THE ANGLO-FRENCH TEXTILES LIMITED (ACQUISITION AND TRANSFER OF TEXTILE UNDERTAKING) ACT, 1986

(Act No.7 of 1986)

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SCHEDULE II

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THE ANGLO-FRENCH TEXTILES LIMITED (ACQUISITION AND TRANSFER OF TEXTILE UNDERTAKING) ACT, 1986

(Act No.7 of 1986)

(2-5-1986)

AN

ACT

to provide for the acquisition and transfer of the right, title and interest of the Anglo-French Textiles Limited for the purpose of ensuring continued and increased production of goods essential to the needs of the community and for matters connected therewith or incidental thereto.

WHEREAS the Anglo-French Textiles Limited, Puducherry remained closed from the first week of July, 1983;

AND WHEREAS various attempts and efforts made by the Puducherry Administration and the Government of India (Ministry of Textiles) in collaboration with the Financial Institutions like Industrial Development Bank of India, United Commercial Bank, etc. to reopen the mills through the existing management or by inducting a new management could not succeed;

AND WHEREAS certain banks had advanced large sums of money to the company owning the said undertaking with a view to making the said undertaking viable and were unwilling to make any further advances;

AND WHEREAS further investment of very large sums of money is necessary for reorganising and rehabilitating the said undertaking and thereby to protect the interests of the workmen employed therein and to augment the production of cloth and yarn so as to sub-serve the interests of general public;

AND WHEREAS acquisition by the Government of the said undertaking is necessary in the interest of labour force, maintenance of production, ensuring credit line, and in the largest interest of the people of Puducherry;

BE it enacted by the Legislative Assembly of Puducherry in the Thirty-seventh Year of the Republic of India as follows: --

CHAPTER – I

Preliminary

Short title and commencement

1. (1) This Act may be called the Anglo-French Textiles Limited (Acquisition and Transfer of Textile Undertaking) Act, 1986.

(2) It shall be deemed to have come into force on the 24th day of December, 1985.

Definitions

2. In this Act, unless the context otherwise requires, --

(a) "appointed day" means the 24th day of December, 1985; (b) "Bank" means ---

(i) the State Bank of India constituted under the State Bank of India Act, 1955;

(ii) a subsidiary bank as defined in the State Bank of India (Subsidiary Banks) Act, 1959;

(iii) a corresponding new bank constituted under section 3 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 and a corresponding new bank constituted under section 3 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980.

(iv) any other Bank, being a Scheduled Bank as defined in clause (e) of section 2 of the Reserve Bank of India Act, 1934;

(c) "Commissioner" means a Commissioner of payments appointed under section 12;

(d) "Company" means the Anglo-French Textiles Limited, being a company as defined in the Companies Act, 1956 and having its registered office at Puducherry; (e) "Corporation" means the Puducherry Textile Corporation Limited, formed and registered under the Companies Act, 1956;

(f) "Government" means the Government of Puducherry;

(g) "notification" means a notification published in the Official Gazette;

(h) "Owner" when used in relation to Anglo-French Textiles Limited, means any person or firm who or which is immediately before the appointed day, the immediate proprietor or lessee or occupier of the said textile undertaking or any part thereof, and also includes any agent or manager of such owner;

(i) "prescribed" means prescribed by rules made under this Act;

(j) "specified date" means such date as the 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;

(k) "textile undertaking" means the undertaking of the company;

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

CHAPTER – II

Acquisition and Transfer of Anglo-French Textiles Limited

Acquisition of rights of company of Anglo-French Textiles Limited

3. (1) On the appointed day, the Anglo-French Textiles Limited and the right, title and interest of the owner in relation to that textile undertaking shall stand transferred to, and shall vest absolutely in the Government.

(2) The textile undertaking which stands vested in the Government by virtue of sub-section (1) shall, immediately after it has so vested, stand transferred to, and vest in the Corporation.

General effect of vesting

4. (1) The textile undertaking referred to in section 3 shall be deemed to include all assets, rights, leaseholds, powers, authorities and privileges and all property, movable and immovable, including lands, buildings, workshops, stores, instruments, machinery and equipment, cash balances, cash on hand, reserve funds, investments and book debts and all other rights and interests in, or arising out of, such property as were immediately before the appointed day in the ownership, possession, power or control of the owner of the textile undertaking, whether within or outside India, and all books of account, registers and all other documents of whatever nature relating thereto.

