

**HOOGLY DOCKING AND ENGINEERING COMPANY LIMITED
(ACQUISITION AND TRANSFER OF UNDERTAKINGS'
ADMINISTRATION OF FUNDS RULES, 1985**

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STATEMENT OF OBJECTS AND REASONS The Hooghly Docking and Engineering Company Limited consists of two production units, namely. Salkia Works at Salkia, Howrah and Port Engineering Works at Howrah. The Company is engaged in shipbuilding and ship repairing and in the production of grey iron, non-ferrous and alloy castings. More than 2,500 persons are employed in the aforesaid two units. 2. The units had become sick ever since mid sixties and assistance from the Industrial Reconstruction Corporation of India (IRC) was made available to it from 1973 onwards. It was being managed by IRCI since then. However, the units continued to be sick due to lack of adequate finance for working capital, fresh investment and modernisation. Interest burden, which continued to mount owing to accumulated losses, created further difficulties. IRCI also found it no longer possible to finance the units further. Employees' dues and other payments went into arrears. Wages of the employees could not be paid in time. Because of the uncertainty about the future of the Company, many technical and managerial personnel left the Company. It became difficult to keep the Company's operations going. 3. The revival of the undertakings by restructuring the capital was considered to be an immediate necessity for the purpose of securing the better utilisation of the infrastructure of the undertakings to modernise and increase the capacity for shipbuilding and ship repairing so as to reduce the import of ships and to augment the production of grey iron, non-ferrous and alloy castings by the said undertakings so as to ensure the continued

supply of the said articles. The revival was also considered necessary to save the workers employed in the undertakings from unemployment. Among the various- alternatives, acquisition and transfer of the undertakings by the Government was considered to be the only effective alternative to achieve the process quickly followed by a modernisation programme involving substantial capital expenditure. The Hooghly Docking and Engineering Company Limited (Acquisition and Transfer of Undertakings) Ordinance, 1984 (7 of 1984) was accordingly promulgated on the 28th June, 1984. 4. The Bill seeks to replace the aforesaid Ordinance. New Delhi; The 19th July, 1984. Narayan Datt Tiwari. [Gazette of India, Extraordinary, dated 31.7.1984, Pt. II, Section 2, Page 41 (No. 37)]

1. Short title and commencement :-

(1) These rules may be called the Hooghly Docking and Engineering Company Limited (Acquisition and Transfer of Undertakings) Administration of Funds Rules, 1985.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. Definitions :-

In these rules unless the context otherwise requires,-

(a) 'Act' means the Hooghly Docking and Engineering Company Limited (Acquisition and Transfer of Undertakings) Act, 1984 (55 of 1984);

(b) 'Section' means a section of the Act ;

(c) 'Provident Fund' means the Provident Fund established by Messrs. Hooghly Docking and Engineering Company Limited for the benefit of persons employed in any of the under-takings owned by them.

3. Administration of Funds :-

The monies standing to the credit of the provident fund, superannuation fund, welfare fund or any other fund relating to the officers or other employees whose services have become transferred by or under the Act to the Central Government or an existing, or a new Government company shall, on and from the appointed day and till such time as alternative modes of their administration or disposition of both are formulated, be dealt with

by the Central Government or the existing or new, Government Company, as the case may be, in accordance with the provisions of the rules, regulations and bye-laws applicable to or of any law governing the provident fund superannuation fund, welfare fund or any other fund and its administration immediately before the appointed day, with such modifications as may be carried out in the said rules, regulations and bye-laws by the appropriate authority.
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