

The M.P. (Rajya) Bhumi Vikas Nigam Adhiniyam, 1976

MADHYA PRADESH

India

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Act 2 of 1977

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The M.P. (Rajya) Bhumi Vikas Nigam Adhiniyam, 1976 (No. 2 of 1977) Statement of Objects and Reasons. - The State Government has undertaken a programme for soil and water conservation and other land improvement schemes throughout the State. Looking to the magnitude of the work it is highly impossible to execute the same with the limited fiscal resources of the State Government. The need of an independent agency for the purpose with independent fiscal resources has been very much felt in the interest of the implementation of the Programme. It was, therefore, considered necessary to provide for establishment of the Madhya Pradesh Rajya Bhumi Vikas Nigam for the execution of projects relating to land development with a view to preventing damage to land and loss in agricultural productivity and to securing optimum utilisation of land and water resources in the State. The Nigam with its independent financial policy and of the Central Government and State Government subscribing to its share capital thereof would be in a position to raise sufficient funds. It may also take loans from the banks as well as accept gifts, grants, subsidies, donation or any benefactions from the State or Central Government or from any other person. The Nigam would thus be financially sound and would be in a position to undertake this stupendous task independently under the over all control of the State Government and would for the purpose also be able to purchase necessary machinery and other equipments and to undertake the aforesaid works on a large scale with its own resources. 2. As the matter was urgent and the Vidhan Sabha was not in Session the Madhya Pradesh Rajya Bhumi Vikas Nigam Adhyadesh, 1976 (No. 14 of 1976) was promulgated for the purpose. It is now proposed to replace the said Ordinance by an Act of the State Legislature. [Dated 30th December, 1976] Received the assent of the Governor on the 30th December, 1976; assent first published in the "Madhya Pradesh Gazette" (Extraordinary), dated the 6th January, 1977. An Act to establish a Corporation for the execution of projects relating to land development with a view to preventing damage to land and loss in agricultural productivity and to securing optimum utilisation of land and water resources in the State of Madhya Pradesh and for other matters connected therewith or incidental thereto. Be it enacted by the Madhya Pradesh Legislature in the Twenty-seventh Year of the Republic of India as follows :-

Chapter I

Preliminary

1. Short title and extent.

(1) This Act may be called The Madhya Pradesh Rajya Bhumi Vikas Nigam Adhiniyam, 1976. (2) It extends to the whole of the State of Madhya Pradesh.

2. Definitions.

(1) In this Act, unless the context otherwise requires, - (a) "Agricultural year" means a period commencing from the 1st July and ending on the 30th June; (b) "Area" means an area of land entrusted to the Nigam under this Act for execution of any project; (c) "Bank" means a banking company as defined in the Banking Regulation Act, 1949 (No. 10 of 1949) and includes - (i) the State Bank of India constituted under the State Bank of India Act, 1955 (No. 23 of 1955); (ii) a subsidiary bank as defined in the State Bank of India (Subsidiary Banks) Act, 1959 (No. 38 of 1959); (iii) a corresponding new bank constituted under the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 (No. 5 of 1970); (iv) the Agricultural Refinance and Development Corporation constituted under the Agricultural Refinance and Development Corporation Act, 1963 (No. 10 of 1963); (v) the Madhya Pradesh State Agro Industries Development Corporation Ltd., Bhopal; (vi) the Agricultural Finance Corporation Limited, a company incorporated under the Companies Act, 1956 (No. 1 of 1956); (vii) a financing bank as defined in the Madhya Pradesh Co-operative Societies Act, 1960 (No. 17 of 1961); and (viii) any other banking institution that may be notified by the State Government to be a bank for the purpose of this Act; (d) "Board" means the Board of Directors of the Nigam constituted under Section 8; (e) "Cost of works" means all costs, charges and expenses as estimated by the Nigam, and which the Nigam may have to incur on or in connection with the execution of work and includes - (i) such servicing charges as may be prescribed in assisting a land holder in obtaining an ordinary loan; (ii) any other charges or fees as may be prescribed; and (iii) all expenses which may be incurred by the Nigam in recovery of the amount under any of the foregoing items; (f) "Financing institution" means any statutory corporation or other body corporate established in India which has as one of its objects the financing of agriculture in India and which is notified by the State Government to be a financing institution for the purposes of this Act; (g) "land" shall have the same meaning as assigned to that expression under the Madhya Pradesh Land Revenue Code, 1959 (No. 20 of 1959); (h) "land development" means any of the following works namely (i) construction, renovation, re-designing, realigning and lining of water courses; (ii) land levelling and land shaping, including realigning of field boundaries; (iii) digging, renovation, re-designing and realigning of field drains, intermediate and main drains; (iv) providing of drop structures, culverts and farm roads in the fields; (v) land reclamation by use of engineering, biological and chemical measures, including leaching; (vi) contour bonding and nala building; (vii) growing of trees, plants, shrubs and grasses; (viii) development of permanent and temporary pastures, farm forestry and commercial afforestation; (ix) such other works as may be necessary or incidental to development of land or ground or flow water potential and for optimising the utilisation of land and water resources; and (x) repairing and maintenance of any of the foregoing

