

Raymond Ltd, Workers Union reach agreement on VRS settlement package

- **Factory issue amicably resolved**
- **Rs 150 crore to be paid upfront to the 1885 workers**
- **Rs 110 crore to be disbursed after 3 years**

Mumbai, INDIA October 22, 2010 Raymond Limited, India's leading textile player is pleased to announce that it has arrived at an amicable solution to the VRS settlement package issue involving 1885 workers of its Thane textile factory, which suspended operations in November 2009. The total package is worth Rs 260 crore, which is to be paid in two parts – the first part of Rs. 150 crore would be disbursed to the workers immediately, while the balance Rs 110 crore would be disbursed after three years.

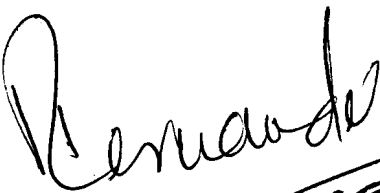
Mr Hassan Mushrif, Honourable Labour Minister of Maharashtra witnessed the signing of the agreement between Raymond Limited and its workers' union, Kamgar Utkarsha Sabha. Mr KA Narayan, President – HR, Raymond Limited signed the agreement on behalf of the management, while the workers were represented by Mr. Jitendra Joshi in the signing of the agreement.

Mr Gautam Singhania, CMD, Raymond Limited said, "Raymond Limited believes in protecting the interests of all its stakeholders including employees. In all their decades of association with the Company, the workers of the Thane textile factory have been provided with one of the industry's best wages and benefits. This spirit of employee benefit has been the guiding force of our negotiations with the workers on their VRS settlement package as well.

While our initial offer of Rs 150 crores was in itself one of the best in the Indian textile industry, we've agreed to an additional payment of Rs 110 crores to be paid after three years, keeping in mind the future interests of our workers.

Despite suspending operations in the factory in November 2009 on account of high costs, we had continued to pay the workers their wages and other benefits to date. We are glad that the workers union and the Government appreciate this and have partnered us in resolving the VRS settlement package issue."

Commenting on this development, the Honourable Labour Minister of Maharashtra, Mr Hassan Mushrif stated, "Raymond Limited has contributed immensely towards the development of Thane . It has been generating employment to several families over more than five decades. We appreciate their developmental work not just through the factory but also through the school that they've established for the benefit of children in the locality.




We understand that the high costs had made the Thane factory operations unviable. We are happy that the Raymond management has been considerate in its approach towards settling the VRS package issue. We shall partner with the management in all the developmental initiatives they plan to undertake in the future for the benefit of the community in this region."

The Minister made an appeal to decrease the waiting period from three years, once the realty project takes off.

Mr Jitendra Joshi, President of the workers' union, Kamgar Utkarsha Sabha said, "We are relieved that we could provide the workers a good VRS settlement package. The Raymond management, like in the past has been considerate in agreeing to this Rs 260 crore package. We are confident that this will guarantee a bright future for the workers."

The Raymond Thane factory issue commenced in August 2009, when the management announced its first VRS package. This was not agreeable with the workers and the union and the negotiations have been continuing since then.. The issue has now been amicably resolved with the Raymond management and the Workers' Union arriving at the mutually agreeable VRS settlement package of Rs 260 crore.

