government.

(2) The State Government shall send a copy of the audit report to the Board and it shall be the duty of the Board to remedy, within such time as may be specified by the State Government any defects or irregularities pointed out by the Auditor and report the same to the State Government.

33. Budget :-

(1) The Executive Officer shall every year prepare within such time and in such form as may be prescribed a budget and an estimate of receipt and

expenditure of the Board for the following year and place it before the Board which may approve it without modification or with such modification as it deems fit.

(2) A copy of the budget passed by the Board shall be forwarded to the State Government not less than two months before the end of the year previous to that for which the budget is prepared.

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34. Act to have overriding effect :-

Save as otherwise provided in Section 14 , the provisions of this Act shall have effect notwithstanding anything inconsistent therewith contained in any other law for the time being in force or in any instrument having effect by virtue of any law other than this Act or in any judgment, decree or order of any Court, Tribunal or any other authority.

35. Contract to cease to have effect unless ratified by Board :-

Every contract entered into by the legal representatives or heirs or transferees in relation to the Palace which has vested in the State Government under Section 4 and in force immediately before the appointed day, shall on and from the expiry of thirty days from the appointed day, cease to have effect unless such contract is before the expiry of that period, ratified in writing by the Board and in ratifying such contract, the Board may make such alteration or modification therein, as it may think fit:

Provided that the Board shall not omit to ratify a contract and shall not make any alteration or modification in a contract.

(a) unless it is satisfied that such contract is unduly onerous or has been entered into in bad faith or is detrimental to the interest of the Board, and

(b) except after giving to the parties to the contract a reasonable opportunity of being heard and except after recording in writing its reasons for refusing to ratify the contract or for making any alteration or modification therein.

36. Protection of action taken in good faith :-

(1) No suit, prosecution or other legal proceeding shall lie against the State Government or the Board, or any Officer or other employee of the State Government or the Board or other person authorised by the State Government or the Board for anything which is in good faith done or intended to be done under this Act.

(2) No suit or other legal proceeding shall lie against the State Government or the Board or any Officer or other employee of the State Government or the Board or other person authorised by the State Government or the Board for any damage caused or likely to be caused by anything which is in good faith done or intended to be done.

37. Penalties Any person who :-

(a) having in his possession, custody or control of any property forming part of

the Palace wrongfully withholds such property from the State Government or the Board; or

(b) wrongfully obtains possession or retains any property forming part of the Palace; or

(c) wilfully, withholds from or fails to, furnish to the State Government or the Board or to any person or body of persons specified by the State Government or the Board, as the case may be, any document or inventory relating to the Palace which may be in his possession, custody or control; or

(d) wrongfully removes or destroys any property forming part of the Palace; or

(e) prefers any claim under this Act which he knows or has reasonable cause to believe to be false or grossly inaccurate; shall be punishable with imprisonment for a term which may extend to two years or with fine which may extend to ten thousand rupees or with both.

38. Offences by companies :-

(1) Where any offence under this Act has been committed by a company every person who, at the time the offence was committed was in charge of the business of the company as well as the company shall be deemed to be guilty of the offence 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 any punishment, if he proves that the offence was committed without his knowledge or that he had exercised all due diligence to prevent the commission of such offence.

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

Explanation. For the purpose of this section,

(a) "company" means any body corporate and includes a firm or other association of individuals;

(b) "director" in relation to a firm, means a partner in the firm.

39. Revision :-

(1) The State Government may call for and examine the records of the Board or the Executive Officer in respect of any proceeding to satisfy itself as to the regularity of such proceedings or correctness, legality or propriety of a decision or an order passed therein.

(2) If it appears to the State Government that the decision or order should be

modified, reversed or remitted or reconsidered, it may pass an order accordingly.

(3) The State Government shall not pass any order affecting any person under sub-section (2) without giving him an opportunity of being heard.

(4) The State Government may stay the execution of any decision or order of the nature referred to in sub-section (1) pending the exercise of its powers under sub-section (2)

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40. Delegation of powers :-

(1) The State Government may by notification direct that all or any of the powers exercisable by them under this Act, other than the powers conferred by Section 41 and Section 42 may also be exercised by such person or persons as may be specified in the notification.

