

The Chemical Unit of Messrs Associated Industries (Assam) Limited (Acquisition and Transfer of Undertaking) Act, 1987

ASSAM

India

The Chemical Unit of Messrs Associated Industries (Assam) Limited (Acquisition and Transfer of Undertaking) Act, 1987

Act 21 of 1987

- Published on 1 January 1987
- Commenced on 1 January 1987
- [This is the version of this document from 1 January 1987.]
- [Note: The original publication document is not available and this content could not be verified.]

The Chemical Unit of Messrs Associated Industries (Assam) Limited (Acquisition and Transfer of Undertaking) Act, 1987(Assam Act No. 21 of 1987)Last Updated 10th February, 2020An Act to provide for the acquisition and transfer of the Industrial Undertaking, namely, the Chemical Unit of Messrs Associated Industries (Assam) Limited and for matters connected therewith or incidental thereto.Whereas the Chemical Unit of Messrs Associated Industries (Assam) Limited had been engaged in the manufacture and production of articles mentioned in the First Schedule to the Industries (Development and Regulation) Act, 1951, namely, the Single Super-phosphate, Sulphuric Acid, Mixed fertilisers and Liquid Sulphur dioxide at its plants at Chandrapur in Pragjyotishpur District in the State of Assam, which are essential to the needs of the general public and for development of agriculture :And whereas the management of the Chemical Unit of the Industrial Undertaking known as Messrs Associated Industries (Assam) Limited was taken over by the Central Government on 8th day of July, 1974 under Section 18-AA of the Industries (Development and Regulation) Act, 1951 (65 of 1951) and Messrs Assam Industrial Development Corporation Limited. Guwahati was authorised to take over the management of the said industrial Undertaking on behalf of the Central Government ;And whereas further investment of the large sums of money is necessary for the maintenance and development of the production of the Undertaking and for securing the proper management of the affairs of the Undertaking;And whereas for the purpose of reconstructing and rehabilitating the said Undertaking and thereby forming a viable Unit to subserve the interest of the general public by the augmentation of the production and distribution of Single Super phosphate fertiliser. Sulphuric Acid, Mixed fertilisers and Liquid Sulphur dioxide which are essential to the need of the economy of the State and the country, it is necessary to acquire the said Undertaking of the company ;It is hereby enacted in the Thirty-Eighth Year of the Republic of India, by the Legislature of Assam, as follows, namely:

Chapter I

Preliminary

1. Short title and commencement.

(1) This Act may be called the Chemical Unit of Messrs Associated Industries (Assam) Limited (Acquisition and Transfer of Undertaking) Act, 1987. (2) It shall come into force on such date as the State Government may, by notification, appoint.

2. Definitions.

(1) In this Act, " unless the context otherwise requires- (a) "appointed day" means the date on which this Act comes into force; (b) "Company" means Messrs Associated Industries (Assam) Limited being a Company as defined in the Companies Act, 1956 (1 of 1956) which is immediately before the appointed day, the immediate owner of the Undertaking; (c) "Commissioner" means the Commissioner of Payments appointed under Section 15; (d) "Undertaking" means the Industrial Undertaking namely, Chemical Unit of Messrs Associated Industries (Assam) Limited situated at Chandrapur, District Pragjyotishpur in the State of Assam ; (e) "date of taking over of management of the Undertaking of the Company" means the 8th day of July, 1974 ; (f) "notification" means a notification published in the official Gazette ; (g) "prescribed" means prescribed by rules made under this Act; (h) "specific date" means such date as the State Government may, for the purpose of any provisions of this Act, by notification specify, and different dates may be specified for different provisions of this Act; (i) "Government company" means a Government company formed and registered under the Companies Act, 1956 (1 of 1956) or to be formed and registered under the Companies Act, 1956 (1 of 1956) after the appointed day. (2) Words and expressions used herein but not defined in this Act and defined in the Industries (Development and Regulation) Act, 1951 (65 of 1951) shall have the meanings respectively assigned to them in that Act. (3) Words and expressions used herein but not defined either in this Act or, in the Industries (Development and Regulation) Act, 1951 (65 of 1951), but defined in the Companies Act, 1956 (1 of 1956), shall have the meanings respectively assigned to them in the Companies Act, 1956 (1 of 1956).

