



## ABSTRACT

Agriculture – AGROFED – Wound up of AGROFED – Payment of difference of terminal benefits as per 6<sup>th</sup> Pay Commission recommendation to 384 Retrenched employees as per the orders of High Court in W.P. No.8152/2003 and 10111/2003 dated 19.07.2012 – Sanction of loan Rs.640.12 lakhs from Tamil Nadu State Renewal funds – Orders – Issued.

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### Agriculture (AE 2) Department

G.O. (Ms). No.66

Dated 10.02.2016  
Thiruvalluvar Aandu 2047  
Thai 27

Read:

1. G.O. Ms. No.200, Finance Department, dated 06.05.1998.
2. AGROFED Proceeding No.Admin 9/16720/98, dated 23.07.1998.
3. G.O. Ms. No.338, Agriculture (AE 2) Department, dated 08.10.2002.
4. G.O. Ms. No.395, Agriculture (AE 2) Department, dated 27.11.2002.
5. Proceeding from the Managing Director, AGROFED, Admin 3/1761/2002, dated 19.12.2002.
6. G.O. Ms. No.303, Agriculture (AE 2) Department, dated 15.11.2005.
7. Orders of Hon'ble High Court in W.P. No.8152/03 and 10111/03 dated 19.07.2012.
8. From the RAES, Letter RC No.100968/2012/AES 2, dated 21.08.2015 and 01.09.2015.

### ORDER:

In Government Order 4<sup>th</sup> read above, the Government directed the Commissioner of Agriculture / Registrar of Tamil Nadu Agro Engineering and Service Co-operative Federation Limited, to initiate appropriate proceedings under Sec.137 of Tamil Nadu Co-operative Societies Act, 1983 (Tamil Nadu Act 30 of 1983) to windup the activities of the AGROFED, duly following the procedures as laid down in the act and also directed the Managing Director, AGROFED to issue the notice and payment of compensation to the eligible employees under the said Act.

2. In pursuance of above order, the Special Officer, AGROFED has issued retrenchment notices to 370 employees (Excluding 15 Employees who were retired, expired and dismissed) and they were retrenched.

(P.T.O)

3. In Government Order 6<sup>th</sup> read above, Government have sanctioned a sum of Rs.1560.25 lakhs (Rupees Fifteen Crore Sixty Lakhs and Twenty Five Thousand only) as loan from Tamil Nadu State Renewal Fund towards payment of closure compensation and other terminal benefits to the said 385 retrenched employees of AGROFED (as per 5<sup>th</sup> Pay Commission recommendation).

4. In Government Order 1<sup>st</sup> read above, orders were issued, for the revision of pay scale to the employees of State public sector undertaking and boards, as per 5<sup>th</sup> (Central) Pay Commission recommendation (i.e) 6<sup>th</sup> (State) Pay Commission recommendation. In 100<sup>th</sup> Board Meeting of AGROFED held on 22.05.1998, it has been decided to adopt VI Pay Commission scale of pay to the employees of AGROFED on par with State Government Employees with effect from 01.01.1996 and vide the proceedings 2<sup>nd</sup> read above, 6<sup>th</sup> Pay Commission scale of pay had been ordered to be given to all employees of AGROFED.

5. However, due to unsatisfactory financial position of AGROFED, to implement 6<sup>th</sup> Pay Commission scale of pay, in Government Order 3<sup>rd</sup> read above and proceedings 5<sup>th</sup> read above orders have been issued for recovery of excess payment made to the employees of AGROFED.

6. Aggrieved by this, Tamil Nadu Agro Engineers Association and another 50 Employees of AGROFED filed, W.P. No.8152/2003 and W.P. No.10111/2003 before Hon'ble High Court, Madras, challenging the orders issued in Government Order 3<sup>rd</sup> read above and the proceeding 5<sup>th</sup> read above, cancelling the revision in pay scale granted to the employees of AGROFED.

