

No.6323/AIL/LAB/T/2013 113
GOVERNMENT OF PUDUCHERRY
LABOUR DEPARTMENT

Puducherry, the 19.01.2016.

ORDER

Sub : Labour Department - Application seeking permission for Lay-off under section 25-M of the Industrial Disputes Act., 1947 read with Rule 75-B of the Industrial Disputes (Central Rules), 1957 in respect of M/s. Anglo French Textiles, Puducherry – Orders – Issued.

Ref : Letter No. Pd/267/Lay-off/2015 dated 13.11.2015 enclosing application in Form O-3 filed by the management of M/s. Anglo French Textiles Ltd., Puducherry seeking permission to continue Lay-Off in A,B,C Units.

WHEREAS the Management of M/s. Anglo French Textiles Ltd., Puducherry has submitted an application in Form O-3 dated 13.11.2015 in the O/o. the Secretary to Government, Labour Department, Puducherry seeking permission for a period of 6 months from 21.01.2016 to Lay-Off in A,B & C units under section 25-M of the Industrial Disputes Act, 1947 read with Rule 75(B) of the Industrial Disputes (Central) Rules, 1957;

WHEREAS the views/replies of the management, trade unions, Government Pleader, High Court of Judicature at Madras and the relevant documents/issues were examined earlier ;

WHEREAS, on perusal of the management Lay-Off application dated 13.11.2015, it is observed that the management has stated various reasons for seeking permission for the extension of Lay-Off such as :-

- (i) The "Thane" Cyclone caused severe structural damage to AFT. Most of the buildings in 'A' unit are declared unsafe for use by the Inspector of Factories and orders was issued by them to prohibit the entry of workers inside the campus which included Spinning Preparatory and Weaving Preparatory besides the Engineering Department which forced the management to discontinue the operations in these areas.
- (ii) The net worth of the company has already been in the negative side as on 31.3.2014 and no funds are available even to meet the day-today expenses.
- (iii) The Government has continuously provided funds to the Mill by way of Share Capital and grant-in-aid. The Govt. has released Rs.367.35 Crores as Share Capital and Rs.232.94 Crores as grant-in-aid upto 31.10.2015. From the year 1985-1986 to 1992-93, the Pondicherry Textile Corporation Limited had earned marginal profits and thereafter had started incurring loss. The Share Capital and Grant-in-aid released for the last 6 years by the Govt. of Puducherry has drastically declined.
- (iv) The Grant-in-aid released presently is adequate only to pay the lay-off compensation and wages and is not adequate to run the mill fully.
- (v) The machineries are very old and without modernization, it is difficult to run the Mill effectively.

- (vi) Labour unrest prevailing due to non-payment of statutory dues and hence without settling the dues no action can be taken to run the mill. In the present scenario, the production activities in the AFT could not be resumed till the Weaving Preparatory and Warehouse Departments in 'A' units are shifted to new building either in 'B' or 'C' units for which sufficient funds are required.
- (vii) The Company is in deep financial crisis with no liquid funds to meet on its day to day operations. The bank accounts with the Consortium Banks are classified as Non Performing Assests (NPA) as per RBI guidelines due to the non settlement of overdrawn amount of Rs.32 Crores, which resulted in the denial of any financial assistance from the banks.
- (viii) The Employee's Provident Fund Authorities are freezing the Accounts of the Anglo French Textiles for non-payment of EPF dues and are also attaching the properties of Anglo French Textiles. The Employee's State Insurance Authorities had also started to proceed with the coercive proceedings as contemplated in the certificate proceedings under the ITCP Rules. The management had not settled the gratuity to the tune of Rs.39.07 Crores for 1042 employees as on September' 2015.
- (ix) The Inspector of Factories issued an order under Section 40 (2) of the Factories Act, 1948 to prohibit the use of buildings where Spinning, Weaving, Weaving Preparatory, Warehouse and Engineering Departments of 'A' Unit were functioning as the buildings were in such conditions and poses imminent danger to human life and safety.
- (x) The Hon'ble High Court, Madras had passed a common order dated 21.12.2015 in Review Application No.107/2015 in W.P.No.18277 of 2014 and Contempt Petition No.428 of 2015 and M.P.No.1 of 2015 in Review Application No.107/2015 and directed that the competent authority is the District Collector for the payment of Gratuity under the payment of Gratuity Act and the Pondicherry Textile Corporation shall sell the properties detailed in the Government Memo under the supervision of the District Collector.
- (xi) As per the order passed by the Hon'ble High Court Madras, the AFT shall sell the lands situated at [a]. Pattanur land -R.S.No.47/3 to 171/pt- (GLR Value - Rs.71.70 Crores); [b]. Thengathittu - TS. No.P/7/23 (GLR Value - Rs.1.05 Crores); [c]. Thirubuvanai- R.S.No.116/1A (GLR Value - Rs. 0.63 Crores) totaling to Rs. 73.38 Crores.
- (xii) The total liability to be settled by the mill is Rs.166.00 Crores and the expected amount for selling the above said lands by way of public auction will be around Rs. 80.00 Crores which will be insufficient to settle all the dues.
- (xiii) The reason for lay-off is due to labour unrest prevailing for non-payment of statutory dues and after settling the statutory dues pertaining to the employees the Mill will take necessary action to revive the Mill subject to receipt of the funds from the Government.

AND WHEREAS, the management has also stated that they re- started the production activities in C unit Spinning only for the time being and now they have requested Lay-Off for a further period of 6 months with effect from 21.01.2016 (except Spinning 'C' Unit).

NOW, THEREFORE by virtue of the authority delegated vide GO.Ms.No.177/80-Lab dated 1st September, 1980 of the Labour Department to exercise the powers conferred by the sub-section (1) of section 25-M of the Industrial Disputes Act, 1947 (Central Act 14 of 1947) the undersigned hereby for aforesaid reasons decides to grant permission sought by the management of M/s. Anglo French Textiles, Puducherry, to Lay-Off workman as defined under Section 2(s) of the Industrial Disputes Act, 1947 (Central Act 14 of 1947) in A, B, C (except Spinning 'C' unit) units for a period of 6 months with effect from 21.01.2016.



(R. MIHIR VARDHAN, I.A.S.)
SECRETARY TO GOVERNMENT
(LABOUR)

To

1. The Director of Stationery and Printing, Puducherry
2. The Managing Director, M/s. Anglo French Textiles, Puducherry
3. All the Trade Unions.(As per the list enclosed)

} With a request to publish the same in the Extraordinary Gazette and issue 10 copies to this office.

Copy to:-

1. The Commissioner of Labour, Puducherry.
2. The Deputy Labour Commissioner, Puducherry.
3. The Labour Officer (Conciliation), Puducherry.
4. The Joint Chief Inspector of Factories, Puducherry.
5. The Web Master, Labour Department, Puducherry.
6. Spare.