

Electricity Act, 1910

Section 7 - VESTING OF THE UNDERTAKING IN THE PURCHASER Where an under- taking is sold under Sec. 5-orSec. 6-, then upon the

3) of Sec. & or under sub-section (6) of Sec. 6-, as the case may be, Whichever is earlier- (i) the undertaking shall vest in the purchaser or the intending purchaser, as the case may be, free from any debt, mortgage or similar obligation of the licensee or attaching to the undertaking: Provided that any such debt, mortgage or similar obligation shall attach to the purchase money in substitution for the undertaking: (ii) the rights, powers, authorities, duties and obligations of the licensee under his licence shall stand transferred to the purchaser and such purchaser shall be deemed to be the licensee : Provided that where the undertaking is sold or delivered to a State Electricity Board or the State Government, the licence shall cease to have further operation. STATE AMENDMENTS Bihar amendment of Sec. 7 of Act IX of 1910.-In sub-section (2) of Sec. 7 of the said Act, the following proviso shall be inserted, namely: "Provided that where the undertaking vests in State Government under the provisions of Sec. 7-A, for the purposes of valuation, the time of such vesting shall be deemed to be the time of purchase." [Bihar Act 29 of 1950, Sec. 4.] In Sec. 7 of the said Act (i) for the words, brackets and figure "sub-section (6)", the word brackets and figure "sub-section (4)" shall be substituted and (ii) for the proviso in Cl. (1). The following proviso shall be substituted, namely: "Provided that any such debt, mortgage or similar obligation shall attach, to the amount payable for the undertaking." [Bihar Ordinance 50 of 1974, Sec. 4.] Gujarat amendment of Sec. 7 of Act IX of 1910.-In Sec. 7 of the principal Act, for the words, brackets and figures and letter "or under sub-section (6) of Sec. 6", the words, brackets and figures "or under sub- section (5-A) of Sec. 6" shall be substituted and shall be deemed to have been substituted with effect from the 1st day of May, 1960. [Gujarat Act 18 of 1976, Sec. 30.] Haryana amendment of Sec. 7 of Act IX of 1910.-In Sec. 7 of the principal Act, for the word, bracket and figures "sub-section (6)", the word, brackets and figure, "sub-section (5-A)" shall be substituted and shall be deemed to have been substituted with effect from the 1st day of April 1960. [Haryana Act 13 of 1975, Sec. 3.] Maharashtra amendment of Sees. 5 and 7 of Act IX of 1910.- To Cl. (d) of Sec. 5 and sub-section (2) of Sec. 7 of the Indian Electricity Act 1910 (IX of 1910), hereinafter called the said Act, in its application to the Province of Bombay, the following proviso shall be inserted, namely : "Provided that where the undertaking vests in the Provincial Government under the provisions of Sec. 7-A for the purposes of validation, the time of such vesting shall be deemed to be the time of purchase." [Maharashtra Act 18 of 1946, Sec. 2.] Uttar Pradesh amendment of Sec. 7.- Section 7 of the principal Act shall be re-numbered as sub-section (1) thereof, and after sub-section (1), as so renumbered, the following sub-sections shall be added, namely : "(2) Where an undertaking is purchased by the State Electricity Board, and- (i) any amount of wages, bonus, gratuity, provident fund or other payment due on the date of purchase or of the delivery of the undertaking, as the case may be, to persons employed as workmen (within the meaning of the U.P. Industrial Disputes Act, 1947) in connection with the undertaking remains unpaid by the licensee to such workmen ; or (ii) the licensee had failed to pay amount due on the said date in respect of either the licensee's contribution or the employees' contribution realized by the licensee or any other dues recoverable from the licensee under the Employees' Provident Fund Act, 1952 or the Employees' State Insurance Act, 1948, in respect of persons employed in connection with the undertaking, the Board may pay the said amounts to the employees or to the Board of Trustees under the first mentioned Act, or the Employees' State Insurance Corporation, under the second mentioned Act, as the case may be, and deduct the same from the purchase-money to be paid to licensee, and if the amounts so paid exceed the purchase-money available, recover the excess from the licensee as arrears of revenue. (3) All security deposits made by the consumers with the licensee that remain unpaid to the consumers on the said date shall be transferred by the licensee to the Board, and if they are not so transferred the Board shall deduct the amount of the said deposits from the purchase money to be paid to the licensee, and if the said amount exceeds the purchase-money available, recover the excess from the licensee as arrears of revenue. (4) The liability of the licensee towards the employees or consumers, as the

case may be, to the extent of deductions and recoveries made by the Board under sub-sections (2), (3) and (4) shall stand discharged. (5) The provisions of Subsections (2), (3) and (4) shall apply in respect of all undertakings purchased before or after the commencement of the Electricity Laws (Uttar Pradesh Amendment) Act, 1974, in respect of which the purchase money remains to be paid to the licensee". [U.P. Act 36 of 1976, Sec. 3.] In Sec. ,7 of the principal Act,- (i) in sub-section (1), for the proviso to Cl. (i). the following proviso shall be substituted, namely : "Provided that any such debt, mortgage or similar obligation shall attach to the amount payable for the undertaking," (ii) in sub-sections (2), (3) and (5), for the words "purchase money", wherever occurring, the word "amount" shall be substituted. [U.P. Act 16 of 1975, Sec. 4 (w.e.f. 4th February, 1975).] In Sec. 7 of the principal Act, in sub-section (2), between the words "undertaking is purchased by the State Electricity Board" and "and" the words, figure and letter "or acquired under Sec. 6-A" shall be inserted. [U.P. Act 14 of 1976. Sec. 4 (w.e.f. 27th November, 1975).]

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