(2) All property as aforesaid which has vested in the Government under sub-section (1) of section 3 shall, by force of such vesting, be freed and discharged from any trust, obligation, mortgage, charge, lien and all other encumbrances affecting it, and any attachment, injunction or decree or order of any court restricting the use of such property in any manner shall be deemed to have been withdrawn.

(3) Where any licence or other instrument in relation to the textile undertaking had been granted at any time before the appointed day to an owner by the Central Government or the Government or any other authority, the Corporation shall, on and from such date, be deemed to be substituted in such licence or other instrument in place of the owner referred to therein as if such licence or other instrument had been granted to the Corporation and it shall hold such licence or such other instrument for the remainder of the period for which the owner would have held such licence or such other instrument.

(4) Every mortgagee of any property which has vested under this Act in the Government and every person holding any charge, lien or other interest in or in relation to any such property, shall

give, within such time and in such manner as may be prescribed, an intimation to the Commissioner of such mortgage, charge, lien or other interest.

(5) For the removal of doubt, it is hereby declared that the mortgagee of any property referred to in sub-section (2) or any other person holding any charge, lien or other interest in, or in relation to, any such property shall be entitled to claim, in accordance with his rights and interests, payment of the mortgage money or other dues, in whole or in part, out of the amount specified in relation to such property in section 7, but no such mortgage, charge, lien or other interest shall be enforceable against any property which has vested in the Government.

Owner to be liable for certain prior liabilities

5. (1) Every liability of the owner of the textile undertaking in respect of any period prior to the appointed day, shall be the liability of such owner and shall be enforceable against him and not against the Government or the Corporation.

(2) For the removal of doubt, it is hereby declared that--

(a) save as otherwise expressly provided in this section or in any other section of this act, no liability in relation to the textile undertaking, in respect of any period prior to the appointed day, shall be enforceable against the Government or the Corporation;

(b) no liability of the textile undertaking or any owner thereof for the contravention, before the appointed day, of any provision of law for the time being in force, shall be enforceable against the Government or the Corporation.

Contribution by Government

6. An amount equal to the value of the assets of the textile undertaking transferred to and vested in the Corporation under sub-section (2) of section 3, shall be deemed to be the contribution made by the Government to the Corporation.

CHAPTER – III

PAYMENT OF AMOUNT

Payment of amount to owner of textile undertaking

7. (1) The owner of the textile undertaking shall be given by the Government, in cash and in the manner specified in Chapter-V, for the transfer to, and vesting in the Government under sub-section (1) of section 3 of the textile undertaking and the right, tile and interest of owner in relation to such textile undertaking, an amount equal to the amount specified against it in column (4) of the First Schedule.

(2) In addition to the amount referred to in sub-section (1), there shall be given by the Government, in cash, to the owner of the textile undertaking, simple interest at the rate of four per cent per annum on the amount specified against such owner in column (4) of the First Schedule for the period commencing on the appointed day, and ending on the date on which the payment of such amount is made by the Government to the Commissioner.

(3) The amount representing interest calculated at the rate specified in sub-section (2) shall be given in addition to the amount specified in the First Schedule.

(4) Where any liability of the owner specified in the Second Schedule is discharged by the Government or the Corporation according to the order of the priorities mentioned in the Second Schedule, the amount to be paid to the owner under sub-section (1) shall stand reduced to that extent.

Management, etc, of the textile undertaking

8. (1) The Corporation or any person which the Corporation may, by order in writing, specify, shall be entitled to exercise the powers of general superintendence, direction, control and management of the affairs and business of the textile undertaking, the right, title and interest of an owner in relation to which have vested in the Corporation under sub-section (2) of section 3, and to do all such things as the owner of the textile undertaking is authorised to exercise and do.

(2) Notwithstanding anything contained in sub-section (1) or any other law for time being in force, it shall be lawful for the Corporation to reorganise and reconstruct the textile undertaking and thereby form such units as the Corporation deems fit.

Duty of persons in charge of management of textile undertaking to deliver all assets, etc.

9. On the vesting of the management of the textile undertaking in the Corporation, all persons in charge of the management of such textile undertaking immediately before such vesting shall be bound to deliver to the Corporation all assets, books of account, registers or other documents in their custody relating to the textile undertaking.

