

**GOVERNMENT OF INDIA  
DISINVESTMENT  
LOK SABHA**

UNSTARRED QUESTION NO:342  
ANSWERED ON:03.12.2003  
VRS IN MFIL  
BRAHMANAND MANDAL

**Will the Minister of DISINVESTMENT be pleased to state:**

- (a) whether the Modern Food Industries Employees Union has submitted any memorandum before the concerned committee with regard to the plight of workers after disinvestment;
- (b) if so, whether the workers are staging a `dharna` in this regard;
- (c) if so, the details thereof;
- (d) the number of employees at the time of disinvestment and their number in August, 2003;
- (e) the number of units of Modern Food Industries Limited closed down due to disinvestment after take over of Modern Food Industries Limited by the Hindustan Lever Limited;
- (f) whether voluntary retirement scheme has been imposed on the workers; and
- (g) if so, the details thereof?

**Answer**

MINISTER OF COMMUNICATIONS AND INFORMATION TECHNOLOGY AND MINISTER OF DISINVESTMENT (SMBNARUN SHOURIE)

(a) Yes, sir.

(b) & (c) There is no information about any `dharna` by the workers in this regard.

(d) The number of employees in MFIL at the time of disinvestment were 2037 and as on 31st August, 2003 there were 1007 employees as intimated by the company.

(e) Three units of Modern Food Industries Limited were closed down after disinvestment as intimated by the company. The units were located at Ranchi, Rasika Delhi Fruit Juice Bottling Plant and SNF production factory at Lawrence Road, Delhi. However, sales in the first year were 52% higher than the previous year and increased by a further 20% in the second year after disinvestment. The company is also bearing the entire cost of financial restructuring and has spent approximately Rs.12 crore on safety and hygiene, quality control, new equipment and computers at various manufacturing locations.

(f) & (g) The company has informed that it offered a Voluntary Retirement Scheme (VRS) to employees in June 2001 after due discussion with the Federations representing the workers. The VRS was entirely optional and voluntary. The terms of VRS were much more beneficial to the workers than the earlier schemes offered under public sector management. As against the norm of exgratia compensation of 45 days for every completed year of service offered earlier under public sector management, the company offered workmen an exgratia compensation on the basis of 65 days for every completed year of service. About 900 employees opted for the VRS.