

The M.P. Rajya Beej Evam Farm Vikas Nigam Adhiniyam, 1980

(No. 18 of 1980)

mp101

Received the assent of the Governor on the 4th November, 1980; assent first published in the "Madhya Pradesh Gazette" (Extraordinary), dated the 6th November, 1980).

An Act to establish a Corporation for the execution of projects with a view to developing production of quality seeds and setting up, developing and running agricultural farms, to provide for better and larger agricultural production and for matters connected therewith or incidental thereto.

Be it enacted by the Madhya Pradesh Legislature in the Thirty-first Year of the Republic of India as follows:-

CHAPTER I

Preliminary

1. Short title and extent. - (1) The Act may be called The Madhya Pradesh Rajya Beej Evam Farm Vikas Nigam Adhiniyam 1980.

(2) It extends to the whole of the State of Madhya Pradesh.

2. Definitions. - In this Act, unless the context otherwise requires,-

(a) "*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 Agricultural Finance Corporation Limited, a company incorporated under the Companies Act, 1956 (No. 1 of 1956);
- (vi) a financing bank as defined in the Madhya Pradesh Co-operative Societies Act, 1960 (No. 17 of 1961); and
- (vii) any other banking institution that may be notified by the State Government to be a bank for the purpose of this Act.

(b) "*Beej or Seed*" means seeds of food grains, fiber crops, plantation crops, oil seeds, commercial crops, vegetables, fruits and fodder and includes seedlings, tubers, bulbs, rhizomes, roots or stem cuttings (rooted or unrooted) grafts and all other vegetatively propagated plant materials;

(c) "*Board*" means the Board of Directors of the Nigam constituted under Section 8;

(d) "*Financing Institution*" means any statutory corporation or other body corporate established in India which has 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;

(e) "*Land*" shall have the same meaning as assigned to that expression under the Madhya Pradesh Land Revenue Code, 1959 (No. 20 of 1959);

(f) "*Nigam*" means the Madhya Pradesh Rajya Beej Evam Farm Vikas Nigam established under this Act;

- (g) "*Farm*" means an area of land belonging to the Nigam or not which is used or proposed to be used for agricultural farm for the production of seeds;
- (h) "*Project*" means any project or scheme for seeds and farm development approved under Section 25;
- (i) "*Regulation*" means regulations made by the Nigam under Section 41;
- (j) "*Works*" includes any works relating to organisation, production, conservation, development or exploitation of seeds and agricultural farms to be executed under a project under this Act;
- (k) "*Year*" means the financial year.

CHAPTER II

Establishment of Nigam, its Capital and Management

- 3. Establishment and incorporation of the Madhya Pradesh Rajya Beej Evam Farm Vikas Nigam.** - (1) With effect from such date as the State Government may, by notification appoint, there shall be established for the purposes of this Act a Nigam to be known as the Madhya Pradesh Rajya Beej Evam Farm Vikas Nigam.
- (2) The Nigam shall be a body corporate with the name aforesaid, having perpetual succession and common seal with power, subject to 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 share holders.** - (1) The authorised capital of the Nigam shall be ten crores of rupees divided in ten thousand shares of rupees ten thousand each. With the previous sanction of the State Government, the first issue of share shall be made by the Nigam.
- (2) The State Government may enter into an agreement with the Central Government or any of its related agencies for subscribing to the share capital of the Nigam and subject to such agreement the State Government and the Central Government or any of its related agencies shall subscribe in such proportion as may be mutually determined 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 or any of its related agencies as may be mutually agreed upon between both the Governments and the related agencies aforesaid.
- (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 transfers of shares.** - The shares of the Nigam shall not be transferable except as between the State Government and the Central Government or the related agencies concerned 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, from time to time, 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]:-

A-Ex-officio Directors

- (i) [x x x].
- (ii) the Secretary to Government, Madhya Pradesh, Agriculture Department, who shall be Vice-Chairman;
- (iii) the Secretary to Government, Madhya Pradesh, Finance Department or his nominee not below the rank of Deputy Secretary;
- (iv) Director of Agriculture, Madhya Pradesh;
- (v) Director Research, Jawaharlal Nehru Krishi Vishwavidyalaya, Jabalpur;
- (vi) the Registrar of Co-operative Societies, Madhya Pradesh;
- [(vii) the Managing Director appointed under Section 11.]

