

**Jaora Sugar Mills Tatha Seth Govindram Sugar Mills
(Upkramon Ka Arjan Aur Antaran) Adhiniyam, 1984**

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SCHEDULE 1 :- THE SCHEDULE

Jaora Sugar Mills Tatha Seth Govindram Sugar Mills (Upkramon Ka Arjan Aur Antaran) Adhiniyam, 1984

An Act to provide in public interest for the acquisition and transfer of the industrial undertakings known as the Jaora Sugar Mills Limited, Jaora, and the Seth Govindram Sugar Mills, Mahidpur Road with a view to securing the proper management of such industrial undertakings so as to subserve the interest of the general public by ensuring the continuity of production of sugar which is vital to the needs of the country and for matters connected therewith or incidental thereto; Whereas the Jaora Sugar Mills Limited, Jaora and the Seth Govindram Sugar Mills, Mahidpur Road had been engaged in the manufacture and production of sugar mentioned in the First Schedule to the Industries (Development and Regulation) Act, 1951; And whereas the management of the undertakings of the Jaora Sugar Mills Limited, Jaora and Seth Govindram Sugar Mills, Mahidpur Road were taken over by the Central Government under Section 18-AA of the Industries (Development and Regulation) Act, 1951; And whereas it is necessary in public interest to acquire the undertakings of the Jaora Sugar Mills Limited, Jaora and the Seth Govindram Sugar Mills, Mahidpur Road inter-alia to ensure that the interest of the general public are

served by the continuance by the undertakings of the Company, of the production of sugar which is vital to the needs of the country and to prevent labour unrest; Be it enacted by the Madhya Pradesh Legislature in the Thirty-fifth Year of the Republic of India as follows :-- 1. Received the assent of the President on 7-4-1984, assent first published in the Madhya Pradesh Gazette (Extraordinary), dated 11-4-1984.

CHAPTER 1
PRELIMINARY

1. Short Title And Commencement :-

(1) This Act may be called the Jaora Sugar Mills Tatha Seth Govindram Sugar Mills (Upkramon Ka Arjan Aur An tar an) Adhiniyam, 1984.

(2) It shall come into force at once.

2. Definitions :-

In this Act, unless the context otherwise requires,--

(a) "appointed day" means the 17th February, 1984;

(b) "commissioner" means the Commissioner of Payments appointed under Section 15;

(c) "company" means,--

(i) the Jaora Sugar Mills Limited, Jaora a company within the meaning of the Companies Act, 1956 (No. 1 of 1956) and having its registered office at Jaora, district Ratlam in the State of Madhya Pradesh, or

(ii) Seth Govindram Sugar Mills, Mahidpur Road a branch of properties of Messrs. Kaluram Govindram Bajaj Khana Jaora, district Ratlam in the State of Madhya Pradesh.

(d) "custodian" means the Custodian appointed under sub-section (2) of Section 9 to take over and to carry on, the management of the undertakings, of the Company;

(e) "co-operative society" means a co-operative society of the workers of the respective company employed in relation to its undertakings and of the cane growers of the respective assigned and reserved areas of the factory within the meanings of clause (j) of Section 2 and Sections 15 and 16 of the Madhya Pradesh Sugar Cane (Regulation of Supply and Purchase) Act, 1958 (No. 1 of 1959) formed and registered under the Madhya Pradesh Co-operative Societies Act, 1960 (No. 17 of 1961) with a view to secure distribution of ownership for common good of cane growers

and workers and with the object of securing participation of workers in the management of the respective company, and in which the undertakings of the Company are directed to vest under sub-section (1) of Section 6;

(f) "date of taking over" means the date on which the management of the Seth Govindram Sugar Mills Mahidpur Road, District Ujjain or the Jaora Sugar Mills Ltd. Jaora, District Ratlam, as the case may be, was taken over by an authorised person by virtue of the order of the Government of India in the Ministry of Industry, Department of Industrial Development No. S.O. 774(E) 18-AA/ IDRA/80, dated the 12th September, 1980 and S.O. 775(E) 18-AA/IDRA/80, dated the 12th September, 1980 respectively made under sub-section (1) of Section 18-AA of the Industries (Development and Regulation) Act, 1951 (No. 65 of 1951);

(g) "Government Company" means the Government Company or a co-operative society, as the case may be, in which the undertakings of the company are directed to vest under sub-section (1) of Section 6;

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

(i) "owner in relation to Company" means the person to whom the concerned undertaking belongs and who is in the ultimate control over the affairs of the company with reference to the concerned undertaking;

(j) words and expressions used herein and not defined but defined in the Companies Act, 1956 (No. 1 of 1956) shall have the meanings respectively, assigned to them in that Act.