works;(i)"land holder" means a person in actual possession of the land, whether as a Bhumiswami, an occupancy tenant or a government lessee or an ordinary tenant within the meaning of the Madhya Pradesh Land Revenue Code, 1959 (No. 20 of 1959) or as mortgagee in possession or licensee or otherwise, and includes a person who is likely to be benefitted by the works; and the expression "land holding" shall be construed accordingly;(j)"Nigam" means the Madhya Pradesh Rajya Bhumi Vikas Nigam established under this Act;(k)"ordinary loan" means a loan granted by government, a bank or any financing institution to a land holder against mortgage of land or any other security;(l)"project" means any project of or scheme for land development sanctioned under Section 22;(m)"proportionate cost of works" means cost of works recoverable from a land holder in proportion to the extent of the works to be done by the Nigam on, or for the benefit of his land holding;(n)"regulations" means regulations made by the Nigam under Section 45;(o)"special loan" means a loan granted by the Nigam to a land holder as provided in Section 27;(p)"works" includes any work relating to the land development to be executed under a project under this Act.

Chapter II

Establishment of The Nigam, its Capital and Management

3. Establishment and incorporation of the Madhya Pradesh Rajya Bhumi Vikas Nigam.

(1)With effect from such date as the State Government may, by notification, appoint, there shall be established for the purpose of this Act a Nigam to be known as the Madhya Pradesh Rajya Bhumi Vikas Nigam.(2)The Nigam shall be a body corporate with the name aforesaid, having perpetual succession and common seal with power, subject to the provisions of this Act, to acquire, hold and dispose of any property and to contract, and may, by that name, sue and be sued.

4. Offices and agencies.

- The head office of the Nigam shall be at Bhopal and it may, with the previous approval of the State Government, establish offices or agencies at other places.

5. Share capital and shareholders.

(1)The authorised capital of the Nigam shall be ten crores of rupees divided into 10,000 shares of rupees ten thousand each. With the previous sanction of the State Government, the first issue of the share shall be made by the Nigam.(2)The State Government may enter into an agreement with the Central Government for subscribing in the share capital of the Nigam and subject to such agreement, the State Government and the Central Government shall subscribe, in such proportion as may be mutually determined by them, to the share capital to be issued in the first instance. The Nigam may, unless otherwise agreed, issue at any time or from time to time fully paid shares to the State Government of the value of any plants and machinery or fixed assets which may be acquired by it from the State Government.(3)Subsequent issues of share capital may be subscribed by the State

Government and the Central Government in such proportion as may be mutually agreed upon between both the Governments.(4)The State Government may, from time to time, increase the authorised capital of the Nigam to such extent as the State Government may deem necessary.

