

Government Of Tamil Nadu

ABSTRACT

Labour – Tamil Nadu State Renewal Fund – Guidelines to administer the fund –
Orders - Issued.

LABOUR AND EMPLOYMENT DEPARTMENT

G.O.Ms.No. 165

Dated: 18-10-2000.

Read the following :

1) G.O.Ms.No. 17, Labour and Employment Department,
Dated:28.1.2000.

2) From the Commissioner of Labour, Chennai letter No. K1/29685/98,
Dated: 30.8.99.

ORDER :

The State Renewal Fund was constituted in May, 1998 under the control of Commissioner of Labour, Chennai and released as grants to various Public Sector Undertakings on various occasions for the implementation of Voluntary Retirement Schemes. No guidelines have been issued by the Government to monitor the above funds. The Government have decided to issue the guidelines to administer the State Renewal Fund.

1. The guidelines for State Renewal Fund (S.R.F.) shall be as follows :

1. I. OBJECTIVES :

a) To provide funds wherever necessary to the State Public Sector Undertakings (Registered under Companies Act of 1956) for the purpose of reducing the surplus manpower through Voluntary Retirement Scheme (VRS) resulting from modernisation, technology upgradation, restructuring (including revival or closure) as a supplement to the funds available from other resources for the scheme drawn by the State Public Sector Undertakings. However, the Government reserves the right to relax any of the provisions in the Voluntary Retirement Scheme for the employees of the State Public Sector Undertakings. The funds will be mainly utilised for disbursement of ex-gratia to the eligible employees on such terms and conditions as deemed fit by the Government. The statutory dues such as Employees Provident Fund, Gratuity and Earned Leave surrender benefits are to be paid by the Corporation

from its own funds. However, depending upon the necessity the Government would decide on providing financial assistance to the State Public Sector Undertakings for disbursement of Employees Provident Fund / Gratuity / Earned Leave surrender benefits also on such terms and conditions as deemed fit;

1. b) To provide assistance to the State Public Sector Undertakings who evolve schemes for upgradation of the skill of the employees of the units for making them viable.
2. c) To provide assistance to such other institutions as may be decided by the Government by specific orders.

II. SCOPE :

The State Renewal Fund will deal with the immediate requirement of labour in sick State Public Undertakings arising out of restructuring or closure of such units suo motto or through Government's intervention based on recommendations of any committees constituted for the purpose or otherwise. The fund will be disbursed in the form of loan to the needy State Public Sector Undertakings and they are expected to utilise the fund so provided for the purpose of reducing surplus manpower through Voluntary Retirement Scheme and this loan amount should be repaid in instalments to be fixed by the Government with or without interest from out of the savings in the salary expenditure otherwise to be incurred for the persons who moved out through Voluntary Retirement Scheme. The payment of legal dues such as Employees Provident Fund / Gratuity if made from the State Renewal Fund would form a claim on the assets of the closed units of the State Public Sector Undertakings as and when disposed off according to the due process of law. In respect of profit earning State Public Sector Undertakings if they decide to wind up a part of their function or close an unviable unit, they may utilise their own funds and for them the State Renewal Fund will not be available.

2. The State Renewal Fund will provide resources only for payment of exgratia under Voluntary Retirement Scheme resulting from restructuring (including revival) or closure of units as a supplement to the funds available from other sources.

III. PROCEDURE FOR OBTAINING FUNDS FROM STATE RENEWAL FUND :

The Chief Executive Officers of the State Public Sector Undertakings who seek assistance from the State Renewal Fund shall send the proposal to their concerned Administrative Department in Secretariat. The administrative department in Secretariat shall scrutinise the proposal in detail with reference to the guidelines in consultation with Labour and Employment Department / Finance (BPE) Department and Finance (L & A) Department and shall obtain the approval of Honourable Chief Minister by circulating the concerned file. After the proposal is cleared in circulation, the draft G.O. will be sent to Finance Department by concerned administrative department for opening of a Ledger Account Number. The G.O. will be issued by the concerned administrative department with ledger account number and other details. A copy of G.O. shall be marked to Deputy Secretary (Budget), Finance (W&M) Department / Finance (BPE) Department and Labour and Employment Department in the Secretariat.

IV. ACCOUNTING :

The State Renewal Fund will be maintained as a Public Deposit Account and the drawing and disbursing officer would be Deputy Secretary (Budget), Finance (L & A) Department. After issue of orders sanctioning funds from the State Renewal Fund, the concerned Chief Executive Officer of the State Public Sector Undertakings / Other Institutions shall send the proposal to Deputy Secretary (Budget), Finance (L & A) Department for release of funds along with the copies of G.Os and schedule of payment to beneficiaries. The Deputy Secretary (Budget), Finance (L & A) Department after scrutinising the proposal will release the funds based on the schedule of payment to beneficiaries. The Deputy Secretary (Budget), Finance (L & A) Department is estimating officer for recoupment of fund to Deposit Account by transfer of funds from revenue accounts.

V. AUDIT :

State Renewal Fund will be subject to State Trading Scheme Audit.\

3. This order issues with the concurrence of Finance Department – vide its U.O. No. 252/DS(B)/2000, dated 13.09.2000.

(By order of the Governor)

R. Rathinasamy,
Secretary to Government.
