
**CHAPARMUKH SILGHAT RAILWAY LINE AND THE KATAKHAL
LALABAZAR RAILWAY LINE (NATIONALISATION) ACT, 1982**

36 of 1982

[[17th August, 1982]]

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STATEMENT OF OBJECTS AND REASONS The Chaparmukh-Silghat Railway Company Limited and the Katakhat-Lalabazar Railway Company Limited are owners respectively of the Chaparmukh-Silghat Railway Line and the Katakhat-Lalabazar Railway Line which are at present being worked and managed by the North-East Frontier Railway, in accordance with the working agreements. As the assets of these two Companies are not efficiently maintained and the Companies are not in a position to rehabilitate them, it has become necessary to acquire the undertakings of the Companies in relation to the aforesaid railway lines for the purpose of continuance of operation of these two lines which is of vital importance to the remote North-Eastern area of the country and protect the links of communication between the said areas and the rest of the country.- Gaz. of Ind. 7-9-1981, Pt. II, S. 2, Ext., p. 574.

CHAPTER 1 PRELIMINARY

1. Short title :-

This Act may be called The Chaparamukh-Silghat Railway Line and the Katakhat-Lalabazar Railway Line (Nationalisation) Act, 1982.

2. Definitions :-

In this act, unless the context otherwise requires,-

- (a) "appointed day" means the day on which this Act comes into force;
- (b) "notification" means a notification published in the Official Gazette;
- (c) "specified company" means a company specified in clause (d);

CHAPTER 2 ACQUISITION OF THE UNDERTAKINGS OF THE TWO SPECIFIED COMPANIES

3. Transfer to, and vesting in, the Central Government of the undertaking of the two specified companies :-

On the appointed day, the undertakings of each of the two specified companies and the right, title and interest of each of the two specified companies in relation to such undertakings shall, by

virtue of this Act stand transferred to, and vest in, the Central Government.

4. General effect of vesting :-

(1) The undertakings of each specified company shall be deemed to include all assets, rights, lease-holds, powers, authorities and privileges, and all property, movable and immovable, including lands, buildings, workshops, stores, instruments, machinery and equipment, cash balances, cash on hand, cheques, demand drafts, reserve funds, investments, book debts and all other rights and interest in, or arising out of, such property as were immediately before the appointed day in the ownership, possession, power or control of the specified company, whether within or outside India, and all books of account, registers and all other documents of whatever nature relating thereto.

5. Owners of the two specified companies to be liable for certain prior liabilities :-

(1) Every liability of a specified company in respect of any period prior to the appointed day, shall be the liability of the specified company and shall be enforceable against it and not against the Central Government.

CHAPTER 3

PAYMENT OF AMOUNT

6. Payment of amount :-

(2) Notwithstanding anything contained in sub-section (1), out of the amount referred to in clause (i) of that sub-section, the Central Government shall deduct, in the first instance, any amount due from the Chaparmukh-Silghat Railway Company Limited to that Government and the liability of that company shall, to the extent of such deduction, stand discharged and such deduction shall have priority over all other debts secured or unsecured.

(3) Notwithstanding anything contained in sub-section (1) out of the amount referred to in clause (ii) of that sub-section, the Central Government shall deduct, in the first instance, the amount due from the Katakhal-Lalabazar Railway Company Limited in respect of the secured debentures issued by that company and shall pay the sums so deducted for the redemption of such debentures and the liability of that company in relation to the said debentures shall, to the extent of such deduction, stand discharged and such deduction

shall have priority over all debts, secured or unsecured.

7. Interest :-

The amount referred to in clause (i) or clause (ii) of sub-section (1) of section 6 as reduced by the deduction under that section, shall, if not paid to the company concerned before the expiry of the period specified in the said sub-section, carry simple interest at the rate of four per cent per annum for the period commencing on the appointed day and ending on the date on which payment of such amount as so reduced is made by the Central Government to that company: Provided that if the amount as so reduced is tendered to the specified company but not accepted by it, interest shall run from the date of such tender.

CHAPTER 4

DUTY OF PERSONS IN CHARGE OF MANAGEMENT OF THE UNDERTAKINGS OF THE TWO SPECIFIED COMPANIES TO DELIVER ALL ASSETS, ETC.

8. Duty of persons in charge of management of the undertakings of the two specified companies to deliver all assets, etc :-

On the vesting of the undertakings of the two specified companies in the Central Government, all persons in charge of the management of the undertakings immediately before such vesting, shall be bound to deliver to the Central Government all assets, books of account, registers or other documents in their custody relating to the undertakings.

9. Duty of persons to account for assets etc., in their possession :-

(1) Any person who has, on the appointed day, in his possession or under his control any assets, documents or other papers relating to any undertaking owned by a specified company which have vested in the Central Government and which belong to the specified company, or would have so belonged, if the undertakings owned by the specified company had not vested in the Central Government, shall be liable to account for the said assets, books, documents and other papers to the Central Government and shall deliver them, up to the Central Government or to such person or persons as to the Central Government may specify in this behalf.

(2) The Central Government may take or cause to be taken all necessary steps for securing possession of the undertakings of the two specified companies which have vested in the Central

Government under this Act.

CHAPTER 5

MISCELLANEOUS

10. 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 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.

11. Penalties :-

Any person who,-

(a) having in his possession, custody or control any property forming part of any undertaking of either of the two specified companies, wrongfully withholds such property from the Central Government; or

(b) wrongfully obtains possession of, or retains any property forming part of any undertaking of either of the two specified companies; or

(c) wilfully withholds or fails to furnish to the Central Government or any person or persons specified by that Government any document relating to such undertaking, which may be in his possession, custody or control or

(d) fails to deliver to the Central Government or any person or persons specified by that Government, any assets, books of account, registers or other documents in his possession, custody or control, relating to the undertakings of either of the two specified companies; or

(e) wrongfully removes or destroys any property forming part of any undertaking of either of the two specified companies or prefers any claim which he knows or has reason to believe to be false or grossly inaccurate, 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.

12. 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.

13. Protection of action taken in good faith :-

(1) No suit, prosecution or other legal proceeding shall lie against the Central Government or any officer or other employee of that Government or any officer or other person authorised by that Government for anything which is in good faith done or intended to be done under this Act.

(2) No suit or other legal proceeding shall lie against the Central Government or any officer or other employee of that Government or any officer or other person authorised by that Government for any damage caused or likely to be caused by anything which is in good faith done or intended to be done under this Act.

14. Delegation of powers :-

(2) Whenever any delegation of power is made under sub-section (1), the person to whom such power has been delegated shall act under the direction, control and supervision of the Central Government.

15. Power to make rules :-

(1) The Central Government may, by notification, make rules for carrying 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 session 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.

16. Power to remove difficulties :-

If any difficulty arises in giving effect to the provisions of this Act, the Central Government may, by order, not inconsistent with the provisions of this Act, remove the difficulty: Provided that no such order shall be made after the expiry of a period of two years from the appointed day.