

28 JUL 2006

Bill No. 58 of 2006

**THE DALMIA DADRI CEMENT LIMITED (ACQUISITION AND
TRANSFER OF UNDERTAKINGS) AMENDMENT BILL, 2006**

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BILL

*to amend the Dalmia Dadri Cement Limited (Acquisition and Transfer of
Undertakings) Act, 1981.*

Be it enacted by Parliament in the Fifty-seventh Year of the Republic of India as follows:—

1. This Act may be called the Dalmia Dadri Cement Limited (Acquisition and Transfer of Undertakings) Amendment Act, 2006. Short title.

5 2. In section 9 of the Dalmia Dadri Cement Limited (Acquisition and Transfer of
Undertakings) Act, 1981, for the words "do in relation to its undertakings", the words,
letters, figures and brackets "do in relation to its undertakings, including the power to
dispose off the assets of the Undertakings of the Company vested upon it, by the
notification of the Government of India, in the Ministry of Heavy Industries and Public
10 Enterprises, Department of Heavy Industry number S.O. 502(E), dated the 23rd June, 1981,
under sub-section (1) of section 6, if such disposal of the assets is considered necessary
by the Cement Corporation due to legal or financial considerations" shall be substituted. Amendment
of section 9 of
Act 31 of
1981.

STATEMENT OF OBJECTS AND REASONS

The Dalmia Dadri Cement Limited (Acquisition and Transfer of Undertakings) Act, 1981 was enacted to provide for the acquisition and transfer of the undertakings of the Dalmia Dadri Cement Limited with a view to securing the proper management of such undertakings and matters connected therewith or incidental thereto and the Central Government transferred the undertakings of the Dalmia Dadri Cement Limited to the Cement Corporation of India *vide* notification of the Ministry of Industry (Department of Industrial Development) number S.O. 502(E), dated the 23rd June, 1981.

2. The Cement Corporation of India Limited (CCI), being a public sector enterprise under the administrative control of the Ministry of Heavy Industries and Public Enterprises (Department of Heavy Industry), has become a sick industrial company as defined under the Sick Industrial Companies (Special Provisions) Act, 1985 and a reference in respect of which has been made to the Board for Industrial and Financial Reconstruction (BIFR) during 1996. The BIFR had circulated a Draft Rehabilitation Scheme (DRS) for revival of the CCI. The DRS, *inter alia*, provide for closure and sale of assets of the seven non-operating plants and expansion or modernisation of the remaining three plants. The assets of one of the seven non-operating plants proposed to be closed, namely, the Charkhi Dadri Cement Plant in Haryana, were acquired under the provisions of the Dalmia Dadri Cement Limited (Acquisition and Transfer of Undertakings) Act, 1981.

3. In view of the judgement of the Hon'ble Supreme Court of India, in the Centre for Public Interest Litigation vs. Union of India, (2003) 7 SCC 532, it has been decided to suitably amend the Dalmia Dadri Cement Limited (Acquisition and Transfer of Undertakings) Act, 1981 so as to empower the CCI to close and dispose off the assets of the Charkhi Dadri Cement Plant.

4. The Bill seeks to achieve the above objectives.

NEW DELHI;
The 19th July, 2006.

SONTOSH MOHAN DEV.

ANNEXURE

EXTRACT FROM THE DALMIA DADRI CEMENT LIMITED (ACQUISITION AND
TRANSFER OF UNDERTAKINGS) ACT, 1981

(31 OF 1981)

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CHAPTER IV

MANAGEMENT, ETC., OF THE UNDERTAKINGS OF THE COMPANY

9. The general superintendence, direction, control and management of the affairs and business of the undertakings of the Company, the right, title and interest in relation to which have vested in the Central Government under section 3, shall, where a direction has been made by the Central Government under sub-section (1) of section 6, vest in the Cement Corporation, and thereupon the Cement Corporation shall be entitled to exercise, to the exclusion of all other persons, all such powers and do all such things as the Company was authorised to exercise and do in relation to its undertakings.

Management,
etc., of the
undertakings of
the Company.

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LOK SABHA

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BILL

to amend the Dalmia Dadri Cement Limited (Acquisition and
Transfer of Undertakings) Act, 1981.

(Shri Sontosh Mohan Dev, Minister of Heavy Industries and Public Enterprises.)