CHAPTER 2

ACQUISITION AND TRANSFER OF THE UNDERTAKINGS OF THE COMPANY

3. Transfer To, And Vesting In, The State Government Of The Undertakings Of Each Company :-

On the appointed day, the undertakings of either company, and the right, title and interest of the owners of the company in relation to its undertakings, shall, by virtue of this Act, stand transferred to, and shall vest in, the State Government.

4. General Effect Of Vesting :-

(1) The undertakings of either company shall be deemed to include

all assets, rights, lease-holds, powers, authorities and privileges, and all properties movable and immovable, including lands, buildings, workshops, stores, instruments, plant and machinery and equipments, cash balances, cash on hand, cheques, demand drafts, reserve funds, investments, book debts and all other rights, title and interests in, or arising out of, such properties as were immediately before the appointed day in the ownership, possession, power or control of the company, whether within or outside India, and all books of accounts, registers and all other documents of whatever nature relating thereto.

(2) All properties as aforesaid which have vested in the State Government under Section 3 shall, by force of such vesting, be freed and discharged from any trust, obligation, mortgage, charge, lien and all other encumbrances affecting them, and any attachment, injunction, decree or order of any Court, tribunal or other authority restricting the use or enjoyment 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 State 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 amount determined under Section 7 but no such mortgage, charge, lien or other interest shall be enforceable against any property which has vested in the State Government.

(5) Any licence or other instrument granted to, the company in relation to any undertaking which has vested in the State Government under Section 3 at any time before the appointed day and in force immediately before that 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 a Government Company, such Government company shall be deemed

to be substituted in place of the company referred to therein in such licence or other instrument as if such licence or other instrument had been granted to such Government company and that 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 legal proceeding of whatever nature in relation to any property which has vested in the State Government, under Section 3, 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 undertakings of the company or of anything contained in this Act, but the suit, appeal or other legal proceeding may be continued, prosecuted or enforced by or against the State Government, or where the undertakings of the company are directed, under Section 6, to vest in a Government company, by or against such Government company.

5. 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 the company and shall be enforceable against the owners of the company and not against the State Government, or, where the undertakings of the company are directed, under Section 6, to vest in a Government company, against the Government company.

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

(a) save as otherwise expressly provided in this section or in any other provision of this Act no liability of the company in respect of any period prior to the appointed day, shall be enforceable against the State Government, or, where the undertakings of the company are directed, under Section 6, to 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 undertakings of the company, passed after the appointed day, in respect of any matter, claim, cause of action or dispute which in each case arose before that day, shall be enforceable against the State Government, or, where the undertakings of the company are directed, under Section 6, to vest in a Government company, against such Government company.

(c) no liability incurred by the company before the appointed day, for the contravention of any provision of law for the time being in

force, shall be enforceable against the State Government, or, where the undertakings of the company are directed, under Section 6, to vest in a Government Company against such Government company.

6. Power Of State Government To Direct Vesting Of The Undertakings Of Each Company In Government Company :-

(1) Notwithstanding anything contained in Sections 3 and 4 the State Government may, subject to such terms and conditions as it may think fit to impose, direct, by notification, that the undertakings of the company and the right, title and interest of the company in relation to its undertakings, which have vested in that Government, under Section 3, shall, instead of continuing to vest in the State Government, vest in a Government company or a co-operative society either on the date 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 company, in relation to its undertakings, vest in a Government company or a Co-operative Society under sub-section (1), the Government company or the co-operative society, as the case may be, shall, on and from the date of such vesting, be deemed to have become the owner in relation to such undertakings and all the rights and liabilities of the State Government in relation to such undertakings shall on and from the date of such vesting, be deemed to have become the right and liabilities as the case may be of the Government company or the co-operative society.

CHAPTER 3

PAYMENT OF AMOUNTS

7. Payment Of Amount :-

(1) For the transfer to, and vesting in the State Government, under Section 3, of the undertakings of the company and the right, title and interest of the company in relation, to its undertakings, there shall be, given by the State Government to the company, amount calculated and determined in accordance with the provisions of this chapter.

(2) The amount payable to the company in relation to the concerned undertaking shall be calculated and determined as under :--

(a) value of sugar stocks calculated at ex-factory market price prevailing immediately before the appointed day, minus basic

excise duty in lieu of sales tax leviable thereon;

(b) value of stock of molasses at the price prevailing immediately before the appointed day;

(c) value of actual stock of sugarcane at the actual cost of purchase;

(d) value of sugar in the process of production or any bagasse or press mud at the market value;

(e) book value of the other assets as shown in the last balance sheet:

Provided that whenever sugar stocks are disposed of, so much of the sale proceeds as are referable to quantity pledged or hypothecated with any banking institution or financier, and against which such institution or financier may have made advances, shall be payable to such institution or financier as the case may be, in discharge of advances inclusive of interest and other incidental charges if any, and the balance, if any, remaining thereafter shall be payable to the Commissioner for payments.

