(b) if so, the derails of financial and other type of assistance provided to various State Governments particularly to the Maharashtra Government by the Central Government for the implementation of the said scheme;

(c) whether it is a fact that Government of Maharashtra have delayed the implementation of this scheme in the State; and

(d) if so, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI BASANGOUDA R. PATIL): (a) 18 State Government has implemented the Deen Dayal Hathkargha Protsahan Yojana so far.

(b) Central assistance amounting to Rs. 83.35 crore has been released so far to the States that implemented the scheme.

(c) & (d) The Government of Maharashtra has not submitted any proposal till date for release of assistance under the scheme. However, the Government of Maharashtra has intimated that it has taken a decision to implement the Deen Dayal Hathkargha Prostsahan Yojana in the State from the current financial year and also that steps have been initiated for allocation of funds in its budget for the year 2002-2003 by way of "supplementary demand".

Financial benefits of workers of closed NTC mills

875. SHRI J. CHITHARANJAN:
SHRI GAYA SINGH:

Will the Minister of TEXTELES be pleased to state:

(a) what will be the financial benefits offered to the workers in the NTC Mills which will be closed; and

(b) how many workers will have to leave service?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI BASANGOUDA R. PATIL) (a) Employees in the 66 unviable mills of NTC proposed for closure would be offered benefits under the Voluntary Retirement Scheme formulated by Department of public Enterprises

(Scheme enclosed as Statement) for a fixed period. Employees who do not opt for VRS would be given compensation under ID Act. *(See* below).

(b) Approximately 32,750 employees in these 66 mills would be extended this benefit.

Statement

VRS Scheme for workers NTC

No.2(32)/97-DRE(WC)

Government of India

Ministry of Heavy Industries & Public Enterprises

Department of Public Enterprises

Public Enterprises Bhavan
Block No. 14 CGO Complex, Lodi Road,
New Delhi-110003.
Dated the 5th May, 2000

OFFICE MEMORANDUM

Subject: Introduction of revised Voluntary Retirement Scheme (VRS)

The Government had announced a Voluntary Retirement Scheme (VRS) *vide* OM No. 2(36)/86-BPE (WC) dated 5th October, 1988. Government have revised the scheme to make it more efficacious having regard to both, the interests of the employees and the need to enable public Sector Enterprises (PSEs) to rationlize their surplus manpower.

2. Enterprises which are financially sound and can sustain a scheme of VRS on their own surplus resources may devise and implement variants of the existing VRS cited in para 1 above. However, in no cases shall the compensation exceed 60 days salary for each completed year of service or the salary for the number of months service left, whichever is less. Salary for the purpose of VRS shall consist of basic pay and DA only and no other element.

3. Enterprises that make marginal profits or loss-making enterprises may adopt the revised scheme of VRS which is modelled on the Scheme that exists in the State of Gujarat. The details of the scheme are set out hereunder:

(i) The compensation will consist of salary of 35 days for every completed year of service and 25 days for the balance of service left untill superannuation. The Compensation will be subject to a minimum of Rs. 25,000/- or 250 days salary whichever is higher. However, this compensation shall not exceed the sum of salary that the employee would draw at the prevailing level for the balance of the period left before superannuation.

(ii) Salary for purpose of VRS will consist of basic pay and DA only.

(iii) Arrears of wages due to revision etc. will not be included in computing the eligible amount.

(iv) Payment of bonus should conform to the provisions in the Bonus Act; Casual Leave may be encashed in proportionate measure upto the date of VRS.

4. A suitable variant of the arrangement in para 3 above may be developed by the Ministry of Textiles in respect of Textile units subject to the conditions attached thereto.

5. For sick and unviable units, the VSS package of Department of Heavy Industry will be adopted. As a corollary, the VSS scheme may be modelled on Gujarat pattern and be made applicable as in para 3 above. However employee would have to opt for VSS within 3 months from the date of offer failing which they would be eligible only for retrenchment compensation. The details of VSS are as under:—

(i) An employee would be entitled to ex-gratia payment equivalent to 45 days emoluments (Pay+DA) for each completed year of service of the monthly emolument at the time of retirement multiplied by the balance months of service left before the normal date of retirement, whichever is less;

(ii) All those who have completed not less than 30 years of service, will be eligible for maximum of 60.(sixty) months salary-wage as compensation. This will be subject to the amount not exceeding the salary/wage for the balance period of service left at the rate of monthly salary/wage at the time of voluntary retirement.