6. Restrictions on transfer of shares.

- The shares of the Nigam shall not be transferable except as between the State Government and the Central Government and in accordance with the regulations made in this behalf.

Chapter III

Management of The Nigam

7. Management.

(1)The general superintendence, direction and management of the affairs and business of the Nigam shall vest in the Board of Directors which may exercise all such powers and do all such acts and things as may be exercised or done by the Nigam under this Act.(2)The Board of Directors, in discharging its functions, shall act on business principles, regard being had to public interest and shall be guided by such directions on questions of policy as may be given to it by the State Government.

8. Constitution of Board.

(1)[The Board of Directors of the Nigam shall consist of the Chairman to be nominated by the State Government and the following other directors, namely :-] [Substituted by Madhya Pradesh Act No. 10 of 1981.]A-Ex-Officio Directors(i)[x x x] [Omitted by Madhya Pradesh Act No. 10 of 1981.](ii)[Secretary to Government, Madhya Pradesh, Command Area Development Department, who shall be the Vice-Chairman] [Substituted by Madhya Pradesh Act No. 26 of 1983.];(iii)two Irrigation command Area Development Commissioners;(iv)Director of Agriculture, Madhya Pradesh;(v)Registrar of Co-operative Societies, Madhya Pradesh;(vi)Secretary to Government, Madhya Pradesh, Finance Department;[(vi-a) Secretary to Government, Madhya Pradesh, Agriculture Development;] [Inserted by Madhya Pradesh Act No. 26 of 1983.](vii)[the Managing directors appointed under Section 11;] [Inserted by Madhya Pradesh Act No. 10 of 1981.]B-Nominated Directors(viii)three officers nominated by the Government of India;(ix)one director to be nominated by the State Government to represent bank and financing institutions.(x)one director having special knowledge or practical experience in respect of agriculture and rural economics to be nominated by the State Government.(xi)[two directors who are beneficiaries of the work done by the Nigam in the area under the jurisdiction of Irrigation Command Area Development Commissioners, specified in clause (iii), to be nominated by the State Government] [Inserted by Madhya Pradesh Act No. 10 of 1981.](2)[The Chairman or a nominated director shall hold office during the pleasure of the authority nominating him but the term of his office shall not exceed three years from the date of his nomination. The Chairman or a nominated Director may, however, resign his office at any time by writing a letter under his hand to the State

Government and the Chairman of the Board, respectively, and the resignation shall, in the case of the Chairman be effective from the date of acceptance by the State Government and in the case of a Director shall be effective from the date of its receipt by the Nigam.] [Substituted by Madhya Pradesh Act No. 10 of 1981.](3)In the event of the death, resignation or disqualification of [the Chairman or a nominated Director] [Substituted by Madhya Pradesh Act No. 10 of 1981.], the vacancy shall be filled up by nomination as soon as possible.

9. Disqualifications for being a Director of the Nigam.

(1)A person shall be disqualified for being nominated or appointed as, and for being a director of the Nigam,-(a)if he is, or at any time has been, adjudicated insolvent or has suspended payment of his debts or has compounded with his creditors; or(b)if he is of unsound mind and stands so declared by a competent Court; or(c)if he is or has been convicted of any offence which in the opinion of the State Government, involves moral turpitude; or(d)if he is removed or dismissed from the service of the Government or a corporation owned or controlled by the Central Government or the State Government; or(e)if he acts in a manner prejudicial to the interests of the Nigam or has an interest in any body, institution or organisation whose activities are prejudicial to the interests of the Nigam.(2)If a director of the Nigam becomes subject to any of the disqualifications mentioned in sub-section (1) he shall cease to be a Director of the Nigam with effect from the date of notification to this effect by the State Government.

