

# **Scheme for Counselling, Retraining and Redeployment for Separated Employees of Central Public Sector Enterprises**



**Government of India**  
**Ministry of Heavy Industries & Public Enterprises**  
**Department of Public Enterprises**

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## Guidelines on CRR Scheme

### **1. Objective**

1.1 The objective and scope of the Counselling, Retraining and Redeployment Scheme (CRR) is to provide opportunities of counselling, retraining and redeployment to the separated employees of Central Public Sector Enterprises (CPSEs) rendered surplus as a result of modernization, technology upgradation and manpower restructuring in the PSEs. The aim of retraining of the employees is to reorient them through short duration training programmes to enable them to adjust to the new environment and adopt new avocations after their separation from the PSEs due to VRS/VSS or retrenchment due to closure / restructuring of the enterprise. While it will not be possible to commit that the employees so restructured or retrenched would be provided with alternative employment, yet it should be desirable to reorient such employees so that they may engage themselves in income generating activities.

1.2 The counselling and training programmes will accordingly be planned in order to equip them with skills and orientation to engage themselves in self-employment/wage employment activities and rejoin the productive process even after their separation from the CPSEs. Redeployment of separated employees in gainful activities implies that they have been brought into the mainstream of economy. This also implies that they are contributing to national income.

### **2. Background**

2.1 Government had setup a National Renewal Fund (NRF) in February, 1992 as a safety net for workers affected by re-structuring arising out of the new industrial policy. The objective was to provide funds, where necessary, for continuation of employees affected by restructuring or closure of industrial units both in the public and private sector and to provide funds for employment generation schemes both in the organized and unorganized sectors to provide social safety net. Counselling, Retraining and Redeployment of rationalized employees formed a part of NRF, which had been meeting expenses towards voluntary retirement of CPSE employees as also for rehabilitation of employees of the organized sector consisting of CPSEs, State PSEs and private sector.

2.2 The Voluntary Retirement Scheme (VRS) for employees of central PSEs was revised in May, 2000. With the revision of VRS Scheme, the NRF being administered by the Department of Industrial Policy & Promotion ceased to exist and the activities of counseling, retraining and redeployment provided to separated employees from CPSEs and the organized sector under NRF converged under the Scheme of Counselling, Retraining and Redeployment (CRR) for the rationalized employees of Central Public Sector Enterprises under implementation by Department of Public Enterprises (DPE) since 2001-02.

### **3. Salient Features of the Scheme**

3.1 The three main elements of the CRR Scheme and the eligibility criteria are as follows:-

3.2 **Counselling:** Counselling is the basic pre-requisite of the rehabilitation programme of the separated employees. The separated employee needs psychological counselling to absorb the trauma of loss of assured livelihood and to face the new challenges both for himself and for the members of his family who may continue to depend upon him. He /she particularly needs support to plan his compensation amount and other financial benefits he receives from the CPSE due to his separation, so that his limited funds are managed prudently and not wasted on immediate consumption or non-productive expenditure. Thirdly, he needs to be made aware of the new environment of market opportunities so that he may, depending upon his aptitude and expertise, take up economic activities and continue to be in the production process.

3.3 **Retraining:** The objective of such training is to help the separated employees for rehabilitation. The trainees will be helped to acquire necessary skills/expertise/orientation to start new avocations and re-enter the productive process after loss of their jobs. These training programmes will be short duration programmes according to the trade or activity as decided.

3.4 **Redeployment:** It will be the endeavor to redeploy such rationalized employees in the production process through the counselling and retraining efforts. At the end of the programme, VRS/VSS optees/dependents should be able to engage themselves in alternate vocations of self/wage employment. Although there cannot be any guarantee that the separated employee will be assured of alternate employment, yet possible help from the identified nodal training agencies as well as from the CPSEs concerned would be extended to them for starting new avocations.

