

TAMIL NADU GOVERNMENT GAZETTE EXTRAORDINARY

The following Act of the Tamil Nadu Legislature received the assent of the President on the 23rd March 1984 and is hereby published for general information:—

ACT No. 18 OF 1984.

**THE MADURA SUGARS LIMITED (ACQUISITION AND
TRANSFER OF UNDERTAKING) ACT, 1984.**

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THE SECOND SCHEDULE.

TAMIL NADU GOVERNMENT GAZETTE EXTRAORDINARY

An Act to provide, in the interests of the general public, for the acquisition and transfer of the undertaking of the Madura Sugars Limited and for matters connected therewith or incidental thereto.

BE it enacted by the Legislature of the State of Tamil Nadu in the Thirty-fifth Year of the Republic of India as follows: —

CHAPTER I.

PRELIMINARY.

1. Short title and commencement.—(1) This Act may be called the Madura Sugars Limited (Acquisition and Transfer of Undertaking) Act, 1984.

(2) It shall be deemed. to have come into force, on the 26th December 1983.

2. Declaration.—It is hereby declared that this Act's for giving effect to the policy of the State towards securing the principles laid down in clauses (b) and (c) of Article 39 of the Constitution.

3. Definitions.—In this Act, unless the context otherwise requires,—

(a) “ appointed day ” means the date on which this Act comes into force :

(b) “ Commissioner ” means the Commissioner of Payments appointed under section 15 ;

(c) “ Company ” means Messrs. Madura Sugars Limited, Pandiarajapuram, Madurai district, being a Company within the meaning of the Companies Act, 1956 (Central Act 1 of 1956) ;

(d) “ existing Government company ” means a Government company which is carrying on business on the appointed day ;

(e) “ Government ” means the State Government ;

(f) “ new Government company ” means a Government company formed and registered on or after the appointed day ;

(g) “ specified date”, in relation to any provision of this Act, means such date as the Government may, by notification specify for the purposes of that provision and different dates may be specified for different provisions of this Act;

(h) “ undertaking ” means the undertaking of the Company engaged in the manufacture or production of sugar by means of vacuum pans and with the aid of mechanical power ;

(i) words and expressions used but not defined in this Act and defined in the Companies Act, 1956 (Central Act 1 of 1956) shall have the meanings respectively assigned to them in that Act.

CHAPTER II.

Acquisition and transfer of the Undertaking.

4. Transfer to, and vesting in, the Government of the undertaking.—On the appointed day, the undertaking and the right, title and interest of the Company in relation to its undertaking, shall, by virtue of this Act, stand transferred to, and vest in, the Government.

5. General effect of vesting.—(1) The undertaking shall be deemed to include all assets, rights, powers, authorities and privileges, in relation to the said undertaking and all property, movable and immovable, including lands, buildings, workshops, stores, instruments, machinery, automobiles and other vehicles and goods under production or in transit, cash balances, reserve funds, investments 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 that undertaking, whether within or outside India, and all books of account, registers and all other documents of whatever nature relating thereto.

(2) All properties as aforesaid which have vested in the Government under section 4 shall, by force of such vesting, be freed and discharged from any trust, obligation, mortgage, charge, lien and all other incumbrances affecting them, and any attachment, injunction, decree or order of any court or other authority restricting the use of such properties in any manner or appointing any receiver in respect of the whole or any part of such properties shall be deemed to have been withdrawn.

(3) Every mortgagee of any property which has vested under this Act in the Government and every person holding any charge, 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, charge, lien or other interest-

(4) For the removal of doubts, it is hereby declared that the mortgagee of any property referred to in sub-section (3) or any other person holding any charge, lien or other interest in, or in relation to; any such property shall be entitled to claim, in accordance with his rights and interests, payment of the mortgage money or other dues, in whole or in part, out of the amounts specified in section 9, but no such mortgage, charge, lien or other interest shall be enforceable against any property which has vested in the Government.

