

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:5148
ANSWERED ON:25.04.2003
OBJECTIVES OF NATIONAL RENEWABLE FUND
DUKHA BHAGAT

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) the purpose for which National Renewable Fund was set up by the Government;
- (b) whether the said purpose of this fund has been affected due to closure of a number of PSUs;
- (c) if so, the details thereof;
- (d) the amount allocated by the Government under this fund during the last two years; and
- (e) the number of employees of various PSUs benefited by this fund during the said period, PSU-wise?

Answer

The Minister of State in the Ministry of Commerce and Industry (SHRI CH. VIDYASAGAR RAO)

(a) to (e): The Government of India had established the National Renewal Fund (NRF) on 3rd February, 1992, as a safety net for workers affected by industrial restructuring arising out of the New Industrial Policy announced in the Parliament on 24-07-1991. The Fund was established for a maximum period of ten years from the date of its inception. The objectives of the NRF were (i) to provide assistance to cover the costs of retraining and redeployment of employees arising as a result of modernisation, technology upgradation and industrial restructuring; (ii) to provide funds, where necessary, for compensation of employees affected by restructuring or closure of industrial units, both in the public and private sectors; and (iii) to provide funds for employment generation schemes both in the organised and unorganised sectors in order to provide a social safety net for labour needs arising from the consequences of industrial restructuring. However, assistance from the NRF was provided for implementation of voluntary retirement scheme in Central Public Sector Undertakings and counselling / retraining / redeployment scheme for workers rationalised from the organised sector. The NRF was maintained in Public Account upto 1998-99. During the period from 1.4.1999, assistance for the above schemes was provided through a new budgetary arrangement without transferring resources to or from the NRF. The total expenditure incurred on these schemes from their inception upto 2000-01 was Rs. 3060 crore including Rs. 2616.41 crore from the NRF. As per information available, the VRS coverage during this period was 1.38 lakh employees, the number of employees retrained 54,477 and the number redeployed 18,747. The Government introduced revised Voluntary Retirement Scheme (VRS) vide Department of Public Enterprises Office Memorandum No.2(32)/97-DPE(WC) dated 5th May, 2000 and, consequently, the NRF was abolished vide a Gazette Notification on 12th July, 2000.