Chapter II

Acquisition and Transfer of The Undertaking of The Company

3. Transfer to and vesting in State Government of the Undertaking of the Company.

(1) On the appointed day, the Undertaking of the Company, and the right, title and interest of the Company in relation to the Undertaking shall by virtue of this Act, stand transferred to and shall vest absolutely in the State Government. (2) The Undertaking of the Company which stand vested in the State Government by virtue of sub-section (1) shall, immediately after it has so vested, stand transferred to and vested in a Government Company as may be specified in the notification under

Section 6.

4. General effect of vesting.

(1)The Undertaking of the Company shall be deemed to include all assets, rights, lease-hold powers, authorities and privileges and all properties, movable and immovable including lands, buildings, workshops, stores, instruments, machinery and equipment, laboratories, office furniture, stationery and equipment, vehicles, cash balances, cash in hand, cheques demand draft, reserve funds investments, book debts, and all other rights 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 undertaking 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 and assets 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 other encumbrances affecting it, any attachment, injunction or any decree or order of any Court or other authority restricting the use of such properties or assets in any manner or appointing any receiver in respect of the whole or any part of such properties or assets shall be deemed to have been withdrawn.(3)Every mortgage 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 removal of doubts it is hereby declared that the mortgage 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 interest, payment of the mortgage money or other dues, in whole or in part, out of the amount of compensation, determined under Section 7, and also out of the amount determined under Section 8, but no such mortgage, charge, lien or other interests 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 the 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 tenure in relation to and for the purpose of such Undertaking, and, on and from the date of vesting of such Undertaking under Section 6 in a Government Company, the concerned Government company, shall be deemed to be substituted in such licence or other instrument as if such licence or other instrument had been granted to such Government company and such Government company shall hold it for remainder of the period for which the concerned company would have held it until the terms thereof.(6)If, on the appointed day, any suit, appeal or other proceeding of whatever nature in relation to any property or assets of the Undertaking 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 Undertaking of the company or anything contained in this Act but the suit, appeal or other proceeding may be continued, prosecuted or enforced by or against the State Government or where the Undertaking of the company stand transferred to, and vested in, by virtue of the provisions of Section 6, a Government company, against such Government company.

5. State Government or Government company not to be liable for certain prior liabilities.

(1) Every liability, other than the liability specified in sub-section (2) of the Undertaking 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 it and not against the State Government or, where the Undertaking of the company stand transferred to, and vested in, by virtue of the provision of Section 6, a Government company, against such Government company. (2) Any liability arising in respect of—(a) loans advanced by the Central Government or the State Government, or both to the Undertaking (together with interest due thereon) on or after the date of taking over of management of the Undertaking of the company; (b) loans advanced by a bank to the Undertaking (together with interest due thereon), on or after the date of taking over of management of the Undertaking of the company; (c) loans advanced by the Assam Industrial Development Corporation Limited to the Undertaking (together with interest due thereon) on or after the date of taking over of management of the Undertaking of the company; (d) wages, salaries and other dues of employees of the Undertaking and due on account of any deduction made from wages and salaries and other dues of such employees relating to any period commencing on and from the date of taking over of management of the Undertaking of the company; or (e) any debt incurred by the Undertaking during any period commencing on and from the date of taking over of management of the Undertaking of the company, not being a debt falling under Clauses (a), (b), (c) or (d), shall, on and from the appointed day, be the liability of the State Government or the Government company aforesaid and shall be discharged by the Government company as and when repayment of such loans becomes due in the manner agreed upon or such wages, salaries and other dues or debt become due and payable. (3) 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, other than the liability specified in sub-section (2) in relation to the Undertaking in respect of any period prior to the appointed day, shall be enforceable against the State Government or where the Undertaking of the company stand transferred to, and vested in, by virtue of the provisions of Section 6, 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 of the company passed on or after the appointed day, in respect of any matter, claim or dispute in relation to any matter referred to in sub-section (2) which arose before the appointed day, shall be enforceable against the State Government or where the Undertaking of the company stand transferred to, and vested in, by virtue of the provisions of Section 6, a Government company, against such Government company. (c) no liability incurred by the Undertaking before the appointed day, for contravention of any provision of law for the time being in force, shall be enforceable against Central Government or the State Government or where the Undertaking of the company stand transferred to, and vested in, by virtue of the provisions of Section 6, a Government company, against such Government company.

