



# புதுச்சேரி மாநில அரசிதழ்

## La Gazette de L'État de Poudouchéry

### The Gazette of Puducherry

#### PART - I

சிறப்பு வெளியீடு

EXTRAORDINAIRE

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அதிகாரம் பெற்ற  
வெளியீடு

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No.	Poudouchéry	Lundi	7	Janvier	2019 (17 Pausa 1940)
No.	Puducherry	Monday	7th	January	2019

GOVERNMENT OF PUDUCHERRY

LABOUR DEPARTMENT

No. 6323/AIL/Lab./T/2017/28.

Puducherry, dated 7th January 2019.

#### ORDER

Whereas, the management of M/s. Anglo French Textiles Limited, Puducherry, has submitted an application in Form O-3, dated 12-11-2018 to the Secretary to Government, Labour Department, Puducherry, seeking permission for extension of Lay-off for a period of 6 months from 21-01-2019 in respect of A, B & C Units (Except 'C' Unit Spinning) 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 Lay-off application, dated 12-11-2018 of the management, 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" had 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 *i.e.*, minus ₹ 207.13 crores as on 31-3-2017 (provisional) and no funds are available even to meet the day-to-day expenses.

(iii) The Government has continuously providing funds to the Mill by way of Share Capital and grant-in-aid. The Government has released ₹ 367.35 crores as Share Capital and ₹ 275.60 crores as Grant-in-aid up to 30-09-2018. The Share Capital and Grant-in-aid released for the last 7 years by the Government 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 modernisation, 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.

(viii) The Employees' Provident Fund Authorities and the Employee's State Insurance Authorities started to proceed with the coercive action by freezing Bank Accounts and attached the properties of Anglo-French Textiles. The management had not settled the gratuity with interest to the tune of ₹ 43.83 crores for 990 employees as on 30-06-2018.

(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 are presently functioning as the buildings are in such conditions which pose imminent danger to human life and safety.

(x) The present status of the Corporation was reviewed by the Government in May, 2016. It was suggested to conduct a rapid financial study of the techno-economic status of the Corporation. The Contract for the rapid financial study of the Corporation was awarded to ICRA, Noida fixing the date of commencing the work on 29-8-2016. The ICRA Management Consulting

Services Limited has prepared a Draft report and submitted the same on 21-09-2016 and requested the management to examine the report. The recommendations made by ICRA in their reports were briefly mentioned in the Review Meeting, conducted by Hon'ble Chief Minister on 08-04-2017. After detailed discussion, ICRA had been advised to include in their report, the issue of settlement of liabilities under each option suggested by them and also to report on the issue of high staff/worker ratio. The final report of ICRA Management Consulting Service Limited, Noida, is submitted to the Government on 21-04-2017. Subsequently, high level meeting has held on 13-07-2017 and 27-10-2017 with the Managing Director, AFT and the Collector of Puducherry to resolve the issues at hand. The District Collector, Villupuram, has given Attachment Notice for Pattanur Land *vide* No. 4/4622/2017, dated 05-09-2018 to execute the auction.

And whereas, the management has also stated that they restarted the production activities in 'C' Unit Spinning only for the time being and now they have requested Lay-off in respect of A, B, & C (except Spinning 'C' Unit) for a further period of 6 months with effect from 21-01-2019;

Now, therefore, by virtue of the authority delegated *vide* G. O. 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 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 further period of 6 months with effect from 21-01-2019.

Dr. S. SUNDARAVADIVELU, I.A.S.,  
Secretary to Government (Labour).