7. The High Court, Madras in its order dated 19.07.2012 has disposed the above W.P. No.8152/2003 and W.P. No.10111/2003 with following direction:-

"The Writ Petitions are allowed, the impugned orders are set aside and directing the respondents to settle the closure compensation along with other terminal benefits, if they have not already been settled, within a period of twelve weeks from date of receipt of the copy of the order".

8. Against the above orders, Writ Appeal has been filed by Government. In the meanwhile, the Tamil Nadu Agro Engineers Association has filed a contempt petition No.2118/2014 in W.P. No.8152/2003 on the file of High Court of Madras.

9. To avoid contempt proceedings in this case, the Director of Agriculture has requested to, sanction an amount of Rs.640.12 lakhs for the payment of difference of retrenchment compensation and other benefits to the 384 retrenched employees of AGROFED (whereabout of 1 person is not known), based on 6<sup>th</sup> Pay Commission recommendation to comply with the order of the Hon'ble High Court of Madras in

W.P. No.8152, 10111 of 2003, dated 19.07.2012 and the details are as follows:-

(Rs. in lakhs)				
Sl. No.	Item of the expenditure	VI PC Amount	V PC Amount	Difference
1	Closure Compensation	300.25	263.46	36.79
2	Ex-Gratia	387.35	319.51	67.84
3	Gratuity	466.01	323.11	142.90
4	Arrears of unpaid salary for 30 months (from 01.04.02 to 30.09.2004)	1143.95	818.35	325.60
5	Employees Provident Fund	82.03	82.03	0.0
6	Encashment of earned leave	221.46	154.47	66.99
	<b>Total</b>	<b>2601.05</b>	<b>1960.93</b>	<b>640.12</b>

10. The Government have examined the above proposal and decided to accept the proposal of Director of Agriculture so as to comply the orders passed by High Court, in W.P. No.8152/2003 and W.P. No.10111/2003 dated 19.07.2012, towards payment, and to sanction an amount of Rs.640.12 lakhs from Tamil Nadu State Renewal Fund. Accordingly, the Government accord sanction for a sum of Rs.640.12 lakhs (Rupees Six Crores Forty Lakhs and Twelve Thousand only) as loan from the Tamil Nadu State Renewal fund towards payment of difference of retrenchment compensation and other terminal benefits as per 6<sup>th</sup> Pay Commission recommendation as per the orders of Hon'ble High Court dated 19.07.2012 to 384 retrenched employees of AGROFED, including 15 employees who were retired, expired and dismissed, as detailed below:-

Sl. No.	Item of Expenditure	(Difference in VI PC and V PC) Amount (Rs. in lakhs)
1	Closure Compensation	36.79
2	Ex-Gratia	67.84
3	Gratuity	142.90
4	Arrears of unpaid salary for 30 months (from 01.04.2002 to 30.09.2004)	325.60
5	Employees Provident Fund	0.0
6	Encashment of earned leave	66.99
	<b>Total</b>	<b>640.12</b>

11. The loan amount sanctioned above should be repaid with interest at 12% per annum. The details of loan are shown in the Annexure to this order.

(P.T.O)

12. The Director of Agriculture / Registrar of Agro Engineering Services is authorized to draw the amount sanctioned above and to deposit in the PD Account of AGROFED.

13. The expenditure sanctioned in para 10 above shall be debited to the following head of account detailed below:-

"6401 – 00 - Loans for Crop–Husbandry - 190 Loans to Public Sector and other Undertaking – I Non Plan – AI – Loans from Tamil Nadu State Renewal Fund for settlement of closure compensation and other benefits of retrenched employees in Tamil Nadu Agro Engineering & Service Co-operative Federation Limited (AGROFED) – Controlled by Commissioner of Agriculture / Registrar of Agro Engineering Services"

(DPC 6401 00 190 AI 0006) (Outgo)

