

Government of Orissa
Department of Public Enterprises

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No.Cor.XVR-55/ 2008/ _____/ PE, Bhubaneswar dt.

From

Sri B.K.Patnaik, IAS
Principal Secretary to Government

To

The Chief Executives of all PSUs & Co-operative Enterprises

Sub: Clarification on implementation of Voluntary Retirement Schemes by the State Public Sector Undertakings & Co-operative Enterprises with the financial assistance of State Government.

Sir,

I am directed to say that the Department of Public Enterprises being the nodal Department provides financial assistance to the State PSUs & Co-operative Enterprises for implementation of their VR/VS Schemes after receipt of the proposals from the Enterprises concerned or through their Administrative Departments. The proposals are duly scrutinized by a double auditing system through the Departmental Auditors as well as the Chartered Accountants before release of the financial assistance. The computations of terminal benefits are made following verification of service records of individual applicants on a cut-off date as notified by the concerned Public Sector Undertakings /Co-operative Enterprises.

It is observed that individual employees separated from different State Enterprises under VR Schemes being implemented by their Enterprises are approaching this Department directly for release of their arrear dues, which are not admissible under the Model Voluntary Retirement Scheme (MVRS). It is worth while to mention that as per the provisions of MVRS for the employees of State Public/Co-operative Enterprises, the arrear dues, if any, shall be the responsibility of the Enterprises concerned seeking financial assistance from the Department of Public Enterprises. It has also been clarified vide this Department Resolution No.5016/PE dated 23.12.2005 (Copy enclosed) that *the Public*

& Co-operative Enterprises at the time of inviting applications for voluntary retirement from their employees, shall in clear terms notify that the arrear dues of the VR opted employees, if any, shall be paid by them.

It appears that these instructions are not being reflected by the State Public & Co-operative Enterprises while notifying the VR schemes. As a result, the voluntary retirees are time and again approaching this Department for release of their arrear dues.

You are, therefore, requested to advise your employees/workers, who have already retired or are intending to retire under VR Scheme to approach the management for payment of arrear salaries, PF dues, bonus etc.

Yours faithfully,

Sd- B.K.Patnaik

Principal Secretary to Government

Memo No. _____ / PE, dt.

Copy forwarded to concerned Administrative Departments for information and necessary action. They are requested to issue necessary instruction to the Public Enterprises under their administrative control accordingly.

Sd/-

Additional Secretary to Government

GOVERNMENT OF ORISSA
DEPARTMENT OF PUBLIC ENTERPRISES

No. CVA 10 / 2002/ 4037 / PE., dated 04.12.2002

From

Sri J. K. Mohapatra, IAS

Commissioner-cum-Secretary

To

The Chief Executives of all PSUs

SUB: Sanction / release of additional doses of D.A. to the employees of State P.S.Us with effect from 01.07.2000 & onwards.

Sir,

In inviting a reference to this Deptt. Letters No. 1989, dt. 07.06.01, No. 3280, dt. 28.09.01 and No.2836, dt. 14.08.02, I am to say that Government have now been pleased to decide that P.S.Us which are generating adequate internal resources and are not "budget dependent" for maintaining their establishment expenditures will be eligible for sanction of D.A. Eligibility of the PSUs for sanctioning additional doses of D.A. will accordingly, be assessed with reference to the following criteria:

- i) Completion of statutory audit at least up to 1998-99 should be obligatory.
- ii) The PSUs should not have defaulted in repayment of loan to any Bank / Financial Institution or even to the State Government.
- iii) It should not have defaulted in payment of statutory dues of the employees such as Provident Fund & ESI.
- iv) It should not be in receipt of any budgetary grant or subsidiary for partly or fully covering its administrative expenses.

These entitlement criteria will be applied prospectively.

Yours faithfully,

Commissioner-cum-Secretary to Government

GOVERNMENT OF ORISSA
DEPARTMENT OF PUBLIC ENTERPRISES

No. CVA 3 / 2002/ 3712 / PE., dated 05.11.2002

From

Sri J. K. Mohapatra, IAS

Commissioner-cum-Secretary

To

The Chief Executives of all PSUs

SUB: Payment of D.A. to the employees of State PSUs with effect from 01.07.2000 and onwards.

Sir,

I am directed to say that the State Government have adopted a revised approach for sanction of D.A. to the employees of State PSUs payable with effect from 01.07.2000 and onwards with reference to some simple, objective and verifiable financial criteria. Accordingly, the Deptt. of Public Enterprises have issued instructions in letter No. 1989, dt. 07.06.2001 and No. 3280 dtd. 28.09.01 for necessary guidance. But is now seen that some of the PSUs have sanctioned and disbursed D.A. to their employees without obtaining prior approval of the Administrative Deptt. / Deptt. of P.E. leading to gross financial indiscipline.

