

GOVERNMENT OF ORISSA  
DEPARTMENT OF PUBLIC ENTERPRISES

RESOLUTION

No. COR. X (D) 01 /2001 / 3160 / PE, Dated 21.09.2001

Subject: Model Voluntary Separation Scheme (VSS) for the employees of Sick and Unviable State Public Sector Undertakings.

A model Voluntary Retirement Scheme (VRS) has been put in place by the State Government, vide Resolution No.-1743 / PE dated 06.06.1998, with a view to rightsizing workforce in State PSUs. All regular employees having rendered minimum 10 years of continuous service and below 55 years of age are only eligible for availing of the facilities of VRS under the aforementioned scheme. The scheme is not applicable to work-charged and NMR employees although they may have been engaged continuously for long periods. With these restrictions, however, the problem of separation of employees of the sick and unviable enterprises cannot be effectively addressed. Many of the employees of such enterprises cannot be offered VRS under the existing scheme because of their age factor, period of service rendered in work-charged/ NMR establishment or because of non-regular nature of their appointment.

- 02 Accordingly, the State Government after careful consideration, have decided to introduce a Voluntary Separation Scheme (VSS), which would be applicable to the employees of sick and unviable PSUs/ co-operative enterprises slated for closure/liquidation. This VSS package would also be extended to the selected PSUs, identified for substantial restructuring leading to reduction of at least 40% of the existing work force (paving way for eventual privatization). DFID has agreed to fund the scheme to the extent of 80% of ex-gratia plus gratuity and leave encashment. The details of the scheme have been set out in the Annexure.
- 03 Financial assistance will be provided to the aforementioned enterprises for implementation of VSS in the following manner:
  - a) Amount payable towards ex-gratia, gratuity and leave encashment along with all other statutory dues such as Provident Fund, Employees State Insurance Fund shall be released in one instalment to ensure disbursement to the employees on the date of separation.
  - b) Arrear salary/ wages shall be paid in instalments (through post-dated cheques), each instalment covering six months of arrear. Accordingly, if the arrear salary/ wages is for less than six months the amount shall be paid at the time of separation of the employees.
  - c) All other dues [other than that indicated at (a) and (b) above], if any, shall be paid in two equal half yearly installments (through post-dated cheques) in the next financial year.

- 4.0 Other PSUs may also adopt this VSS package for closure of their unviable units or divisions. Assistance in such cases will, however, cover only the amount payable towards ex-gratia, gratuity and leave encashment.

Order: Ordered that the Resolution be published in the next issue of the Orissa Gazette.

By Order of Governor

Sd/-  
(J K Mohapatra)  
Commissioner-cum-Secretary

Model Voluntary Separation Scheme (VSS)  
for the Employees of State PSUs

1.0 Objective:

To extend financial assistance to implement Voluntary Separation Scheme (VSS) in favour of Public Sector Undertakings including Co-operative Enterprises slated for closure/ liquidation/ substantial restructuring.

2.0 Eligibility:

- 2.1 The Scheme shall be applicable for both regular and non-regular employees
- 2.2 The scheme shall not be applicable to Deputationists and Casual Workers.

3.0 Procedure:

- 3.1 The eligible employees will have to apply in a prescribed format within the time frame as notified by the competent authority.
- 3.2 The decision of the competent authority regarding acceptance or rejection of the VSS application shall be communicated to the employee within 30 days from the submission of the application.

4.0 Benefits:

- 4.1 For regular employees
  - a) Ex-gratia payment @ 21 days emoluments (Basic Pay + DA + IR, if any) for each completed year of service or the monthly emoluments at the time of retirement multiplied by balance months of service left before the normal date of retirement, which ever is less. For any period of residual service less than a year, benefits should be assessed proportionately.
  - b) The balance in the PF account payable as per the CPF regulation.
  - c) Cash equivalent to accumulated earned leave as per the rules of the Enterprise.
  - d) Gratuity as per the Gratuity Act or Gratuity Scheme applicable to the employees of the enterprise.
  - e) Any other statutory dues payable to the employees as per rules of the enterprise.

#### 4.2 Non-Regular Employee \*:

- a) For each completed year of service, 15 days of salary payable to the regular employees of equivalent grade calculated at the initial of the corresponding pay scale or at the flat rate of Rs. 5,000/ for each year of completed service, which ever is less, subject to a ceiling of Rs.1.00 lakh. For any period of residual service less than a year, benefit should be assessed proportionately.
- b) Arrear salary/ wages and other statutory dues, if any applicable to the employee, in installments.

#### 4.3 Employees would have to opt for VSS within one month from the date of offer failing which they would be entitled only for retrenchment compensation

#### 5.0 Competent Authority:

The competent authority to sanction Voluntary Separation is the Chairman-cum-Managing Director/ Managing Director.

#### 6.0 Miscellaneous:

- 6.1 Application for Voluntary Separation cannot be withdrawn after its acceptance is communicated by the competent authority to the employee concerned.
- 6.2 Amount payable towards ex-gratia, gratuity, leave encashment and other statutory dues under the scheme shall be paid to the employee within 60 days of acceptance of application by the competent authority subject to his/her clearing of all dues payable to the enterprise.
- 6.3 Vacancies arising out of VSS shall stand abolished.
- 6.4 Employees availing VSS under the scheme shall not be eligible for re-appointment under the State Government/ any State PSU or any autonomous agency of the State Government.
- 6.5 Notwithstanding any of the aforesaid provisions this scheme does not confer any right on an employee to have his/ her request for Voluntary Separation accepted by the management. The Competent authority has the right/ discretion either to accept or reject the request of any employee for Voluntary Separation. .

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\*Non-regular employees include temporary workers (NMR, DLR, Badli Workers) and work-charged employees directly paid out from the establishment of the PSUs.

APPLICATION FORM FOR VOLUNTARY SEPARATION SCHEME

To

The Competent Authority,

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(Through proper channel)

Sub: Voluntary Separation

Dear Sir,

I request that I may be permitted to retire voluntarily from service of the Company under Voluntary Separation Scheme. Further I undertake not to join in any post under the state government / any state PSUs or any autonomous agency of the state government.

Yours Faithfully,

(Signature)

Name in full: -----

Employee No.

Designation:

Department:

Unit/Office:

Witness:

1. (Signature)

Name:

S/O:

Designation:

Address: -----

2. (Signature)

Name:

S/O:

Designation:

Address: -----

Signature before the Head of the Department

Received on -----

by the Personnel Department