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THE SICK TEXTILE UNDERTAKINGS (NATIONALISATION) ACT, 1974

ACT NO. 57 OF 1974

[21*st December*, 1974.]

An Act to provide for the acquisition and transfer of the sick textile undertakings, and the right, title and interest of the owners in respect of the sick textile undertakings, specified in the First Schedule with a view to re-organising and rehabilitating such sick textile undertakings so as to subserve the interests of the general public by the augmentation of the production and distribution, at fair prices, of different verieties of cloth and yarn, and for matters connected therewith or incidental thereto.

BE it enacted by Parliament in the Twenty-fifth Year of the Republic of India as follows:—

CHAPTER I

PRELIMINARY

1. Short title and commencement.—(*1*) This Act may be called the Sick Textile Undertakings (Nationalisation) Act, 1974.

(*2*) The provisions of sections 32 and 33 shall come into force at once and the remaining provisions of this Act shall be deemed to have come into force on the 1st day of April, 1974.

2. Definitions.—(*1*) In this Act, unless the context otherwise requires,—

(*a*) "appointed day" means the 1st day of April, 1974;

(*b*) "bank" means—

(*i*) the State Bank of India constituted under the State Bank of India Act, 1955 (23 of 1955);

(*ii*) a subsidiary bank as defined in the State Bank of India (Subsidiary Banks) Act, 1959 (38 of 1959);

(*iii*) a corresponding new bank constituted under section 3 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 (5 of 1970);

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

(*c*) "Commissioner" means a Commissioner of Payments appointed under section 17;

(*d*) "Custodian" means a Custodian appointed under section 5 of the Sick Textile Undertakings (Taking Over of Management) Act, 1972 (72 of 1972), and includes the person, or body of persons authorised by the Central Government to take over the management of a textile undertaking under the Industries (Development and Regulation) Act, 1951 (65 of 1951);

(*e*) "National Textile Corporation" means the National Textile Corporation Limited, formed and registered under the Companies Act, 1956 (1 of 1956);

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

(*g*) "Ordinance" means the Sick Textile Undertakings (Nationalisation) Ordinance, 1974 (12 of 1974);

(*h*) "owner", when used in relation to a sick textile undertaking, means any person or firm who or which is, immediately before the appointed day, the immediate proprietor or lessee or occupier of the sick textile undertaking or any part thereof, and in the case of a textile company which is being wound up or the business whereof is being carried on by a liquidator or receiver, includes such liquidator or receiver, and also includes any agent or manager or such owner but does not include any person or body of persons authorised under the Industries (Development and Regulation) Act, 1951 (65 of 1951), or the Sick Textile Undertakings (Taking Over of Management) Act, 1972 (72 of 1972), to take over the management of the whole or any part of the sick textile undertaking;

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

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(*j*) "sick textile undertaking" means a textile undertaking, specified in the First Schedule, the management of which has, before the appointed day, been taken over by the Central Government under the Industries (Development and Regulation) Act, 1951 (65 of 1951), or as the case may be, vested in the Central Government under the Sick Textile Undertakings (Taking Over of Management) Act, 1972 (72 of 1972);

(*k*) "specified date" means such date as the Central 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;

(*l*) "Subsidiary Textile Corporation" means a Textile Corporation formed by the National Textile Corporation as its subsidiary;

(*m*) "textile" includes yarn or fabrics made either wholly or partly of cotton, wool, jute, synthetic and artificial (man-made) fibres;

(*n*) "textile company" means a company specified in column (*3*) of the First Schedule as owning the textile undertaking specified in the corresponding entry in column (*2*) of that Schedule;

(*o*) "textile undertaking" means an undertaking engaged in the manufacture of textiles and to which the provisions of the Factories Act, 1948 (63 of 1948), apply.

(*2*) Words and expressions used but not defined in this Act and defined in the Industries (Development and Regulation) Act, 1951 (65 of 1951), shall have the meanings respectively assigned to them in that Act.

(*3*) Words and expressions used but not defined either in this Act or in the Industries (Development and Regulation) Act, 1951 (65 of 1951), but defined in the Companies Act, 1956 (1 of 1956), shall have the meanings respectively assigned to them in the Companies Act, 1956.

CHAPTER II

ACQUISITION OF THE RIGHTS OF OWNERS OF SICK TEXTILE UNDERTAKINGS

3. Acquisition of rights of owners in respect of sick textile undertakings.—(*1*) On the appointed day, every sick textile undertaking and the right, title and interest of the owner in relation to every such sick textile undertaking shall stand transferred to, and shall vest absolutely in, the Central Government.

(*2*) Every sick textile undertaking which stands vested in the Central Government by virtue of sub-section (*1*) shall, immediately after it has so vested, stand transferred to, and vested in, the National Textile Corporation.

[1][(*3*) Notwithstanding the transfer and vesting of any sick textile undertaking to the National Textile Corporation by virtue of sub-section (*2*), the lease-hold rights of the sick textile undertakings shall continue to remain vested in the Central Government on payment of lease-hold rents and shall be discharged, for and on behalf of that Government, by the National Textile Corporation as and when payment of such lease-hold rents or any amount becomes due and payable.

(*4*) Subject to sub-section (*3*), no court shall have jurisdiction to order divestment from the National Textile Corporation of the property vested in it by the Central Government.]

4. General effect of vesting.—(*1*) The sick textile undertaking referred to in section 3 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, 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 sick textile undertaking, whether within or outside India, and all books of account, registers and all other documents of whatever nature relating thereto and shall also be deemed to include the liabilities and obligations specified in sub-section (*2*) of section 5.

1. Ins. by Act 36 of 2014, s. 2 (w.e.f. 17-12-2014).

(*2*) All property as aforesaid which have vested in the Central 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 incumbrances 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 a sick textile undertaking had been granted at any time before the date on which the Ordinance was promulgated, to an owner by the Central Government or a State Government or any other authority, the National Textile 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 it and shall hold such licence or the sick textile undertaking specified in such other instrument for the remainder of the period for which the owner would have held such licence or the sick textile undertaking under such other instrument.

(*4*) Every mortgagee of any property which has vested under this Act in the Central 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 doubts, 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 the First Schedule, but no such mortgage, charge, lien or other interest shall be enforceable against any property which has vested in the Central Government.

(*6*) If, on the appointed day, any suit, appeal or other proceeding of whatever nature in relation to any matter specified in sub-section (*2*) of section 5 in respect of the sick textile undertaking, instituted or preferred by or against the textile company, is pending, the same shall not abate, be discontinued or be, in any way, prejudicially affected by reason of the transfer of the sick textile undertaking or of anything contained in this Act but the suit, appeal or other proceeding may be continued, prosecuted and enforced by or against the National Textile Corporation.