3.5 **Eligibility:** In order to be eligible to be included in the Scheme, the VRS optee should be below 58 years of age, if he/she wants training himself/herself. If VRS Optee does not want to come forward for training, the benefit of the Scheme could be extended to the dependent of VRS Optee and one person per family of a VRS optee could also be considered in lieu of VRS Optee having age of upto 60 years. However, VRS optees would be given priority over the family members. Following eligibility criteria will apply for including the dependents of VRS optees under CRR Scheme:

- Minimum age – 18 years.
- Maximum age – 45 years (in case wife of VRS Optee is a dependent, there would be no age bar)
- Only one dependant, that too who is unemployed, will be considered from each family.

[Note: In case of deceased VRS Optee (upto 60 years of age), his/her dependent, if not earlier undergone training under CRR Scheme, will be considered for the benefit of the Scheme.]

#### **4. Implementation of the CRR Scheme**

4.1 National Skill Development Corporation (NSDC) under the aegis of Ministry of Skill Development & Entrepreneurship (MSDE) will be entrusted with the task of

quality and market oriented skill development training under the CRR Scheme through their empanelled Training Partners. NSDC will support to facilitate a proper matching of individual skills, aptitude of the typical target group and help in augmenting redeployability under the CRR Scheme.

## **5. Selection Committee**

4.2 There will be a “Selection Committee” having at least three (03) members with one (01) nominee from Department of Public Enterprises(DPE), one (01) nominee from National Skill Development Funds(NSDF) and one (01) nominee from NSDC. The Selection Committee will select Training Partners based on selection criteria like availability of infrastructure, training facilities, faculty, experience in social safety net etc.

## **6. Training as per National Occupation Standard (NOS)/ Qualification Pack (QP)**

6.1 National Occupational Standards (NOS) specify the standard of performance, knowledge and understanding when carrying out a particular activity in the workplace. Each NOS defines one key function in a job role. Qualification Pack (QP) is a set of NOSs, aligned to a job role available for every job in each industry sector. These drive both the creation of curriculum, and assessments. Sector Skill Councils are responsible for the creation of QPs and NOSs.

6.2 NSDC, being a facilitator, shall ensure that all training programs identified are as per Qualification Pack (QP)/National Occupation Standard (NOS) standards set forth by the Sector Skill Councils (SSC) resulting in certification as per SSC certification standards.

## **7. Execution of Tasks by NSDC**

7.1 For proper implementation of the CRR Scheme, NSDC will accomplish the following tasks:

- i) Identification of VRS/VSS Optees / their Dependent to whom training is to be imparted based on CPSE-wise list of VRS for last five years. (list would be provided to NSDC). Training Partners will be directed by NSDC to enroll candidates through AADHAR linkage. NSDC has to ensure Aadhar seeding and validation/authentication in respect of all the enrolled trainees under CRR Scheme.
- ii) Baseline Survey for all locations where VRS/VSS has taken place. Identification of the sectors / in which training is to be imparted for each location.
- iii) Finalization of names of the training partners selected by the Selection Committee based on Selection Criteria.
- iv) Hiring services of professional Counsellors for proper implementation of the Scheme. Before imparting of training by Training Partners, counselling is mandatory

in view of coverage of unique target group viz. VRS/VSS Optees belonging to generally 45-50 years age group or their dependents.

- v) Formation of batches (location wise) trade wise based on counselling.
- vi) To make available Service Level Agreement (SLA) contracts with Training Partners which shall cover quality aspects, methodology of implementation, and ensure comprehensive training as per industry requirement.
- vii) NSDC shall make all efforts and arrange for certification after completion of training.
- viii) NSDC through its Skill Development Management Solution (SDMS) shall prepare a Monthly Progress Report (MPR) including training calendar, progress of training programs, candidate details, dropouts, site visit reports, etc. and share it with DPE.
- ix) NSDC will furnish consolidated data in respect of completed training programmes on quarterly basis.
- x) NSDC will obtain post training feedback from the trainees so as to bring further improvement in the CRR training programme.