B-Nominated Directors

- (viii) one Director to be nominated by the State Government to represent banks and financing institutions;
- (ix) one Director having special knowledge or practical experience in respect of agriculture and allied subjects to be nominated by the State Government;
- (x) two Directors having practical experience in respect of organisation, management of Farms and production and marketing of seeds to be nominated by the State Government.

(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 notification 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] and the resignation shall be effective from the date of its receipt.

(3) In the event of the death, resignation or disqualification of [the Chairman or a nominated Director], the vacancy shall be filled up by nomination as soon as possible.

9. Disqualification 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 any manner prejudicial to the interest of the Nigam or has any interest in any body, institution or organisation whose activities are prejudicial to the interest 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.

[**Explanation.** - For the purpose of this Section "Director" shall include Chairman.]

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. - (1) 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 Nigam may, with the approval of the State Government, determine :

Provided that the first Managing Director shall receive such salary and allowance 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 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 regulations for attending the meetings of the Board or of any of its committees and for attending to any other work of 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 Board. - (1) 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 regulation :

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 Board. - (1) The Board may constitute one or more executive committees consisting of such number of Directors as may be provided by the 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 thinks fit, for such purposes, related to 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 meeting 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 members 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 Committees, 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. Appointment of Officers and other employees, etc. - (1) The Nigam may appoint such officers and other employees as it considers necessary for the efficient performance of its functions.

(2) Every person employed by the Nigam under this Act shall be subject to such conditions of service and shall be entitled to such remuneration as may be determined by regulations.

(3) The Managing Director acting on behalf of the Board shall be deemed to be the appointing authority and shall exercise all powers of such an authority in respect of all officers and other employees employed by the Nigam.

(4) An appeal shall lie to the state Government or such authority as the State Government may specify in this behalf against the order of Managing Director in such manner as may be provided by regulations.

18. Condition of service of employees transferred to the Nigam from Government Department. - (1)

Subject to the provisions of Section 32 any official transferred to the Nigam, at the request of the Nigam, permanently or temporarily by the State Government from any of their departments, shall enjoy all such privileges of gratuity, pensionary benefits and any other benefits to which that official would have been entitled had he continued to serve in his parent department in the State Government.

(2) An official specified in sub-section (1) shall, during the tenure of employment in the Nigam, be subject disciplinary control of the Nigam.

CHAPTER IV

Business and Borrowing of The Nigam

19. Business which the Nigam may transact. - (1) The principal business of the Nigam shall be production, procurement, processing and distribution of seeds, development and running of farms, conducting research and development in seed production, processing, preservation, installation, management and operation of processing plants, storage and testing facilities and rendering to seed growers such other assistance as may be considered necessary to improve seed production.

(2) To carry out the duties specified in sub-section (1) the Nigam shall prepare a statement of programme of work listing out the projects prepares for different activities which are to be executed during the next year.

(3) The State Government may specify any other works for execution in addition to the programme submitted by the Nigam.

20. Borrowing 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 Central Government, the State Government, any bank or financial institution and with the approval of the State Government, from a corporate body or from any other person.

(2) Subject to such conditions and restrictions as the State Government may deem fit to impose, it 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 capital subscribed by the State Government under Section 5.

21. Other source of funds. - (1) The Nigam may receive remuneration for its services including cost of works incurred by the Nigam under this Act, and accept gifts, grants, subsidies, donations or any benefactions from the State Government or any other Government or agency 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 fit.

CHAPTER V

Execution of Works

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

23. 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 the 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 the execution of the projects, 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

Preventive Action and Penalties

24. Penalties for obstruction of work. - 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 VII

Financial Estimates, Funds, Accounts and Audit

25. Submission of Programme or activities and financial estimate. - (1) The Nigam shall, in respect of every year submit to the State Government, a statement of programme of its activities together with annual financial statement showing therein in detail the estimated receipt and expenditure of the Nigam for the year.

(2) The Nigam may, with the prior approval of the State Government revise or modify the statement and estimate referred to in sub-section (1).

(3) The Nigam shall submit each year to the State Government the programme of work and details of the project for different activities which are to be executed during the next year.

