

TAMIL NADU GOVERNMENT GAZETTE EXTRAORDINARY
PUBLISHED BY AUTHORITY

Part IV—Section 2

Tamil Nadu Acts and Ordinances.

The following Act of the Tamil Nadu Legislature received the assent of the President on the 9th April 1986 and is hereby published for general information:—

ACT No. 26 OF 1986.

An Act to provide for the acquisition, for a public purpose, and transfer of the undertaking of the Madras Race Club and for matters connected therewith or incidental thereto.

WHEREAS the Madras Race Club, which is a company within the meaning of the Companies Act, 1956 (Central Act 1 of 1956), is engaged in the business of running of horse races at Madras and at Uthagamandalam including the business of inter-venue betting ;

AND WHEREAS it has been brought to the notice of the Government that the Committee of management of the Madras Race Club is ridden with factions and that the affairs of the said Club are not conducted properly and in particular in the interests of the race going public ;

AND WHEREAS instances of irregularities and malpractices in the conduct of the horse races have been brought to the notice of the Government;

AND WHEREAS it has been brought to the notice of the Government that the book-makers keep huge amounts of bet from records causing substantial loss of revenue to the Government ;

AND WHEREAS the Government are satisfied that the Madras Race Club is being mismanaged and that the interests of the race-going public have been affected considerably ;

AND WHEREAS the irregularities and malpractices in the conduct of the races and in the conduct of the affairs of the Madras Race Club have resulted in the concentration of wealth and means of production in a few hands, and to the common detriment ;

AND WHEREAS, with reference to clauses (b) and (c) of Article 39 of the Constitution, it is expedient to provide that the ownership and control of the material resources of the Madras Race Club is so distributed as best to subserve

the common good and that the operation of the economic system of the Madras Race Club does not result in the concentration of wealth and means of production to the common detriment;

AND WHERE, AS it is necessary that the interests of the race-going public should be better served ;

AND WHEREAS a policy decision has been taken to acquire for a public purpose the undertaking of the Madras Race Club to enable the State Government or a Corporation or a Company wholly owned by the State, to properly conduct the horse races and to carry out the other objects of the Club, so as to sub serve the interests of the general public and in particular, the race going public ;

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

CHAPTER I

PRELIMINARY

1. Short title and commencement.—(1) This Act may be called the Madras Race Club (Acquisition and Transfer of Undertaking) Act.

(2) It shall come into force at once.

2. Declaration.—It is here by declared that this Act is for giving effect to the policy of the State towards securing the principles laid down in clauses (i) 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) “ club ” means the Madras Race Club which is a company within the meaning of the Companies Act, 1956 (Central Act 1 of 1956), and having its registered office at Guindy, Madras

(c) “ Commissioner ” means the Commissioner of Payments appointed under section 14 ;

(d) “ custodian ” means the custodian appointed under sub-section (2) of section 9 ;

(e) “ Government ” means the State Government;

(f) “ Government company ” means a Corporation or a company wholly owned by the State;

(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) words and expressions used herein and not defined but 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 of the club.—On the appointed day, the undertaking of the club and the right, title and interest of the club 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 of the club shall be deemed to include the business in the running of horse races at Madras and at Udthagamandalam (including inter-venue betting on horse races) and the business in relation to the other objects of the club and shall be deemed also to include all assets, rights, leaseholds, powers, authorities and privileges and all property, movable and immovable, including lands, buildings, works, stores, automobiles and other vehicles, bank balances, cash balances, reserve funds, investments and book debts 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 club in relation to the undertaking whether within or outside India, and all books of account, registers and all other documents of whatever nature relating thereto and shall also be deemed to include, the liabilities specified in sub-section (1) of section 25.

(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, tribunal 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 8, but no such mortgage, charge, lien or other interest shall be enforceable against any property which has vested in the Government.