(*7*) Any person, who, on the date on which the Ordinance was promulgated, was in possession of, or had under his custody or control, the whole or any part of any sick textile undertaking referred to in section 3, the management of which could not be taken over by the Central Government by reason of any decree, order or injunction of any court or otherwise, shall deliver forthwith the possession of such undertaking or part and all books of account, registers and all other documents of whatever nature relating to such undertaking or part to the Central Government or the National Textile Corporation or such other person as the Central Government or the National Textile Corporation, as the case may be, may specify in this behalf.

[1][(*8*) Notwithstanding the fact that the textile operations have been discontinued in any sick textile undertaking being revived, shall for all effects and purposes be deemed that the textile operations are being continued and no suit or proceeding shall be instituted or if instituted be maintainable against the National Textile Corporation on the ground that it has discontinued such activity in the sick textile undertaking.

(*9*) For the removal of doubts, it is hereby declared that the continued deemed vesting of the lease-hold land in the Central Government shall not affect, impair or in any manner prejudice the rights of the National Textile Corporation to prosecute or defend any proceedings as a subsequent vestee in respect of any such lease-hold rights and no such proceedings shall fail only on account of the non-impleadment of that Government.]

5. Owner to be liable for certain prior liabilities.—(*1*) Every liability, other than the liability specified in sub-section (*2*) of the owner of a sick 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 Central Government or the National Textile Corporation.

1. Ins. by Act 36 of 2014, s. 3 (w.e.f. 17-12-2014).

(*2*) Any liability arising in respect of—

(*a*) loans advanced by the Central Government, or a State Government, or both, to a sick textile undertaking (together with interest due thereon) after the management of such undertaking had been taken over by the Central Government.

(*b*) amounts advanced to a sick textile undertaking (after the management of such undertaking had been taken over by the Central Government), by the National Textile Corporation or by a State Textile Corporation, or by both, together with interest due thereon.

(*c*) wages, salaries and other dues of employees of the sick textile undertaking, in respect of any period after the management of such undertaking had been taken over by the Central Government,

shall, on and from the appointed day, be the liability of the Central Government and shall be discharged, for and on behalf of that Government, by the National Textile Corporation as and when repayment of such loans or amounts becomes due or as and when such wages, salaries or other dues become due and payable.

(*3*) For the removal of doubts, it is hereby declared that,—

(*a*) save as otherwise expressly provided in this section or in any other section of this Act, no liability, other than the liability specified in sub-section (*2*), in relation to a sick textile undertaking in respect of any period prior to the appointed day, shall be enforceable against the Central Government or the National Textile Corporation;

(*b*) no award, decree or order of any court, tribunal or other authority in relation to any sick textile undertaking passed after the appointed day in respect of any matter, claim or dispute, in relation to any matter not referred to in sub-section (*2*), which arose before that day, shall be enforceable against the Central Government or the National Textile Corporation;

(*c*) no liability of any sick 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 Central Government or the National Textile Corporation.

Explanation.—In this section, "State Textile Corporation" means a corporation, formed and registered under the Companies Act, 1956 (1 of 1956), in a State, which is in charge of the management of a sick textile undertaking either as a person authorised under the Industries (Development and Regulation) Act, 1951 (65 of 1951), or as the Custodian under the Sick Textile Undertakings (Taking Over of Management) Act, 1972 (72 of 1972) and includes the West Bengal State Textile Corporation Limited which has advanced amounts to sick textile undertakings in the State.

6. National Textile Corporation to form subsidiary corporations.—(*1*) The National Textile Corporation may, if it considers it necessary so to do, form subsidiary corporations under the Companies Act, 1956 (1 of 1956), and register them under that Act.

(*2*) The National Textile Corporation may, by order in writing, transfer any sick textile undertaking or part thereof to a Subsidiary Textile Corporation and any such transfer shall be subject to such terms and conditions as may be specified in the said order.

(*3*) The Subsidiary Textile Corporation shall, on and from the date of such transfer, be deemed to be substituted in the licence or other instrument referred to in sub-section (*3*) of section 4 in place of the National Textile Corporation as if such licence or other instrument had been granted to the Subsidiary Textile Corporation, and shall hold such licence or other instrument for the remainder of the period for which the National Textile Corporation would have held such licence or other instrument.

(*4*) On the transfer to a Subsidiary Textile Corporation of any sick textile undertaking or any part thereof, the liabilities required to be discharged by the National Textile Corporation under sub-section (*2*) of section 5, shall, in so far as they relate to the sick textile undertaking or part thereof so transferred to the Subsidiary Textile Corporation, be discharged, on and from the date of such transfer, by the Subsidiary Textile Corporation as and when any such liability is required to be discharged.

(*5*) Save as otherwise expressly provided in this Act, references in this Act to the National Textile Corporation shall, in respect of any sick textile undertaking or any part thereof which is transferred to a Subsidiary Textile Corporation, be construed as references to the Subsidiary Textile Corporation.

7. Shares to be issued by the National Textile Corporation for the value of the assets transferred to it by the Central Government.—(*1*) An amount equal to the value of the assets of a sick textile undertaking transferred to, and vested in, the National Textile Corporation under sub-section (*2*) of section 3, shall be deemed to be the contribution made by the Central Government to the equity capital of the National Textile Corporation; and for the contribution so made, the National Textile Corporation shall issue (if necessary after amending its memorandum and articles of association) to the Central Government paid-up shares, in its equity capital, having a face value equal to the amount specified against the sick textile undertaking in the corresponding entry in column (*4*) of the First Schedule.

(*2*) Where any liability assumed by the Central Government under this Act is taken over by the National Textile Corporation under section 27, the Central Government shall surrender to that Corporation the shares issued to it under sub-section (*1*) having the face value equal to the amount to the extent to which the liability has been so taken over by the National Textile Corporation and thereupon the share capital of the National Textile Corporation shall, to the extent of the face value of the shares so surrendered, stand reduced.

CHAPTER III

PAYMENT OF AMOUNT

8. Payment of amount to owners of sick textile undertakings.—The owner of every sick textile undertaking shall be given by the Central Government, in cash and in the manner specified in Chapter VI, for the transfer to, and vesting in, it, under sub-section (*1*) of section 3, of such sick textile undertaking and the right, title and interest of the owner in relation to such sick textile undertaking, an amount equal to the amount specified against it in the corresponding entry in column (*4*) of the First Schedule.

9. Payment of further amount.—(*1*) In consideration of the retrospective operation of the provisions of sections 3, 4 and 5, there shall be given, in cash, by the Central Government, to the owner of every sick textile undertaking, the management of which was taken over by the Central Government, an amount equal to an amount calculated at the rate specified in section 6 of the Sick Textile Undertakings (Taking Over of Management) Act, 1972 (72 of 1972), for the period commencing on the appointed day and ending on the date on which the Ordinance was promulgated.