## 8. Release of Funds

Allocation of funds to DPE for implementation of CRR Scheme is made by the Government of India in form of Grants-in-Aid. DPE will release funds to National Skill Development Fund (NSDF) which in turn will release to NSDC for disbursement to Training Partners. All kind of fund release are to be made through RTGS mode under public financial management system (PFMS) fulfilling the DBT (Direct Benefit Transfer) policy.

## 9. Expenditure Norms

Grade wise expenditure norms per candidate are as under:

(Figures in Rs.)

Sr. No.	Cost Head	Amount	Description
1	Training Cost Per Trainee (Base Cost*No.of Training Hrs)	21,861,000	<ul style="list-style-type: none"> <li>• Average cost per trainee: 300 hours X Rs. 36.44 (category II)= Rs 10,931</li> <li>• Average cost for 2000 trainees= Rs 10931X2000= 2,18,61,000</li> </ul>
2	Assessment Cost Per Trainee (Rs.600 to Rs.1500)	2,000,000	<ul style="list-style-type: none"> <li>• Average Assumed - Rs.1000 For 2000 trainees= Rs 1000 X 2000= 20,00,000</li> </ul>
3	Average Placement Incentive Per Trainee	2,400,000	<ul style="list-style-type: none"> <li>• Placement Incentive from 70 to 85% is at Rs.3000, more than 85% is at Rs 5000. Average placement incentive= Rs 4000</li> <li>• Mandate for placement to TP= 70%</li> <li>• Maximum Incentive for placement = 30% of total trainees (600 out of 2000)</li> </ul> Placement Incentive = Rs 4000X 600 trainees= Rs 24,00,000
4	Total Cost of training (Sr. No 1+2+3)	<b>26,261,000</b>	<ul style="list-style-type: none"> <li>• Number of Trainees considered to be 2000</li> </ul>

5	Counselling	5,000,000	• Average of INR 2500 per trainee for 2000 trainees= Rs 2500X2000= 50,00,000
6	Stipend	6,000,000	• Stipend INR 3000 per Trainee for total 2000 trainees= Rs 3000X 2000= Rs 60,00,000
7	Total Program Cost (Sr. No. 4+5+6)	37,261,000	
8	PMU Fees (4% of Sr. No 7)	1,490,440	4% Project management fees
9	Total Cost with PMU (Sr. No. 7+8)	38,751,440	
10	Contingency Rate (3% of Sr. No. 9)	1,162,543	If all funds in budget are exhausted, then the contingency will be used.
<b>Total Cost (9+10)</b>		<b>39,913,983</b>	

*Note:*

1. Actual training cost will be finalised after selection of job roles/ QP/ trades by trainees post counselling (actual duration of each trade and selected category as per common norms).
2. For special areas (NER, J&K, A&N Island etc.), over and above the base cost, additional amount equivalent to 10% of the base cost will be paid as per requirement

## 10. Payment Mode

10.1 Installment wise mode and description of payment is given as under:

Payment Mode	Description of Payment
1 <sup>st</sup> Instalment	50% within 15 days of signing MoU covering costs of setting up systems and monitoring processes.
2 <sup>nd</sup> Instalment	40% upon completion of 50% training (1000 trainees)
3 <sup>rd</sup> Instalment	10% upon submission of all impact assessment reports (including redeployment figures) and after receipt of invoice from NSDF. This amount will also be subject to release after placement of trainees as per Common Norms criteria.

## 11. Submission of Returns:

11.1 NSDC shall submit monthly progress report of the Project to DPE as mentioned in clause 4.10. The report may also include details of financial assistance advanced to each of the Approved Training Partners under the Project and recommendations made by NSDC along with photographs of training activities etc. as per the NSDC PR guidelines.