(4) The State Government may, either approve the projects or may approve it with such modifications as it may consider necessary or may return it to the Nigam to modify the same or to prepare a fresh project in accordance with such directions as the State Government may deem appropriate.

26. Funds of the Nigam. - (1) The Nigam shall have and maintain its own funds, and all receipts of the Nigam shall be carried thereto and all payments by the Nigam shall be made therefrom.

(2) The funds of the Nigam shall be applied by it for meeting all administrative expenses of the Nigam and for carrying out the purposes 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.

27. Allocation of surplus profit. - (1) The Nigam shall establish a reserve fund to which shall be credited every year such portion of its annual net profits as the Nigam thinks fit.

(2) After making provisions for such reserve fund and for bad and doubtful debts and all other matters which are usually provided for by companies registered and incorporated under the Companies Act, 1956 (Central Act I of 1956) the balance of its annual net profits shall be paid to the State Government.

28. Accounts and audit. - (1) The Nigam shall cause to be maintained proper books of accounts and such other books as the rules may require and shall prepare an annual statement of account in the prescribed manner. The books of accounts of the Nigam shall be balanced and closed as on the 31st day of March each year. The annual statement of accounts shall be submitted to the Board of Directors within six months of the close of the financial year, failing which the Managing Director shall explain the delay and apply to the State Government for permitting the submission in another three months at the most.

(2) The Nigam shall cause its accounts to be audited annually by such person as the State Government may direct.

(3) As soon as the accounts of the Nigam have been audited, the Nigam shall send a copy thereof together with a copy of the report of the auditor thereon to the State Government and shall cause the accounts to be published in the prescribed manner and place copies thereof on sale at reasonable price.

(4) The Nigam shall comply with such directions as the State Government may after perusal of the report of the auditor think fit to issue.

29. Depreciation reserve. - The Nigam shall create a depreciation reserve and, shall at the end of every year, credit to such reserve from its revenue an amount calculated in accordance with the straight line method of depreciation, that is to say, such an amount as is arrived at by dividing ninety per cent of the

original cost of the assets, after taking into account the sums already written off and set aside in the books of the Nigam by the prescribed period in respect of such assets :

Provided that the contribution in respect of any asset to the depreciation reserve under this Section shall cease at the end of the prescribed period or when the asset cease to be used by the Nigam whichever is earlier:

Provided further that if in any year it is not practicable fully to comply with the provisions of this Section, the amount by which the sums actually credited falls short of the amount required under this Section in respect of that year shall be carried forward and together with simple interest thereon at the Reserve Bank rate ruling at the beginning of that year, shall be credited to the said reserve as soon as it is found possible so to do:

Provided also that the accumulations in the depreciation reserve may be invested in the business of the Nigam or utilized for repayment of the principal of any loan raised under sub-section (1) of Section 20 or for repayment of sums paid by the State Government under sub-section (2) of the said Section.

30. 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 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 a profit and loss account for the year and a report on the working of the Nigam including its policy and programme during the year.

(3) The State Government shall, as soon as may be after the receipt of such report cause such report and the annual report received under Section 28 to be laid on the table of Legislative Assembly.

CHAPTER VIII

Miscellaneous

31. Power of 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.

32. Transfer of Government employee to the Nigam. - (1) On and after the establishment of the Nigam, the State Government may from time to time, direct that the services of such of the existing officers and servants of the State Government in Agriculture Department who in its opinion, are rendered surplus to its requirements, shall stand terminated and their posts shall stand abolished, from such date as may be specified by it (hereinafter in this Section referred to as the appointed date), and shall on that date (which may be different for different officers and servants) become the officers or servants of the Nigam.

(2) Every permanent or temporary employee of the State Government in respect whom a direction is issued under sub-section (1) shall, on and from the appointed date, be a permanent or temporary employee of the Nigam, as the case may be, against a permanent or temporary post, which shall stand created in the establishment of the Nigam with effect from the appointed date.

