

The Jaipur Metals and Electricals Limited (Acquisition of Shares) Act, 1986

RAJASTHAN

India

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Act 24 of 1986

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The Jaipur Metals and Electricals Limited (Acquisition of Shares) Act, 1986 Act No. 24 of 1986 [Received the Assent of the President on the 20th day of November, 1986]. An Act to provide for the acquisition of certain shares of the Jaipur Metals and Electricals Limited with a view to securing the proper management of the affairs of the said company and the continuity and development of the production of goods which are vital to the needs of public and for matters connected therewith or incidental thereto. Be it enacted by the Rajasthan State Legislature in the Thirty-seventh Year of the Republic of India as follows: - Chapter-I Preliminary

1. Short title and commencement.

(1) This Act may be called the Jaipur Metals and Electricals Limited (Acquisition of Shares) Act, 1986. (2) It shall be deemed to have come into force on the 24th day of June, 1986 except section 3 which shall be deemed to have come into force on and from the first day of January, 1986.

2. Definitions.

- In this Act, unless the context otherwise requires, - (a) "appointed day" means the first day of January, 1986; (b) "bank" means a banking company within the meaning of the Banking Regulation Act, 1949; (c) "Commissioner" means the Commissioner of Payments appointed under section 6; (d) "Company" means the Jaipur Metals and Electricals Limited having its registered Office at near Railway Station, Jaipur in the State of Rajasthan; (e) "prescribed" means prescribed by rules made under this Act; (f) "share", means a share, whether ordinary, deferred or preference, in the capital of the company and includes a share pledged by any shareholder with any bank or other creditor, but does not include any share in the capital of the Company held by - (i) the Government of Rajasthan; (ii) the Industrial Development Bank of India established under section 3 of the Industrial

Development Bank of India Act, 1964;(iii)the Industrial Reconstruction Bank of India established under section 3 of the Industrial Reconstruction Bank of India Act, 1984;(iv)the Industrial Credit and Investment Corporation of India Limited-a company formed and registered under the Companies Act, 1956;(v)the Industrial Finance Corporation of India established under section 3 of the Industrial Finance Corporation Act, 1948;(vi)the State Bank of India, established under section 3 of the State Bank of India Act, 1955, and its subsidiary banks;(vii)the Life Insurance Corporation of India, established under section 3 of the Life Insurance Corporation Act, 1956;(viii)the Unit Trust of India, established under section 3 of the Unit Trust of India Act, 1963;(ix)any corresponding new bank, within the meaning of the Banking Companies (Acquisition and Transfer of undertakings) Act, 1970;(x)any corresponding new bank, within the meaning of the Banking Companies (Acquisition and Transfer of undertakings) Act, 1980;(xi)any general insurance company nationalised by the General Insurance Companies (Nationalization) Act, 1972;(xii)the Jaipur Metal Industries Employees' Co-operative Credit and Thrift Society Limited registered under section 8 of the Rajasthan Cooperative Societies Act, 1965;(g)"Shareholder" means,-(i)a person who, immediately before the appointed day, was registered by the Company as the holder of any share, and includes his legal representative;(ii)a person who, before or after the appointed day, had executed and delivered to the Company a proper instrument of transfer of any share in the form prescribed under section 108 of the Companies Act, 1956 and includes his legal representative; or(iii)a person who makes a claim under a proper instrument of transfer of any share in the form prescribed under section 108 of the Companies Act, 1956, and delivers such instrument to the Commissioner, duly executed, on or before such date as the State Government may, by notification, specify in this behalf:(h)"specified date" means such date as the State Government may, for the purpose of any provision of this Act, by notification, specify and different dates may be specified for different provisions of this Act;(i)"State Government" means the Government of the State of Rajasthan; and(j)words and expressions used herein and not defined but defined in the Companies Act, 1956 have the meanings respectively assigned to them in that Act.

Chapter-II Acquisition of the shares of the company

3. Transfer and vesting of shares of the Company in the State Government.

(1)On the appointed day, all the shares of the Company shall, by virtue of this Act, be deemed to have been transferred to, and vested in, the State Government.(2)The State Government shall be deemed, on and from the appointed day, to have been registered in the Register of members of the Company as the holder of each share which stands transferred to, and vested in, it by virtue of the provisions of sub-section (1).(3)All the shares which have vested in the State Government under sub section (1), shall, by reason of such vesting, be freed and discharged of all trusts, liabilities, obligations, mortgages, charges, lien and other encumbrances affecting them and any attachment, injunction or any decree or order of any court, tribunal or other authority restricting the use of such shares in any manner shall be deemed to have been withdrawn.(4)For the removal of doubts, it is hereby declared that the provisions of sub-sections (1) and (2) shall not affect-(a)any right of the Company subsisting, immediately before the appointed day, against any shareholder to recover from such shareholder any sum of money on the ground that the shareholder has not paid or credited to the Company the whole or any part of the value of the shares held by him or on any other ground whatsoever; or(b)any right of the shareholder subsisting, immediately before the appointed day,

against the Company to receive any dividend or other payment due from the Company, except where the right to claim dividend, cumulative or otherwise, attached with any class of shareholders is varied at any time before or after the appointed day.

