

**MOGUL LINE LIMITED (ACQUISITION OF SHARES) ACT,
1984**

33 of 1984

[23rd May, 1984]

CONTENTS

1. Short title
2. Definitions
3. Transfer and vesting of certain shares of the Company in the Central Government
4. Management of the Company
5. Payment of amounts
6. Manner of payment of amounts
7. Act to have overriding effect
8. Power to make rules

**MOGUL LINE LIMITED (ACQUISITION OF SHARES) ACT,
1984**

33 of 1984

[23rd May, 1984]

The Mogul Line Limited is a Public Sector Undertaking in the field of shipping functioning under the aegis of the Ministry of Shipping and Transport. At present, the company is operating certain important services, such as, the Haj Passenger Service, Konkan Passenger Service, Coastal Cargo Service, Bombay Red-sea Cargo Service and the Overseas Tramp Service. The value of the net assets of the Company at present, that is, investment and working capital, is much less than the amount of its loan liabilities. 18,94,483 shares of the Company (which constitutes 99.65 per cent of the total shares of the company) are held by the President of India, whilst the remaining 6.707 shares (0.35 percent of the total shares of the company) are held by private individuals/institutions. 2. With a view to dealing effectively with the problems faced by the Company and thereby to enable the undertakings of the company to serve better the shipping needs of the nation, it is considered necessary in the public interest to make

the company a fully owned Government company. Efforts to acquire by private negotiations the small percent of the shares, of the company which are held by the private individuals/institutions have for various reasons not borne fruit. It is accordingly proposed to acquire the said shares. 3. The Bill seeks to achieve the above objects.-Gaz., of Ind., 29-3-1984, Pt. II, section 2, Ext., p. 4 (No. 19).

1. Short title :-

This Act may be called the Mogul Line Limited(Acquisition of Shares) Act, 1984.

2. Definitions :-

In this Act, unless the context otherwise requires,

(a) "appointed day" means the date on which this Act comes into force;

(b) "Company" means the Mogul Line Limited, being a company within the meaning of the Companies Act, 1956 , and having its registered office at 16. N. G. N. Vaidya Marg (Bank Street), Bombay;

(c) "share" means a share in the capital of the Company, and includes a share pledged by any shareholder with any bank or other creditor;

(d) "shareholder" means a person who, immediately before the appointed day, was registered by the Company as the holder of any share and includes his legal representative;

(e) words and expressions used herein and not defined but defined in Companies- Act, 1956, have the meanings respectively assigned to them in that Act.

3. Transfer and vesting of certain shares of the Company in the Central Government :-

(1) On the appointed day, all the shares of the Company which are not held by the Central Government shall, by virtue of this Act. stand transferred to, and shall vest in, the Central Government.

(2) The Central 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 Central Government under sub-section (1) shall, by force of such vesting, be freed and discharged of all trusts, liabilities, obligations, mortgages, charges, liens and other encumbrances affecting them, and any attachment, injunction or any decree or order of the 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 be deemed to 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.

4. Management of the Company :-

For the purposes of enabling the Company to function as a Government company in which the entire share capital is held by the Central Government, the Central Government may, by notification in the Official Gazette, make such provisions (including amendments in the memorandum and Articles of Association of the Company) as it may consider necessary and the provisions so made shall have effect notwithstanding anything contained in the Companies Act, 1956 .

5. Payment of amounts :-

(1) Every shareholder whose shares in the capital of the Company are transferred to, and vested in, the Central Government under section 3 shall, for such transfer and vesting, be given by that Government, in cash and in the manner specified in section 6 , an amount calculated at the rate of rupees ten per share.

(2) The amount payable to a shareholder under sub-section (1) shall carry simple interest at the rate of five and a half per cent.

per annum for the period commencing on the appointed day and ending on the date on which payment of such amount is made by the Central Government to the shareholder or where such amount has been deposited under sub-section (4) of section 6 , on the date on which it is so deposited.

6. Manner of payment of amounts :-

(1) The amounts payable to a shareholder in accordance with the provisions of section 5 shall be given to him in cash to be paid by cheque drawn on the Reserve Bank of India.

(2) A shareholder may make an application, in writing, to the Central Government for the payment of the amounts payable to him.

(3) On the receipt of an application under sub-section (2), the Central Government shall, after making such investigation as may, in its opinion, be necessary, make the payment.

(4) If any dispute arises as to the person entitled to receive the amounts payable in respect of any share, the Central Government shall deposit the amount in the principal Civil Court of original jurisdiction within the local limits of whose jurisdiction the registered office of the Company is situated for being paid to the person or persons entitled to be paid.

7. Act to have overriding effect :-

The provisions of this Act shall have effect notwithstanding anything inconsistent therewith contained in any other law for the time being in force or in any instrument having effect by virtue of any law, other than this Act, or in any decree or order of any Court, Tribunal or other authority.

8. Power to make rules :-

(1) The Central Government may, by notification in the Official Gazette, make rules to carry out the provisions of this Act.

(2) Every rule made by the Central Government under this Act shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty 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, both Houses agree in making any modification in the rule

or both Houses agree that the rule should not be made, the rule 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 that rule.