(5) Any licence, permission, sanction, approval, order or other instrument whatsoever granted to the club in relation to the 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 4, in the Government, or under section 6, in a Government company, the Government, or the Government company, as the case may be, shall be deemed to be substituted in such licence, permission, sanction, approval, order or other instrument whatsoever as if such licence, permission, sanction, approval, order or other instrument whatsoever had been granted to the Government or such Government company and the Government or such Government company shall hold it for the remainder of the period for which the club 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 matter specified in sub-section (1) of section 25 in respect of the undertaking of the club which has vested in the Government under section 4, instituted or preferred by or against the club, 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 a Government company, by or against such Government company.

6. Power of Government to direct vesting of the undertaking in a Government company.—(1) Notwithstanding anything contained in sections 4 and 5, the Government may, if they are satisfied that a 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 club 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 Government company either on the date of

publication of the notification or on such earlier or later date (not being a date earlier than the appointed day) as may be specified in the notification.

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

7. Government or Government company not to be liable for prior liabilities.—(1) Every liability of the club, other than the liability specified in sub-section (1) of section 25, in respect of any period prior to the appointed day, shall be the liability of the club and shall be enforceable against it, and not against the Government or where the undertaking of the club vest in a 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 club 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 a 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 vest in a Government company, against such Government company;

(c) no liability incurred by the club 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 a Government company, against such Government company.

CHAPTER III

PAYMENT OF AMOUNT

8. 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 club in relation to such undertaking, there shall be paid by the Government to the club in cash and in the manner specified in Chapter VI, an aggregate of the value of the sums specified in sub-sections (2) and (3).

(2) 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 of including spare parts, consumable articles, fodders and other similar goods), 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 club;

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

(v) the book value of all plant and equipment existing on the appointed day 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, which 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).

(3) In addition to the amount 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 horses and other live stocks, if any, their 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.

Explanation.—For the purpose of this sub-section, ‘ horse ’ includes mare, gelding, filly, pony or any other horse by whatever name called.

(4) Every amount specified in sub-sections (2) and (3) shall carry simple interest at the rate of four p r cent p r annum for the period commencing on the appointed day, and ending with the date on which the payment of such amount is made by the Government to the Commissioner.

(5) The amount determined in accordance with the provisions of sub-section (4) shall be paid by the Government to the club in addition to the amount specified in sub-sections (2) and (3).

(6) For the removal of doubts, it is hereby declared that the liabilities of the club, in relation to the undertaking which have vested in the Government under section 4, shall be discharged from the amount referred to in sub-sections (2) and (3), and also from the amount determined under sub-section (4), in accordance with the rights and interests of the creditors of the club.

CHAPTER IV

MANAGEMENT, ETC., OF THE UNDERTAKING OF THE CLUB

9. Management, etc., of the undertaking of the club.—(1) The general superintendence, direction, control and management of the affairs and business of the undertaking of the club, 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 Government company specified therein; or.

(b) where no direction referred to in clause (a) has been made, vest, on and from the appointed day, in the custodian appointed by the Government under sub-section (2), and thereupon the Government company or the custodian 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 club is authorised to exercise and do in relation to the undertaking.

(2) The Government may appoint one or more officers of the Government or a committee of officers of the Government as the custodian of the undertaking

in relation to which no direction has been made by them under sub-section (I) of section 6, and the custodian 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 of the undertaking shall maintain an account of the undertaking in such form and manner and under such conditions, as may be prescribed.

10. 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 of the club in a Government company or on the appointment of a custodian, all persons in-charge of the management of the undertaking of the club immediately before such vesting or appointment shall be bound to deliver to such Government company, or the custodian, as the case may be, all assets, books of account, registers and other documents in their custody relating to the undertaking.

(2) The Government may issue such directions as they may deem desirable in the circumstances of the case to the Government company or the custodian as to the powers and duties of such Government company or custodian and such Government company or custodian may also, if it is considered necessary so to do, apply to the Government at any time for the 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.