10. Vacation of office by nominated Directors.

(1)If a nominated Director,-(a)becomes subject to any of the disqualifications mentioned in Section 9; or(b)is absent without leave of the Board from more than three consecutive meetings thereof without cause sufficient in the opinion of the State Government to exonerate his absence,the State Government may declare that the said Director shall be deemed to have vacated his office from the date of notification to this effect and thereupon his seat shall become vacant.(2)A Director whose office has been declared vacant under sub-section (1) shall not be eligible for renomination to the Board as a Director or for employment in the Nigam in any capacity.

11. Managing Director.

- The managing Director shall be appointed by the State Government and he shall,-(i)be a whole time officer of the Nigam;(ii)exercise such powers and perform such duties as the Board may delegate or entrust to him;(iii)receive such salary and allowances and be governed by such terms and conditions of service as the Board may, with the approval of the State Government, determines :Provided that the first Managing Director shall receive such salary and allowances and shall be governed by such terms and conditions of service as the State Government may determine.(2)The State Government may, at any time, remove the Managing Director from office without assigning any reason therefor.

12. Casual vacancies in the office of the Managing Director.

- If the Managing Director is, by infirmity or otherwise, rendered incapable of carrying out his duties or is absent on leave or otherwise, in circumstances not involving the vacation of his appointment the State Government may appoint another person to act in his place during his absence.

13. Remuneration of directors.

- Directors, save as otherwise provided in Section 11, shall be paid such fees and allowances as may be provided by regulation for attending the meetings of the Board or of any of its committees and for attending to any other work of the Nigam :Provided that no fee shall be payable under this Section to the Chairman, Managing Director or any other Director who is a minister or an officer of the State Government, or of the Central Government.

14. Meetings of the Board.

- The Board shall meet at such times and places, and shall observe such rules of procedure in regard to transaction of the business at its meetings as may be provided by regulations :Provided that the Board shall meet at least once in every three months.(2)The Chairman of the Board or, in his absence, the Vice-Chairman, or in the absence of both the Chairman and the Vice-Chairman, any other Director chosen by the directors present at the meeting shall preside at a meeting.(3)All matters which come up before any meeting of the Board shall be decided by a majority of the votes of the Directors present and voting and, in the event of equality of votes, the person presiding shall have a second or casting vote.(4)In case the Board deems necessary to seek the advice or opinion of any person on any particular matter, the Board may invite such person to attend any meeting of the Board. Such an invitee shall have a right to participate in any discussion but shall have no right to vote at the meeting.

15. Committees of the Nigam.

(1)The Board may constitute one or more executive committees consisting of such number of Directors as may be provided by regulations for discharging such functions as may be delegated to it by the Board.(2)The Board may constitute Such other committees, whether consisting wholly of Directors or wholly of other persons, as it thinks fit, for such purposes, related the activities of the Nigam, as it may decide.(3)The members of a committee other than the directors of the Nigam, shall be paid by the Nigam such fees and/or allowances for attending its meetings and for attending to any other work of the Nigam as may be provided by regulations.

16. Member of Board or Committee thereof not to participate or vote in certain cases.

- A director of the Nigam or a member of a committee who has any direct or indirect pecuniary interest in any matter coming up for consideration at a meeting of the Board or a committee thereof,

shall disclose the nature of his interest at such meeting and the disclosure shall be recorded in the minutes of the Board or of the committee, as the case may be, and the director or member shall not take any part in any deliberation or decision of the Board or the committee with respect to that matter except to furnish such clarification as may be required of him.

17. Managing Director to be appointing authority.

- The Managing Director, acting on behalf of the Nigam, shall be deemed to be the appointing authority and shall exercise all powers of such an authority in respect of all staff employed by the Nigam. An appeal shall lie to the Chairman of the Board against the order of the Managing Director in this behalf, in such manner as may be provided by regulations.

18. Condition of service of employees transferred to the Nigam from Government Departments.

(1) Any official transferred to the Nigam at the request of the Nigam, permanently or temporarily by the State Government or the Government of India from any of their departments, shall enjoy all such privileges or gratuity, pensionary benefits, and other benefits to which that official would have been entitled had he continued to serve in his parent department in the State Government or in the Government of India, as the case may be; (2) An official specified in sub-section (1) shall during his tenure of employment in the Nigam, be subject to disciplinary control of the Nigam.