(*2*) In addition to the amount referred to in section 8, there shall be given by the Central Government, in cash, to the owner of every sick textile undertaking, simple interest at the rate of four per cent. per annum on the amount specified against such owner in the corresponding entry in column (*4*) of the First Schedule for the period commencing on the date on which the Ordinance was promulgated, and ending on the date on which payment of such amount is made by the Central 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.

10. Accounts to be rendered by the owners of sick textile undertakings.—(*1*) Where in pursuance of any decree, order or injunction of a court or otherwise, the Central Government or the Custodian was prevented from taking over the management of any sick textile undertaking, the owner of such sick textile undertaking shall,—

(*a*) in the case of an undertaking the management of which was subsequently taken over by the Central Government at any time before the date on which the Ordinance was promulgated, within sixty days from such date; or

(*b*) in the case of any other sick textile undertaking, the management of which could not be taken over by the Central Government before the date on which the Ordinance was promulgated, within sixty days from such date,

render accounts in relation to the period commencing on the date of the notified order under the Industries (Development and Regulation) Act, 1951 (5 of 1951), or, as the case may be, on the date of commencement of the Sick Textile Undertakings (Taking Over of Management) Act, 1972 (72 of 1972), and ending on the date on which the management of the sick textile undertaking was taken over by the Central Government or the Custodian, as the case may be, with regard to the—

(*i*) assets and stores of the sick textile undertaking acquired or sold during the said period;

(*ii*) textile sold or despatched during the said period; and

(*iii*) income derived by the owner from the sick textile undertaking during the said period.

(*2*) If on examination of the accounts referred to in sub-section (*1*), any income is found to have been derived by the owner from the sick textile undertaking during the period referred to in that sub-section, such income shall be recoverable by the Central Government from the amount payable under section 8 to the owner of such sick textile undertaking and the debt due to the Central Government on this account shall rank as an unsecured debt.

(*3*) If no account is rendered by the owner of a sick textile undertaking within the period referred to in sub-section (*1*) or if the Central Government has any reason to believe that the account rendered by such owner is incorrect or false in material particulars, the Central Government may refer the matter to the Commissioner and thereupon the Commissioner shall determine the income derived by the owner from the sick textile undertaking during the period referred to in sub-section (*1*), and take steps to recover the said income from the amount payable to the owner of the sick textile undertaking under section 8, as if the debt due to the Central Government on this account were an unsecured debt.

(*4*) No mortgage, charge, lien or other incumbrance in relation to a sick textile undertaking or any asset thereof shall be binding on the Central Government or the National Textile Corporation if such mortgage, charge, lien or other incumbrance was created, at any time during the period in which the Central Government or the Custodian was prevented, by any decree, order or injunction of a court or otherwise, from taking over the management of the said sick textile undertaking.

CHAPTER IV

MANAGEMENT, ETC., OF SICK TEXTILE UNDERTAKINGS

11. Management, etc., of sick textile undertakings.—The National Textile Corporation or any person which that 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 a sick textile undertaking, the right, title and interest of an owner in relation to which have vested in that Corporation under sub-section (*2*) of section 3, and do all such things as the owner of the sick textile undertaking is authorised to exercise and do.

[1][**11A. Special provision for disposal of assets of the sick textile undertakings in certain circumstances.—**If the National Textile Corporation considers it necessary or expedient for the better management, modernisation, restructuring or revival of a sick textile undertaking so to do, it may, with the previous sanction of the Central Government, transfer, mortgage, sell or otherwise dispose of any land, plant, machinery or any other assets of any of the sick textile undertakings:

Provided that the proceeds of no such transfer, mortgage, sale or disposal shall be utilised for any purpose other than the purpose for which the sanction of the Central Government has been obtained.]

12. Duty of persons in charge of management of sick textile undertakings to deliver all assets, etc.—On the vesting of the management of a sick textile undertaking in the National Textile Corporation all persons in charge of the management of such sick textile undertaking immediately before such vesting shall be bound to deliver to the National Textile Corporation all assets, books of account, registers or other documents in their custody relating to the sick textile undertaking.

13. Accounts.—The National Textile Corporation shall maintain the accounts of sick textile undertakings in accordance with the provisions of the Companies Act, 1956 (1 of 1956).

CHAPTER V

PROVISIONS RELATING TO EMPLOYEES OF SICK TEXTILE UNDERTAKINGS

14. Employment of certain employees to continue.—(*1*) Every person who is a workman within the meaning of the Industrial Disputes Act, 1947 (14 of 1947), and has been, immediately before the appointed day, employed in a sick textile undertaking shall become, on and from the appointed day, an employee of the National Textile Corporation, and shall hold office or service in the National Textile 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 sick textile undertaking had not been transferred to, and vested in, the National Textile Corporation, and shall continue to do so unless and until his

1. Ins. by Act 40 of 1995, s. 2 (w.e.f. 8-9-1995).

employment in the National Textile Corporation is duly terminated or until his remuneration, terms and conditions of employment are duly altered by the National Textile Corporation.

(*2*) Every person who is not a workman within the meaning of the Industrial Disputes Act, 1947 (14 of 1947), and who has been, immediately before the appointed day, employed in a sick textile undertaking shall, in so far as such person is employed in connection with the sick textile undertaking which has vested in the National Textile Corporation, become, as from the appointed day, an employee of the National Textile Corporation and shall hold his office or service therein by the same tenure, at the same remuneration and upon the same terms and conditions and with the same rights and privileges as to pension and gratuity and other matters as he would have held the same under the sick textile undertaking if it had not vested in the National Textile Corporation and shall continue to do so unless and until his employment in the National Textile Corporation is duly terminated or until his remuneration, terms and conditions of employment are duly altered by the National Textile Corporation:

Provided that in respect of any sick textile undertaking the management of which could not be taken over by the Central Government under the Sick Textile Undertakings (Taking Over of Management) Act, 1972 (72 of 1972), by reason of any decree, order or injunction of any court, any agent, director (including a managing or whole-time director, by whatever name called) or manager shall not become an employee of the National Textile Corporation.

(3) Notwithstanding anything contained in the Industrial Disputes Act, 1947 (14 of 1947), or in any other law for the time being in force, the transfer of the services of any officer or other person employed in a sick textile undertaking to the National Textile Corporation shall not entitle such officer or other employee to any compensation under this Act or any other law for the time being in force and no such claim shall be entertained by any court, tribunal or other authority.

(*4*) Where, under the terms of any contract of service or otherwise, any person whose services become terminated or whose services become transferred to the National Textile Corporation by reason of the provisions of this Act 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 pension, such person may, except to the extent such liability has been taken over by the Central Government under section 5, enforce his claim against the owner of the sick textile undertaking but not against the Central Government or the National Textile Corporation.

15. Provident and other funds.—(*1*) Where the owner of a sick textile undertaking has established a provident fund, superannuation, welfare or other fund for the benefit of the persons employed in such sick textile undertaking the monies relatable to the employees, whose services have become transferred by or under this Act to the National Textile Corporation shall, out of the monies standing, on the appointed day, to the credit of such provident fund, superannuation, welfare or other fund, stand transferred to, and shall vest in, the National Textile Corporation.