It is an admitted fact that all the PSUs have to function within the overall financial discipline imposed by the Government as any additional benefit bestowed may have a direct bearing on the finances of the State Government. In order to streamline the issue, this Deptt. have time and again issued instruction / guidelines in letters No. 335 dt. 05.02.93, No. 3105 dt. 23.10.97 and No. 271 dt. 24.01.98 (copies enclosed for ready reference) for observance.

With a view to ensure financial discipline in the State PSUs, it is once again reiterated that No PSU shall sanction additional financial benefits such as Revised Pay, D.A. etc. to their employees without obtaining prior approval of the Government in the Administrative Deptt. / Deptt. of P.E. Issue of any order in contravention of the above instruction of State Government would be treated as ab-intio void. The PSUs who have already sanctioned additional financial benefits in favour of their employees without prior approval of the Administrative Deptt. / Deptt. of P.E. in the matter shall seek post-facto approval of the same. The concerned Administrative Deptt. should ensure this.

Yours faithfully,

Sd/-

Commissioner-cum-Secretary to Government

GOVERNMENT OF ORISSA
DEPARTMENT OF PUBLIC ENTERPRISES
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No. CVA -10 /2002/ 2836 / PE., dated 14.08.2002

From
Sri J. K. Mohapatra, IAS
Commissioner-cum-Secretary

To
The Chief Executives of all PSUs

SUB: Sanction of two installments of D.A. payable w.e.f. 01.01.2001 & 01.07.2001 in favour of the Employees of State PSUs.

Sir,

I am directed to say that Govt. have been pleased to decide that two instalments of D.A. @ 2% of the Basic Pay (revised) payable w.e.f. 01.01.2001 & 01.07.2001 scale shall be sanctioned in favour of the employees of those PSUs who have adequate internal resources to bear the incremental cost arising out of payment of this additional / enhanced dose of D.A. on a case to case basis. This should be assessed on the basis of coverage annual profit before tax for the proceeding 3 year or cumulative profits / losses up to 2000-01. Completion of statutory audit at least up to 1998-99 will be a primary eligibility condition for the purpose.

You are, therefore, requested to furnish the required information in the prescribed form enclosed in addition to prior approval of the Board of Directors of your Corporation to this effect before the proposal is mooted to this Department through your Administrative Deptt. so as to take a final decision at this end.

Yours faithfully,

Commissioner-cum-Secretary to Government

GOVERNMENT OF ORISSA
DEPARTMENT OF PUBLIC ENTERPRISES

BIDDING PROCEDURE FOR STRATEGIC SALE IN PSUs

Ministry of Disinvestment (GoI), with a view to maintaining absolute transparency and ensuring a foolproof process removing all possibilities of tampering, has evolved a bidding procedure, which is designed to satisfy the following criteria:

- 01 Reserve Price should not be fixed by the Government before the bidders submit their financial bids, so that there is no chance of the bidders knowing the Reserve Price fixed by Government.
- 02 The Government, while fixing the Reserve Price, should not have knowledge of the price bids submitted so that the fixing of the Reserve Price is not influenced by such knowledge.
- 03 The Advisors do not finalise Reserve Price, as a conflict of interest may arise with them trying to keep a low Reserve Price.
- 04 The bidders are provided full comfort that their bids, once submitted, can in no way be tampered with by any agency.

Department of Public Enterprise (DPE), Government of Orissa, have decided to adopt the procedure laid down by the Ministry of Disinvestment (MoD), mutatis mutandis.

Activity-I: Receiving the bids and Valuation Reports

Bids are received in two separate sealed envelopes from the bidders on a specified date, time and venue.

1. One envelope contains only the price bids (first envelope)
2. The other envelope (second envelope) contains other documents: -
 - Bank Guarantee by the bidder
 - Board Authorisations
 - Section 108A(Companies Act) application, if required
 - FIPB/SIA application, if required
 - Copy of the SHA/SPA authenticated by the bidder, based on which the bid has been made
 - Other documents, if necessary, on a case to case basis
3. Secretary, Department of Public Enterprises and Secretary of concerned Administrative Department receive the bids in presence of the Advisors and representative of the Law Department (or any legal advisor specially appointed for the strategic sale).
4. The second envelope is opened and the Advisors and the representative of the Law Department / Legal Advisor scrutinise these documents and certify that they are in order.
5. Both the Secretaries then authenticate each financial bid envelope without opening it by signing on the envelopes. Thereafter the signature of each bidder is also obtained on these envelopes. Any bidder who has come to attend this meeting but does not submit a financial bid, is also permitted to be present and his signature may also be obtained on these envelopes.