Chapter IV

Business and Borrowings of The Nigam

19. Business which the Nigam may transact.

(1) The principal business of the Nigam shall be—(i) execution of the project sanctioned under Section 22 in the area of land entrusted to it for the purpose; (ii) the execution of the land improvement schemes under the Madhya Pradesh Rajya Bhumi Sudhar Yojana Adhiniyam, 1967 (No. 13 of 1967), which is entrusted to it under the Act; or (iii) the preparation and execution of other works in areas entrusted to it under Section 22. (2) The scheme prepared by the Nigam for execution of other works under clause (iii) of sub-section (1) shall, after it is approved by the State Government, be deemed to be a scheme prepared under the Madhya Pradesh Bhumi Sudhar Yojana Adhiniyam, 1967 (No. 13 of 1967), and the provisions of that Act except those contained in Chapters IV-A and VI and Section 33 thereof shall mutatis mutandis apply accordingly for the execution thereof. (3) In addition, the Nigam may carry on and transact all or any of the following kinds of business, namely :—(a) formulation, appraisal and evaluation of projects; (b) erecting machinery, workshops, godowns, bridges, railway sidings and any other structures whatsoever in the project areas for the purpose of execution of works; (c) providing consultancy service to the State Government and with its approval, to any person in matters relating to strategy of land development and infrastructure, programmes like development, remodelling of canal system, channels and drainage facilities planning and training

requirements, demonstration and cropping patterns, need-based research programmes, livestock development, afforestation programme and rural electrification;(d)financing of projects and related infra-structure programmes;(e)drawing, accepting, making, endorsing, executing and discounting of bills of exchange, hundies, promissory notes, bills of lading, warrants and any other negotiable or transferable instruments for the purpose of the business of the Nigam;(f)providing training facilities to persons who are likely to be of help to the Nigam in the execution of the projects;(g)undertaking research and surveys and technoeconomic studies in connection with development of agriculture and agro-industries;(h)assisting land holders in obtaining ordinary loans;(i)assisting banks and financing institutions in collection and processing of loan applications and other connected documents from land holders;(j)granting special loans;(k)obtaining indemnities, guarantees, concessions and immunities for the purpose of the business of the Nigam; and(l)generally doing such other acts as may promote the execution of projects, or as may be necessary for or incidental to the exercise of its powers or discharge of its duties under this Act.

20. Borrowings by the Nigam.

(1)The Nigam may for the purpose of carrying out its functions under this Act,-(a)with the prior approval of the State Government issue and sell bonds and debentures and other securities carrying interest;(b)borrow money and accept deposits from the Central Government, the State Government, any bank or financing institution and, with the approval of the State Government, from a corporate body or from any other person.(2)The State Government, may guarantee the bonds and debentures and other securities issued under clause (a) of sub-section (1) and the loans and deposits raised by the Nigam under clause (b) of sub-section (1) as to the repayment of principal and payment of interest thereon and incidental charges.(3)Without the approval of the State Government the total borrowing of the Nigam under sub-section (1) shall not at any time, in the aggregate exceed four times the amount of the paid up share capital and reserves of the Nigam.

21. Other sources of funds.

(1)The Nigam may receive remuneration for its services, including costs of works, incurred by the Nigam under this Act and accept gift, grants, subsidies, donations or any benefactions from the State Government or from any person.(2)The State Government may also transfer to the Nigam, buildings, land, machinery or any other movable or immovable property for the use of the Nigam on such terms and conditions as the State Government may deem

Chapter V

Sanction and Execution of Project

22. Sanction of projects.

(1)The Nigam shall forward each year to the State Government for its approval a programme of work for the next agricultural year under Section 30. The State Government may, however specify any other areas to be entrusted to the Nigam, and any other work under sub-sections (1) and (2) of

Section 19 for execution, in addition to the approved programme, by the Nigam in such area during the year.(2)The Nigam shall be the principal agency for execution of works in the areas entrusted to the Nigam under sub-section (1) except in cases where land holders execute works in their respective land holdings, within the period and in the manner specified in the project.