(*2*) The monies which stand transferred, under sub-section (*1*), to the National Textile Corporation shall be dealt with by that Corporation in such manner as may be prescribed.

16. Transfer of employees to a Subsidiary Textile Corporation.—Where any sick textile undertaking or any part thereof is transferred under this Act to a Subsidiary Textile Corporation, every person referred to in sub-section (*1*) and sub-section (*2*) of section 14 shall, on and from the date of such transfer, become an employee of the Subsidiary Textile Corporation, and the provisions of sections 14 and 15 shall apply to such employee as they apply to an employee of the National Textile Corporation as if references in the said sections to the National Textile Corporation were references to the Subsidiary Textile Corporation.

CHAPTER VI

COMMISSIONERS OF PAYMENTS

17. Appointment of Commissioners of Payments.—(*1*) For the purpose of disbursing the amounts payable to the owner of each sick textile undertaking, the Central Government shall, by notification in the Official Gazette,—

(*a*) appoint such number of persons as it may think fit to be Commissioners of Payments; and

(*b*) define the local limits within which the Commissioners of Payments shall exercise the powers conferred, and perform the duties imposed, on them by or under this Act.

(*2*) The Central 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 also to 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 India.

(*5*) References in this Act to the Commissioner shall, where more than one Commissioner has been appointed, be construed as references to the Commissioner in relation to the sick textile undertaking within the local limits of the jurisdiction specified under clause (*b*) of sub-section (*1*).

18. Payment by the Central Government to the Commissioner.—(*1*) The Central Government shall, within thirty days from the specified date, pay in cash to the Commissioner, for payment to the owner of a sick textile undertaking, an amount equal to the amount specified against the sick textile undertaking in the First Schedule and shall also pay to the Commissioner such sums as may be due to the owner of a sick textile undertaking under sub-sections (*1*) and (*2*) of section 9.

(*2*) In relation to the sick textile undertakings, the management of which was taken over by the Central Government under the Industries (Development and Regulation) Act, 1951 (5 of 1951), there shall be paid by the Central Government [in addition to the amount referred to in sub-section (*1*)], to the Commissioner, in cash, an amount calculated at the rate specified in section 6 of the Sick Textile Undertakings (Taking Over of Management) Act, 1972 (72 of 1972), for the period commencing on the date on which such management was taken over by the Central Government and ending on the appointed day.

(*3*) In relation to the sick textile undertakings, the management of which was taken over by the Central Government under the Sick Textile Undertakings (Taking Over of Management) Act, 1972 (72 of 1972), there shall be paid by the Central Government [in addition to the amount referred to in sub-section (*1*)], to the Commissioner, in cash, such amount payable under section 6 of that Act as remains unpaid in relation to the period commencing on the date on which such management was taken over by the Central Government and ending on the appointed day.

(*4*) A deposit account shall be opened by the Central Government, in favour of the Commissioner, in the Public Account of India, and every amount paid under this Act to the Commissioner shall be deposited by him to the credit of the said deposit account in the Public Account of India, and thereafter the said deposit account shall be operated by the Commissioner.

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

(*6*) Interest accruing on the amounts standing to the credit of the deposit account referred to in sub-section (*4*) shall inure to the benefit of the owners of the sick textile undertakings.

19. Certain powers of the National Textile Corporation.—(*1*) The National Textile Corporation shall be entitled to receive, up to the specified date, to the exclusion of all other persons, any money due to the sick textile undertaking, realised after the appointed day, notwithstanding that the realisations pertain to a period prior to the appointed day.

(*2*) The National Textile Corporation may make a claim to the Commissioner with regard to every payment made by the Custodian after the appointed day but before the date on which the Ordinance was promulgated for discharging any liability of the owner of a sick textile undertaking in relation to any period prior to the appointed day, and every such claim shall have priority, in accordance with the priorities attaching under this Act, to the matter in relation to which such liability has been discharged by the Custodian.

(*3*) Save as otherwise provided in this Act, the liabilities in relation to a sick textile undertaking in respect of any period prior to the appointed day which have not been discharged by the Custodian shall be the liabilities of the owner of that sick textile undertaking.

20. Claims to be made to the Commissioner.—Every person having a claim against the owner of a sick 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.

21. Priority of claims.—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 will have precedence over all other categories, and category II will have precedence over category III and so on;

(*b*) the claims specified in each of the categories except Category IV, 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 IV 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.

22. Examination of claims.—(*1*) On receipt of the claims under section 20, 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 by any lower category, he shall not be required to examine the liabilities in respect of such lower category.

23. Admission or rejection of claims.—(*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 disbursements made by the Commissioner.

(*4*) The Commissioner shall, after such investigation as may, in his opinion, be necessary and after giving the sick 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 will hold his sittings and shall, for the purpose of making any investigation under this Act, have the same powers as are vested in a civil court under the Code of Civil Procedure, 1908 (5 of 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 producible as evidence;

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(*c*) the reception of evidence on affidavits;

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

(*6*) Any 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 (45 of 1860) 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 (2 of 1974).

(*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 sick textile undertaking is situated:

Provided that where a person who is a Judge of a High Court is appointed to be the Commissioner, such appeal shall lie to the High Court for the State in which the sick textile undertaking is situated, and such appeal shall be heard and disposed of by not less than two Judges of that High Court.

24. Disbursement of money by the Commissioner to claimants.—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 claim shall stand discharged.

25. Disbursement of amounts to the owners of sick textile undertakings.—(*1*) If out of the monies paid to him in relation to a sick 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 sick textile undertaking.

(*2*) Before making any payment to the owner of any sick 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 person to receive the whole or any part of the amount referred to in sections 8 and 9, 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 doubts, it is hereby declared that the entries 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 any sick textile undertaking specified in the corresponding entries 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 sick textile undertaking.

(*4*) Where any machinery, equipment or other property in a sick textile undertaking has vested in the National Textile Corporation, but such machinery, equipment or other property does not belong to the owner of such sick textile undertaking, the amount specified in column (*4*) of the First Schedule against such sick textile undertaking shall, on a reference made to it by the Commissioner, be apportioned by the court between the owner of such sick 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 a sick textile undertaking, means the principal civil court of original jurisdiction within the local limits of whose jurisdiction the sick textile undertaking is situated.

26. Undisbursed or unclaimed amounts to be deposited to the general revenue account.—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 Central Government; but a claim to any money so transferred may be preferred to the Central Government by the person entitled to such payment and shall be dealt with as if such transfer had not been made, the order, if any, for payment of the claim being treated as an order for the refund of revenue.