Accounts

10. The Corporation shall maintain the accounts of the textile undertaking in accordance with the provisions of the Companies Act, 1956.

CHAPTER-IV

Provisions relating to employees of textile undertaking

Employment of certain employees

11. (1) Where services of a person who is a workman within the meaning of the Industrial Disputes Act, 1947, and who has been immediately before the appointed day, employed in the textile undertaking, are in the opinion of the Corporation necessary having regard to the requirements of the units of the Corporation formed as a result of reorganization and reconstruction of the textile undertaking, he shall become, from the date of his appointment by the Corporation, an employee of the Corporation and shall hold office or service in the Corporation with the same rights and privileges as to pension, gratuity and other matters as would have been admissible to him if the rights in relation to such textile undertaking had not been transferred to, and vested in the Corporation, and continue to do so unless an until his employment in such Corporation is duly terminated or until his remuneration and terms and conditions of employment are duly altered by the Corporation:

Provided that notwithstanding anything contained in the Payment of Wages Act, 1936 (Central Act 4 of 1936) and the Payment of Gratuity Act, 1972 (Central Act 39 of 1972) –

(a) the Government or the Corporation shall not be liable to any person who has become an employee of the Corporation under this sub-section for payment of any gratuity or any arrears of wages for the period commencing from the day on which the textile undertaking in which he was employed was closed and ending on the day on which he becomes an employee of the Corporation, irrespective of whether such closure was in accordance with the provisions of the Industrial Disputes Act, 1947 (Central Act 14 of 1947) or not,

(b) the termination of services of a person under sub-clause (ii) of clause (a) of sub-section (3) on his becoming an employee of the Corporation under this sub-section, shall not entitle such person to payment of any gratuity.

(2) Where services of a person who is not a workman within the meaning of the Industrial Disputes Act, 1947 (Central Act 14 of 1947), and who has been, immediately before the appointed day, employed in the textile undertaking, are in opinion of the Corporation necessary having regard to the requirement of the units of the Corporation formed as a result of reorganisation and reconstruction of the textile undertaking by the Corporation, he shall become, from the date of his appointment by the Corporation, an employee of the Corporation and shall hold office or service in the Corporation on such terms and conditions of employment as may be determined by the Corporation.

(3) (a) The services of every person employed by the owner before the appointed day shall stand terminated –

(i) on the designated date if such person is not employed before that date by the Corporation under sub-section (1) or (2); and

(ii) on the date of his appointment if such person is employed before the designated date by the Corporation under sub-section (1) or (2).

(b) A person whose services stand terminated under sub-clause (i) of clause (a) shall not be entitled to claim employment in the Corporation as of right.

(4)(a) Every person whose services stand terminated under sub-clause (i) of clause (a) of sub-section (3) shall be entitled to –

(i) payment of gratuity as per the provisions of the Payment of Gratuity Act, 1972 and compensation for retrenchment or closure, as the case may be, if he is a workman within the meaning of the Industrial Disputes Act, 1947 in accordance with the provisions of that Act; and (ii) payment of gratuity if he is not such workman:

Provided that no person whose services are terminated on his superannuation on or before the designated date, shall be entitled to payment of compensation for retrenchment.

(b) Notwithstanding that the liability for payment of gratuity and compensation for retrenchment under clause (a) is that of the owner, such liability shall be discharged by the Government or the Corporation, according to the order of priorities mentioned in the Second Schedule and on discharge of such liability by the Government or the Corporation, the owner shall stand discharged to the extent of the liability so discharged.

(5) Where ---

(a) the services of any person employed before the appointed day in the textile undertaking are terminated ---

(i) under the terms of any contract or service or otherwise, or (ii) under sub-section (3), and

(b) such person is entitled to any arrears of salary or wages or any payment for any leave not availed of or other payment not being payment by way of gratuity or compensation for retrenchment,

such person may, except to the extent such liability of payment has been discharged by the Government or the Corporation under sub-section (4) of section 7, enforce his claim against the owner of the textile undertaking but not against the Government or the Corporation.

Explanation**.-** In this section, the expression "designated date" means such date as the Government may, in relation to the textile undertaking by notification designate.

CHAPTER – V

Commissioner of Payments

Appointment of Commissioner of Payments

12. (1) For the purpose of disbursing the amounts payable to the owner of textile undertaking, the Government shall, by notification in the Official Gazette, appoint such person as it may think fit to be the Commissioner of Payments.

