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38 of 1978, S. 2 + Sch. I

THE INDIAN IRON AND STEEL COMPANY (TAKING OVER OF MANAGEMENT) AMENDMENT ACT, 1974

No. 36 OF 1974

[31st August, 1974]

An Act to amend the Indian Iron and Steel Company (Taking Over of Management) Act, 1972.

WHEREAS the management of the undertaking of the Indian Iron and Steel Company Limited had vested in the Central Government for a limited period of two years with effect from the 14th day of July, 1972;

AND WHEREAS it is expedient in the public interest that the management of the undertaking of the said Company should continue to vest in the Central Government for a further limited period beyond the said period of two years;

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

1. (1) This Act may be called the Indian Iron and Steel Company (Taking Over of Management) Amendment Act, 1974.

(2) It shall be deemed to have come into force on the 28th day of June, 1974.

2. In section 2 of the Indian Iron and Steel Company (Taking Over of Management) Act, 1972 (hereinafter referred to as the principal Act), after clause (a), the following clause shall be inserted, namely:—

'(aa) "Board of management" means the Board of management constituted under section 4A;'

Amendment of section 2.

Short title and commencement.

Amendment of Section 2.

3. In section 3 of the principal Act,—

(i) in sub-section (1), for the words "two years", the words "five years" shall be substituted;

(ii) to sub-section (1), the following proviso shall be added, namely:—

"Provided that if the Central Government is of opinion that it is expedient in the public interest that the management of the undertaking of the company should continue to vest in the Central Government after the expiry of the period of five years aforesaid, it may, from time to time, issue directions for such continuance for such further period, not exceeding two years at a time, as may be specified in the directions; so, however, that the total period of such continuance, including the period of five years aforesaid, shall not exceed ten years; and where any such direction is issued, a copy thereof shall be laid, as soon as may be, before both Houses of Parliament."

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

"4A. (1) There shall be a Board of management consisting of a Chairman and not less than four and not more than fourteen other members.

(2) The Chairman and the other members of the Board of management shall be appointed by the Central Government and shall hold office during the pleasure of that Government.

(3) Such of the members of the Board of management as may be specified by the Central Government as whole-time members may be placed in charge of such functions of management of the undertaking of the company as may be specified by that Government.

(4) The Chairman and the other members of the Board of management shall receive from the funds of the undertaking of the company such allowances as may be prescribed for attending any meeting of the Board of management.

4B. (1) On the commencement of the Indian Iron and Steel Company (Taking Over of Management) Amendment Act, 1974, the Central Government may, by notification in the Official Gazette, direct that on and from such date as may be specified in the notification, the general superintendence, direction and management of the affairs and business of the undertaking of the company shall be carried on, for and on behalf of the Central Government, by the Board of management.

(2) Subject to the other provisions of this Act and to the direction, control and supervision of the Central Government, the Board of management shall be entitled, notwithstanding anything contained in the Companies Act, 1956, to exercise, in relation to the undertaking of the company, all the powers of the Board of Directors of a company (including powers to dispose of any properties or assets of the

Amendment of section 3.

Insertion of new sections 4A, 4B, 4C, 4D and 4E.

Board of management.

Board of management to manage the undertaking of the company.

company), whether such powers are derived from the Companies Act, 1956, or from the memorandum or articles of association of the company or from any other source.

Appoint-
ment of
an Admin-
istrator.

4C. (1) There shall be an Administrator, to be appointed by the Central Government, to assist the Board of management to manage the affairs of the undertaking of the company.

(2) The Chairman or any other member of the Board of management may be appointed by the Central Government as the Administrator.

(3) All officers and other persons employed in connection with the affairs of the undertaking of the company shall be subordinate to the Administrator.

(4) The Administrator shall exercise, subject to the direction, control and supervision of the Board of management, such powers and discharge such functions of management in relation to the undertaking of the company as the Central Government may specify in this behalf.

(5) The Administrator shall receive from the funds of the undertaking of the company such remuneration as the Central Government may fix.

Custodian
to vacate
office.

4D. (1) The Custodian shall, on and from the date on which the management of the undertaking of the company is taken over by the Board of management, vacate his office as such; but nothing in this sub-section shall be construed as prohibiting his appointment as a member of the Board of management or as the Administrator.

(2) On the vacation of his office, the Custodian shall, where he is not appointed as the Administrator, forthwith deliver to the Administrator possession of all assets and properties of the company which are in his possession, custody and control on the date immediately preceding the date on which he vacates his office as the Custodian.

Meetings,
etc., of
the
Board of
manage-
ment.

4E. (1) The Board of management shall meet for the transaction of its business at such time and place as it may think fit:

Provided that the Chairman may, whenever he thinks fit, and shall, upon the written requisition of not less than two members, call a special meeting.

(2) The quorum for a meeting of the Board of management shall be one-third of its total strength (any fraction contained in that one-third be rounded off as one) or three members, whichever is higher.

(3) The Chairman, or in his absence, any member chosen by the members present from amongst themselves, shall preside at a meeting of the Board of management.

(4) All questions which come up before any meeting of the Board of management shall be decided by a majority of votes of the members present and voting, and in the case of an equality of votes, the Chairman, or, in his absence, the person presiding, shall have a second or casting vote.

(5) All orders and decisions of the Board of management shall be authenticated by the signature of the Chairman or any other member authorised by the Board of management in this behalf and all other instruments issued by the undertaking of the company shall be authenticated with the signature of the Administrator or any other officer of the undertaking of the company authorised by the Board of management in this behalf.

(6) The Board of management shall regulate its own procedure.”.

5. Section 5 of the principal Act shall be omitted.

Omission
of sec-
tion 5.

6. In section 7 of the principal Act, in sub-section (1), for the words “period of two years referred to in that sub-section”, the words “period of five years referred to in that sub-section or the further period specified in any directions issued under the proviso thereto” shall be substituted.

Amend-
ment of
section 7.

7. In section 9 of the principal Act, for the word “Custodian”, wherever it occurs, the words “Administrator, Board of management or Custodian” shall be substituted.

Amend-
ment of
section 9.

8. In section 12 of the principal Act, after the words “any notification,”, the word “direction,” shall be inserted.

Amend-
ment of
section 12.

9. In section 13 of the principal Act, for the word “Custodian”, wherever it occurs, the words “Administrator, Board of management or Custodian” shall be substituted.

Amend-
ment of
section 13.

10. In section 16 of the principal Act, in sub-section (2), for clause (a), the following clause shall be substituted, namely:—

Amend-
ment of
section 16.

“(a) allowances which may be received by the Chairman and other members of the Board of management for attending any meeting of the Board of management;”.

11. (1) The Indian Iron and Steel Company (Taking Over of Management) Amendment Ordinance, 1974 is hereby repealed.

Repeal
and
saving.

4 of 1974.

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