CHAPTER VII

MISCELLANEOUS

27. Assumption of liability.—(*1*) Where any liability of the owner of a sick 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 to him under this Act, the Commissioner shall intimate in writing to the Central Government the extent of the liability which remains undischarged, and that liability shall be assumed by the Central Government.

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

28. Management to continue to vest in the Custodian until alternative arrangements are made.—Notwithstanding the vesting, under this Act, of a sick textile undertaking in the National Textile Corporation,—

(*a*) the Custodian who has been managing the affairs of such undertaking before the date on which the Ordinance was promulgated shall, until alternative arrangements have been made by the National Textile Corporation, continue to manage the affairs of such undertaking as if the Custodian had been authorised by the National Textile Corporation to manage the affairs of such undertaking; and

(*b*) the Custodian or any person authorised by him for this purpose shall, until alternative arrangements have been made by the National Textile Corporation, continue to be authorised to operate, in relation to the sick textile undertaking, any account of such undertaking in a bank as if such Custodian or the person authorised by the Custodian had been authorised by the National Textile Corporation to operate such account.

29. Act to override all other enactments.—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.

30. Contracts to cease to have effect unless ratified by National Textile Corporation.—(*1*) Every contract entered into by the owner or occupier of any sick 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 date on which this Act receives the assent of the President, cease to have effect unless such contract is before the expiry of that period, ratified, in writing, by the National Textile Corporation and in ratifying such contract the National Textile Corporation may, with the previous approval of the Central Government, make such alterations or modifications therein as it may think fit:

Provided that the National Textile 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 interests of the sick textile undertaking.

(*2*) The National Textile 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.

31. Transfer of assets, etc., to be void in certain cases.—(*1*) Except with the prior approval of the Central Government, no owner of a sick textile undertaking, specified in the Schedule to the Sick Textile Undertakings (Taking Over of Management) Act, 1972 (72 of 1972), the management of which could not be taken over by the Central Government by reason of any decree, order or injunction of any court or otherwise, shall, on and from the date of introduction of the Sick Textile Undertakings (Nationalisation) Bill, 1974, in the House of the People, transfer, by sale, mortgage or otherwise, any property or other assets forming part of the said sick textile undertaking and any such transfer without the previous approval of the Central Government shall be void and inoperative.

(*2*) Any person who contravenes the provisions of sub-section (*1*) 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.

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32. Penalties.—Any person who,—

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

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

(*c*) wrongfully removes or destroys and property forming part of any sick 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.

33. 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.

(*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 purposes 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.

34. Protection of action taken in good faith.—No suit, prosecution or other legal proceeding shall lie against the Central Government or any officer of that Government or the Custodian or the National Textile Corporation or any Subsidiary Textile Corporation or any officer or other person authorised by either of such Corporations for anything which is, in good faith done or intended to be done under this Act.

35. Textile companies not to be wound up by the court.—No proceeding for the winding up of a textile company, the right, title and interest in relation to the sick textile undertaking owned by which have vested in the National Textile Corporation under this Act or for the appointment of a receiver in respect of the business of the sick textile undertaking shall lie or be proceeded with in any court except with the consent of the Central Government.

36. Delegation of powers.—(*1*) The Central Government may, by notification, direct that all or any of the powers exercisable by it under this Act, other than the power under section 37, 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 Central Government.

37. Power to make rules.—(*1*) The Central 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 the manner in which an intimation referred to in sub-section (*4*) of section 4 shall be given;

(*b*) the manner in which monies in any provident or other fund referred to in section 15 shall be dealt with;

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

(*3*) 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 sessions 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.

38. 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 date on which this Act receives the assent of the President.

39. Declaration as to the policy of the State.—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, "State" has the same meaning as in article 12 of the Constitution.

40. Repeal and savings.—(*1*) The Sick Textile Undertakings (Nationalisation) Ordinance, 1974 (Ord. 12 of 1974), as hereby repealed.

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

[1]**[41. Validation.—**Notwithstanding anything contained in any judgment, decree or order of any court, tribunal or other authority,—

(*a*) the provisions of this Act, as amended by the Textile Undertakings (Nationalisation) Laws (Amendment and Validation) Act, 2014 (36 of 2014), shall have and shall be deemed always to have effect for all purposes as if the provisions of this Act, as amended by the said Act, had been in force at all material times;

(*b*) any lease-hold property divested from the National Textile Corporation to any person under the provisions of this Act, as it stood immediately before the commencement of the Textile Undertakings (Nationalisation) Laws (Amendment and Validation) Act, 2014 (36 of 2014), shall stand transferred to and vest or continue to vest, free from all encumbrances, in the National Textile Corporation in the same manner as it was vested in the National Textile Corporation before such divesting of that property under the provisions of this Act, as if the provisions of this Act as amended by the aforesaid Act, were in force at all material times;

(*c*) no suit or other proceedings shall, without prejudice to the generality of the foregoing provisions, be maintained or continued in any court or tribunal or authority for the enforcement of any decree or order or direction given by such court or tribunal or authority, notwithstanding any undertaking filed by the National Textile Corporation in any court or tribunal or authority, directing divestment of such lease-hold property from the National Textile Corporation vested in it under section 3 of this Act, as it stood before the commencement of the Textile Undertakings

1. Ins. by Act 36 of 2014, s. 4 (w.e.f. 17-12-2014).

(Nationalisation) Laws (Amendment and Validation) Act, 2014 (36 of 2014), and such lease-hold property shall continue to vest in the National Textile Corporation under section 3 of this Act, as amended by the aforesaid Act, as if the said section was in force at all material times;

(*d*) any transfer of any property, vested in the National Textile Corporation, by virtue of any order of attachment, seizure or sale in execution of a decree of a civil court or orders of any tribunal or other authority in respect of lease-hold property vested in the National Textile Corporation which is contrary to the provisions of this Act, as amended by the Textile Undertakings (Nationalisation) Laws (Amendment and Validation) Act, 2014 (36 of 2014), shall be deemed to be null and void and notwithstanding such transfer, continue to vest in the National Textile Corporation under this Act.]