8. Appointment Of Special Officer For Determination Of Amount Payable :-

(1) The State Government for the purpose of calculating and determining the amount payable to the company under Section 7, shall appoint by order in writing, a person as Special Officer. The Special Officer shall have the power to regulate his procedure in all matters arising out of the discharge of his functions including the place or places at which he will hold his sittings and shall, for the purpose of making any investigation under this Act, have the same powers as vested in a Civil Court in the Code of Civil Procedure, 1908 (No. 5 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.

(2) Any investigation before the Special Officer shall be deemed to be a judicial proceeding within the meaning of Sections 193 and 228 of the Indian Penal Code, 1860 (No. 45 of 1860) and the Special Officer shall be deemed to be a Civil Court for the purposes of Section 195, Section 345 and Section 346 of the Code of

CHAPTER 4

MANAGEMENT, ETC. OF THE UNDERTAKINGS OF THE COMPANY

9. Management Etc. Of The Undertakings Of The Company :-

(1) The general superintendence, direction, control and management of the affairs and business of the undertakings of the company the right, title and interest in relation to which have vested in the State Government under Section 3, shall,--

(a) where a direction has been made by the State Government under sub-section (1) of Section 6, vest in the Government company specified in such direction; or

(b) where no such direction has been made by the State Government, vest in one or more Custodians appointed by the State Government sub-section (2), of this section and thereupon the Government company so specified 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 undertakings.

(2) The State Government may appoint one or more individuals as the Custodian or Custodians of the undertakings of the Company in relation to which no direction has been made by it under sub-section (1) of Section 6.

(3) The Custodian or Custodians so appointed shall receive, from the funds of the undertakings of the company such remuneration and allowances as the State Government may fix and shall hold office during the pleasure of the State Government.

10. Duty Of Persons In Charge Of Management Of The Undertakings Of The Company To Deliver All Assets Etc. :-

(1) On the vesting of the management of the undertakings of the company in a Government company or on the appointment of a Custodian or Custodians all persons in charge of the management of the undertakings of the company immediately before such vesting or appointment, shall be bound to deliver to the Government company or the Custodian or Custodians, as the case may be, all assets, books of account, registers or other documents in their custody relating to the undertakings of the Company.

(2) The State Government may issue such directions as it may deem desirable in the circumstances of the case to the Government

company or the Custodian or Custodians, and such Government company or the custodian or custodians may also, if it is considered necessary so to do apply to the State Government at any time for instructions as to the manner in which the management of the undertakings of the company 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 any undertaking owned by the Company, which have vested in the State Government or in a Government company under this Act and which belong to the company, or would have so belonged, if the undertakings owned by the company had not vested in the State Government or such Government company, shall be liable to account for the said assets, books, documents and other papers to the State Government or the Government company and shall deliver them up to the State Government or such government company or to such person or persons as the State Government or the Government company may specify in this behalf.

(2) The State Government or the Government company aforesaid may take or cause to be taken all necessary steps for securing possession of the undertakings of the Company which have vested in the State Government or the Government company under this Act.

(3) The company shall, within such period as the State Government may allow in this behalf, furnish to that Government a complete inventory of all its properties and assets, as on the appointed day, pertaining to the undertakings which have vested in the State Government under Section 3 and, for this purpose, the State Government or the Government company aforesaid shall afford to the company all reasonable facilities.

12. Accounts And Audit :-

The Custodian or Custodians of the undertaking of the company shall maintain an account of the undertakings of the company in such form and manner and under such conditions as may be prescribed and the provisions of the Companies Act, 1956 (No. 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.

CHAPTER 5

PROVISIONS RELATING TO THE EMPLOYEES OF THE COMPANY

13. Continuance Of Employees :-

(1) Every person who has been, immediately before the appointed day, employed in any undertaking of the company shall become,--

(a) on and from the appointed day, an employee of the State Government; and

(b) where the undertakings of the company are directed, under sub-section (1) of Section 6 to vest in a Government company, an employee of the Government company on and from the date of such vesting;

and shall hold office or service under the State Government, or the Government company, as the case may be, with the same rights and privileges, if any, 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 State Government or the Government company, as the case may be, is duly terminated or until his remuneration and other conditions of service are duly altered by the State Government or the Government company, as the case may be.

