

Tea Act, 1953

Section 16E - Power to Take over Tea Undertaking or Tea Unit Without Investigation Under Certain Circumstances

(1) Without prejudice to any other provision of this Act if from the documentary or other evidence in its possession, the Central Government is satisfied, in relation to a tea undertaking or tea unit, that--

(a) the persons in charge of such tea undertaking or tea unit have, by reckless investment or¹[by] creation of incumbrances on the assets of the tea undertaking or tea unit, or by diversion of funds, brought about a situation which is likely to affect the production of tea manufactured or produced by the tea undertaking or tea unit and that immediate action is necessary to prevent such a situation or

(b) it has been closed for a period of not less than three months (whether by reason of the voluntary winding up of the company owning the tea undertaking or tea unit or for any other reason) and such closure is prejudicial to the concerned tea undertaking or tea unit and that the financial condition of the company owning the tea undertaking or tea unit and the plant and machinery of such tea undertaking or tea unit are such that it is possible to restart the tea undertaking or tea unit and such restarting is necessary in the interests of the general public, it may, by notified order, authorise any person or body of persons to take over the management of the whole or any part of the tea undertaking or tea unit or to exercise in respect of the whole or any part of the tea undertaking or tea unit such functions of control as may be specified in the order.

²[Explanation.-- For the purpose of this sub-section, "incumbrances" includes any liability which may be recovered or satisfied from the assets of the tea undertaking or, as the case may be, tea unit or the person owning the tea undertaking or tea unit.]

(2) On the issue of a notified order under sub-section (1) in respect of a tea undertaking or tea unit,--

(a) the provisions of sub-sections (2), (3) and (4) of section 16D, and the provisions of section 16G, shall apply to a notified order made under sub-section (1) as they apply to a notified order made under sub-section (1) of section 16D; and

(b) the provisions of sub-sections (3) and (4) of section 18AA of the Industries (Development and Regulation) Act, 1951, shall apply to the tea undertaking or tea unit, as the case may be, to the same extent as they apply to an industrial undertaking.

1.Inserted by Tea (Amendment) Act (68 of 1980), Section 3 (w.e.f. 11-4-76).

2.Substituted for the words "two years" by the Tea (Amendment) Act, 1983 (38 of 1983), Section 2 (w.r.e.f. 7-10-1983).