(5) Any licence or other instrument granted to the Company in relation to its undertaking which has vested in the Government under section 4 at any time before the appointed day and in force immediately before the appointed day shall continue to be in force on and after such day in accordance with its tenor in relation to and for the purposes of such undertaking, and on and from the date of vesting of such undertaking, under section 6, in an existing Government company, or under section 7, in a new Government company, the existing, or new, Government company, as the case may be, shall be deemed to be substituted in such licence or other instrument as if such licence or other instrument had been granted to such existing, or new, Government company and such existing, or new, Government company shall hold it for the remainder of the period for which the Company would have held it under the terms thereof.

(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 Government under section 4, instituted or preferred by or against the Company, is pending, the same shall not abate, be discontinued, or be, in any way, prejudicially affected by reason of the transfer of the undertaking, or of anything contained in this Act but the suit, appeal or other proceeding may be continued, prosecuted or enforced by or against the Government, or where the undertaking is directed under section 6, to vest in an existing Government company or become transferred by virtue of the provisions of section 7 to a new Government company, by or against such Government company.

6. Power of Government to direct vesting of the undertaking in an existing Government company.—(1) Notwithstanding anything contained in sections 4 and 5, and subject to the provisions of section 7 the Government may, if they are satisfied that an existing Government company is willing to comply, or has complied, with such terms and conditions as the Government may think fit to impose, direct, by notification, that, the undertaking, and the right, title and interest of the Company in relation to the undertaking which has vested in the Government under section 4, shall, instead of continuing to vest in the Government, vest in that existing Government company either on the date of publication of the notification or on such earlier or later date (not being date earlier than the appointed day) as may be specified in the notification.

(2) Where the right, title and interest of the Company in relation to its undertaking vest, under sub-section (1), in an existing Government company, that Government company shall, on and from the date of such vesting be deemed to have become, and until the transfer of the undertaking by virtue of the provisions of section 7, to a new Government company, be deemed to be, the

owner in relation to such undertaking and all the rights and liabilities of the Government in relation to such undertaking shall, on and from the date of such vesting, be deemed, to have become, and until the date of such transfer, be deemed to be, the rights and liabilities, respectively of that existing Government company.

7. Transfer of undertaking from an existing Government company, to a new Government company.—(1) Notwithstanding anything contained in sections 4 and 5, where the undertaking has been directed, under sub section (1) of section 6, to vest in an existing Government company, the Government may, if they are satisfied that a new Government company is willing to comply, or has complied, with such terms and conditions as that Government may think fit to impose, declare, by notification, that the undertaking be transferred to that new Government company; and on the issue of such declaration, the right, title and interest of the Company in relation to the undertaking, which had been directed under sub-section (1) of section 6 to vest in an existing Government company, shall, instead of continuing to vest in that existing Government company, vest in that new Government company with effect from the date on which such declaration is made.

(2) Where the right, title and interest of the existing Government company in relation to the undertaking vest under sub-section (1) in a new Government company, that new Government company shall, on and from the date of such vesting, be deemed to have become the owner in relation to such undertaking and the rights and liabilities of the existing Government company in relation to such undertaking shall, on and from the date of such vesting, be deemed to have become the rights and liabilities, respectively, of that new Government company.

8. Company to be liable for certain prior liabilities.—(1) Every liability of the Company in respect of any period prior to the appointed day, shall be the liability of that Company and shall be enforceable against it, and not against the Government or where the undertaking vests in an existing, or a new, Government company, against such Government company.

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

(a) save as otherwise expressly provided in this Act no liability of the Company in relation to its undertaking, in respect of any period prior to the appointed day, shall be enforceable against the Government, or where the undertaking vest in an existing, or a new, Government company, against such Government company ;

(b) no award, decree or order of any court, tribunal or other authority in relation to the undertaking, passed after the appointed day in respect of any matter, claim or dispute, which arose before that day, shall be enforceable against the Government, or where the undertaking vests in an existing, or a new, Government company, against such Government company;

(c) no liability incurred by the Company before the appointed day for the contravention of any provision of any law for the time being in force shall be enforceable against the Government, or where the undertaking vest in an existing, or a new, Government company against such Government company.

CHAPTER III.

Payment of Amount.

9. Payment of amount.—(1) For the transfer to, and vesting in, the Government under section 4, of the undertaking and the right, title and interest of the Company in relation to its undertaking, there shall be paid by the Government to that Company in cash and in the manner specified in Chapter VI, the aggregate value of the sums specified in sub-sections (2) and (3).