(2) The 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 to also 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 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 Consolidated Fund of the Union territory of Puducherry.

Payment by the Government to the Commissioner

13. (1) The Government shall, within ninety days from the specified date, pay in cash to the Commissioner, for payment to the owner of the textile undertaking, an amount equal to the amount specified against the textile undertaking in the First Schedule and shall also pay to the Commissioner such sums as may be due to the owner of the textile undertaking under sub-section (2) of section 7.

(2) A personal deposit account in the State Bank of India shall be opened in favour of the Commissioner and every amount paid under this Act to the Commissioner shall be deposited by him to the credit of the said deposit account and thereafter the said deposit account shall be operated by the Commissioner.

(3) Separate records shall be maintained by the Commissioner in respect of the textile undertaking in relation to which payments have been made to him under this Act.

(4) Interest accruing on the amounts standing to the credit of the deposit account referred to in sub-section (2) shall accrue to the benefit of the owner of the textile undertaking.

Certain powers of the Corporation

14. (1) The Corporation shall be entitled to receive upto the specified date, to the exclusion of all other persons, any money due to the textile undertaking, realised after the appointed day, notwithstanding that the realisation pertain to a period prior to the appointed day.

(2) Save as otherwise provided in this Act, the liabilities in relation to the textile undertaking in respect of any period prior to the appointed day shall be the liabilities of the owner of the textile undertaking.

Claims to be made to the Commissioner

15. Every person having a claim against the owner of the textile undertaking shall prefer such 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 but not thereafter.

Priority of claims

16. The claims arising out of the matters specified in the Second Schedule shall have priorities in accordance with the following principles, namely: --

(a) Category-I shall have precedence over all other categories and Category-II shall have precedence over Category-III;

(b) the claim specified in each category except Category-II shall rank equally and be paid in full but if the amount is insufficient to meet such claims in full, they shall abate in equal proportions and be paid accordingly;

(c) the liabilities specified in Category-II shall be discharged subject to the priorities specified in this section, in accordance with the terms of the secured loans and the priority, inter se, of such loans; and

(d) the question of payment of a liability with regard to a matter specified in a lower category shall arise only if a surplus is left after meeting all the liabilities specified in the immediately higher category.

Examination of claims

17. (1) On receipt of the claims under section 15, the Commissioner shall arrange the claims in the order of priority specified in the Second Schedule and examine the same in accordance with the said order.

(2) If, on examination of the claims, the Commissioner is of the opinion that the amount paid to him under this Act is not sufficient to meet the liabilities specified in any lower category, he shall not be required to examine the liabilities in respect of such lower category.

Admission or rejection of claims

18. (1) After examining the claims with reference to the priority set out in the Second Schedule, the Commissioner shall fix a certain date on or before which every claimant shall file the proof of his claim or be excluded from the benefit of the disbursement made by the Commissioner.

(2) Not less than fourteen days' notice of the date so fixed shall be given by advertisement in one issue of the daily newspaper in the English language and one issue of the daily newspaper in the 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 the advertisement.

(3) Every claimant who fails to file the proof of his claim within the time specified by the Commissioner shall be excluded from the disbursement made by the Commissioner.

(4) The Commissioner shall, after such investigation as may, in his opinion, be necessary and after giving the owner of the textile undertaking an opportunity of refuting the claim and after giving the claimants a reasonable opportunity of being heard, in writing, admit or reject 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 may hold his sittings and shall, for the purpose of making any investigation under the 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 produceable as evidence;

(c) the reception of evidence on affidavits; and

(d) the issuing of any commission for the examination of witnesses.

(6) An 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 195 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 the decision to the Principal Civil Court of original jurisdiction within the local limits of whose jurisdiction the textile undertaking is situated:

Provided that where a person who is a Judge of the High Court is appointed to be the Commissioner, such appeal shall lie to the High Court and it shall be heard and disposed of by not less than two other Judges of the High Court.

Disbursement of money by the Commissioner to claimants

19. After admitting a claim under this Act, the amount due in respect of such claim shall be credited by the Commissioner to the relevant fund or be paid to the person or persons to whom such sums are due and on such credit or payment the liability of the owner in respect of such claims shall stand discharged.

