

# THE TEA (AMENDMENT) ACT, 1980

No. 68 OF 1980

[27th December, 1980.]

## An Act further to amend the Tea Act, 1953.

BE it enacted by Parliament in the Thirty-first Year of the Republic of India as follows:—

1. (1) This Act may be called the Tea (Amendment) Act, 1980.

(2) This section and section 8 shall come into force at once.

(3) Sections 3 and 4 shall be deemed to have come into force on and with effect from the date of commencement of the Tea (Amendment) Act, 1976.

75 of 1976.

(4) Section 7 shall be deemed to have come into force on and with effect from the 13th day of October, 1980.

(5) Sections 2, 5 and 6 shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

29 of 1953.

2. In the Tea Act, 1953 (hereinafter referred to as the principal Act), in section 10, in sub-section (2), after clause (j), the following clause shall be inserted, namely:—

“(jj) subscribing to the share capital of, or entering into any agreement or other arrangement (whether by way of partnership, joint venture or in any other manner) with, any body corporate for the purpose of promoting the development of tea industry or for promotion and marketing of tea, in India or elsewhere;”

3. In the principal Act, in section 16E, in sub-section (1),—

(a) in clause (a), between the words “by reckless investments or” and “creation of incumbrances”, the word “by” shall be inserted;

(b) the following *Explanation* shall be inserted at the end, namely:—

*Explanation.*—For the purposes of this sub-section, “incumbrances” includes any liability which may be recovered or satisfied from the assets of the tea undertaking or, as the case may be, tea unit or the person owning the tea undertaking or tea unit.

Short  
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Amend-  
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section 10.

Amenda-  
ment of  
section  
16E.

Insertion  
of new  
section  
16LL.

Debts in-  
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priority.

4. After section 16L of the principal Act, the following section shall be inserted, namely:—

“16LL. Every debt arising out of any loan or any other financial accommodation obtained by the authorised person for carrying on the management of, or exercising functions of control in relation to, the whole or any part of a tea undertaking or tea unit, the management of which has been taken over or is purported to have been taken over under section 16D or section 16E or section 16-I,—

(a) shall have priority over all other debts, whether secured or unsecured, incurred before the management of such tea undertaking or tea unit was taken over;

(b) shall be a preferential debt within the meaning of section 530 of the Companies Act, 1956,

1 of 1956.

and all such debts shall rank equally among themselves and be paid in full out of the assets of the tea undertaking or tea unit, unless such assets are insufficient to meet them, in which case they shall be recoverable from the owner of the tea undertaking or tea unit as arrears of land revenue notwithstanding that the period of management or control has ended due to expiry of the period for which it was taken over or due to cancellation of the order under section 16H or in pursuance of the order of any court.”.

Amend-  
ment of  
section  
27.

5. In section 27 of the principal Act, in sub-section (1), clause (aa) shall be re-lettered as clause (ab) and before that clause as so re-lettered, the following clause shall be inserted, namely:—

“(aa) any sum of money including dividend, if any, realised by the Board in carrying out any measure referred to in clause (jj) of sub-section (2) of section 10;”.

Amend-  
ment of  
section  
46.

6. Section 46 of the principal Act shall be re-numbered as sub-section (1) thereof and,—

(a) in sub-section (1) as so re-numbered, for the words “the rules”, the words “any rule or order” shall be substituted;

(b) after sub-section (1) as so re-numbered, the following sub-section shall be inserted, namely:—

“(2) No suit or other legal proceeding shall lie against the Central Government 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 or any rule or order made thereunder.”.

Valida-  
tion.

7. Notwithstanding any judgment, decree or order of any court, any action or thing (including any order passed or proceeding initiated) taken or done or purported to have been taken or done under sub-section (1) of section 16E of the principal Act at any time after the commencement of the Tea (Amendment) Act, 1976, shall be deemed to be as valid and effective as if the amendments made by section 3 had been in force at the time such action or thing was taken or done.

75 of 1976.

Repeal  
and  
saving.

8. (1) The Tea (Amendment) Ordinance, 1980, is hereby repealed.

15 of 1980.

(2) Notwithstanding such repeal, anything done or any action taken under the principal Act as amended by the said Ordinance, shall be deemed to have been done or taken under the principal Act as amended by this Act.