(2) The Government shall pay as amount,—

(a) for any sugar stocks comprised in the undertaking their value, which shall be calculated—

(i) in the case of levy sugar stocks, at the price determined by the Central Government from time to time ; and

(ii) in the case of other sugar stocks, at the ex-factory market price prevailing immediately before the appointed day, minus excise duty and cess ;

(b) for the acquisition of any stocks of molasses comprised in the undertaking, their value calculated at the price prevailing immediately before the appointed day;

(c) for the acquisition of any stocks of sugarcane comprised in the undertaking, the actual cost of their purchase ;

(d) for the acquisition of any sugar in the process of production or any bagasse or **pressmud** comprised in the undertaking, its market value as may be agreed upon between the Government and the persons interested, and failing such agreement, as may be determined by the prescribed authority

(3) In addition to the amount, if any, payable under sub-section (2) for the acquisition of the properties and assets referred to in that sub section, the

Government shall pay as amount for the acquisition of the undertaking such sum as may be determined by the prescribed authority In determining the amount under this sub-section, the prescribed authority shall have regard to—

(i) the book value of all completed works in beneficial use pertaining to the undertaking and vested in the Government under section 4, less depreciation calculated in accordance with the First Schedule;

(ii) the book value of all works in progress vested in the Government under section 4 ;

(iii) the book value of all stores including spare parts vested in the Government under section 4 and in the case of used stores and spare parts, such amount as may be decided upon by mutual agreement between the Government and the Company;

(iv) the book value of all other fixed assets in use on the vesting date which have vested in the Government under section 4, less depreciation calculated in accordance with the First Schedule ;

(v) the book value of all plant and equipment existing on the vesting date but no longer in use owing to wear and tear or to obsolescence, to the extent such value has not been written off in the books of the undertaking less depreciation calculated in accordance with the First Schedule;

(vi) the book value of all intangible assets to the extent such value has not been written off in the books of the undertaking.

Explanation— For the purposes of this sub-section, the book value of any fixed asset means its original cost, and shall comprise—

(a) the purchase price paid by the undertaking for the asset, Including the cost of delivery and all charges properly incurred in erecting and bringing the asset into beneficial use as shown in the books of the undertaking;

(b) interest charges on capital, expenditure incurred from borrowed money and shown in the books of the undertaking as properly attributable to the asset up to the date of bringing it into beneficial use, at a rate, not exceeding six per cent per annum ;

(c) cost of supervision actually incurred, but not exceeding fifteen per cent of the sum referred to in clause (i).

CHAPTER IV.

MANAGEMENT, ETC., OF THE UNDERTAKING.

10. Management, etc., of the undertaking.—(1) The general superintendence, direction, control and management of the affairs and business of the undertaking, the right, title and interest in relation to which have vested in the Government under section 4, shall,—

(a) where a direction has been made by the Government under sub-section (1) of section 6, vest, on and from the date specified in such direction, in the existing Government company specified therein; or

(b) where a declaration has been made under sub-section (1) of section 7, vest, on and from the date of such declaration, in the new Government company specified therein ; or

(c) where no direction referred to in clause (a) or declaration referred to in clause (b) has been made, vest, on and from the appointed day, in one or more Custodians appointed by the Government under sub-section (2), and thereupon the existing, or new, Government company or the Custodian or Custodians so appointed, as the case may be, shall be entitled to exercise, to the exclusion of all other persons, all such powers and do all such things as the Company is authorised to exercise and do in relation to its undertaking.

(2) The Government may appoint one or more individuals or a Government company as the Custodian or Custodians of the undertaking in relation to which no direction has been made by them under sub-section (1) of section 6 or no declaration has been made by them under sub-section (1) of section 7, and the Custodian or Custodians so appointed shall receive, from the funds of the undertaking, such remuneration as the Government may fix and shall hold office during the pleasure of the Government.

(3) The Custodian or Custodians of the undertaking shall maintain an account of the undertaking in such form and manner and under such conditions as may be prescribed, and the provisions of the Companies Act, 1956 (Central Act 1 of 1956), shall apply to the audit of the accounts so maintained as they apply to the audit of the accounts of a Company.