(2) Notwithstanding anything contained in the Madhya Pradesh Audyogik Sambandh Adhiniyam, 1960 (No. 27 of 1960) or in any other law for the time being in force, the transfer of the services of any officer or other person employed in any undertaking of the Company, to the State Government or the Government company, as the case may be, 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.

Explanation.--"Person employed in any undertaking of the company" shall not include (i) casual labour, or (ii) persons in part-time employment, or (iii) persons in employment not during the whole year but only during the crushing season.

14. Provident Fund And Other Funds :-

(1) Where the Company has established a provident fund, a superannuation, welfare or other fund for the benefit of the persons employed in any of its undertakings the moneys relatable to the officers or other employees whose services have become

transferred by or under this Act to the State Government or the Government company, shall out of the moneys standing, on the appointed day, to the credit of such provident fund, superannuation, welfare or other fund, stand transferred to, and vest in, the State Government or the Government company, as the case may be.

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

CHAPTER 6

COMMISSIONER OF PAYMENTS

15. Appointment Of Commissioner Of Payments :-

(1) The State Government shall, for the purpose of disbursing the amounts payable to the Company under Section 7 by notification, appoint a Commissioner of Payments.

(2) The State Government may appoint such other persons as it 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 State Government To The Commissioner :-

(1) The State Government shall, on determination of the amount by Special Officer under Section 8 pay in cash to the Commissioner, for payment to the Company, an amount so determined.

(2) A deposit account shall be opened by the State Government in favour of the Commissioner in the Public Account of 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 Commissioner.

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

(4) Interest accruing on the amount standing to the credit of the deposit account referred to in sub-section (2) shall be ensured to the benefit of the Company.

17. Certain Powers Of The State Government Or Government Company :-

(1) The State 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 Company in relation to its undertakings which have vested in the State Government or the Government company, 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 Government company as the case may be, may make a claim to the Commissioner with regard to every payment made by that Government or Government company after the appointed day, for discharging any liability of the Company 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 State Government or the Government company.

(3) Save as otherwise provided in this Act, the liabilities of the Company in respect of any transaction prior to the date of taking over which have not been discharged shall be the liabilities of the owner of the Company.

18. Claims To Be Made To The Commissioner :-

Every person having a claim against the Company with regard to any of the matters specified in the Schedule pertaining to any undertaking owned by it 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 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 be paid "pro rata"; 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 Schedule and examine the same in accordance with such order.

(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 lower category.

21. Admission Or Rejection Of Claims :-

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

(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 country and in one issue of any Hindi newspaper with daily circulation 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 disbursements 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 sitting 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 (5 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 Section 193 and 228 of the Indian Penal Code, 1860 (No. 45 of 1860) and the Commissioner shall be deemed to be a Civil Court for the purposes of Section 195, Section 345 and Section 346 of the Code of Criminal Procedure, 1973 (No. 2 of 1974).

(7) A claimant who is dissatisfied with the decision of the Commissioner may prefer an appeal against such decision within a period of thirty days from the date thereof to the principal Civil Court of original jurisdiction within the local limits of whose jurisdiction the registered office of the Company is situated.

(8) The appellate Court referred to in sub-section (7) shall send for the record of the case and hear and decide the appeal and towards this end it shall as far as may be exercise the same powers and follow the same procedure as it can exercise and follow in relation to an appeal from a decree of a Civil Court subordinate to it, under the Code of Civil Procedure, 1908 (No. 5 of 1908).

(9) The High Court may call for the record of the appeal which has been decided by the appellate authority under sub-section (8), as well as the record of the original case and may make such order in the case as it thinks fit and for this purpose may exercise revisional jurisdiction on grounds analogous to those specified in Section 115 of the Code of Civil Procedure, 1908 (No. 5 of 1908):

Provided that the power of revision at the instance of any person aggrieved shall not be exercised unless such person submit a petition for revision within ninety days of the date of decision in appeal.

(10) The order of the Commissioner, subject to decision in appeal or revision as the case may be, shall be final and conclusive.

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 shall stand fully discharged.

23. Disbursement Of Amounts To The Company :-

If, out of the moneys paid to him, in relation to the undertakings of the company, there is a balance left after meeting the liabilities as specified in the Schedule, the Commissioner shall disburse such balance to the owner of the company.

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 State Government; but a claim to any money 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 the payment of the claim being treated as an order for the refund of revenue.

