

**ANDHRA SCIENTIFIC COMPANY LIMITED (ACQUISITION  
AND TRANSFER OF UNDERTAKINGS) ADMINISTRATION OF  
FUNDS RULES, 1985**

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**ANDHRA SCIENTIFIC COMPANY LIMITED (ACQUISITION  
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STATEMENT OF OBJECTS AND REASONS The Andhra Scientific Company Limited, Machilipatnam, is engaged in the manufacture and production of various types of scientific instruments. From a small beginning, the Company had grown to be the largest private sector undertaking in the field of scientific instruments. Building up steadily, the Company attained a turnover of Rs. 45 lakhs by 1965-66. A downward trend started thereafter and in 1967-68, the Company incurred a loss of Rs. 1.91 lakhs which increased to Rs. 25.62 lakhs in 1971-72. In the light of the recommendations of certain Governmental Committees and in view of the fact that the Company had a body of talented and dedicated scientists and engineers its management was taken over by the Central Government under Section 18-AA of the Industries (Development and Regulation) Act, 1951, in June 1972. 2. Though the Central Government was advancing some amounts as loans during the period of its management, the Company was facing acute shortage of liquid funds for its working capital requirements. Funds are also required for modernisation of the plant and machinery. But pending nationalisation of the Company, it was not possible for Government to invest the required amount of funds in the Company. Studies made to determine the future set-up of the Company revealed that the undertakings of the Company should be nationalised in order to consolidate the gains of management and to ensure uninterrupted supply of critical items of defence production. In view of the importance of the products manufactured by the Company and the loss of employment to more than 850 employees of the Company if

the Company were to be closed down, it is considered necessary to take over the undertakings of the Company. 3. The Bill seeks to achieve the aforesaid object. Apart from providing for the acquisition and transfer of the undertakings of the Company, the Bill provides for the payment of an amount for such acquisition, vesting of the undertakings of the Company in a Government company, appointment of a Commissioner of Payments for the purpose of disbursing the amount payable to the Company and for other incidental and consequential matters. New Delhi; The 22nd September, 1982. R. VENKATARAMAN. [Gazette of India dated 16.10.1982 Extraordinary Pt. II S-2 Page 15 (No. 48)]

### **1. Short title and commencement :-**

(1) These rules may be called the Andhra Scientific 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 Andhra Scientific Company Limited (Acquisition and Transfer of Undertakings) Act, 1982 (71 of 1982),

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(b) 'Section' means section of the Act.

(c) 'Provident Fund' means the Provident Fund established by the Andhra Scientific Company Limited for the benefit of persons employed in any of the undertakings owned by it',

(d) words and expressions used in these rules and not defined but defined in the Act, shall have the meanings respectively assigned to them in that Act.

### **3. Administration of Provident Fund :-**

The monies standing to the credit of the provident fund, superannuation fund, welfare fund or any other fund relatable to the officers or other employees whose services stand transferred by or under the Act to the Central Government or the concerned Government Company shall, on and from the appointed day and till such time as alternative modes of their administration or disposition

or both are formulated, be dealt with by the Central Government or the concerned 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 by laws by the appropriate authority.

COMMENTS The moneys transferred to the Central Government or the Government Company as the case may be, shall be dealt with by that Government or Government Company in such manner as may be prescribed. [F. No. 24(2)/84/D (BEML)/D(BEL)] S. Jambunathan, Jt. Secy.