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THE FIRST SCHEDULE

[*See* sections 2 (*h*), 8 and 18]

Sl. No.	Name of the undertaking	Name of the owner	Amount (in rupees)
(1)	(2)	(3)	(4)
1	Adoni Cotton Mills, Alur Road, Adoni (Andhra Pradesh)	Adoni Cotton Mills Limited, 22, Bell Building, Sir P. M. Road, Bombay-1.	10,79,000
2	Ahmedabad Jupiter Spinning, Weaving and Manufacturing Mills, Mill No. 1, Dadheechi Road, Ahmedabad (Gujarat)	The Ahmedabad Jupiter Spinning, Weaving and Manufacturing Company Limited, Dadheechi Road, Ahmedabad.	1,39,06,000
3	Ahmedabad Jupiter Spinning, Weaving and Manufacturing Mills, Mill No. 2, Parel, Bombay-13 (Maharashtra)		2,35,68,000
4	Ahmedabad New Textile Mills, Outside Raipur Gate, Ahmedabad (Gujarat)	The Ahmedabad New Textile Mills Company Limited, Outside Raipur Gate, Ahmedabad.	93,44,000
5	Ajudhia Textile Mills, Azadpur Delhi-33	The Ajudhia Textile Mills Limited, 23-24, Radha Bazar Street, Calcutta-1.	8,41,000
6	Alagappa Textile (Cochin) Mills, Alagappanagar (Kerala)	The Alagappa Textiles (Cochin) Limited, Alagappanagar (Kerala).	43,62,000
7	Anantapur Cotton Mills, Tadapatri (Andhra Pradesh)	The Anantapur Cotton Mills Limited, Tadapatri (Andhra Pradesh).	2,97,000
8	Apollo Mills, N. M. Joshi Marg, Chinchpokli, Bombay-11 (Maharahtra)	Apollo Mills Limited, N.M. Joshi Marg, Chinchpokli, Bombay-II (Maharashtra).	1,20,37,000
9	Arati Cotton Mills, Dassnagar, Howrah (West Bengal)	Arati Cotton Mills Limited, 29, Strand Road, Calcutta-1.	4,85,000
10	Associate Industries (Assam) (Spinning Unit), Chandrapur, Distt. Kamrup (Assam)	Associated Industries (Assam), Chandrapur, Distt. Kamrup (Assam).	14,14,000
11	Aurangabad Mills, Aurangabad (Maharashtra)	The Aurungabad Mills Limited, 16, Himgiri Padam Tekri, Pedoor Road, Bombay-26.	1,000
12	Azam Jahi Mills, Warangal (Andhra Pradesh)	The Azam Jahi Mills Limited, 159, Gunfoundry Road, Hyderabad.	92,95,000
13	Balarama Varma Textile Mills, Shencottah (Tamil Nadu)	Balarama Varma Textiles, Limited, Shencottah (Tamil Nadu).	34,00,000
14	Bangasri Cotton Mills, Sodepur (West Bengal)	The Bangasri Cotton Mills Limited, Chandrachur Sadan, Sodepur, 24-Parganas (West Bengal).	4,85,000
15	Bengal Fine Spinning and Weaving Mills, Mill No. 1, Konnagar, District Hooghly (West Bengal)	Bengal Fine Spinning and Weaving Mills Limited, 7, Bipin Bihari Ganguli Street, Calcutta.	15,16,000
16	Bengal Fine Spinning and Weaving Mills, Mill No. 2, Kataganj, District Nadia (West Bengal)		11,96,000
17	Bengal Luxmi (Cotton Mills, Serampore, District Hooghly (West Bengal)	Bengal Luxmi Cotton Mills Limited, 7, Chowringhee Road, Calcutta.	22,00,000
18	Bengal Nagpur Cotton Mills, Rajnandgaon (Madhya Pradesh)	Bengal Nagpur Cotton Mills Limited, 4, Lyons Range, Calcutta.	69,71,000

(1)	(2)	(3)	(4)
19	Bengal Textile Mills, Cossimbazar (West Bengal)	Bengal Textile Mills Limited, Mercantile Building, Lal Bazar, Calcutta.	3,48,000
20	Bihar Co-operative Weavers' Spinning Mills, Mokameh, Patna (Bihar)	Bihar Co-operative Weavers' Spinning Mills Limited, Mokameh, Patna.	13,07,000
21	Bijli Cotton Mills, Mendu Road, Hathras (Uttar Pradesh)	The Bijli Cotton Mills (Private) Limited, Agra (Uttar Pradesh).	21,49,000
22	Burhanpur Tapti Mills, Lalbag, Burhanpur R. S. (Nimar) (Madhya Pradesh)	The Burhanpur Tapti Mills Limited, Burhanpur R. S. Nimar (Madhya Pradesh).	86,80,000
23	Combodia Mills, Ondipudur, Coimbatore-16 (Tamil Nadu)	The Combodia Mills Limited, Ondipudur, Coimbatore-16 (Tamil Nadu)	64,40,000
24	Cannanore Spinning and Weaving Mills, Cannanore (Kerala)	The Cannanore Spinning and Weaving Mills Limited, Cannanore (Kerala).	47,08,000
25	Cannanore Spinning and Weaving Mills, Mahe (Pondicherry)		61,24,000
26	Central Cotton Mills, Howrah (West Bengal)	Central Cotton Mills Limited, 9, Brabourne Road, Calcutta-1.	44,10,000
27	Chhaganlal Textile Mills, Chalisgaon, East Khandesh (Maharashtra)	The Chhaganlal Textile Mills (Private) Limited, Chowk, Bhopal (Madhya Pradesh).	5,42,000
28	Coimbatore Murugan Mills, Mettupalayam Road, Coimbatore-11	The Coimbatore Murugan Mills Limited, Mettupalayam Road, Coimbatore-11.	18,50,000
29	Coimbatore Spinning and Weaving Mills, Krishnaswamy Mudaliar Road, Coimbatore-1	The Coimbatore Spinning and Weaving Company Limited, Krishnaswamy Mudaliar Road, Coimbatore-1.	47,03,000
30	Dayalbagh Spinning and Weaving Mills, Amritsar (Punjab)	Sir Sahabji Maharaj Mills Limited, Dayalbagh, Agra (Uttar Pradesh)	5,74,000
31	Digvijay Spinning and Weaving Mills, Lalbagh, Parel, Bombay-33 (Maharashtra)	The Digvijay Spinning and Weaving Company Limited, Lalbagh, Parel, Bombay-33	75,65,000
32	Edward Mills, Beawar (Rajasthan)	The Edward Mills Company Limited, Beawar (Rajasthan).	6,79,000
33	Edward Textile Mills, Ferguson Road, Lower Parel, Bombay (Maharashtra)	Edward Textile Mills Limited, Indu House, Dougall Road, Ballard Estate, Bombay (Maharashtra).	66,28,000
34	Fine Knitting Mills, near Chamundamata, Asarva Road, Ahmedabad (Gujarat)	The Fine Knitting Company Limited, Asarva, near Chamundamata, Ahmedabad-16 (Gujarat).	10,17,000
35	Gaya Cotton and Jute Mills, Gaya (Bihar)	Gaya Cotton and Jute Mills Limited, Gaya (Bihar).	10,49,000
36	Himabhai Manufacturing Mills, Outside Saraspur Gate, Ahmedabad (Gujarat)	The Himabhai Manufacturing Company Limited, Opp. Chartoda Kabrastan, Saraspur, Ahmedabad-18 (Gujarat).	54,77,000
37	Hira Mills, 1/10, Hira Mill Marg (Agar Road), Ujjain (Madhya Pradesh)	The Hira Mills Limited, 1/10, Hira Mill Marg (Agar Road), Ujjain (Madhya Pradesh).	12,39,000
38	India United Mills, Mill No.1, Ambedkar Marg, Bombay-12	The India United Mills Limited, Indu House, Narottam Morarjee Marg (Dougall Road), Ballard Estate, Bombay-400001.	
39	India United Mills, Mill No. 2, Bhogale Marg, Bombay-33		

