



State Public Sector Undertakings - Voluntary Retirement Scheme - Revised
Guidelines Orders -Issued

FINANCE (BPE)DEPARTMENT

G.O.Ms.No.158
Date : 13.5.2002

Read:

1. G.O.(D)No.29,Finance(BPE)Department, dated 13.6.91
2. G.O.Ms.No.221,Finance(BPE)Department,dated 30.3.92.
3. G.O.Ms.No.165,Finance(BPE)Department,dated 7.3.1995
4. G.O.Ms,No.17 L & E Department dated 28.2.2000.
5. G.O.Ms.No.165, L & E Department dated 18.10.2000.

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ORDER:

The Government in the G.O. first read above have issued orders introducing Voluntary Retirement Scheme to deal with the situation of surplus manpower in the State Public Sector Undertakings. The terms and conditions of the VRS are issued in the G.O.s first, second and third read above.

2. Government of India in the OM No.2 (32)/ 97- DPE(WC) GL-XIII dated 5.5.2000, issued from Ministry of Heavy Industries and Public Enterprises, Department of Public Enterprises have revised the existing Voluntary Retirement Scheme guidelines for the Central Public Sector Undertakings which are financially sound and can sustain a Voluntary Retirement Scheme on their own surplus resources and for those Public Sector Undertakings that make marginal profit or losses. A Voluntary Separation Scheme (VSS) also has been evolved for those units that are sick and unviable.

3. The proposal to revise the existing Voluntary Retirement Scheme suitably based on the guidelines issued by the Govt. of India was considered by the Secretaries Committee on Public Enterprises (SCOPE). The Committee has suggested suitable modifications in the existing VRS for the employees of State Public Sector Undertakings in the light of revised VRS announced for the employees of the Central Public Sector Undertakings .

4. The Government have carefully examined the recommendations of the Secretaries Committee on Public Enterprises and decided to accept the recommendations and issue the following revised guidelines in partial modification of the orders issued in the G.Os first to third read above.:-

The State Public Sector Undertakings will be broadly classified into:

State Public Sector Undertakings which are financially sound and can sustain a Voluntary Retirement Scheme from their own surplus resources.

State Public Sector Undertakings which are not financially sound but proposed to be kept as a going concern. A State Public Sector Undertaking is defined as 'financially not sound' if it satisfies either of the following two conditions:-

(i) Those State Public Sector Undertakings whose net worth has been eroded by 50%

(or)

(ii) Those State Public Sector Undertakings which have incurred loss for the last 3 consecutive years

State Public Sector Undertakings which are not financially sound and which are proposed to be closed.

5. (i) In respect of State Public Sector Undertakings falling under category (a) of para 4 above, the present exgratia amount will be revised from 1.5 months emoluments (Pay + DA) to 2 months emoluments for every completed year of service or salary for the number of months Service left or the amount indicated in Col.(2) below whichever is less.

Level of Officer	Ceiling on exgratia in respect of State Public Sector Undertakings falling under category 4 (a)
(1)	(2)
1. Top level (i.e. employees in the scale of pay, the minimum of which is Rs.10,000 and above)	Rs.4.20 lakhs

2. Middle level (employees in the scale of pay, the minimum of which is Rs.6,500 and above but below Rs.10,000)	Rs.2.75 lakhs
3. Lower level (employees in the scale of pay, the minimum of which is Rs.2,550 and above but below Rs.6,500)	Rs.2.00 lakhs

(ii) The exgratia amount would be given by State Public Sector Undertakings from its own sources or from loans raised from market.

(iii) No assistance from the State Renewal Fund would be made available to financially sound State Public Sector Undertakings.

6. In respect of State Public Sector Undertakings falling under category (b) of para 4 above, the compensation will consist of 30 days salary (Pay + DA) for every completed year of service and 10 days for the balance of service left until Superannuation or the amount indicated in col(2) below whichever is less:

Level of Officer	Ceiling on exgratia in respect of State Public Sector Undertakings falling under category 4 (b)
(1)	(2)
1. Top level (i.e. employees in the scale of pay, the minimum of which is Rs.10,000 and above)	Rs.3.50 lakhs
2. Middle level (employees in the scale of pay, the minimum of which is Rs.6,500 and above but below Rs.10,000)	Rs.2.50 lakhs

<p>3. Lower level</p> <p>(employees in the scale of pay, the minimum of which is Rs.2,550 and above but below Rs.6,500)</p>	<p>Rs.1.75 lakhs</p>
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The exgratia amount would be given by State Public Sector Undertakings from own sources or from loans raised from market.

7. In respect of State Public Sector Undertakings falling under category (c) of para 4 above,

(i) the compensation will consist of 30 days salary (Pay+DA) for every completed year of service and 10 days for the balance of service left until Superannuation or Rs.2.50 lakhs whichever is less in respect of all levels of employees.

(ii) the age and service qualification shall be removed and the criteria of minimum period of service left shall be deleted.

(iii) Atleast 90% of the employees should opt for Voluntary Retirement Scheme within one month of the offer or else employees would be eligible only for retrenchment compensation. Those employees who do not opt for it would get only retrenchment compensation.

8. A guaranteed minimum VRS amount of Rs.1.50 lakhs shall be given to the employees of State Public Sector Undertakings falling under all the above three categories viz (a),(b),(c) of para 4 if the VRS amount calculated by the above formula is less than Rs.1.50 lakhs.

9. For those covered under The Industrial Disputes Act, 1947, the upper ceiling limit shall be revised as in para 5,6,7 as the case may be or the actual retrenchment compensation whichever is higher.

10. In respect of State Public Sector Undertakings falling under category (c) of para 4 above, the amount of exgratia will have to be met from State Renewal Fund which would be given to the State Public Sector Undertakings on loan basis as per the guidelines of State Renewal Fund.

11. In respect of State Public Sector Undertakings falling under categories (a) and (b) of para 4 above, the eligibility criteria shall be reduced from the existing 15 years service to 10 years service. Age criteria shall remain the same.

12. The above VRS package shall be made available to State Public Sector Undertakings having no pension scheme other than EPF Pension Scheme.

13. The State Public Sector Undertakings shall place this order before the Board of Directors in the next meeting.

The receipt of this G.O. may be acknowledged.

(By Order of the Governor)

R.SANTHANAM

SECRETARY TO GOVERNMENT

To :

The Chief Executive Officers of all State Public Sector Undertakings.
All Secretaries to Government.
All Departments of Secretariat.
The Accountant General, Chennai.18,6, 35.

Copy to :

Finance Directors./All Officers in Finance (BPE) Deptt.,
The Deputy Secretary to Government, (PLT),L.A. Secretariat, Chennai.9.

Forwarded/ By order

Assistant Director