11. 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 of the club, which has vested in the Government or in a Government company under this Act, which belongs to the club, or would have so belonged, if the undertaking of the club 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 the custodian, as the case may be, or to such person or body of persons as the Government or the Government company or the custodian 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 this Act.

(3) The club 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 the undertaking, which has vested

in the Government under section 4, and for this purpose, the Government or a Government company shall afford to the club all reasonable facilities.

CHAPTER V

PROVISIONS RELATING TO THE EMPLOYEES OF THE UNDERTAKING

12. Continuance of employees.—(1) Every employee of the any, employed in connection with the undertaking shall become, **on ancation** the appointed day, an employee of the Government and when undertaking is vested in a Government company under this Act, on and from the date of such vesting in such Government or the 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 Government company, as the case may be, is terminated by giving him notice of not less than one month in writing, or one month's pay and allowances in lieu of such notice, or until his remuneration and other conditions of service are altered by the Government or the 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 of the club to the Government or the Government company shall not entitle such officer or other employee to any compensation under this Act or any other law for the time bring in force and no such claim shall be entertained by any court, tribunal or other authority.

13. Provident fund and other funds.—(1) Where the club has established a provident fund, superannuation fund, welfare fund or other fund for the benefit of the persons employed in its undertaking, the monies r datable to the employees whose services have become transferred by or under this Act to the Government or a 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 Government company, as the case may be, shall be dealt w.th by the Government or the Government company in such manner as may be prescribed.

CHAPTER VI

COMMISSIONER OF PAYMENTS

14. Appointment of Commissioner of Payments.—(1) The Government **The purpose** disbursing the amount payable under section 8 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 of 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.

15. 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 club an amount equal to the amount determined under section 8.

(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) Records shall be maintained by the Commissioner in respect of the undertaking of the club in relation to which payment has 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 ensure to the benefit of the club.

16. Certain powers of the Government or the Government company.—(1) The Government or the 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 club, in relation to its undertaking which has vested in the

Government or 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 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 club in respect of the 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 club 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 the club.

17. Claims to be made to the Commissioner.—Every person having a claim against the club with regard to any of the matters specified in the Second Schedule pertaining to the 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 of claims.—The claims made under section 17 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 claims 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.

19. Examination of claims.—(1) On receipt of the claims made under section 17, 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 priorities.

(2) If on examination of the claims, the Commissioner is of the 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 any claim in respect of such lower category.

20. 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 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 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 date fixed by the Commissioner under sub-section (1) and specified in the advertisement.

(3) Every claimant who fails to file the proof of his claim within the date fixed by the Commissioner under sub-section (1) 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 club 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.

21. 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 club in respect of such claim relating to the undertaking shall stand discharged.

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

(2) Where the possession of any instrument, machinery or other property has vested in the Government or any Government company under this Act, but such instrument, machinery or other property does not belong to the club, it shall be lawful for the Government or, as the case may be, the 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 club, immediately before the appointed day.

23. Undisbursed of unclaimed amount to be deposited with the general revenue account.— Arty 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

24. Act to have overriding 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.

25. Assumption of liability.—(1) Where any liability of the club arising out of any item specified in the Category **I or cm** (a) and (b) of Category II of the Second Schedule is not discharged fully by the Commissioner out of the amounts paid to him under this Act, the Commissioner shall intimate in writing to the Government the extent of the **Eability** which remains undischarged and that liability shall be assumed by the Government.

(2) The Government may, by order, direct the Government company in which the undertaking become vested by virtue of any direction made under sub-section (1) of section 6, 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 Government company to discharge such liability.

26. Contracts to cease to have effect unless ratified by the Government or the Government company. —Every contract entered into by the club in relation to the 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 month 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 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 therein as they, or it, 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 therein—

(a) unless they are or 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.