CHAPTER 7 **MISCELLANEOUS**

25. Act To Have Overriding Effect :-

The provisions of this Act shall have effect notwithstanding anything inconsistent therewith 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. Contracts To Cease To Have Effect Unless Ratified By State Government Or Government Company :-

Every contract entered into by the Company in relation to any of its undertakings, which has vested in the State Government under Section 3, for any service, sale or supply, and in force immediately before the date of taking over shall, on and from the expiry of a period of thirty days from the date of commencement of this Act cease to have effect unless such contract is before the expiry of that period, ratified in writing, by the custodian on behalf of the State Government or Government company in which such undertaking has been vested under this Act and in ratifying any such contract the custodian or the Government company may make such alterations or modifications therein as he or it may think fit:

Provided that the custodian or the 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 State Government or the 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, custody or control any property forming part of the undertakings of the Company, wrongfully withholds such property from the State Government or the Government company; or

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

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

(d) fails to deliver to the State Government or the Government company or any person or body of persons specified by that Government or Government company, any assets, books of account, register or other documents in his possession, custody or control, relating to the undertakings of the Company; or

(e) wrongfully removes or destroys any property forming part of the undertakings of the Company or 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.

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 any thing 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" unless the context otherwise requires, means any body corporate and includes a firm or other association of individual; 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 State Government or any officer or the other employee of the Government or Custodian or the Government company or other person authorised by the Government, Custodian 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 State

Government or any officer or other employee of the Government or the Custodian or the Government company or other person authorised by that Government, Custodian or Government company 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 State Government may, by notification, direct that all or any of the powers exercisable by it under this Act, other than the powers conferred by this section and Section 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 State Government.

31. Power To Make Rules :-

(1) The State Government may, by notification, make rules for carrying out the provisions 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, an intimation referred to in sub-section (3) of Section 4 shall be given;

(b) the form and manner in which, and the conditions under which, the Custodian or Custodians shall maintain the accounts as required by Section 12;

(c) the manner in which the moneys in any provident fund or other fund referred to in Section 14 shall be dealt with;

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

(3) Every rule made by the State Government under this Act shall laid on the table of the Legislative Assembly.

32. 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 difficulty.

33. Amendment Of Madhya Pradesh Ordinance No. 4 Of

1984 :-

For sub-clause (ii) of clause (c) of Section 2 of the Ordinance repealed by Section 34 the sub-clause (ii) of clause (c) of Section 2 of this Act shall be deemed to have been substituted with effect from the 17th February, 1984.

34. Repeal :-

The Jaora Sugar Mills Tatha Seth Govindram Sugar Mills (Upkramon Ka Arjan Aur Antaran) Adhyadesh, 1984 (No. 4 of 1984) is hereby repealed.

SCHEDULE 1

THE SCHEDULE

[See Sections 18, 20 (1), 21 (1) and 23]

ORDER OF PRIORITIES FOR THE DISCHARGE OF LIABILITIES OF THE COMPANY

CATEGORY I.--

(i) Advances by Bank on stock of sugar made after take over of management under Section 18-AA of the Industries (Development and Regulation) Act, 1951 (No. 65 of 1951).

(ii) Wages, salaries, arrears in relation to contributions to be made by the company to the provident fund and other dues of the employees of the company for the period before and after take over of management under Section 18-AA of the Industries (Development and Regulation) Act, 1951 (No. 65 of 1951).

(iii) Amount payable to cane growers in respect of price of sugar cane for the period after take over of management under Section 18-AA of the Industries (Development and Regulation) Act, 1951 (No. 65 of 1951).

(iv) Amount due to cane growers for the period before take over of management under Section 18-AA of the Industries (Development and Regulation) Act, 1951 (No. 65 of 1951).

CATEGORY II.--

Loans advanced by the Central Government or the State Government, or any credit availed of by the company for the purpose of carrying on any trading or manufacturing operation during the period of take over of management under Section 18-AA of the Industries (Development and Regulation) Act, 1951 (No. 65 of 1951).

CATEGORY III.--

Revenue taxes, cesses, rates or any other dues to the Central Government or a State Government for the period of take over of management under Section 18-AA of the Industries (Development and Regulation) Act, 1951 (No. 65 of 1951).

CATEGORY IV--

Advances by Bank before take over of management under Section 18-AA of the Industries (Development and Regulation) Act, 1951 (No. 65 of 1951) on stock of sugar.

CATEGORY V--

(i) Any credit availed of by the company for the purpose of carrying on any trading or manufacturing operation before take over of management under Section 18-AA of the Industries (Development and Regulation) Act, 1951 (No. 65 of 1951).

(ii) Any other dues for the period before take over of management under Section

18-AA of the Industries (Development and Regulation) Act, 1951 (No. 65 of 1951).