11. Duty of persons in charge of management of the undertaking to deliver all assets, etc.—(1) On the vesting of the management of the undertaking in an existing, or a new, Government company or on the appointment of a Custodian or Custodians, all persons in charge of the management of the undertaking immediately before such vesting or appointment shall be bound to

deliver to such Government company or the Custodian or Custodians, as the case may be, all assets, books of account, registers and other documents in their custody relating to undertaking.

(2) The Government may issue such directions as they may deem desirable in the circumstances of the case to the existing, or new, Government company or the Custodian or Custodians as to the powers and duties of such Government company or Custodian or Custodians and such Government company, Custodian or Custodians may also, if it is considered necessary so to do, apply to the Government at any time for instructions as to the manner in which the management of the undertaking shall be conducted or in relation to any other matter arising in the course of such management.

12. Duty of persons to account for assets, etc., in their possession.—(1) Any person who has, on the appointed day, in his possession or under his control, any assets, books, documents or other papers relating to the undertaking, which has vested in the Government or in an existing, or a new, Government company under this Act, and which belongs to the Company, or would have so belonged, if the undertaking had not vested in the Government or such Government company, shall be liable to account for the said assets, books, documents and other papers to the Government or the Government company and shall deliver them up to the Government, or such Government company or to such person or body of persons as the Government or the Government company may specify in this behalf.

(2) The Government may take or cause to be taken all necessary steps for securing possession of the undertaking which has vested in them under section 4.

(3) The Company or in case if any Custodian is in charge of the management of the undertaking as on the appointed day under any law, then such Company or, as the case may be, such Custodian shall, within such period as the Government may allow in this behalf, furnish to the Government a complete inventory of all the property and assets, as on the appointed day, pertaining to such undertaking, which has vested in the Government under section 4, and for this purpose, the Government or the existing, or new, Government company shall afford to the Company or the Custodian all reasonable facilities.

CHAPTER V.

PROVISIONS RELATING TO THE EMPLOYEES OF THE UNDERTAKING.

13. Continuance of employees.—(1) Every employee of the Company employed in connection with its undertaking shall become, on and from the appointed day, an employee of the Government and, where such undertaking is

vested in an existing, or a new, Government company under this Act, become,, on. and from the date of such vesting in such Government company, an employee thereof and shall hold office or service under the Government or the existing, or new, Government company, as the case may be, with the same rights and privileges as to pension, gratuity and other matters as would have been admissible to him if there had been no such vesting and shall continue to do so unless and until his employment under the Government or the existing, or new, Government company, as the case may be, is duly terminated or until his remuneration and other conditions of services are duly altered by the Government or the existing, or new, Government company, as the case may be.

(2) Notwithstanding anything contained in the Industrial Disputes Act, 1947 (Central Act XIV of 1947), or in any other law for the time being in force, the transfer of the services of any officer or other person employed in the undertaking to the Government or the existing, or new, Government company shall not entitle such officer or other employee to any compensation under this Act or any other law for the time being in force and no such claim shall be entertained by any court, tribunal or other authority.

14. Provident fund and other funds.—(1) Where the Company has established a provident fund, superannuation ' fund, welfare fund or other fund for benefit of persons employed in its undertaking the monies relatable to the employees, whose services have become transferred by or under this Act to the Government or an existing, or a new, Government company shall, out of the monies standing, on the appointed day to the credit of such provident fund, superannuation fund, welfare fund or other fund, stand transferred to, and shall vest in the Government or the Government company, as the case may be.

(2) The monies which stand transferred under sub-section (1) to the Government, or the existing, or new, Government company, as the case may be, shall be dealt with by the Government or the Government company in such manner as may be prescribed.

CHAPTER VI.

COMMISSIONER OF PAYMENTS.

15. Appointment of Commissioner of Payments.—The Government shall, for the purpose of disbursing the amount payable under section 9 to the Company, by notification, appoint a Commissioner of Payments.

(2) The Government may appoint such other persons as they may think fit to assist the Commissioner and thereupon 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 those 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 Government to the Commissioner.—(1) The Government shall, within thirty days from the specified date, pay, in cash, to the Commissioner, for payment to the Company the amount as determined under section 9.

(2) A deposit account shall be opened by the Government in favour 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 said deposit account and the said deposit account shall be operated by the Commissioner.

