

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1451

ANSWERED ON:08.03.2002

VRS FOR BANK EMPLOYEES

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Will the Minister of FINANCE be pleased to state:

- (a) whether the Indian Banks Association has finalised a new Voluntary Retirement Scheme (VRS) to offload over 50% workforce of the public sector banks ;
- (b) if so, the details thereof ;
- (c) the total number of employees availed of VRS last year ;
- (d) the total amount paid to them ;
- (e) whether services to customers at various branches of the public sector banks have suffered due to retirement of staff under VRS ; and
- (f) if so, the steps taken by the Government to identify those branches and post the required staff ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a) : No, Sir.

(b) : Does not arise.

(c) & (d) : As per available information, upto 30.9.2001 1,01,217 employees were relieved under the Voluntary Retirement Scheme (VRS) introduced by the Public Sector Banks and an amount of Rs.12,453 crores was paid to them of which Rs.7071 crores accounted for ex-gratia.

(e) & (f) : Banks have informed that generally there has been no deterioration in the quality of customer service. It is likely that the Scheme might have created surplus/deficit pockets in certain banks. In order to meet such situations, banks have initiated measures for redeployment of officers and staff as per the Manpower Plans, improve efficiency including, inter alia, re-structuring of the administrative tiers/ controlling offices, speeding up of computerisation, installation of ATMs at major commercial and residential centers, rationalisation of procedures etc.