23. Execution of works.

- The Nigam may execute the works itself or through any other agency.

24. Power to enter upon a land holding.

(1)Such officers, servants and other persons as may be authorised by the Nigam or the State Government in this behalf, may at any time, after giving a land holder reasonable notice enter upon his holding and carry out surveys and investigations and all such works and things as may be necessary in connection with execution of any project, scheme or work under this Act.(2)The staff of the Nigam shall while acting or purporting to act in pursuance of any of the provisions of this Act be deemed to be public servants within the meaning of Section 21 of the Indian Penal Code, 1860 (No. 45 of 1860).

Chapter VI

Cost of Works

25. Cost of works to be provided by land holders.

- For the purpose of execution of the works, every land holder, other than those who execute the works in their respective land holdings within the period and in the manner specified in the project under sub-section (2) of Section 22 shall pay to the Nigam the proportionate cost of works.

Chapter VII

Ordinary and Special Loans

26. Ordinary loan.

(1)A land holder may, with the assistance of the Nigam, apply to a bank or a financing institution, for an ordinary loan for meeting the proportionate cost of works.(2)The amount of ordinary loan, if sanctioned to the land holder, shall be paid to the Nigam by the bank or the financing institution concerned on account of and on behalf of the land holder towards the proportionate cost of works payable to him to the Nigam.

27. Special loan.

(1) If the Nigam is satisfied that a land holder is unable to raise an ordinary loan, it may grant to such land holder a special loan. (2) A special loan may be granted by the Nigam at such rate of interest and on such other terms and conditions as may be provided by regulations. (3) The amount of special loan, together with interest thereon, shall be a charge on the land holding which shall be recoverable as an arrear of land revenue within the meaning of Section 28 and the proceeds of the recovery shall be appropriated by the Nigam towards the proportionate cost of works payable by the land holder.

Chapter VIII

Recoveries of Dues Payable by Land Holders to The Nigam

28. Recoveries from land holders.

(1) Any sum due and payable by a land holder to the Nigam under this Act or under any rules or regulations framed hereunder shall be deemed to be an arrear of land revenue due on account of the land for the benefit of which the works have been executed and shall be recoverable in the same manner as arrear of land revenue. (2) An officer of the Nigam authorised in this behalf the Managing Director shall under his signature, send a certificate to the Collector, specifying therein the following particulars, namely:—(i) the full name and address of the land holder as available with the Nigam; (ii) the particulars of the land holding for the benefit of which the works have been executed by the Nigam; and (iii) the amount due and payable by the land holder to the Nigam and the rate at which the additional interest is to be charged on the amount due till its realisation. (3) The certificate issued under sub-section (2) shall be conclusive evidence of the amount specified therein as being due and payable by the land holder. (4) On recovery of the amounts in pursuance of a certificate under this Section, the Collector shall forthwith take all necessary steps for payment thereof to the Nigam.

Chapter IX

Preventive Action and Penalties

29. Penalties for obstruction of works.

- Any person who obstructs the execution of any work, or causes any damage to any work, being executed by the Nigam shall, on conviction, be punishable with imprisonment for a term which may extend to six months or with fine which may extend to one thousand rupees, or with both.

Chapter X

Financial Estimates, Funds, Accounts and Audit

30. Submission of programme of activities and financial estimates.

(1)The Nigam shall, before the commencement of each agricultural year, prepare a statement of programme of its activities for the forthcoming agricultural year as well as a financial estimate in respect thereof and obtain State Government's approval thereto atleast one month before the commencement of the agriculture year in which the programme is to be implemented.(2)The Nigam may, with the approval of the State Government, revise or modify the statement and estimates referred to in sub-section (1).