11.2 Final Comprehensive Completion Report of the programme/Project will be submitted by NSDC within 3 (three) months of completion of the Project, to assess the impact of the program funded by DPE. A report clearly indicating activities undertaken and objectives attained and details of the number of beneficiaries under the Project would be required to be submitted by NSDC to DPE.

11.3 NSDC will impress upon Training Providers to do online data entry including Aadhar Number of beneficiaries on DPE's CRR Portal(www.crr.gov.in).

11.4 NSDC will prepare a booklet on success stories under the Project.

## **12 Role of Central Public Sector Enterprises**

12.1 Role of CPSEs in implementation of CRR Scheme requires greater accountability and task in implementation of the Scheme. CPSEs, particularly profit earning CPSEs, have to be more accountable on their part in implementation of the Scheme. Before the separation of the employees opting out on VRS/VSS, the PSEs should ensure that all their dues are cleared before relieving them from the organization, so that they can plan their future course of action in earning livelihood in the new environment.

12.2 CPSEs have larger role and responsibility particularly in dissemination of data of VRS optees. CPSEs who have introduced VRS/VSS/retrenchment Scheme shall identify the employees who are to be relieved, prepare release schedule for separated employees.

12.3 Before release, VRS optees would be counselled by the enterprises themselves for the type of employment available/self-employment opportunities, which they can avail of after they sever connection with the enterprise. Pre-VRS sensitization by the CPSEs before releasing the VRS employees should be mandatory and needs to be organized with intent. Nearby Training Partners may participate in such motivational/counseling sessions. CPSEs are supposed to build up an elaborate system of handling the disengagement process.

12.4 For meaningful implementation of the Scheme, CPSEs must ensure that Circulars / Guidelines pertaining to CRR Scheme are circulated to all field offices / units / divisions of the CPSEs.

## **13. Follow up & Redeployment Strategies**

Follow up is the key factor in the success of the Scheme. NSDC will ensure strict follow-up for meaningful redeployment of VRS/VSS optees/dependents. Emphasis has to be on systematic and enduring follow up. Record of efforts made to keep a track of the trained candidates upto their redeployment will have to be maintained. Post redeployment /placement should be tracked for six months.

## **14. Assistance to Beneficiaries**

14.1 NSDC may explore all options for arranging sponsoring applications of interested beneficiaries with regard to micro credit/bank finance for those who wish to set up their own venture. Liaisoning and regular contact with KVIC / SIDBI / DISs/public sector banks, etc. need to be stabilized for micro financing so as to accelerate self-employment avenues for beneficiaries under CRR. Assistance extended for Handholding schemes and Self Help Groups, a common platform to share experiences and lessons from each other would be of much significance.

14.2 CRR Scheme should take advantage of the following:

- Agencies like District Rural Development Agency (DRDA) and State Urban Development Agency (SUDA) can be networked with SHGs for micro credit linking.
- Women Bank Scheme dedicated to provide financial services to women in general and SHGs in particular. "Trade Related Entrepreneurship Assistance and Development" (TREAD) exclusively for women under which NGOs as

promoting institutions can avail bank loan for women SHGs from nationalized banks.

- For the purpose of self-employment, NSDC may assist CRR beneficiaries for getting bank loans through new initiatives recently launched like MUDRA. This is a recent initiative by Government of India, called Pradhan Mantri MUDRA Yojana (PMMY) or MUDRA Bank.

## **15. Monitoring and Supervision**

15.1 Being a coordinating agency, overall monitoring and supervision of implementation of the CRR Scheme by Training Partners would vest with NSDC. DPE will also monitor implementation of the scheme and from time to time it will conduct field inspection to ensure training quality, design and delivery.

15.2 Training Partners will also be subject to performance evaluation by Third Party Assessing Agencies (TPAA). If any irregularity /discrepancy is reported by the TTPA while conducting evaluation or noticed during inspection by officers of DPE, the contract with such defaulting Training Partners under CRR Scheme is liable to be terminated with immediate effect.

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