(2) Whenever any delegation of power is made under sub-section (1) the person to whom such power is delegated shall act under the direction, control and supervision of the State Government.

41. Power to make rules :-

(1) The State Government may by notification, make rules for carrying out all or any of the purposes of this Act.

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

(a) the time within which and the manner in which an intimation referred to in sub-section (4) of Section 5 shall be given;

(b) the convening of meetings and the transaction of business of the Board under Section 24 ;

(c) the restrictions and conditions subject in which the Executive Officer may exercise his powers and perform his duties under Section 27 ;

(d) the conditions subject to which the Board may borrow any sum under Section 30 ;

(e) other purposes for which the fund may be utilised under Section 31 ;

(f) the preparation of the budget estimates for the Board under Section 33 ;

(g) the maintenance and custody of the accounts, records and the documents of the Board;

(h) any other matter which is required to be or may be prescribed.

(3) A rule under this Act may be made with retrospective effect and when such rule is made the reasons for making the rule shall be specified in a statement laid before both Houses of the State Legislature.

(4) Every rule made by the State Government under this Act shall be laid, as

soon as may be, after it is made, before each House of the State Legislature, 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.

42. Power to remove difficulties :-

if any difficulty arises in giving effect to the provisions of this Act the State Government may, by order not inconsistent with the provisions of this Act remove the difficulties: Provided that no such order shall be made after the expiry of a period of two years from the appointed day.

43. Abatement of proceedings under the Land Acquisition Act, 1894 :-

On and from the appointed day all notifications issued under any of the provisions of the Land Acquisition Act, 1894 in respect of the Palace shall stand withdrawn and proceedings, if any, taken in pursuance of such notification shall abate.

SCHEDULE 1
SCHEDULE 1

[See Section 2(2)]					
SCHEDULE 1					
[See Section 2(2)]					
Boundaries					
Door Number	East	West	North	South	Approximate extent of land
(1)	(2)	(3)	(4)	(5)	(6)
Door Nos. 1 to 17 of Khilla Mohalla	Bangalore Neelagiri Road	New Sayaji Rao Road	Curzon Park and Old Statue Circle Road	Purandaradasa Road	72 acres and 10 guntas

SCHEDULE 2
SCHEDULE 2

[See section 2(2)]					
SCHEDULE 2					
[See section 2(2)]					

SI. No.	Description of the portion of the Palace building where the Prince and his wife are residing on the appointed day	Total Area in square metres
(1)	(2)	(3)
1.	Ground floor and first floor of the Palace building 11.383 square metres.	
	Including	
	(1) Kannadi thotti	
	(2) Krishna thotti	
	(3) Ele thotti; and	
	(4) Karikal thotti museum portions	

SCHEDULE 3

SCHEDULE 3

[See Section 18 , Section 19 , Section 20 , Section 21 and Section 22]

SCHEDULE 3

[See Sections 18,19,20,21 and 22]

Order of priority for the discharge of liabilities in relation to the Palace.

Category 1

Principal amount of secured loans advanced by

- ... (i) the Central Government
- ... (ii) the State Government
- ... (iii) Banks
- ... (iv) Public Finance Institutions
- ... (v) Others

Category 2

Principal amount of unsecured loan advanced by

- ... (i) the Central Government
- ... (ii) the State Government
- ... (iii) Bank

... (iv) Public Financial Institutions

Category 3

(a) Any dues payable to the Karnataka Electricity Board or other State Government or semi-Government Institutions for supply of goods or services;

(b) Arrears of interest on loans and advances or other dues falling under Category I or II.

Category 4

(a) Revenue, taxes, cesses, rates or other dues to the Central or State Government and local authorities; and

(b) Any other loans or dues.

The above translation of the Sjliscfc odsbi (assr sb*, sinwife*) woabsfc, 1998 be published in the Official Gazette under clause (3) of Article 348 of the Constitution of India.