6. Power of the State Government to direct vesting of the Undertaking company in a Government company.

(1) Notwithstanding anything contained in Sections 3 and 4, the State Government shall, on the

appointed day, by notification, subject to such terms and conditions as it may think to impose, transfer to and vest the Undertaking and the right, title and interest of the company in relation to the Undertaking which has been vested in the State Government under sub-section (1) of Section 3 and such of the liabilities of the Undertaking as specified in sub-section (2) of Section 3, in a Government company.(2)Where the right, title and interest and the liabilities referred to in sub-section (2) of Section 5 in relation to the Undertaking vest in a Government company under sub-section (1), that Government company shall, on and from the date of such vesting, be deemed to have become the owner in relation to the Undertaking, and all the rights and liabilities of the State Government in relation to the Undertaking under this Act, shall on and from the date of such vesting, be deemed to have become the rights and liabilities, respectively of that Government company.

Chapter III

Payment of Amounts

7. Payment of amounts.

- For the transfer to, and vesting in, the State Government under Section 3 and thereafter transferred to, and vesting in, a Government company under Section 6 of the Undertaking and the right, title and interest of the company in relation to the Undertaking, there shall be given by the State Government of that Government company, as the case may be, to the company, in cash and in the manner specified in Chapter VI, an amount of rupees twenty-eight lacs and eighty-six thousand being the value of the assets.

8. Payment of further amount.

(1)For deprivation of the Company of the management of the Undertaking, there shall be given to the Company by the State Government or by the Government company, as the case may be, an amount of rupees five thousand as one time lump sum payment.(2)The amount specified in Section 7 and the amount specified in sub-section (1) of this section shall carry simple interest at the rate of four per cent per annum for the period of commencing on the appointed day and ending on the date on which payment is made by the State Government or by the Government company, as the case may be, to the Commissioner.(3)The amount specified in sub-section (1) and the amount determined in accordance with the provisions of sub-section (2) shall be given by the State Government or by the Government company, as the case may be, to the company in addition to the amount specified in Section 7.(4)For removal of doubts, it is hereby declared that the liabilities of the Company in relation to the Undertaking prior to the date of taking over management of the Undertaking, which has vested in the State Government under Section 3 shall be discharged from the amount specified in Section 7, and also from the amount specified in sub-section (1) and the amount determined under sub-section (2) of this section, in accordance with the rights and priorities mentioned in Schedule.(5)Where any liability of the Company in respect of the Undertaking specified in the Schedule is discharged by the State Government or by the Government company according to the order of the priorities mentioned in the Schedule, the amount to be paid

to the Company under Section 7 and sub-section (1) and sub-section (2) of this section, shall stand reduced to that extent.

Chapter IV

Management and Administration of The Undertaking

9. Management and administration of the Undertaking.

- The Government company or any person or body of persons which the Government company may, by order in writing, specify shall be entitled to exercise the powers of general superintendence, direction, control and management of the affairs and business of the Company, the right, title and interest in relation to which have vested in the State Government under Section 3 and thereafter transferred to, and vested in, the Government company under Section 6, and to do all such things as the Government company is authorised to exercise and do.

10. Duty of persons in charge of management of the Undertaking to deliver all assets, etc.

- On the vesting of the management of the Undertaking in a Government company, all persons in charge of the management of the Undertaking immediately before such vesting, shall be bound to deliver to the Government company all assets, books of account, registers and other documents in their custody relating to the Undertaking.

11.

(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 State Government or in the Government company under this Act and which belong to the Undertaking or would have so belonged if the Undertaking 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 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 Undertaking which has 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 the State Government a complete inventory of all the properties and assets, as on the appointed day, pertaining to the Undertaking, which has vested in the State Government under sub-section (1) of Section 3, and for this purpose, the State Government or the Government company shall afford to the Company all reasonable facilities.

12.

The Government company shall maintain the accounts of the Undertaking in accordance with the provisions of the Companies Act, 1956 (1 of 1956).

