

THE UTTAR PRADESH STATE CEMENT CORPORATION
LIMITED (ACQUISITION OF SHARES) ACT, 1992¹

[U. P. ACT No. 4 of 1992]

[As passed by the Uttar Pradesh Legislature and assented to by the Governor on March 9, 1992, under Article 200 of the Constitution of India and was published in the Uttar Pradesh Gazette Extraordinary, dated March 9, 1992.]

AN

ACT

to provide for the acquisition in public interest of the shares of the Uttar Pradesh State Cement Corporation Limited held by certain companies and for matters connected therewith or incidental thereto.

WHEREAS the Uttar Pradesh State Cement Corporation Limited is a Government Company having been incorporated under the provisions of the Companies Act, 1956 as wholly owned by the State Government of Uttar Pradesh;

AND, WHEREAS, the State Government entered into an agreement of collaboration with Dalmia Industries Ltd., under which the State Government agreed to transfer 51 per cent shares in the Corporation to Dalmia Industries Ltd., and its nominees and the management of the Corporation was to be taken over by the said Dalmia Industries Ltd.;

AND, WHEREAS, in view of the interim stay order of the High Court dated October 16, 1990, the factories run by the Corporation could not be handed over to the aforesaid collaborators and therefore only 49 per cent shares were transferred by the State Government at the rate of seventy-five rupees for every share of the face value of one hundred rupees fully paid ;

AND, WHEREAS, in the purpose of such transfer could not be achieved ;

AND, WHEREAS, it is expedient in public interest to acquire back the shares in the said Corporation held by the aforesaid Dalmia Industries Ltd. and its nominee Companies ;

NOW, THEREFORE, it is hereby enacted in the Forty-third Year of the Republic of India as follows :—

**Short title and
commencement**

1. (1) This Act may be called the Uttar Pradesh State Cement Corporation Limited (Acquisition of Shares) Act, 1992.

(2) It shall be deemed to have come into force on October 11, 1991.

1. For Statement of Objects and Reasons please see at the end of this Act.

Definitions

2. In this Act, the expression,—

(a) "Companies" means the companies specified in the Schedule;

(b) "Corporation" means the Uttar Pradesh State Cement Corporation Limited incorporated under the provisions of the Companies Act, 1956, having its registered office at Churk, district Sonbhadra in Uttar Pradesh.

Vesting of the Shares

3. On the date of the commencement of this Act, all the shares held by the companies in the share capital of the Corporation shall stand transferred to, and shall vest in, the State Government.

Payment of amounts to the companies

4. (1) For the transfer and vesting of the shares referred to in section 3 the State Government shall within thirty days from the date of such transfer and vesting, pay to the companies respectively the amounts specified in the Schedule against each of the companies, which amounts over in full the amounts actually paid by such companies to the State Government towards the consideration for transfer of such shares earlier made by the State Government to such companies.

(2) Where the State Government fails to pay to the companies the amounts referred to in sub-section (1) within the period specified in that sub-section, it shall pay on the unpaid amount simple interest at the rate of twelve per cent per annum from the date of such vesting till the date of payment.

(3) The companies shall upon such vesting of shares in the State Government stand absolved of the liability to pay to the State Government.

Delivery of share certificates

5. (1) Any person who is in possession of the share certificates relating to the shares transferred to and vested in the State Government by virtue of section 3 shall deliver the share certificates to the State Government immediately and not later than thirty days from the commencement of this Act.

(2) Without prejudice to the provisions of section 6, the persons responsible for the non-delivery or delay in delivery of the share certificates as required in sub-section (1) shall be liable to compensate the State Government for any loss suffered by it due to such non-delivery or delay in delivery of the share certificates.

Penalty

6. Any person who fails to comply with the provisions of sub-section (1) of section 5 shall be punishable with imprisonment for a term which may extend to two years or with fine which may extend to ten thousand rupees or with both.

Offences by companies

7. (1) If the person committing an offence under this Act is a company, the company as well as every person incharge of and responsible to the company for the conduct of its business at the time of the commission of the offence shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly ;

Provided that nothing contained 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 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 proved that the offence has been committed with the consent or connivance of, or that the commission of the offence is attributable to any neglect on the part of any secretary, treasurer, director, manager, or other officer of the company, such secretary, treasurer, director, manager or other officer shall also 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 anybody corporate, and includes a firm or other association of individuals, and

(b) "director" in relation to a firm, means a partner in the firm.