6. The sealed envelopes containing the financial bids thus authenticated by the Secretaries and the bids are then put in a third envelope, sealed and authentication of both the Secretaries and all the bidders obtained on the third envelope, thus ensuring that no tampering can take place.
7. In the same meeting the Advisor (s) submit in a sealed cover the business valuation report prepared by them and the asset valuers report. Secretary (Public Enterprise Department) authenticates these envelopes by putting his signature on the sealed envelopes.
8. These sealed envelopes containing the business valuation report and asset valuers report are then handed over to the Chairman of the Inter Departmental Core Group (IDCG)

Note: There are some cases where business and asset valuation has been carried out prior to the appointment of the Advisors. In such cases, the Advisor will be called upon to review the valuation report and submit the review report in a sealed cover to the IDCG.

Activity-II: Proceedings of the Inter Departmental Core Group

1. After **Activity-I**, the Inter Departmental Core Group open the envelope containing the business valuation report and asset valuers report.
2. The Advisors make a detailed presentation before the Inter Departmental Core Group on the business valuation and the asset valuation as also their recommendation of what should be the reserve price.
3. At this stage, the Advisors withdraw from the meeting and the Inter Departmental Core Group thereafter deliberates on the issue, if necessary, in more than one session sometimes spreading over more than one day and recommends a reserve price.
4. The Advisors are not involved in the process of making the final recommendation of the reserve price by the Inter Departmental Core Group. Their contribution is only to provide the business valuation/asset valuation report, making a presentation and furnishing any further details/clarification that the Inter Departmental Core Group may seek. Thus, the Advisors are not a member of the Inter Departmental Core Group but attend its meetings as special invitees.
5. After the Reserve Price is decided upon by the IDCG, the third envelope containing the sealed envelopes containing price bids (on which signatures of both the Secretaries and the bidders had been obtained during Activity-I) is scrutinised by both the Secretaries and the bidders (the Advisors and the bidders are invited to be present at this point of time) to ensure that they have not been tampered with.
6. The third envelope is then opened and the sealed envelopes containing price bids are scrutinised by both the Secretaries and the bidders to ensure that they have not been tampered with.
7. Then the sealed envelopes containing the price bids (on which signatures of both the Secretaries and the bidders had been obtained during Activity-I) are opened

and signature of the Secretaries and the bidders obtained on the reverse of the price bids. The signatures of the bidders are obtained to give comfort to the bidders that no tampering could take place even after this stage in the bids submitted by them. Their signatures are obtained on the reverse to ensure that none of the bidders come to know what bid the others have submitted.

8. Thereafter, the bidders and Advisors withdraw from the meeting and the IDCG makes its recommendations on whether or not to accept the highest bid in view of the Reserve Price.

Note: If deemed necessary, IDCG may form a Sub-Committee to assist them in the evaluation of the bids and the valuation reports. IDCG may also co-opt reputed professional experts to render independent advice with regard to the methodology used in the valuation reports.

Activity-III: Consideration of the bid by the Public & Co-operative Restructuring Committee (PCRC)

Recommendations of the IDCG, including the recommendations of the Evaluation Committee (as the case may be) are thereafter placed before the PCRC for making recommendations to the Cabinet Committee on Disinvestment (CCD).

Activity-IV: Consideration of the bids by the Cabinet Committee on Disinvestment (CCD)

Note - Time frame for Activity-I to Activity-IV is about a week to ten days.

Government of Orissa
Department of Public Enterprises

RESOLUTION

No. Cor.X(D)-11/2010/..30.59../PE, Bhubaneswar, Dated 18/6/10

Sub: Procedure for disbursement of financial assistance to the State Public Sector Undertakings & Cooperative Enterprises by the Orissa State Renewal Fund Society (OSRFS) for implementation of Voluntary Retirement and Voluntary Separation Schemes/ Closure Compensation Schemes.