(3) The interest accruing on the amount in relation to the Company standing to the credit of the deposit account referred to in sub-section (2) shall ensure to the benefit of that Company.

17. Certain powers of the Government or Government company.—(1) The Government or the existing, or new, Government company, as the case may be, shall be entitled to receive up to the specified date, to the exclusion of all other persons, any money due to the Company in relation to its undertaking which has vested in the Government of such Government company, and realised after the appointed day, notwithstanding that the realisation pertains to a period prior to the appointed day.

(2) The Government or the existing, or new, Government company, as the case may be, may make a claim to the Commissioner with regard to every payment made by the Government or Government company, after the appointed day, for discharging any liability of the Company in respect of its undertaking, in relation to any period prior to the appointed day ; and every such claim shall have priority in accordance with the priorities attaching under this Act to the matter in relation to which such liability has been discharged by the Government or the Government company.

(3) Save as otherwise provided in this Act the liabilities of the Company in relation to its undertaking in respect of any transaction prior to the appointed day, which have not been discharged on or before the specified date, shall be the liabilities of that Company.

18. Claims to be made to the Commissioner.—Every person having a claim against the Company with regard to any of the matter specified in the Second Schedule pertaining to its undertaking, shall prefer such claim before the Commissioner within thirty days from the specified 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 priorities 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 claim specified in each of the categories shall rank equally and be paid in full, but, if the amount is insufficient 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 a surplus is left after meeting all the liabilities specified in the immediately 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 priorities specified in the Second Schedule and examine the same in accordance with such order of priority.

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

21. Admission or rejection of claims.—(1) After examining the claims with reference to the priorities set out in the Second Schedule, the Commissioner shall fix a 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 advertisement in one issue of any daily newspaper in the English language having circulation in the major part of the State and one issue of any daily newspaper in the Tamil language having circulation in the major part of the State, and every such notice shall call upon the claimant to file the proof of his claim with the Commissioner within the period specified in the advertisement.

(3) Every claimant who fails to file the proof of his claim within the period 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 Company an opportunity of refuting the claim and after giving the claimant a reasonable opportunity of being heard, by order in writing, admit or reject the claim in whole or in part.

(5) The Commissioner shall have the power to regulate his own procedure in all matters arising out of the discharge of his functions, including the place or places at which he may hold his sittings and shall, for the purpose of making any investigation under this Act have the same powers as are vested in a civil court under the Code of Civil Procedure, 1908 (Central Act V of 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 producible as evidence ;

(c) the reception of evidence on affidavits ;

(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 sections 193 and 228 of the Indian Penal Code (Central Act XLV of 1860) and the Commissioner shall be deemed to be a civil court for the purposes of section 195 and Chapter XXVI of the Code of Criminal Procedure, 1973 (Central Act 2 of 1974).

(7) A claimant who is dissatisfied with the decision of the Commissioner may prefer an appeal against such decision to the High Court :

Provided that where a person who is a Judge of a High Court is appointed to be the Commissioner, such appeal shall be heard and disposed of by not less than two Judges of the High Court,

22. Disbursement of money by the Commissioner.—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 of the Company in respect of such claim relating to its undertaking shall stand discharged.

23. Disbursement of amounts to the Company.—(1) If out of the monies paid to him in relation to the undertaking there is a balance left after meeting the liabilities as specified in the Second Schedule, the Commissioner shall disburse such balance to the Company.

(2) Where the possession of any instrument, machinery or other property has vested in the Government or any existing, or new, Government company under this Act, but such instrument, machinery or other property does not belong to the Company, it shall be lawful for the Government or, as the case may be, the existing, or new, Government company, to continue to possess such instrument, machinery or other property on the same terms and conditions under which they were possessed by the Company, immediately before the appointed day.

24. Undisbursed or unclaimed amount to be deposited with the general revenue account.—Any money 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, before his office is finally wound up, to the general revenue account of the Government ; but a claim to any money so transferred may be preferred to the 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.

CHAPTER VII.

MISCELLANEOUS.

25. Act to have over-riding effect.—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 decree or order of any court, tribunal or other authority.