14. The amount recovered from the AGROFED towards principal shall be credited to the head of account as detailed below:-

"6401 – 00 - Loans for Crop–Husbandry – 190. Loans to Public Sector and other Undertaking – I Non Plan – AI – Loans from Tamil Nadu State Renewal Fund for settlement of closure compensation and other benefits of retrenched employees in Tamil Nadu Agro Engineering & Service Co-operative Federation Limited (AGROFED) – Controlled by Commissioner of Agriculture / Registrar of Agro Engineering Services"

(DPC 6401 00 190 AI 000E) (Receipts)

15. The interest amount recovered from AGROFED shall be credited to the head of account as detailed below:-

"0049 Interest Receipts – 04 Interest Receipt of State / Union Territory Government – 190 Interest from Public Sector and Undertakings-DQ – Interest Receipts on loan sanctioned from the Tamil Nadu State Renewal Fund controlled by the Commissioner of Agriculture – 01 Interest Receipts from the Tamil Nadu Agro Engineering and Service Co-operative Federation Limited (AGROFED) for the loan sanctioned from Tamil Nadu State Renewal Fund"

(DPC 0049 04 190 DQ 0109)

The Accountant General (A&E) is requested to make necessary annual adjustment entries in the books of accounts debiting the fund account under "8229 – 00 – 200 – AJ – 0007 Tamil Nadu State Renewal Fund" and crediting the amount under "8680.00 Miscellaneous Government Account – 101 Ledger Balance Adjustment Account", since the loan expenditure has been met from "Tamil Nadu State Renewal Fund".

(P.T.O)

16. The Expenditure sanctioned in para 10 above is a "New Instrument of Service". Approval of the Legislature will be obtained by direct inclusion in the Final Supplementary Estimates 2015-2016. He is requested to send necessary explanatory notes for including the above expenditure in the Supplementary Estimates 2015-2016 to Government in Finance (Agri) Department without fail.

17. The Pay and Accounts Officer / Treasury Officers are directed to admit and honour the bills for the amount sanctioned in para 10 above, only after Appropriation Act for Final Supplementary Estimates 2015-2016 is communicated. The Director of Agriculture is authorized to draw and disburse the amount.

18. The Director of Agriculture / Registrar of Agro Engineering Services is directed to issue suitable instructions to the Special Officer / Liquidator, AGROFED, to disburse the amount to the individual employees after adjusting the dues, loans, advances, etc. recoverable from individual employees and after obtaining indemnity bond binding themselves to repay the amount that may become due to the Federation or Primary Agro Centres such as recoveries of pay commission arrears or recoveries based on audit objections, enquiry/inspection reports that may arise in future.

19. The Director of Agriculture / Registrar of Agro Engineering Services is directed to liquidate the assets of AGROFED and to repay the sanctioned amount to Government, after completion of liquidation of AGROFED assets and he is instructed to send the completion report, about distribution of amount, within a month. Further he is instructed to take action to close the contempt petition, in this regard and to send a report to Government.

20. This order issues with the concurrence of Finance Department vide its U.O. No.8333/2016, dated 09.02.2016, ASL No.2274 (Two Thousand Two Hundred and Seventy Four) and has been recorded in TNSRF Ledger No1/2015-16 and loan Ledger No.26/2015-16.

(BY ORDER OF THE GOVERNOR)

S. VIJAYAKUMAR,  
Agricultural Production Commissioner and  
Secretary to Government

To  
The Director of Agriculture / Registrar of Agro Engineering Services,  
Chepauk, Chennai-5.  
The Labour and Employment Department, Chennai-9.  
The Special Officer / Liquidator, AGROFED, Chennai-97.  
The Registrar of Co-operative Societies, Chennai-10.  
The Government Pleader, High Court, Madras-104.  
The Commissioner of Labour, Chennai-6.  
The Accountant General, Chennai-18 / 35 / 9.

The Accountant General, Chennai-18.  
The Pay and Accounts Officer, Chennai-9.  
The Pay and Accounts Officer, Chennai-5/35.  
The Pay and Accounts Officer, Madurai / Treasury Officers concerned.

