

# Cabinet approves closure of Andaman & Nicobar Islands Forest and Plantation Development Corporation Limited (ANIFPDCL), Port Blair

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The Cabinet Committee on Economic Affairs, chaired by the Prime Minister Shri Narendra Modi, has approved the closure of Andaman & Nicobar Islands Forest and Plantation Development Corporation Limited (ANIFPDCL), Port Blair, a Central Government Undertaking and discharging the liabilities of all the employees.

The closure will help to stop unproductive loans to ANIFPDCL from Gol and would enable a more productive utilization of assets.

This would be achieved by offering Voluntary Retirement Scheme (VRS) / Voluntary Separation Scheme (VSS) package to willing employees and by retrenchment under Industrial Disputes Act, 1947 of those not opting for VRS/VSS including settlement of other liabilities, if any.

At present, there are 836 employees on the rolls of the Corporation.

The closure will be done by infusing funds in the following manner:

- Infusion of funds of Rs. 125.72 crore through budgetary support from Gol for funding VSS of all employees on 2007 notional pay scales and for discharging other liabilities.
- Write-off of Gol loans of Rs. 186.83 crore given to ANIFPDCL and accrued interest of Rs 185.18 crore with freezing of interest as on 31.03.2017 after closure of the Corporation.
- Auction of movable assets (Plant & machinery, electrical equipment, vehicles & office equipment, furniture & fixture, elephant & livestock, plantation & other inventories etc.) of ANIFPDCL through Metal Scrap Trading Corporation Ltd. (MSTC Ltd),
- Ministry of Environment Forests and Climate Change (MoEF&CC) will transfer/sale of immovable assets i.e. land and /or buildings of ANIFPDCL through NBCC Ltd.

## Background:

The ANIFPDCL, a Government of India Public Sector Undertaking was set up in 1977, with the objective of development and managing forestry plantations in the Islands. The ANIFPDCL has been operating three main projects viz., Forestry Project, Red Oil Palm Project (ROP) and Katchal Rubber Project (KRP). The forestry operations were the main activities of the Corporation and contributed around 75% of the total revenue. Due to suspension of the forestry activities in view of the order dated 10.10.2001 and 07.05.2002 of Supreme Court, the ANIFPDCL has become an overall loss making venture since 2001 onwards. As a result, the ANIFPDCL was not able to pay salary and wages to its employees. In order to ensure disbursement of salary to the employees of the Corporation, and other statutory payments, the Gol provided financial assistance to the ANIFPDCL in the form of interest bearing loan.

During the last fifteen years, various committees were appointed and professional agencies were engaged by the Ministry from time to time and they have thoroughly examined all possible avenues that could be availed for revival of the forest Corporation, including right sizing the staff. Based on those decisions, several proposals were examined, but none of them fructified. After thorough examination, Government of India decided to close down the Corporation.

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