(1)	(2)	(3)	(4)
40	India United Mills, Mill No. 3, Bhogale Marg, Bombay-33		
41	India United Mills, Mill No. 4, T. B. Kadam Marg, Bombay-33		
42	India United Mills, Mill No. 5, Chinmchpokli Lane, Bombay-27	The India United Mills Limited, Indu House, Narrottam Morarjee Marg, (Dougall Road), Ballard Estate, Bombay-400001.	1,000
43	India United Mills, Dye Works, Sawarkar Marg, Bombay-28		
44	Indore Malwa United Mills, Indore	The Indore Malwa United Mills Limited, 139, Meadows Street, Fort, Bombay.	94,25,000
45	Jayashankar Mills Barsi, Barsi, District Sholapur (Maharashtra)	The Jayashankar Mills Barsi Limited, Barsi, 139, District Sholapur (Maharashtra).	31,04,000
46	Jehangir Vakil Mills, Outside Delhi Gate, Ahmedabad (Gujarat)	The Jehangir Vakil Mills Company Limited, Outside Delhi Gate, Ahmedabad (Gujarat).	98,89,000
47	Jyoti Weaving Factory, 69, S. K. Dev Road, Calcutta-48, West Bengal	Jyoti Weaving Factory (Private) Limited-69, S. K. Dev Road, Patipukur, Calcutta, 48 (West Bengal).	1,000
48	Kaleeswarar Mills, 'A' Unit, Coimbatore (Tamil Nadu)	The Kaleeswarar Mills Limited, Coimbatore (Tamil Nadu)	32,08,000
49	Kaleeswarar Mills, 'B' Unit, Kalaynarkoil (District Ramnad), (Tamil Nadu)		15,97,000
50	Kalyanmal Mills, 15, Silnath Camp, Indore (Madhya Pradesh)	Kalyanmal Mills Limited, 15, Silnath Camp, Indore (Madhya Pradesh).	90,64,000
51	Kanoria Industries (Cotton Mills Section), Konnagar (West Bengal)	Kanoria Industries Limited, 59, Netaji Subhas Road, Calcutta-1.	7,88,000
52	Kerala Lakshmi Mills, Trichur (Kerala State)	Kerala Lakshmi Mills Limited, Pullazhi, Trichur-4, Kerala State.	25,71,000
53	Keshav Mills, Petlad (Gujarat)	Keshav Mills Company Limited, Petlad (Gujarat).	56,28,000
54	Kharar Textile Mills, Kharar, near Chandigarh	The Panipat Woollen and General Mills Company Limited, Kharar, near Chandigarh.	12,89,000
55	Kishnaveni Textile Mills, Trichy Road, Singanallur Post, Coimbatore (Tamil Nadu)	Kishnaveni Textiles Limited, Trichy Road, Singanallur Post, Coimbatore-5.	25,50,000
56	Laxmi Narayan Cotton Mills, Rishra (West Bengal)	Laxmi Narayan Cotton Mills Limited, 4B, Garstin Place, Calcutta-1.	18,77,000
57	Lord Krishna Textile Mills, Saharanpur (Uttar Pradesh)	Lord Krishna Sugar Mills Limited, Chand Hotel, Chandni Chowk, Delhi.	69,92,000
58	Mahalakshmi Mills, Beawar (Rajasthan)	The Mahalakshmi Mills Company Limited Beawar (Rajasthan).	3,68,000
59	Mahalaxmi Mills, Vartej Road, Bhavnagar (Gujarat)	The Mahalaxmi Mills Limited, Vartej Road, Bhavnagar (Gujarat).	83,61,000

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(1)	(2)	(3)	(4)
60	Mahboob Shahi Kulbarga Mills, Gulbarga (Karnataka)	Mahboob Shahi Kulbarga Mills Company Limited, Gulbarga (Karnataka).	1,34,84,000
61	Mahindra Mills, Cossimbazar (West Bengal)	Mahindra Mills Limited, B. K. Paul Avenue, Calcutta.	7,71,000
62	Minerva Mills, Malleswaram, Bangalore-3 (Karnataka)	Minerva Mills Limited, Temple Bar Building, 70, Forbes Street, Fort, Bombay-1	75,41,000
63	Model Mills Nagpur, Umrer Road, Nagpur (Maharashtra)	The Model Mills Nagpur Limited, Ilace House, Sir Phirozshah Mehta Road, Bombay-1.	1,000
64	Muir Mills, Civil Lines, Kanpur (Uttar Pradesh)	Muir Mills Company Limited, Civil Lines, Kanpur (Uttar Pradesh).	1,36,60,000
65	Mysore Spinning and Manufacturing Mills, Magadi Road, Bangalore (Karnataka)	The Mysore Spinning and Manufacturing Company Limited, 70, Forbes Street, Fort, Bombay.	84,97,000
66	Natraj Spinning and Weaving Mills Nirmal, Adilabad District (Andhra Pradesh)	Natraj Spinning and Weaving Mills Limited, 37, Lal Bahadur Stadium, Hyderabad-1.	17,26,000
67	Netha Co-operative Spinning Mills, 608, Elechiguda, Secunderabad-3 (Andhra Pradesh)	The Netha Co-operative Spinning Mills Limited, Secunderabad-3.	28,42,000
68	New Bhopal Textile Mills, Chandbar, Tehsil Huzur, Bhopal (Madhya Pradesh)	The New Bhopal Textile Limited, Chandbar, Tehsil Huzur, Bhopal.	7,35,000
69	New Kaiser-i-Hind Spinning and Weaving Mills, Gorupdeo Road, Chinchpokli, Bombay-33 (Maharashtra)	New Kaiser-i-Hind Spinning and Weaving Company Limited, Ashoka Apartment, Altamount Road, Bombay.	48,70,000
70	New Maneckchock Spinning and Weaving Mills, Opp. Idgah Gate, Ahmedabad-16 (Gujarat)	The New Maneckchock Spinning and Weaving Company Limited, Opp. Idgah Gate, Ahmedabad-16.	54,37,000
71	New Pratap Spinning, Weaving and Manufacturing Mills, Dhulia, West Khandesh	New Pratap Spinning and Weaving and Manufacturing Company Limited, Dhulia, West Khandesh.	70,45,000
72	New Victoria Mills, 14/1, Civil Lines, Kanpur (Uttar Pradesh)	The New Victoria Mills Company Limited, 14/1, Civil Lines, Kanpur (Uttar Pradesh).	47,38,000
73	Om Parasakthi Mills, Kishnarayapuram, Ganapathy P.O., Coimbatore-6 (Tamil Nadu)	Om Parasakthi Mills Limited, Kishnarayapuram, Ganapathy P.O., Coimbatore-6.	27,99,000
74	Orissa Cotton Mills, Bhagatpur, Cuttack	Orissa Cotton Mills Limited, 41, Ironside Road, Calcutta-1.	1,000
75	Osmanshahi Mills, Mill Road, Nanded (Maharashtra)	Osmanshahi Mills Limited, Mill Road, Nanded (Maharashtra).	1,06,71,000
76	Panipat Woollen Mills, Kharar, near Chandigarh	The Panipat Woollen and General Mills Company Limited, Kharar, near Chandigarh.	6,40,000
77	Pankaja Mills, Coimbatore	Pankaja Mills Limited, Coimbatore.	26,10,000
78	Parvathi Mills, Quilon (Kerala)	Parvathi Mills Limited , Quilon (Kerala).	26,05,000
79	Pioneer Spinners, Pioneernagar, (Tamil Nadu)	Pioneer Spinners (Private) Limited, Pioneernagar (Tamil Nadu).	26,44,000
80	Prabha Mills, Viramgam (Gujarat)	Prabha Mills Limited, Highway Rose Building, 92, Ambawadi Dixit Road, Vile Parle, Bombay-57.	9,10,000