**Protection of
action taken
in good faith**

8. No suit, prosecution or other legal proceedings shall lie against the State Government or any officer of the State Government in respect of anything which in good faith is done or intended to be done in pursuance of this Act or any rule, order or direction made or given thereunder.

**Power to
remove
difficulties**

9. (1) If any difficulty arises in giving effect to the provisions of this Act, the State Government may, by a notified order, make such provisions not inconsistent with the provisions of this Act as appears to it to be necessary or expedient for removing the difficulty.

(2) No order under sub-section (1) shall be made after the expiration of the period of two years from the commencement of this Act.

(3) Every order made under sub-section (1) shall be laid, as soon as may be, before both the Houses of State Legislature and the provisions of sub-section (1) of section 23-A of the Uttar Pradesh General Clauses Act, 1904 shall apply as they apply in respect of rules made by the State Government under any Uttar Pradesh Act.

**Power to
make rules**

10. The State Government may, by notification, make rules for carrying out the purposes of this Act.

**Repeal and
saving**

11. (1) The Uttar Pradesh State Cement Corporation Limited (Acquisition of Share) Ordinance, 1991 is hereby repealed.

(2) Notwithstanding such repeal, anything done or any action taken under the Ordinance referred to in sub-section (1), shall be deemed to have been done or taken under this Act, as if the provisions of this Act were in force at all material times.

SCHEDULE
[See SECTION 2 (a) AND 4(i)]

Serial no.	Description of the Companies		No. of shares hold by the companies now vested in the State Govt.	Amount to be paid to the companies under section 4(i)
	Name	Regd. Office		
1	2	3	4	5
				Rs.
1	Dalmia Industries Ltd.	Ghana Sewer Bypass Road, Bharatpur, Rajasthan	282240	2,11,68,000
2	Dear Investment Pvt. Ltd.	252-A, Shahpur Jat, New Delhi	266670	25,00,000
3	Elegant Investment Pvt. Ltd.	Ditto	266670	25,00,000
4	Carrissa Investment Pvt. Ltd.	Ditto	266670	25,00,000
5	Forever Investment Pvt. Ltd.	Ditto	266670	25,00,000
6	Oval Investment Pvt. Ltd.	252-A, Shahpur Jat, New Delhi	266670	25,00,000
7	Cross Investment Pvt. Ltd.	252-A, Shahpur Joj, New Delhi	266670	25,00,000
8	Harvatex Engineering & Processing Co. Ltd.	504-A, Sky Lark Building, 60, Nehru Place, New Delhi	266670	25,00,000
9	Utkins Holdings Ltd.	Ditto	266670	25,00,000
10	Carefree Investmetn Co. Ltd.	Ditto	266670	25,00,000
11	Divine Leasing & Finance Ltd.	Ditto	266670	25,00,000
12	Shyam Kunj Traders & Agencies Ltd.	Ditto	266670	25,00,000
13	Excellent Commercial Enterprises and Investment Ltd.	Ditto	130110	25,00,000
		Total	3345720	5,11,68,000

STATEMENT OF OBJECTS AND REASONS

THERE are three units of Uttar Pradesh State Cement Corporation Limited situate at Chunar in district Mirzapur and at Dalla and Churk in district Sonebhadra. The State Government entered into an agreement with the Dalmia Industries Limited to the effect that the State Government would transfer 51 per cent shares in the said Corporation to Dalmia Industries Ltd. and its associate units nominated by it. But on account of the interim order of the High Court dated October 16, 1990 the factories run by the said corporation could not be handed over to the aforesaid collaboration and only 49 per cent shares were transferred to the private sector. There was labour unrest and fall in production. As such the purpose for which the decision of participant on of private sector was taken could not be achieved. It was, therefore, decided to acquire back the 49 per cent shares transferred to the private sector and to return the price money thereof received by the State Government by way of compensation for such acquisition.

2. Since the State Legislature was not in session and immediate implementation of the above decision was necessary, the Uttar Pradesh State Cement Corporation Limited (Acquisition of Shares) Ordinance, 1991 (U. P. Ordinance No. 41 of 1991) was promulgated by the Governor on October 11, 1991.

3. This Bill is introduced to replace the aforesaid Ordinance.