Chapter V

Provisions Relating to Employees of The Undertaking

13. Employment of certain employees to continue.

(1) Every person who has been immediately before the appointed day, employed in the Undertaking shall become on and for the appointed day, an employee of the Government company with the same rights and privileges as to pension, gratuity and other matters as would have been admissible to him if the rights in relation to the undertaking had not been transferred to and vested in the Government company and shall continue to do so unless and until his employment in the Government company is duly terminated or until his remuneration and other conditions of service are duly altered by the Government company. (2) Notwithstanding anything contained in sub-section (1), any liability accruing or arising as a result of a continuance of any employee of the Undertaking in the service of the Government company under this section, shall be borne by the Government company only in respect of any period on and after the date of taking over of management of the Undertaking under Section 18-AA of the Industries (Development and Regulations) Act, 1951. (3) Notwithstanding anything contained in the Industrial Disputes Act, 1947 or 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 company shall not entitle such officer or other employees 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) Whether the taking of, and after the date of taking over, of the management of the Undertaking under Industries (Development and Regulations) Act, 1951, has established a provident fund, superannuation, welfare or other fund of the benefit of the persons employed in the Undertaking, the moneys relatable to the officers or other employees whose services have been transferred by or under this Act, to 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 Government company. (2) The money which stand transferred under sub-section (1) to the Government company shall be dealt with by the Government company in such manner as may be prescribed.

Chapter VI

Commissioner of Payments

15. Appointment of Commissioner of Payments.

(1)The State Government shall, for the purpose of disbursing the amounts payable under Sections 7 and 8, 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.(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 to the Commissioner.

(1)The State Government or the Government company, as the case may be, shall, within thirty days from the specified date, pay in cash to the Commissioner for payment to the Company and to discharge the liabilities of the Company in relation to the Undertaking prior to the date of taking over management of the Undertaking, in accordance with the Schedule-(a)an amount equal to the amount specified in Section 7, and(b)an amount equal to the amount payable to the Company under Section 8.(2)A deposit account shall be opened by the State 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 standing to the credit of the deposit account referred to in sub-section (2) shall ensure to the benefit of the Company.

17. Certain powers of 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 the Undertaking which has vested in the State Government, or the Government company, as the case may be, and realised after the appointed day notwithstanding that the realisation pertains to a period prior to the appointed day.(2)Save as otherwise provided in this Act, the liabilities in relation to the Undertaking in respect of any period prior to the appointed day which have not been discharged by the State Government or the Government company shall be the liabilities of the Company.

18. Claims to be made to the Commissioner.

- Every person having a claim with regard to any of the matters specified in the Schedule pertaining to the Undertaking acquired by this Act, 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 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 principle, 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; (c) the liabilities specified in Category II shall be discharged in the manner agreed upon with the banks and financial institutions subject to the priorities specified in this section; and (d) 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 order of priorities, specified in the Schedule and examine the same in accordance with such order of priorities. (2) If, on an 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 on rejection of claims.

(1) After examining the claims with reference to the priorities set out in the Schedule, the Commissioner shall fix a date on or before which every claimant shall file the proof of his claim. (2) Notice calling upon the claimant to file the proof of his claim with the Commissioner within the time specified, shall be put in advertisement in one issue of any daily newspaper in English language having circulation in the major part of the country, in one issue of such daily newspaper in the Assamese language and in one issue of such daily newspaper in any other regional language as the Commissioner may consider suitable. Not less than 14 days' notice from the last date on the three dates of the advertisement shall be allowed for filing the proof of the claims. (3) Every claimant, who fails to file the proof of his claims within the time 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 also decide any dispute as to the person or persons who are entitled to the amount and any dispute as to who are the legal representatives of any deceased claimant. (6) 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 will hold his sittings and shall, for the purpose of making an investigation under this Act, have the same powers as are vested in a Civil Court under the Code of Civil Procedure, 1908 (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.(7)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 (Act 45 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 (2 of 1974).(8)A claimant, who is dissatisfied with the decision of the Commissioner may prefer an appeal against such decision to the Principal Civil Court of original jurisdiction within the local limits of whose jurisdiction the Undertaking of the company is situated ; provided that where a person who is a Judge of a High Court is appointed ; to be the Commissioner, such appeal shall lie to the High Court at Guwahati, and 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 to claimants.

- After admitting a claim under this Act, the amount due in respect of such claim shall be credited by the Commissioner to the relevant fund or be paid to the person or persons to whom such sums are due and on such credit or payment the liability of the company in respect of such claim shall stand discharged.

23. Disbursement of amounts to the company.

(1)If, out of the moneys paid to him in relation to the Undertaking of the company, there is a balance left after meeting the liabilities in accordance with the priorities as specified in the Schedule, the Commissioner shall disburse such balance to the company.(2)Possession of certain machinery, equipment etc. - Where the possession of any machinery, equipment or other property has vested in the State Government or the Government company, as the case may be, under this Act, but such machinery, equipment or other property does not belong to the Company, it shall be lawful for the State Government or the Government company to continue to possess such machinery, equipment 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 woundup, 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, the order, if any, for payment of the claim being treated as an order for the refund of revenue.

