

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:3930
ANSWERED ON:13.12.2002
VOLUNTARY RETIREMENT SCHEME IN MMTC
UMMAREDDY VENKATESWARLU

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether Voluntary Retirement Scheme has been offered by MMTC Ltd. to its officers and employees;
- (b) if so, the details thereof;
- (c) whether the MMTC Ltd, received representations from officers/staff union for considering 26 days instead of 30 days in a month for calculation of exgratia and increase in service award as offered in earlier V.R.S.;
- (d) if so, the action taken by the MMTC Ltd. on all the demands contained in their representations; and
- (e) the reasons for offering unattractive V.R.S. to employees vis-À-vis earlier one just before its disinvestments?

Answer

MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI RAJIV PRATAP RUDY)

(a)&(b) Yes, Sir. The last Voluntary Retirement Scheme (VRS) was introduced by MMTC on 5th April 2002 and was available to the employees up to 30th April 2002. The ex-gratia benefit under the Voluntary retirement package was extended @ 60 days emoluments (Basic pay + DA) for each completed year of service or part thereof at the time of retirement or emoluments (Basic pay + DA) multiplied by the balance months of service left before normal date of retirement, whichever is less. Terminal benefits were in addition to the VRS compensation.

(c)&(d) Yes, Sir. The Federation of Staff Unions and Officers Associations made a request to reckon a month of 26 days instead of 30 days to calculate ex-gratia payment. The matter was considered by the Management and it was not found feasible to change the basis for calculation in view of the fact that Voluntary Retirement Scheme was based on the guidelines of Department of Public Enterprises (DPE), which are to be uniformly followed by all the Public Sector Undertakings of the Government of India. The service award was offered @ Rs. 750/- per year of service rendered subject to a maximum ceiling of Rs. 15,000/-, there has not been any change in service award since 1996.

(e) The Voluntary Retirement Scheme introduced on 5th April 2002 in MMTC followed the existing guidelines of the Government on that date including the modified guidelines dated 6th November 2001 which inter-alia, provides for calculation of retiral benefits on the basis of 30 days in a month instead of 26 days.