(3) Any officer or servant so transferred shall hold office under the Nigam by the same tenure, at the same remuneration and upon the same other conditions of service and with the same rights and privileges as to pension, gratuity, provident fund and other matters as would have been admissible to him on the appointed date if this Act had not come into force. Any service rendered by him under the State Government shall be deemed to be service rendered under the Nigam. He shall continue to serve under the Nigam until his employment under the Nigam is duly terminated or his remuneration or the conditions of service are duly revised or altered by the Nigam in pursuance of the law which for the time being governs his conditions of service :

Provided that the conditions of service applicable immediately before the appointed date to the case of any such officer or servant shall not be varied to his disadvantage, except with the previous approval of the State Government.

(4) The sums standing to the credit of the employees referred to in sub-section (1) in any person, ^{nt} fund, gratuity or other like funds constituted for them shall be transferred by the State Government ^{ne} the Nigam alongwith any accumulated interest due till the appointed date and with the accounts relating to such funds. On and after the appointed date, the Nigam shall, to the exclusion of the State Government, be liable

for payment of person, provident fund, gratuity or other like sums as may be payable to such employees at the appropriate time in accordance with the conditions of their service.

(5) Nothing contained in sub-section (1) shall apply to any employee who by notice in writing given to the State Government within two months from the appointed date or such extended time as the State Government may, by general or special order, specify, intimate his intention of not becoming or continuing as an employee of the Nigam. Where such notice is received from any employee-

(a) in case of a permanent employee, he shall be allowed to retire giving him the benefit of pension, gratuity, provident fund and other benefits accrued to him had he retired from the Government service on the appointed date;

(b) in case of a temporary employee, his service shall be terminated after giving him notice or remuneration in lieu of notice as per the existing service rules of the State Government.

(6) Notwithstanding anything contained in the foregoing sub-sections-

(a) no person employed in the Agriculture Department against whom any disciplinary proceeding is pending or to whom any notice or order of termination of his service or compulsory retirement has been issued before the date of commencement of this Act shall be transferred to the Nigam, and such person may be dealt with after the said date in such manner and by such authority as the State Government may, by general or special order, specify in this behalf;

(b) if the services of any employee of the State Government stand transferred under sub-section (1) to the Nigam, the Nigam shall be competent after such transfer to take such disciplinary or other action as it thinks fit against or in respect of such employee having regard to any act or omission or conduct or record of such employee while he was in service of the State Government.

33. 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.

34. Indemnity of Director. - (1) Every Director of the Nigam shall be indemnified by the Nigam against all losses and expenses incurred by him, in or in relation to discharge of his duties except such as are caused by his own wilful act or default.

(2) A Director of the Nigam shall not be responsible for any other Director or for any officer or other employee of the Nigam 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 anything done in good faith in the execution of the duties of his office in relation thereto.

35. Defects in appointment of directors not to invalidate acts etc. - (1) No act or proceeding of the Board or of any committee of the Board 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 action as a [Chairman or 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 [Chairman or a Director] of the Nigam or as a member of a Committee of the Board shall be deemed to be invalid merely on the ground that he was disqualified to be a [Chairman or a Director] or a member or that there is any defect in his appointment.

36. Protection of action under the 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 the pursuance of this Act.

37. Declaration of fidelity and secrecy. - [The Chairman, every Director], member of the Board or Committee, 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 a declaration of fidelity and secrecy in the form prescribed by regulations.

38. 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.

39. Money due to Nigam recoverable as arrear of Land Revenue. - All moneys recoverable by the Nigam under this Act or under any agreement which provides for recovery of any amount payable thereunder as arrears of land revenue shall on a certificate signed by the Managing Director or any person authorised by him in this behalf be recoverable as arrears of land revenue.

40. 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.

41. 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 for which no rules have been framed under this Act and for which provision is necessary and expedient for the purpose of giving effect to the provisions of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, such regulations may provide for the following matters, namely:-

- (a) the manner in which and the conditions subject to which the shares of the Nigam shall be transferable;
- (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 lie to the State Government or the specified authority;
- (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 manner and conditions subject to which the Nigam may borrow moneys;
- (k) the form and manner in which the balance sheet and accounts of the Nigam shall be prepared and maintained;
- (l) the form of returns, statements and estimates required to be prepared under this Act;
- (m) duties and conduct, salaries, allowances and conditions of service of the employees of the Nigam;
- (n) establishment and management of provident fund or other benefit funds for employees of the Nigam; and
- (o) generally for the efficient conduct of the affairs of the Nigam.