4. Management of the Company.

- For the purpose of enabling the Company to function effectively, the State Government may, by notification, make such provisions (including changes in the Board of Directors, and amendments in the memorandum and articles of association of the Company) as it may consider necessary and the provisions so made shall have effect so long as they are not inconsistent with the provisions contained in the Companies Act, 1956.

5. Payment of amounts for transfer of shares.

(1) For the transfer of shares of the Company to the State Government under section 3, there shall be paid by the State Government to the shareholders of the Company an amount of rupees five lakhs eighty seven thousand at the rates specified in section 11, in cash and in the manner specified in section 7.(2) The amount referred to in sub-section (1), shall carry simple interest at the rate of four per cent per annum for the period commencing from the appointed day and ending on the date on which payment of such amount is made by the State Government to the Commissioner.

6. Appointment of Commissioner of payments.

(1) The State Government shall, for the purpose of disbursing the amounts payable to shareholders of the Company under section 5, by notification, appoint a Commissioner of payments.(2) The State Government may appoint such other persons, as it may think fit, to assist the Commissioner and thereupon the Commissioner may authorise one or more of such persons also to exercise all or any of the powers exercisable by him under this Act, and different persons may be authorised to exercise different powers.(3) Any person authorised by the Commissioner to exercise any of his powers may exercise those powers in the same manner and with the same effect as if they have been conferred on that person directly by this Act and not by way of authorisation.(4) The salaries and allowances of the Commissioner and other persons appointed under this section shall be defrayed out of the public fund of State Government.

7. Payment by the State Government to the Commissioner.

(1) The State Government shall, within thirty days from the specified date, pay, in cash, to the Commissioner, for payment to the shareholders of the Company, -(a) an amount as specified in sub-section (1) of section 5; and (b) an amount as determined under sub-section (2) of section 5.(2) A deposit account shall be opened by the State Government in favour of the Commissioner in the public account of the State Government and every amount paid under this Act to the Commissioner shall be deposited by him to the credit of the said deposit account and account shall be operated by the Commissioner.(3) The interest accruing on the amount standing to the credit of the deposit

account, referred to in sub-section (2), shall inure to the benefit of the shareholders of the Company.

8. Claims to be made to Commissioner.

(1) Every shareholder, having a claim in relation to any share acquired under this Act, shall prefer his claim before the Commissioner within thirty days from the specified date: Provided that if the Commissioner is satisfied that the claimant was prevented by sufficient cause from preferring the claim within the said period of thirty days, he may entertain the claim within a further period of thirty days and not thereafter. (4) Every holder of a preference share shall have a preferential claim with regard to the amount paid by the State Government to the Commissioner.

9. Examination of claims.

- On receipt of the claims made under section 8, the Commissioner shall separately arrange the claim and in relation to preference shares and in relation to the ordinary and/or deferred shares and examine the claims in relation to each such share.

10. Admission or rejection of claims.

(1) After examining the claims, the Commissioner shall fix a date on or before which every claimant shall file the proof of his claim or be excluded from the benefit of the disbursements made by the Commissioner. (2) Not less than fourteen days' notice of the date so fixed shall be given by publication in a daily newspaper in the English language and in a daily newspaper in a regional language as the Commissioner may consider suitable, and every such notice shall call upon the claimant to file the proof of his claim with the Commissioner within the time specified in such publication. (3) A claimant who fails to file the proof of his claim within the time specified by the Commissioner, shall be excluded from the disbursements made by the Commissioner. (4) The Commissioner shall, after such investigation as may in his opinion be necessary and after giving the Company an opportunity of refusing the claim and after giving the claimant a reasonable opportunity of being heard, admit or reject, in writing, the claim in whole or in part. (5) The Commissioner shall have the power to regulate his own procedure in all matters arising out of the discharge of his functions including the place or places at which he will hold his sittings and shall, for the purpose of making an investigation under this Act, have the same powers as are vested in a civil court under the Code of Civil Procedure, 1908, while trying a suit, in respect of the following matters, namely:-(a) the summoning and enforcing the attendance of any witness and examining him on oath; (b) the discovery and production of any document or other material object to be produced as evidence; (c) the reception of evidence on affidavits; and (d) the issuing of any commission for the examination of witnesses. (6) Any investigation before the Commissioner shall be deemed to be a judicial proceeding within the meaning of sections 193 and 228 of the Indian Penal Code and the Commissioner shall be deemed to be a Civil Court for the purposes of section 345 and Chapter XXVI of the Code of Criminal Procedure, 1973. (7) A claimant, who is dissatisfied with the decision of the Commissioner, may prefer an appeal against such decision to the principal civil court of original jurisdiction within the local limits of whose jurisdiction the registered office of the Company is situated.