31. Funds of the Nigam.

(1)The Nigam shall have and maintain its own fund, and all receipts of the Nigam shall be carried thereto and all payments by the Nigam shall be made therefrom.(2)The fund of the Nigam shall be applied by it for meeting all administrative expenses of the Nigam and for carrying out the purpose of this Act.(3)The Nigam may deposit with any bank such sums as may be needed by it for its operations and the surplus may be invested in such manner as may be approved by the State Government.

32. Preparation of balance sheets etc. of the Nigam.

(1)The Board shall cause the books an accounts of the Nigam to be balanced and closed as on the thirtieth day of June each year.(2)The balance sheet and accounts of the Nigam shall be prepared and maintained in such manner as may be prescribed by regulations.

33. Disposal of profits.

(1)The Nigam shall establish a reserve fund by transferring such sums as it may deem fit out of its net annual profits before declaring a dividend.(2)After making provisions for bad and doubtful debts, depreciation of assets and all other matters which may be considered necessary by the Board, the Nigam may declare a dividend out of its net annual profits.

34. Audit.

(1)The accounts and affairs of the Nigam shall be audited by the auditor duly qualified to act as auditor of companies under sub-section (1) of Section 226 of the Companies Act, 1956 (Central Act 1 of 1956) who shall be appointed by the State Government and shall receive such remuneration from the Nigam as the State Government may fix at the time of appointment.(2)The auditor so appointed shall hold office for such period as may be fixed by the State Government.(3)The auditor shall be supplied with a copy of the annual balance sheet of the Nigam and it shall be his duty to examine it, together with the accounts and vouchers relating thereto, and the auditor shall have a Us delivered to him of all books kept by the Nigam and shall at all reasonable times have access to the books, accounts and other documents of the Nigam.(4)The auditor may, in relation to the accounts of the Nigam, examine any director or any officer or employee of the Nigam, and shall be entitled to

require from them or any of them such information and explanations as the auditor may think necessary for the performance of his duties.(5)The auditor shall make a report to the Board upon the annual balance sheet and accounts and in every such report, he shall state whether in his opinion the balance sheet is a full and fair balance sheet containing a I necessary particulars and properly drawn up so as to exhibit true and correct view of the state and affairs of the Nigam and in case he had called for any explanation or information whether it had been given and whether it was satisfactory.(6)Every audit report under this Section shall be forwarded both to the Central Government and the State Government.

35. Returns.

(1)The Nigam shall furnish to the State Government from time to time such returns as the State Government may require.(2)The Nigam shall in respect of each agricultural year furnish to the State Government, within a period of three months from the date on which the annual accounts of the Nigam are closed, a copy of the balance sheet as on the close of that year, together with profit and loss account for the year and a report on the working of the Nigam including its policy and programme during the year.

Chapter XI Miscellaneous

36. Power of the State Government to give directions.

(1)In the discharge of its functions under this Act the Nigam shall be guided by such directions in matters of policy involving public interest as the State Government may give to it in writing, and if any question arises whether the direction relates to a matter of policy involving public interest, the decision of the State Government thereon shall be final.(2)Where the Nigam incurs any loss directly in consequence of carrying out the directions of the State Government under sub-section (1) the same shall be made good by the State Government.

37. Staff of the Nigam.

- Without prejudice to Section 18, the Nigam may appoint such number of staff as it considers necessary or desirable for the efficient performance of its functions and determine the terms and conditions of their appointment and service by regulations.

38. Liquidation of the Nigam.

- The Nigam shall not be placed in liquidation save by an order of the State Government and in such manner as it may direct.