6. The compensation under VRS/VSS will be in addition to terminal benefits.

7. Employees of industrial cooperatives with Government equity participation and who are not member of the cooperative will also be covered under the VRS.

8. Budgetary support will be provided to the marginally profit or loss making enterprises and to the sick enterprises for implementing VRS only in case bank credit is not available. The funds would normally be made available at the beginning of the financial year. However before seeking budgetary support in cases of unviable/sick PSUs other sources of funding should be fully explored such as asset securitisation and bank loans against Government guarantee for funding VRS/VSS.

9. VRS will be applicable to the permanent employees, badli workers, work charged established and temporary workers but not to the casual workers. There will be no recruitment against vacancies arising due to VRS.

10. It will be the responsibility of the concerned administrative Ministry to assist those opting for VRS in getting loans from banks for pursuing gainful self employment.

11. NRF in its present form will cease to exist. The funds required for retraining/rehabilitation of employees availing of VRS will be placed with the Department of Public Enterprises under arrangements to be evolved.

12. In implementing the VRS scheme, managements shall ensure that it is extended primarily to such emoloyees whose services may be dispensed without detriment to the company. Care will be exercised to ensure that highly skilled and qualified workers and staff are not given the option. As there shall be no recruitment against vacancies arising due to VRS-it is important that organization is not denuded of talent. The managements of the PSUs shall introduce the VRS with the approval of their Boards and the administrative Ministries.

13. The administrative Ministries/Departments are requested to bring the details of the Voluntary Retirement Scheme and the Voluntary Separation Scheme to the notice of the Public Enterprises under their administrative control and to ensure that PSEs implement the schemes strictly in accordance with the provision set out herein.

14: This O.M. supersedes O.M. No. 2(36)/86-BP (WC) dated 5th October 1988 and subsequent circulars issued on the subject.

Sd/-(S.Talwar)
Joint Secretary to the Government of India.

(ii) **No. 2(32)/97-DPE(WC)GL-LVI**

Government of India

Ministry of Heavy Industries & Public Enterprises

Department of Public Enterprises

Block No. 14 CGO Complex, Lodi Raod
New Delhi, the 6th November, 2001

OFFICE MEMORANDUM

Subject: Further modification in the revised Voluntary Retirement Scheme.

The Government have decided further to modify, with immediate effect, the Revised Voluntary Retirement Scheme for Central PSUs introduced *vide* this Department's O.M. of even number dated 5th May, 2000 as under:—

(a) Ex-gratia payment in respect of employees on pay scajes at . 1.1.87 and 1.1.92 levels, computed on their existing pay scales in accordance with the extant scheme, shall be increased by 100% and 50% respectively.

(b) The option of the Gujarat or the DHI Pattern shall be available to the employees of marginally profit/loss making, as well as sick and unviable units.

(c) Under the Gujarat pattern, the salary for VRS/VSS shall be calculated on the basis of 30 days in a month and not 26 days. Consequently, the method of calculation of ex-gratia for VRS and VSS shall be similar.

(d) Once an employee avails himself of voluntary retirement from a PSU, he shall not be allowed to take up imployment in another PSU. If he desires to do so, he shall have to return the VRS compensation received by him to the PSU concerned. Where the compensation was paid out of a Government grant, the PSU concerned shall remit the refunded amount to the Government. In case the PSU is already closed/ merged, the VRS compensation shall be returned directly to the Government.

2. All other provisions of the DPE guideliness dated 5.5.2000 are to continue.

3. The clarifications given in the DPEs O.M. of even number dated 8th December, 2000 stand modified in consequence of the foregoing.

4. The employees, who have already been released by the PSU's before the date of issue of this O.M. shall not be covered under the modified scheme.

5. The administrative Ministries/Departments are required to bring the modified VRS/VSS to the notice of the public enterprises under their administrative control and ensure strict compliance with the provisions of the scheme.

Sd/-
(A.K. RATH)
Joint Secretary to the Government of India.