Copy to

The Finance (L&A Cell / BG II / I / BPE / Agri ) Department, Chennai -9.  
The Law Department, Chennai – 9.  
The Chief Minister's Office, Chennai-9.  
The Senior Personal Assistant to Minister (Housing, Urban Development and Agriculture), Chennai-9.  
The Senior Personal Assistant to Minister (Finance & Public Works), Chennai-9.  
The Private Secretary to Chief Secretary to Government, Chennai – 9.  
Agriculture (OP III / B&P / AA4) Department, Chennai-9.  
The Private Secretary to Agricultural Production Commissioner and Secretary to Government, Agriculture Department, Chennai – 9.

SF/SCs

/FORWARDED BY ORDER/

*A. G. S. S. S.*  
10/2/16  
Section Officer  
10/2/16

ANNEXURE

G.O. (Ms) No.66, Agriculture (AE 2) Department, dated 10.02.2016

LOANS SANCTIONED BY GOVERNMENT OF TAMIL NADULOAN SANCTION LEDGER NO.26/2015-16TAMIL NADU STATE RENEWAL FUND LEDGER NO.1/2015-16

1	Name of the Borrower	:	The Special Officer / Liquidator, Tamil Nadu Agro Engineering and Service Co-operative Federation Limited, Chennai-97
2	HOD Controlling the Borrower	:	Director of Agriculture / Registrar of Agro Engineering Services, Chennai-5.
3	Amount sanctioned	:	Rs.640.12 lakhs (Rupees Six Crore Forty Lakhs and Twelve Thousand only)
4	Sanction valid upto	:	31.03.2016
5	Purpose of Loan	:	Loans to AGROFED towards payment of difference of retrenchment compensation and other terminal benefits to the 384 retrenched employees of AGROFED based on 6 <sup>th</sup> Pay Commission recommendation.
6	Payable in cash or adjustment	:	Adjustment in P.D. Account
7	Demand No., Sub Head, Detailed Head under which loan is sanctioned (Both outgo and receipt)	:	Demand No.5, Agriculture Department 6401 00 Loans for Crop Husbandry – 190 loans to Public Sector and other Undertakings – 1 Non Plan – AI – loans from Tamil Nadu State Renewal Fund for settlement of closure compensation and other benefits of retrenched employees in Tamil Nadu Agro Engineering and Service Co-operative Federation Limited (AGROFED) – Controlled by the Commissioner of Agriculture / Registrar of Agro Engineering Service. (DPC 6401-00-190 AI 0006) Outgo (DPC 6401-00-190 AI 000E) Receipt
8	Repayment period	:	This loan amount with interest has to be repaid to Government after completion of liquidation of AGROFED assets
9	Moratorium towards repayment, if any	:	---
10	Date on which repayment is to commence	:	---
11	Mode of repayment	:	---
12	Interest	:	
	(a) Normal rate	:	12% per annum
	(b) Penal rate of interest	:	---
	(c) Mode of recovery of interest	:	---

13	The Head of account to which interest has to be credited	:	0049-Interest Receipts – 04 Interest Receipts of State / Union Territory Government – 190 Interest from Public Sector and other Undertakings – DQ Interest Receipts on Loans sanctioned from the Tamil Nadu State Renewal Fund – Controlled by the Commissioner of Agriculture – 01 – Interest Receipts from the Tamil Nadu Agro Engineering and Service Co-operative Federation Limited (AGROFED) for the loans sanctioned from Tamil Nadu State Renewal Fund
			(DPC – 0049-04-190-DQ-0109)
14	Government Order and Date	:	G.O. Ms. No.66, Agriculture (AE II) Department, dated 10.02.2016

S. VIJAYAKUMAR,  
Agricultural Production Commissioner and  
Secretary to Government

/True Copy/

  
10/2/16  
Section Officer  
10/2/16