After closure of the Department for International Development (DFID), UK Government assisted the Orissa Public Enterprises Reform Programme (OPERP) with effect from the 31st December 2008, the Government have set-up the Orissa State Renewal Fund Society, a Society registered under the Societies Registration Act, 1860 and is under the administrative control of the Department of Public Enterprises vide Resolution No. Cor.X(D)-12/2008-8459/PE dated 26.12.2008 having Regn. No. 22946/156 of 2008-09, hereinafter referred to as OSRFS, for continuation of Orissa Public Enterprise Reform Programme. The OSRFS will look after the OPERP envisaged in the "White Paper on Public Enterprise Reform" presented before the Orissa Legislative Assembly in April, 2002 as well as the unfinished tasks of DFID assisted OPERP which include payment of financial assistance to State PSUs & Cooperative Enterprises for implementation of Voluntary Retirement/ Voluntary Separation Schemes and Closure Compensation Scheme for their employees along with Social Safety Net Programme and other technical supports.

Accordingly, in supersession of this Department Resolution No. Cor.X (D)-13/2001/971/PE, dated 13.03.2001, Government have been pleased to decide the following procedure for disbursement of financial assistance by the Orissa State Renewal Fund Society (OSRFS) for implementation of Voluntary Retirement/ Voluntary Separation Schemes/ Closure Compensation Scheme in the State Public Sector Undertakings & Cooperative Enterprises under Orissa Public Enterprises Reform Programme.

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1. The Department of Public Enterprises & the Orissa State Renewal Fund Society (OSRFS) will agree upon to decide as to which State level Public Enterprises will be eligible for financial assistance to implement Voluntary Retirement/ Separation Scheme.
2. The proposal for financial assistance to implement the Voluntary Retirement/ Separation Scheme in an approved individual State owned enterprise duly approved by the Board of Directors should, directly or through the Administrative Department, be submitted before the Department of Public Enterprises within one month from the target date i.e., the last date fixed by the management of the PSU for submission of VR/ VS Scheme application by their employees. Such proposals shall duly be scrutinized by the Public Enterprise concerned as per the approved VR/ VS Scheme as well as relevant Model VR Scheme floated vide P.E. Department Resolution No.3165/PE dated 21.09.2001, Resolution No. 530/PE, dated 12.02.2002, Resolution No. 5016/PE, dated 23.12.2005/ Model VS Scheme floated vide P.E. Department Resolution No.3160/PE, dated 21.09.2001/ Office Memorandum No. 2265/PE, dated 27.06.2002/ Executive Instructions issued by the Government from time-to-time before submission of the proposal.
3. After receipt of such proposal for financial assistance, Departmental Auditors of the Department of Public Enterprises as well as the Chartered Accountant Firms to be engaged by the OSRFS (Management Consultant Firm) will be deputed to the said Enterprise for duly scrutinizing the claims as per the provisions contained in the Model Voluntary Retirement Scheme floated vide Resolution No.3165/PE dated 21.09.2001 & subsequent Amendments/ Model Voluntary Separation Scheme floated vide Resolution No.3160/PE dated 21.09.2001 and to certify the amount of financial assistance payable to the Enterprise concerned indicating the amount payable to individual employees opting for voluntary retirement.
4. The amount of financial assistance certified by the Auditors will be approved by the Department of Public Enterprises after being verified again and will be recommended to the OSRFS (with copies of the final

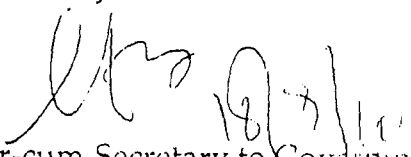
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audit reports) for necessary payment in the shape of a/c payer cheques payable in favour of individual VR opting employees which will be handed over to the Managing Director concerned or his/her Authorized Officer on proper identification.

5. The concerned Managing Director will disburse the amount payable to the individual VR opted employees as quickly as possible and submit the Acquaintance Roll to the Orissa State Renewal Fund Society (OSRFS) with the certificate of utilization of the funds so released by the Society. The cheques, which could not be disbursed to the employees within a period of two months, would be refunded to the OSRFS, so that the amount will be kept in the OSRFS account until further requisition by the Managing Director latest by two months from the closure of the Society. The tenure of the OSRFS is up to 31st March, 2014 and may be continued if Government of Orissa so desires as per P.E Department Resolution No. Cor.X (D)-12/2008-8459/PE dated 26.12.2008.
6. The amount paid to the concerned employees will be opened for audit by the Accountant General (Audit), Orissa/ Finance Department.
7. This has been concurred-in by the Finance Department and Law Department vide their UOR No. 94 ES-III dated 20.04.2010 and UOR No. 1216/L dated 22.07.2010 respectively.
8. This will take effect from the date of issue of the Resolution.

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

By order of the Governor


Commissioner-cum-Secretary to Government