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22/8/15



GOVERNMENT OF KERALA

Abstract

Forest & Wildlife Department – Voluntary Retirement scheme to employees of KESWIL – Implemented of - Orders issued.

FOREST & WILD LIFE (D) DEPARTMENT

G.O.(MS) No.64/2015/F&WLD

Thiruvananthapuram, Dated:21.08.2015

- Read : 1. G.O.(Ms) No.5//2009/F&WLD dated 03.01.2009
2. Minutes of the meeting held by the Minister (Forest) on 1.10.2014
3. Letter No. KESWIL/CMD/14-15 dated 06.07.2015 from the CMD KESWIL

ORDER

The Kerala State Wood Industries Limited was established in 1981 and commenced commercial production during 1984. Due to recurring loss, the Company was put under lockout from 1.6.1993 by Government and remained under lockout till 29.5.2002. Based on the recommendations made by Centre for Management Development, the Government decided to reopen the Company and sanctioned an amount of Rs. 135 lakhs for maintenance, renovation, working capital etc. An amount of Rs.50 lakhs out of Rs. 135 lakhs sanctioned, was released and the Company reopened on 30.5.2002. After reopening, due to various reasons such as lack of working fund, middle level management, marketing and other infrastructure, the sale and production could not pick up and due to this, the Company was finding difficult to disburse the salaries to the employees and to meet day today and other establishment expenditure. The condition of the Company became very critical and it was not possible to keep its functioning without immediate Government intervention and necessary financial assistance for working capital and finally the functioning of the Company came to a standstill during 2006. In the meantime, the Enterprise Reforms Committee (ERC) has taken up the study for restructuring the Company. The ERC observed that the Company cannot be revived until technology up-gradation, better marketing strategy and efficient management are inducted expeditiously. Consequently certain recommendations were made to the Government including bringing the Company under

Social Safety Net Programme (SSNP), since the Company is found not viable. The Government vide letter No.13910/D2/2007/F&WLD dated 07.07.2008 suggested to implement VRS as per SSNP Scheme formulated for the employees of Public Sector Undertakings under the control of Industries Department vide GO(P) No. 73/203/ID dated 24.06.2003 and GO(Ms) No. 152/05/ID dated 24.11.2005. Finally Kerala State Wood Industries Ltd. was ordered for winding up and implementing VRS to the employees by Government vide GO(Ms) 5/2009/F&WLD dated 31.01.2009. Sanction was also accorded to draw an amount of Rupees One crore from contingency fund to KESWIL for providing financial assistance as advance for granting the benefits of VRS scheme to the employees and meeting other connected statutory expenses.

Prior to the issue of Government Order for implementation of VRS, a meeting was held by the then Hon'ble Minister (Forest & Housing) with Minister (Finance) on 21.08.2008 in connection with the winding up /VRS package of KESWIL in which the following decisions were taken.

- 1) VRS package will be implemented as per existing Government orders and employees on long leave and deputation will be excluded .
- 2) No revision of pay will be allowed but DA will be revised as on 31.07.2006.
- 3) Half of the wages will be given during the lockout period.
- 4) The cut off date for VRS will be 31.07.2006.
- 5) Half of the VRS package will be disbursed to the employees before Onam. Finance Department in Government may be asked to arrange this amount out of funds available for the VRS. Balance will be given after auctioning the timber and machinery and deducting the auction amount. The auction amount procedure will be completed within 3 months.

Based on the above guidelines, VRS liability against all the employees was calculated by M/s Guide Consultants, Thiruvananthapuram and it was found that an amount of 2,47,35,497/- (Two crores forty seven lakhs thirty five thousand four hundred and ninety seven only) is required for settling VRS benefits, gratuity, half of lockout wages etc.

The Trade Union Leaders of Kerala State Wood Industries Ltd. submitted representation to the Hon'ble Minister (Forest) against this VRS calculation. Accordingly a meeting was convened by Hon'ble Minister (Forest) on 01.10.2014 and as directed by Hon'ble Minister, the Additional Chief Secretary (Forest & Wildlife) convened a meeting

with all union leaders and found out an amicable settlement in the issue of VRS package. A comparative statement containing four VRS options prepared by the then Chairman & Managing Director was discussed in the meeting and finally all the unions agreed to accept option 3 ie with last pay and DA including lockout period as service period .

Accordingly VRS benefits was calculated by M/s Guide consultants as per option 3 and financial liability calculated to Rs.2.70 crore and out of that, an amount of Rs.72.31 lakhs has already been paid to the employees from the allotted amount of Rupees One crore. After auctioning defunct, now an amount of Rupees One crore Ninety lakhs is available with Kerala State Wood Industries Ltd.

The Trade Union leaders and workers have been demanding their settlement as per option No.3 of VRS plan worked out.

In the circumstances, Government have examined the matter in detail and are pleased to order implementation of VRS to the employees of KESWIL and the Chairman & Managing Director of Kerala State Wood Industries Limited will take steps to disburse the amount before Onam, 2015.

By Order of the Governor,
P.MARA PANDIYAN
Principal Secretary to Government.

- 1) The Chairman & Managing Director, Kerala State Wood Industries Ltd, Arakkinar.P.O, Mathottam, Kozhikode.
- 2) The Principal Chief Conservator of Forests & HoFF, Thiruvananthapuram.
- 3) The Accountant General (Audit/A&E), Kerala, Thiruvananthapuram.
- 4) The Director, Information Public Relations Department (for uploading in the Official Website).
- 5) Finance (PU-B) Department. Vide PU-B1/16/2014/FINdated 19.08.2015
- 6) Stock file/Office Copy.

Forwarded/By Order,



Section Officer.

Copy to : PS to Hon'ble Chief Minister
PS to Hon'ble Min (Forest)