Disbursement of amounts to the owner of the textile undertaking

20. (1) If out of the monies paid to him in relation to the textile undertaking, there is a balance left after meeting the liabilities as specified in the Second Schedule, the Commissioner shall disburse such balance to the owner of such textile undertaking.

(2) Before making any payment to the owner of the textile undertaking under sub-section (1), the Commissioner shall satisfy himself as to the right of such person to receive the whole or any part of such amount, and in the event of there being a doubt or dispute as to the right of the persons to receive the whole or any part of the amount referred to in section 7, the Commissioner shall refer the matter to the Court, and make the disbursement in accordance with the decision of the Court.

(3) For the removal of doubt, it is hereby declared that the entry in column (3) of the First Schedule shall not be deemed to be conclusive as to the right, title and interest of any person in relation to the textile undertaking specified in the corresponding entry

in column (2) of the said Schedule and evidence shall be admissible to establish the right, title and interest of any person in relation to such textile undertaking.

(4) Where any machinery, equipment or other property in the textile undertaking has vested in the Corporation, but such machinery, equipment or other property does not belong to the owner of the textile undertaking, the amount specified in column (4) of the First Schedule against the textile undertaking shall, on a reference made to the Court by the Commissioner, be apportioned by the Court between the owner of the textile undertaking and the owner of such machinery, equipment or other property having due regard to the value of such machinery, equipment or other property on the appointed day.

Explanation. – In this section, "Court" in relation to the textile undertaking means, the Principal Civil Court of original jurisdiction within the local limits of whose jurisdiction the textile undertaking is situated.

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

21. Any money paid to the Commissioner which remains undisbursed or unclaimed for a period of three years from the last day on which the disbursement was made, shall be transferred by the Commissioner to the general revenue account of the Government, but a claim to any money so transferred may be preferred to the Government by the person entitled to such payment and shall be dealt with as if such transfer has not been made, the order, if any, for payment of the claim being treated as an order for the refund of revenue.

CHAPTER – VI

Miscellaneous

Assumption of liabilities

22. (1) Where any liability of the owner of the textile undertaking arising out of any item specified in Category I of the Second Schedule is not discharged fully by the Commissioner out of the amount paid under this Act, the Commissioner shall intimate in writing to the Government the extent of the liability which remains undischarged and that liability shall be assumed by the Government.

(2) The Government, may, by order, direct the Corporation to take over any liability assumed by the Government under sub-section (1) and on receipt of such direction, it shall be the duty of the Corporation to discharge such liability.

Act to override all other enactments

23. 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 authority.

Contracts to cease to have effect unless ratified by Corporation

24. (1) Every contract entered into by the owner or occupier of the textile undertaking for any service, sale or supply and in force immediately before the appointed day shall, on and from the expiry of one hundred and eighty days from the appointed day cease to have effect unless such contract is, before the expiry of that period, ratified, in writing by the Corporation and in ratifying such contract the Corporation may, with the previous approval of the Government, make such alterations or modifications therein as it may think fit:

Provided that the Corporation shall not omit to ratify a contract, and shall not make any alteration or modification in a contract unless it is satisfied that such contract is unduly onerous or has been entered into in bad faith or is detrimental to the interest of the textile undertaking.

(2) The Corporation shall not omit to ratify a contract, and shall not make any alteration or modification therein, except after giving to the parties to the contract a reasonable opportunity of being heard and except after recording in writing its reasons for refusal to ratify the contract or for making any alteration or modification therein.

Penalties

25. Any person who, --

(a) having in his possession, custody, or control any property forming part of the textile undertaking, wrongfully withholds such property from the Government or the Corporation, or any person authorised by the Government or the Corporation, as the case may be, in this behalf, or

(b) wrongfully obtains possession of, or retains, any property forming part of the textile undertaking or wilfully withholds or fails to furnish to the Government, the Corporation or any person specified by the Government or the Corporation, as the case may be, any document relating to such textile undertaking, which may be in his possession, custody or control or fails to deliver to the Corporation or any person specified by the Corporation, any assets, books of accounts, registers or other documents in his custody relating to the textile undertaking, or

(c) wrongfully removes or destroys any property forming part of the textile undertaking or prefers any claim under this Act which he knows or has reasonable cause 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.

Offences by companies

26. (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 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 by a company and it is proved that the offence 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 of the company, 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 purpose 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.