39. Indemnity of Directors.

(1) Every Director shall be indemnified by the Nigam against all losses and expenses incurred by him, in or in relation to the discharge of his duties except such as are caused by his act or omission which is an offence under any law for the time being in force. (2) A Director shall not be responsible for any loss or expenses resulting to the Nigam from the insufficiency or deficiency of value of or title to any property or security acquired or taken on behalf of the Nigam or the insolvency or wrongful act of any debtor or any person under obligation to the Nigam or any thing done in good faith in the execution of the duties of his office in relation thereto.

40. Defects in appointment of Directors not to be invalidate acts, etc.

(1) No act or proceeding of the Board or of any committee of the Nigam shall be invalid merely by reason of—(a) any vacancy in, or defect in the composition of, the Board or Committee, as the case may be; or (b) any defect in the nomination of any person acting as a director of the Nigam or member of the committee; or (c) any defect or irregularity in the procedure of the Board or committee, as the case may be. (2) No act done by any person acting in good faith as a director of the Nigam or as a member of a committee of the Nigam shall be deemed to be invalid merely on the ground that he was disqualified to be a director or that there was any defect in his appointment.

41. Protection of action under Act.

- No suit or other legal proceeding shall lie against the Nigam or any other person authorised by the Nigam to discharge any functions under this Act for any loss or damage caused or likely to be caused by anything which is in good faith done or intended to be done in pursuance of this Act.

42. Declaration of fidelity and secrecy.

- Every director, auditor, officer or other employee of the Nigam or, an employee of the State Government whose services are utilised by the Nigam, shall before entering upon his duties make declaration of fidelity and secrecy in the prescribed form.

43. Delegation of powers.

- The Board may, delegate to any committee of the Board or to the Chairman or Managing Director or any other officer of the Nigam such of its powers and functions under this Act, as it may deem necessary.

44. Power of the State Government to make rules.

(1) The State Government may make rules not inconsistent with the provisions of this Act to give effect to the provisions of this Act. (2) All rules made under this Section shall be laid on the table of the Legislative Assembly.

45. Power of the Nigam to make regulations.

(1)The Nigam may with the previous approval of the State Government, make regulations not inconsistent with this Act and the rules made thereunder, providing for all matters which no rules have been framed under this Act and for which provision is necessary or expedient for the purpose of giving effect to the provisions of this Act.(2)In particular, and without prejudice to the generalities of the foregoing power, such regulations may provide for the following matters, namely :-(a)the manner in which and conditions subjects to which the shares of the Nigam may be transferred and generally all matters relating to rights and duties of the shareholders;(b)the fees and allowances that may be paid to the Directors;(c)the times and places of the meetings of the Board or of any committee constituted under this Act and the procedure to be followed at such meetings including the quorum necessary for transaction of business;(d)the number of directors constituting the executive committee and the functions which such committee shall discharge;(e)the functions which any other committee may discharge under this Act;(f)the fees and allowances that may be paid to the member of a committee other than Directors;(g)the manner in which appeal shall lie to Chairman of the Board against the order of the Managing Director;(h)delegation of powers and functions of the Board to the committees or to the Chairman, the Managing Director and other officers of the Nigam;(i)the manner and terms of issue and redemption of bonds and debentures and other securities by the Nigam;(j)the rate of interest at which, and conditions subject to which the Nigam may grant special loans;(k)the rate at which additional interest may be charged from land holder in respect of amounts in default;(l)the manner and conditions subject to which the Nigam may borrow money;(m)the form and manner in which the balance sheet and accounts of the Nigam shall be prepared and maintained;(n)the forms of returns, statements and estimates required to be prepared under this Act;(o)duties and conduct, salaries, allowances and conditions of service of the employees of the Nigam;(p)establishment and management of provident fund or other benefit funds for employees of the Nigam;(q)determination of local offices of the Nigam for the purpose of payment of instalments by land holders under this Act;(r)generally for the efficient conduct of the affairs of the Nigam.

46. Repeal.

- The Madhya Pradesh Rajya Bhumi Vikas Nigam Adhyadesh, 1976 (No. 14 of 1976) is hereby repealed.