11. Disbursement of money by the Commissioner to claimants.

(1)After admitting a claim under this Act, the amount due in respect of each share acquired by virtue of this Act shall be paid by the Commissioner at the rate of rupees ten per preference share, at the rate of rupee one per deferred share and at the rate of rupees ten per ordinary share to the person or persons to whom such sums are due and, on such payment, the liability of the State Government in respect of the share so acquired shall stand discharged.(2)The Commissioner shall also apportion amongst the shareholders the amount paid to him by way of interest under subsection (3) of section 7 and such apportionment shall be made on the basis of the amount due to each shareholder.

12. Undisbursed or unclaimed amount to be deposited to the general revenue account.

- Any money paid to the Commissioner which remains undisbursed or unclaimed on the date immediately preceding the date on which the office of the Commissioner is finally wound up shall be transferred by the Commissioner before his office is finally wound up to the general revenue account of the State Government but a claim to any money so transferred may be preferred to the State Government by the person entitled to such payment and shall be dealt with as if such transfer had not been made and the order, if any, for payment of the claim being treated as an order for the refund of revenue.

13. Power of Inspection.

- For the purposes of ascertaining whether any person claiming payment under this Act is a shareholder, the Commissioner shall have the right to-(a)require any person, having the possession, custody or control of any register or record of the Company, to produce such register or record before the Commissioner; and(b)require any person to make any statement or furnish any information which may be required by the Commissioner.

14. Power of Commissioner to inquire into disputes.

- Where there is any dispute as to the person or persons who are entitled to any amount payable under this Act (including any dispute as to who are the legal representatives of any deceased claimant to the amount), the Commissioner may, after making such inquiry as he may deem fit, make the payment to such person as appears to him to be best entitled to receive the amount:Provided that if the Commissioner is unable to determine as to who is the person entitled to the amount and considers that the matter could more appropriately be dealt with by the principal civil court of original jurisdiction within the local limits of whose jurisdiction the registered office of the Company is situated, he may refer such dispute to the said court, whose decision thereon shall be final:Provided further that nothing contained herein shall affect the liability of any person, who may receive the whole or any part of the amount allowed under this Act, to pay the same to the person lawfully entitled thereto.

15. Deposit of amount in Court.

- Where any dispute has been referred under section 14 by the Commissioner to the civil court referred to therein, he shall deposit the amount in that court.

16. Act to have over-riding effect.

- The provisions of this Act shall have effect notwithstanding anything inconsistent therewith contained in any law or in any instrument having effect by virtue of any law.

17. Penalties.

- If any person.- (a) makes any claim for any payment under this Act knowing or having reasons to believe that such claim is false or without any basis; or (b) when required under this Act so to do,- (i) omits or fails to produce any register or record of the Company; or (ii) makes any statement or furnishes any information which is false in any material particular and which he knows or believes to be false or does not believe to be true; or (iii) makes any such statement as aforesaid in any book, account, record register, return or other document,- he shall be punishable with imprisonment for a term which may extend to two years or with fine which may extend to two thousand rupees, or with both.

18. Offences by companies.

(1) Where an offence under this Act has been committed by a Company every person who, at the time the offence was committed was in-charge of and was responsible to, the Company for the conduct of the business of the Company as well as the Company, 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 had 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 with the consent or connivance of, or is attributable to any neglect on the part of any director, manager, secretary or other officer, such director, manager, secretary or other officer shall 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 any body corporate and includes a firm or other association of individuals; and (b) "director" in relation to a firm means a partner in the firm.

19. Sanction before cognizance of offenses.

- No court shall take cognizance of any offence punishable under this Act except with the previous sanction of the State Government, or of any officer authorised by the State Government in his behalf.

20. Power to make.

(1)The State Government may, by notification, make rules to carry out the processions of this Act.(2)All rules made under this Act. shall be laid, as soon as may be after they are so made, on the table of the State Legislature, while it is in session, for a period of not less than fourteen days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, the house of the State Legislature agrees in making any modification in the rules or agrees that the rules should not be made, the rules shall thereafter have effect only in such modified form or be of no effect, as the case may be. so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under these rules.

21. Repeal and Saving.

(1)The Jaipur Metals and Electrical Limited (Acquisition of Shares) (Ordinance, 1986) (Ordinance No 2 of 1986) is hereby repealed.(2)Notwithstanding such repeal, all things done, actions taken or orders made under the said Ordinance shall be deemed to have been done, taken or made under this Act.(3)Notwithstanding the said Ordinance having ceased to operate at the expiration of the twelfth day of October, 1986 by operation of the provisions of Article 213, clause (2), sub- clause (a), Constitution of India all things, actions or order purported to have respectively been done, taken or made under the said Ordinance during the period commencing at the said expiration and ending with the publication of this Act in the Official Gazette, shall be deemed to have been validly done, taken or made under this Act and no court, tribunal or authority shall question any of such things, actions or orders on the ground that the same had been done, taken or made after the said Ordinance had ceased to operate.