

No. 11740/LAB/AIL/T/2018/4084  
GOVERNMENT OF PUDUCHERRY  
LABOUR DEPARTMENT

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Puducherry, the 9 NOV 2018

ORDER

Sub: Labour Department – Application seeking permission for Lay-off in Form-O-3 under Section 25-M of the Industrial Disputes Act, 1947 read with Rule 75-B of the Industrial Disputes (Central Rules), 1957 in respect of M/s. Puducherry Co-op. Sugar Mills Limited, Puducherry – Orders-Issued.

Ref: Letter No.PCSM/Estt./5-10/2018/1408 dated 25.10.2018, enclosing application in Form O-3 filed by the management of M/s. Puducherry Co-op. Sugar Mills Limited, Lingareddipalayam, Puducherry seeking permission to continue Lay-Off w.e.f 11.11.2018.

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WHEREAS the management of M/s. Puducherry Co-op. Sugar Mills Limited, Lingareddipalayam, Puducherry has submitted an application in Form O-3 dated 25.10.2018 to the Secretary to Government, Labour Department, Puducherry, seeking permission for extension of lay-off w.e.f **11.11.2018** under section 25-M of the Industrial Disputes Act, 1947 read with Rule 75(B) of the Industrial Disputes (Central) Rules, 1957;

**WHEREAS**, on perusal of the Lay-Off application dated 25.10.2018 of the management, it is observed that the Management has stated various reasons for seeking permission for Lay-Off as detailed below:-

- (i) The mill is unable to get adequate stock of sugarcane for crushing due to non-payment of arrears of cane price to the tune of Rs.21.07 Cr. payable to growers.
- (ii) The financial supports provided by the Government have decreased from 19.93 Crores (2014-15) to 2.50 Crores for the fiscal year 2017-18 and for the current year no budgetary allocation has been made by the Government.
- (iii) The apex Co-operative Bank restricted the credit limit to Rs.9.25 Cr. which is still over due and no interest was paid for the last 4 month. Therefore, it is difficult to get further loan from them.
- (iv) Production of sugar in the mill is declining year by year whereas mills overhead and establishment cost remain same.
- (v) The mills Bank Account and vehicles were freezed by the EPF Organization for an amount of Rs.115.60 lakhs.
- (vi) The power supply of factory was disconnected on 22.11.2017 due to non-payment of electricity charges of Rs.33 lakhs.
- (vii) Sale order for molasses is pending due to bank attachment.
- (viii) Salary from March, bonus, gratuity, EPF, cane cess, purchase tax, sales tax and harvester rent has to be cleared
- (ix) Salary recovery dues towards staff credit society, employees credit society and PCSM Employees' Stores are yet to be discharged by the Mill.
- (x) The accumulated loss as on 31.03.2017 is Rs.202.56 crores.

**WHEREAS**, on summarizing the above reasons, shortage of sufficient quantity of Sugarcane for running the mill and to mobilise the working capital are the reasons for the proposed lay-off;

**WHEREAS**, on examination of the application it is found that the management has applied Lay-off only for regular employees who are working throughout the year in the industry and their application is in accordance with the Industrial Disputes Act, 1947;


**WHEREAS**, the Management has sought for permission for Lay-off due to shortage of raw materials, since the Sugarcane Growers Association are not willing to supply sugar cane unless they are paid the arrears for the cane supplied and there is acute shortage of working capital and it is found that there is shortage of raw materials for running the factory;

**WHEREAS**, eventhough the Government of Puducherry is holding 95% share capital, the factory administration is purely independent in nature and the enquiry under Industrial Disputes Act, 1947 is statutory one;

**WHEREAS**, it is observed that there is sufficient ground on the part of the Management for seeking Lay-off on account of shortage of raw materials to run the factory.

**NOW, THEREFORE**, in exercise of the authority delegated vide G.O.Ms. No.177/80-LAB dated 1<sup>st</sup> September, 1980 of the Labour Department to exercise the powers conferred by the sub-section (1) of section 25-M of the Industrial Disputes Act, 1947 (Central Act 14 of 1947) the Secretary to Government (Labour) hereby grant extension sought for by the Management M/s. Puducherry Co-op. Sugar Mills Limited, Lingareddipalayam, Puducherry to Lay-Off 126 workmen as defined under Section 2(s) of the Industrial Disputes Act, 1947 (Central Act 14 of 1947) w.e.f 11.11.2018 to 10.05.2019 for six months.

/BY ORDER/

  
(E. VALLAVAN)  
COMMISSIONER OF LABOUR -CUM-  
ADDITIONAL SECRETARY TO GOVERNMENT  
(LABOUR)  
3/11

To

1. The Director of Stationery and Printing } With a request to publish the same in the  
Puducherry. } Extraordinary Gazette and issue 10 copies  
to this office.
2. The Managing Director,  
M/s.Puducherry Co-op. Sugar Mills Limited,  
Lingareddipalayam, Puducherry.
3. All the Trade Unions (As per the list enclosed).

Copy to:

1. The Commissioner of Labour, Puducherry.
2. The Deputy Labour Commissioner, Puducherry.
3. The Labour Officer (Conciliation), Puducherry.
4. The Joint Chief Inspector of Factories, Puducherry.
5. The Web Master, Labour Department, Puducherry.
6. G.O.
7. Spare.