26. Assumption of liability.—(1) Where any liability of the Company arising out of any item specified in any category in Part I of the Second Schedule is not discharged fully by the Commissioner on of the amount pout to him under this Act, the Commissioner snail intimate in writing to the Government the extent

of the liability which remain undischarged and that liability shall be assumed by the Government.

(2) The Government may, by order, direct the existing, or new, Government company in which the undertaking become vested by virtue of any direction made under sub-section (1) of section 6 or declaration made under sub-section (1) of section 7, to take over the liability assumed by the Government under sub-section (1) and on receipt of such direction, it shall be the duty of such existing, or new, Government company, to discharge such liability.

27. Management to continue to vest in the Custodian until alternative arrangements have been made.—Notwithstanding the vesting under this Act of the undertaking in the **Government or MI** existing, or a new, Government company,—

(a) the person who has been managing the affairs of the undertaking before the date on which the undertaking had so vested shall, until alternative arrangements have been made by the Government or, as the case may be, such Government company, for the management of the undertaking continue to manage the affairs of the undertaking as if such person had been authorised by the Government or, as the case may be, such Government company, to manage the undertaking;

(b) such person or any person authorised by him for this purpose shall, until alternative arrangements have been made by the Government or, as the case may be, such Government company, continue to be authorised to operate, in relation to the undertaking any account of the undertaking in any bank as if such person or the person authorised by him had been authorised by the Government or such Government company to operate such account.

28. Contracts to cease to have effect unless ratified , by the Government or the Government company.—Every contract entered into by the Company in relation to its undertaking, which has vested in the Government under section 4, for any service, sale or supply and in force immediately before the appointed day, shall, on and from the expiry of a period of one hundred and eighty days from the appointed day, cease to have effect unless such contract is, before the expiry of that period, ratified in writing by the Government, or the existing, or new, Government company in which such undertaking has been vested under this Act and in ratifying such contract the Government or such Government company may make such alteration or modification there in as they may think fit:

Provided that the Government or such Government company 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 interests of the Government or such Government company; and

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

29. Penalties.—Any person who,—

(a) having in his possession, custody or control any property forming part of the undertaking, wrongfully withholds such property from the Government or the existing Government company or a new Government company; or

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

(c) wilfully withholds or fails to furnish to the Government or the existing, or new Government company or any person or body of persons specified by the Government or such Government company as the case may be, any document relating to the undertaking which may be in his possession, custody or control; or

(d) fails to deliver to the Government or the existing, or new Government company or any person or body of persons specified by the Government or Government company, any assets books of account, registers or other documents in his possession custody or control relating to the undertaking; or

(e) wrongfully removes or destroys any property forming part of the undertaking or prefers any claim under this Act which he knows or has reason to believe to be false or grossly inaccurate, shall be punishable with imprisonment for a term which may extend to two years and also with fine which may extend to ten thousand rupees.

30. Offences by companies.—(1) Where an offence under this Act has been committed by a company, every person who, at the time the offence was committed was in charge of, and was responsible to, the company for the conduct 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, any 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 purposes of this section—

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

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

31. Protection of action taken in good faith.—(1) No suit, prosecution or other legal proceeding shall lie against the Government or any officer or other employee of the Government or the existing, or new, Government company in which the undertaking has vested under this Act or other person authorised by the Government or Government company 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 Government or any of their officers or other employees or the existing, or new, Government company aforesaid or any officer or, other person authorised by that company for any damage caused or likely to cause by anything which is in good faith done or intended to be done under this Act.

32. Delegation of powers.—(1) The Government may, by notification, direct that all or any of the powers exercisable by them under (his Act, other than the powers conferred by this section and sections 33 and 31 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 has been delegated shall act under the direction, control and supervision of the Government.

33. Power to make rules.—(1) The Government may 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 power, such rules may provide for all or any of the following matters, namely —

(a) the time within which, and the manner in which, any intimation referred to in sub-section (3) of section 5 shall be given;

(b) the form and manner in which and the conditions under which accounts shall be maintained by the Custodian or Custodians, as required by sub-section (3) of section 10;

(c) the manner in which the monies in any provident fund or other fund, referred to in sub-section (2) of section 14 shall be dealt with;

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

(3) (a) All rules made under this Act shall be published in the Tamil Nadu Government Gazette, and unless they are expressed to come into force on a particular day, shall come into force on the day on which they are so published.