Protection of action taken in good faith

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

Company not to be wound up by the court

28. No proceeding for the winding up of the company, the right, title and interest in relation to the textile undertaking owned by which have vested in the Corporation under this Act or, for the appointment of a receiver in respect of the business of the textile undertaking shall lie or be proceeded within any court except with the consent of the Government.

Delegation of powers

29. (1) The Government may, by notification, direct that all or any of the powers exercisable by it under this Act, other than the power under section 30, may also be exercised by any person or persons as may be specified in the notification.

(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 Government.

Power to make rules

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

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely: --

(a) the time within which and the manner in which an intimation referred to in sub-section (4) of section 4, shall be given;

(b) any other matter which is required to be, or may be prescribed.

(3) The power to make rules conferred by this section shall be subject to the condition of the rules being made after previous publication.

(4) All rules made under this section shall be laid for not less than thirty days before the Legislative Assembly of Puducherry as soon as possible after they are made and be subject to rescission by the Legislative Assembly or to such modification as the Legislative Assembly may make during the session in which they are so laid or the session immediately following.

Power to remove difficulties

31. If any difficulty arises in giving effect to the provisions of this Act, the 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.

Declaration as to the policy of the State

32. It is hereby declared that this Act is for giving effect to the policy of the State towards securing the principles specified in clause (b) of article 39 of the Constitution.

Explanation. – In this section, "the state" has the same meaning as in article 12 of the Constitution.

Repeal and saving

33.(1) The Anglo-French Textiles Limited (Acquisition and Transfer of Textile Undertaking) Ordinance, 1985, is hereby repealed.

(2) Notwithstanding such repeal, anything done or any action taken under the said Ordinance shall be deemed to have been done or taken under the corresponding provisions of this Act.

THE FIRST SCHEDULE

[Seesections 7 and 13]

Sl. No.	Name of the Undertaking	Name of the owner	Amount
(1)	(2)	(3)	(4)
1.	Anglo-French Textiles Limited, Puducherry.	Anglo-French Textiles Limited, Puducherry.	7,65,00,000

THE SECOND SCHEDULE

[Seesections 7(a), 11(a) (b), 16, 17, 18 and 20]

Order of priorities for the discharge of liabilities in respect of the textile undertaking

CATEGORY—I

(i) All dues including gratuity of persons employed in the textile undertaking;
(ii) Arrears relating to contributions towards Provident Fund and contributions under the Employees' State Insurance Act, 1948, payable by the owner;
(iii) Arrears of excise duty, sales-tax, dues relating to electricity and dues of a Local Authority.

CATEGORY—II

Secured creditors including banks and institutions.

CATEGORY—III

(i) Sundry Creditors;
(ii) Other liabilities.

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STATEMENT OF OBJECTS AND REASONS FOR ACT NO.7 OF 1986

The Anglo-French Textile Limited, Puducherry had remained closed from the first week of July, 1983. Various attempts and efforts made by the Puducherry Administration and the Government of India (Ministry of Textiles) in collaboration with the Financial Institutions like Industrial Development Bank of India, United Commercial Bank, etc., to reopen the Mills through the existing management or by inducting new management could not succeed. Also certain Banks who had advanced large sums of money to the Company owning the mills with a view to making the mills viable were unwilling to make any further advances. Further investments of very large sum of money was necessary for reorganizing and rehabilitating the said mills and thereby to protect the interest of the workmen employed therein and to augment the production of cloth yarn ensuring credit line and in the largest interest of the people of Puducherry. It was therefore decided to acquire and transfer the right, title and interest of the Anglo-French Textiles Limited by the Government of Puducherry.

In order to achieve the above objects and in order to give effect to the policy of the State towards securing the principles specified in clause (b) of article 39 of the Constitution, the Anglo-French Textile Limited (Acquisition and Transfer of Textile Undertaking) Ordinance, 1985 was promulgated by the Administrator, Puducherry on the 24th December, 1985 under article 239 B of the Constitution.

The said Ordinance, apart from providing for the acquisition and transfer of the textile undertaking of the Company, provided for the payment of an amount for such acquisition, appointment of a Commissioner of payments for the purpose of disbursing the amounts payable to the Company, and for other incidental and consequential matters.

This Bill seeks to replace the aforesaid ordinance.

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