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(1)	(2)	(3)	(4)
81	R. B. Bansilal Abirchand Spinning and Weaving Mills, Hinghanghat (Maharashtra)	R. B. Bansilal Abirchand Spinning and Weaving Mills Company (Private) Limited, Hinganghat (Maharashtra).	57,50,000
82	Rajkot Spinning and Weaving Mills, Karansinhji Cross-Road, Post Box No. 2, Rajkot (Gujarat)	The Rajkot Spinning and Weaving Mills Limited, Karansinhji Cross Road, Post Box No. 2, Rajkot.	31,79,000
83	Rajnagar Spinning, Weaving and Manufacturing Mills, Unit No.1, Ahmedabad (Gujarat)	The Rajnagar Spinning, Weaving and Manufacturing Company Limited, Outside Prem Gate, Ahmedabad.	
84	Rajnagar Spinning, Weaving and Manufacturing Mills, Unit No. 2, Ahmedabad (Gujarat)		58,81,000
85	Rampooria Cotton Mills, Serampore (West Bengal)	Rampooria Cotton Mills Limited, 8-B, Lall Bazar Street, Calcutta-1.	47,67,000
86	R.S.R. Gopaldas Mohta Spinning and Weaving Mills, Akola (Maharashtra)	The R.S.R. Gopaldas Mohta Spinning and Weaving Mills (Private) Limited, Akola, District Akola (Maharashtra).	1,01,88,000
87	Savatram Ramprasad Mills, Akola (Maharashtra)	Savatram Ramprasad Mills Company Limited, Akola (Maharashtra).	59,34,000
88	Seksaria Cotton Mills, Delisle Road, Parel, Bombay	Seksaria Cotton Mills Limited, Delisle Road, Parel, Bombay.	49,67,000
89	Shree Bijay Cotton Mills, Bijainagar (Rajasthan)	Shree Bijay Cotton Mills Limited, Bijainagar (Rajasthan).	87,000
90	Shree Mahalaxmi Mills, Palta (West Bengal)	M/s. Gajraj Pannalal Limited, Calcutta.	27,22,000
91	Shri Vikram Cotton Mills, Talkatora, Lucknow (Uttar Pradesh)	Shri Vikram Cotton Mills Limited, Lucknow (Uttar Pradesh).	12,46,000
92	Sodepur Cotton Mills, Sodepur (West Bengal)	Sodepur Cotton Mills Limited, Sodepur (West Bengal).	1,000
93	Somasundaram Mills, 10/64, Somasundaram Mill Road, Coimbatore	The Somasundaram Mills (Private) Limited, 10/ 64, Somasundaram Mill Road, Coimbatore (Tamil Nadu).	38,25,000
94	Sree Yallamma Cotton, Woollen and Silk Mills, Yallamnagar (Tolahunaso Railway Station)	Shree Yallamma Cotton, Woollen and Silk Mills Company Limited, Davangere City (Karnataka State).	10,18,000
95	Sri Bharathi Mills, Mudaliarpet P.O., Pondicherry	Sri Bharathi Mills Limited, Mudaliarpet P.O., Pondicherry.	15,22,000
96	Sri Kothandram Spinning Mills, Madurai	Sri Kothandram Spinning Mills (Private) Limited, Madurai.	97,000
97	Sri Ranga Vilas Ginning, Spinning and Weaving Mills, Avanashi Road, Peelamedu P.O., Coimbatore (Tamil Nadu)	Sri Ranga Vilas Ginning, Spinning and Weaving Mills Limited, Avanashi Road, Peelamedu P.O., Post Box No. 828, Coimbatore.	35,14,000
98	Sri Sarada Mills, Podanur (Tamil Nadu)	Sri Sarada Mills Limited, Podanur (Tamil Nadu).	50,31,000
99	Suraj Textile Mills, Malout Mandi, Punjab	Suraj Textile Mills Limited, Malout Mandi, Punjab.	2,37,000
100	Swadeshi Cotton and flour Mills, 7, Silnath Camp, Indore-3 (Madhya Pradesh)	The Swadeshi Cotton and flour Mills Limited, 7, Shilnath Camp, Indore-3 (Madhya Pradesh).	1,000
101	Tirupathi Cotton Mills, Ranigunta (Andhra Pradesh).	Tirupathi Cotton Mills Limited, 8, Boag Road, T. Nagar, Madras-17.	23,99,000
102	Vidarbha Mills (Berar) Ellichpur (Maharashtra)	Vidarbha Mills Berar Limited, Ellichpur (Maharashtra).	73,26,000
103	Vijaymohini Mills, Trivandrum	The Vijaymohini Mills Limited, Trivandrum.	32,95,000

Income Tax

THE SECOND SCHEDULE

[*See* sections 21, 22, 23 and 27]

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

PART A

Post-take-over management period

Category I.—

(*a*) Loans advanced by a bank.

(*b*) Loans advanced by an institution other than a bank.

(*c*) Any other loan.

(*d*) Any credit availed of for purpose of trade or manufacturing operations.

Category II.—

(*a*) Revenue, taxes, cesses, rates or any other dues to the Central Government or a State Government.

(*b*) Any other dues.

PART B

Pre-take-over management period

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Category III.—

Arrears in relation to provident fund, salaries and wages, and other amounts, due to an employee.

Category IV.—

Secured loans.

Category V.—

Revenue, taxes, cesses, rates or any other dues to the Central Government, a State Government, a local authority or a State Electricity Board.

Category VI.—

(*a*) Any credit availed of for purpose of trade or manufacturing operations.

(*b*) Any other dues.