27. Penalties.—Any person who,—

(a) having in his possession control or control any property forming part of the undertaking, wrongfully withholds such property from the Government or the Government company or custodian or from any person or body of persons authorised by the Government or such Government company or custodian ; 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 Government company or custodian or to any person or body of persons authorised by the Government or such Government company or custodian as the case may be, any document relating to the undertaking of the club which may be in his possession, custody or control ; or

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

(e) wrongfully removes or destroys any property forming part of the undertaking of the club 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 three years and also with fine which may extend to ten thousand rupees.

28. 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 purpose 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

29. 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 against the Government company in which the undertaking of the club has vested under this Act or against custodian or against other person authorised by the Government, Government company or custodian 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 on any of their officers or other employees, or against the Government company aforesaid or custodian or against any officer or other person authorised by that company or custodian for any damage caused or likely to be caused by anything which is in good faith done or intended to be done under this Act.

30. Delegation of powers.—(1) The Government may, by notification, direct that all or any of the powers exercisable by them under this Act, other than the powers confened by this section and sections 31 and 32 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.

31. 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 of 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, as required by subsection (3) of section 9;

(c) the manner in which the monies in any provident fund or other fund, referred to in sub-section (2) of section 13 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.

32. Power to remove difficulties.—(1) If any difficulty arises 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.

THE FIRST SCHEDULE

[See section 8 (2)]

For purposes of payment of amount under section 8, 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 the 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.

THE TABLE.

Serial number	Depreciation of assets.	Number of years of period.
	(1)	(2)
1	Land ..	Infinite.
2	Buildings, Road, etc. ..	Twenty-two years.
3	Plant and Machinery	Fifteen years.
4	Television and Television system and Public address systems.	Five years.
5	Equine Hospital equipments ..	Twenty-two years.
6	Analytical Laboratory equipments	Twenty-two years.
7	Vehicles— (i) Cycles, Motor cars (ii) Buses, lorries, tractors	Ten years. Six years.
8	Electrical Lifts	Fifteen years.
9	Electrical Installations and Telephone constructions.	Fifteen years.
10	(i) Furniture, fixtures used in office.	Twenty-two years.
	(ii) Furniture used in Conference Halls, etc	Fifteen years.
11	Starting Gates	Ten years.
12	Assets purchased second hand and assets not otherwise provided for in this Table.	Such reasonable period as the Government determine in each case having regard to the native, age and (condition asset at the tin acquisition Government.

THE SECOND SCHEDULE

(See sections 17,18, 19,20, 22 and 25 (1).]

ORDER, OF PRIORITIES FOR THE DISCHARGE OF LIABILITIES OF THE CLUB.

Category I—

(a) Wages, salaries and. other dues payable to the employees of the club.

(b) Deductions made from the salaries and wages of the employees for provident fund, Employees' State Insurance Contribution, Premium relating to Life Insurance Corporation of India or for any other purposes.

(c) Arrears in relation to contributions to be made by the club to the provident fund, Employees' State Insurance Fund, Life Insurance Corporation premium and any other arrear under any law for the time being in force (excluding gratuity).

Category II—

(a) Principal amount of secured loans advanced by—

(i) Central Government;

(ii) State Governments

(iii) Banks;

(iv) Public financial institutions.

(v) Interest on the principal amount of secured Loans referred to in item (a).

(b) Principal amount of secured loans advanced by any person not falling under item (a) and interest on such principal amount.

Explanation.—To determine the extent of security available for I the purpose of item (a), the market value of the security as on the appointed day shall be taken into account.

Category III—

Principal amount of unsecured loans advanced by—

Central Government;

State Government;

Banks;

public financial institutions.

Category IV—

(a) Any credit availed of by the Club for the purpose of Horse-Race operations.

(b) Any dues payable to the Tamil Nadu State Electricity Board or other Government or semi-Government institutions for supply of goods or service.

(c) Interest on loans and advances other than -interest specified in items (b) and (c) of Category II.

Category V —

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

(b) Any other loans or dues.

(By order of the Governor)

S. VADIVELU,

Commissioner and Secretary to Government.

Law Department.

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