(b) All notifications issued under this Act shall, unless they are expressed to come into force on a particular day, come into force on the day on which they are published.

(4) Every rule made or notification issued under this Act shall, as soon as possible after it is made or issued, be placed on the table of both Houses of the legislature, and if, before the expiry of the session in which it is so placed or the next session, both Houses agree in making any modification in any such rule or notification or both Houses agree that the rule or notification should not be made or issued, the rule or notification 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 or notification.

34. Power to remove difficulties.—(1) If any difficulty arise in giving effect to the provisions of this Act, the Government may make such order, not inconsistent with the provisions of this Act as may appear to them to be necessary or expedient for the purpose of removing the difficulty :

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

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

35. Repeal and saving.—(1) The Madura Sugars Limited (Act (Acquisition and Transfer of Undertaking) Ordinance, 1983 (Tamil Nadu Ordinance 18 of 1983), is hereby repealed.

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

THE FIRST SCHEDULE.

[See section 9 (3).]

For purposes of payment of amount under section 9 the depreciation shall be calculated at annual rates arrived at by dividing 90 per cent of the book value of each asset by the number of years of life of (he asset as specified in the Table below. For the account year, in which an asset was brought into beneficial use, the depreciation shall be calculated at half the annual rate and for the period after the last completed account year till the vesting date, the depreciation shall be calculated pro-rata. Depreciation shall not be calculated for any period beyond the life of the asset as prescribed herein.

For the years, in which the undertaking has worked for double shifts or triple shifts, extra depreciation on the machineries shall be calculated at half the normal depreciation or at an amount equal to normal depreciation, respectively, in addition to the normal depreciation referred to above. The amount of extra depreciation for double or triple shifts working shall be in proportion to the number of days for which the undertaking has worked for double or triple shifts, as the case may be, bear to the actual number of working days. in the respective years or 180 days, whichever is greater.

THE TABLE.

Serial number. (1)	Description of assets. (2)	Number of years or period. (3)
1.	Land	Infinite.
2	Buildings— (i) Factory Buildings (ii) Offices, Godown, Officers and Employees. Quarters, Roads Bridges, Culverts, Wells and Tube-wells. (iii) Temporary Erection	Twenty-two years Forty-five years. One year.

3.	Assets purchased new—	
	A. (i) Plant and Machinery (Excluding Sugar Mill Rollers)	Fifteen year.
	(ii) Sugar Mill Rollers	One year.
	B. (i) Office Furniture	Twenty-two years.
	(ii) Typewriters, Duplicators, Air-conditioners, etc.	Fifteen years.
	(iii) Furniture used in Schools, Libraries, Welfare Centres, Meeting Halls.	Fifteen years.
	(iv) Laboratory equipments ..	Twenty-two years.
	C. Electrical equipments	Fifteen years.
	D. Vehicles—	
	(i) Cycles, Motor Cars	Ten years.
	(ii) Busesi Lorries, Tractors	Six years.
4.	Assets purchased second hand and assets not provided otherwise for in this Table.	Such reasonable period as the Government determine in each case having regard to the nature, age and condition of the asset at the time of its acquisition by the Government.

THE SECOND SCHEDULE.

[See sections 18, 20, 21, 23 and 26]

ORDER OF PRIORITIES.

PART I.

Category I—

Amounts due to growers towards the cane purchased by the undertaking, being the basic minimum price notified by the Central Government; Employees dues on account of unpaid salaries, wages, provident fund, Employees' 'State' Insurance contribution or premium relating to Life Insurance Corporation of India and any other amounts due to employees in respect of any period before the appointed day.

Category II—

Secured loans obtained by the Company from nationalised banks and public financial institutions during any period before the appointed day.

Category III—

Other secured loans.

PART II.

Category IV—

Revenue, taxes, cesses, rates or other dues to the Central Government, State Government and Local authorities or State Electricity Board for the period. before the appointed day-

Category V—

Amounts due to growers towards the cane purchased by the undertaking, other than the amounts specified in Category I.

Category VI— .

Any other loans or dues.

(By order of the Governor).

S. VADIVELU.

Commissioner and Secretary to Government,

Law Department.