25. Power of inspection by Commissioner.

- For the purposes of the ascertaining whether any person claiming payment under this Act, is entitled thereto, the Commissioner shall have the right to-(a)require any person, having the possession, custody or control of any register or record of the Undertaking of the company to produce such register or record, before the Commissioner;(b)require any person to make any statement or furnish any information which may be required by the Commissioner.

Chapter VII

Miscellaneous

26. Assumption of liability.

(1)Where any liability of the company arising out of any item specified in the Category I of the 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 State Government the extent of the liability which remains undischarged and that liability shall be assumed by the State Government.(2)The State Government may, by order, direct the Government company to take over the liability assumed by the State Government under sub-section (1) and on receipt of such direction, it shall be the duty of the Government company to discharge such liability.

27. 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.

28. Contracts to cease to have effect unless ratified by that State Government or Government company.

- Every contract entered into by the Undertaking, which was vested in the State Government under Section 3 for any service, sale or supply, and in force immediately before the appointed day, shall, on and from expiry of the hundred and eighty days from the appointed day cease to have effect unless such contract is before the expiry of the said period ratified in writing by the State Government or the Government company, in which the Undertaking has vested under this Act, and in ratifying such contract, the State Government or Government company may make such alteration or modifications therein as it may think fit:Provided that the State Government 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 interest 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.

29. Penalties.

- Any person, who-(a)having in possession, custody or control any property forming part of the Undertaking 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 Undertaking which have vested in the State Government or in the Government company under this Act; or(c)wilfully withholds or fails to furnish to the State Government or the Government company, as the case may be, any document relating to the Undertaking, which may be in his possession, custody or control; or(d)wilfully fails to furnish to the State Government or the Government company, s the case may be, 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 inadequate, shall on conviction, be punishable with imprisonment for a term which may extent to two years or with fine which may extend to ten thousand rupees or with both.

30. Limitation of cognizance of offences.

- No Court shall take cognizance of an offence punishable under this Act, except with the previous sanction of the State Government or of an Officer authorised by that Government in this behalf.

31. Offence by companies.

(1)Where an offence under this Act has been committed by a company, every person who at the time when the offence was committed, was incharge 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 punished accordingly. .Provided that nothing contain 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.

32. Protection of action taken in good faith.

(1)No suit, prosecution or other legal proceeding shall lie against the State Government or any

officer of that Government or the Government company or other person authorised by that Government company for anything which is in good faith done or intended to be done under this Act.(2)No suit, prosecution or other legal proceedings shall lie against the State Government or any of its officers or other employees of the Government company or any officer or other person authorised by the 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.

33. 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 Section 33 and Sections 34 and 35 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.

34. Power to make rules.

(1)The State Government may, by notification in the Official Gazette, make rules for carrying out the provisions of this Act.(2)In particular, and without prejudice to the generality of the forgoing power, such rule 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 the manner in which and the conditions under which, the Government company shall maintain the accounts as required by Section 12.(c)the manner in which 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 prescribed.(3)Every rule made by the State Government under this act, shall be laid as soon as may be after it is made, before the State Legislature while it is in session for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or successive sessions aforesaid, the State Legislature agrees in making any modifications in the rule or the State Legislature agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

35. Power to remove difficulties.

- If any difficulty arises in giving effect to the provisions of this Act, the State Government may, as occasion arises, by order not inconsistent with the provisions of this Act, remove the difficulty :Provided that no such order shall be made after expiry of a period of two years from the date on which this Act is first published in the Official Gazette.The Schedule[See Sections 19, 20, 21 and 23]Order of priorities for discharge of the liabilities of the company in respect of the UndertakingPre-Take-Over Management PeriodCategory IEmployees dues on account of unpaid salaries and wages, provident fund, Employees State Insurance contribution and any other amounts due to employees before the date of taking over of the management of the Undertaking of he company.Category IISecured Loans of the Banks and Financial Institutions.Category IIIRevenue,

taxes, ceases, rates and other dues to the Central and State Government and local authorities or State Electricity Board. Category IV Principal amount of unsecured loans advanced by banks and financial institutions. Category V Amounts due by way of interest on unsecured loans referred to in. Category VI Any other credit availed of for the purposes of carrying on any trading or manufacturing operations and any other dues.