

**GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA**

UNSTARRED QUESTION NO:1631
ANSWERED ON:21.07.2014
VRS FOR SICK CPSES EMPLOYEES
Kothapalli Smt. Geetha

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

- (a) the details of revised Voluntary Retirement Scheme (VRS) being implemented in Central Public Sector Enterprises (CPSEs);
- (b) whether the Government proposes to implement a Voluntary Retirement Scheme (VRS) for the workers of unviable or sick units of Central Public Sector Enterprises (CPSEs) in the country including Hindustan Machine Tools (HMT) Unit in Hyderabad.
- (c) if so, the details of such units of CPSEs where VRS has been or proposed to be implemented along with the cost and the funds made available /being made available for the purpose, CPSE wise; and
- (d) the steps taken by the Government to impart training to the separated employees of CPSEs in order to equip them with income generating skills?

Answer

THE MINISTER OF STATE FOR HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI P. RADHAKRISHNAN)

(a): Revised Voluntary Retirement Scheme (VRS) in Central Public Sector Enterprises (CPSEs) was introduced by the Government in May, 2000. The salient features of the revised VRS Policy are as under:

VRS in CPSEs that can sustain a VRS with their own Surplus Resources.

Enterprises, which are financially sound and can sustain VRS on their own, can frame their own schemes of VRS and make it attractive enough for employees to opt for it. They may offer as compensation upto 60 days salary (only Basic Pay + DA) for every completed year of service. However, such compensation will not exceed the salary for the balance period of service left.

VRS in Marginally Profit or loss Making and Sick and Unviable CPSEs

Marginally profit /loss making CPSEs as well as sick and unviable units may adopt either

(i) the Gujarat Model, under which the compensation is computed by allowing 35 days salary for every completed year of service and 25 days for each year of the balance service left until superannuating, subject to the condition that the compensation shall not exceed the sum of salary for the balance period left for superannuation

(ii) or the VRS package of Department of Heavy Industry (DHI model), under which ex-gratia payment equivalent to 45 days emoluments (Pay + DA) for each completed year of service or the total emoluments for the balance period of service, whichever is less, is applicable.

The employees who have completed not less than 30 years of service will be eligible for a maximum of 60(sixty) months salary/ wage as compensation and this will be subject to an amount not exceeding the salary/wage for the balance period of service left.

(b) & (c): Implementation of the VRS Scheme in different categories of CPSEs, including unviable or sick units of Central Public Sector Enterprises (CPSEs), as per the provisions of revised VRS Scheme, is monitored by the administrative Ministries / Departments concerned. Presently, there is no proposal to implement Voluntary Retirement Scheme (VRS) to the employees of units of HMT Group of Companies located in Hyderabad.

(d): Department of Public Enterprises is implementing Counselling, Retraining & Redeployment (CRR) Scheme to provide opportunities of redeployment through counselling and retraining to separated employees of CPSEs rendered surplus as a result of modernization, technology upgradation and manpower restructuring in CPSEs. The basic aim of the Scheme is to re-orient VRS optees through short duration training programmes to enable them to adjust to their new environment and adopt new vocations after their separation from CPSEs due to VRS/VSS or retrenchment due to closure / restructuring of the enterprise. The objective is to equip them with skill/expertise enabling them to be deployed in self-employment activities mainly.