

No. 2(32)/97-DPE(WC)  
Government of India  
Ministry of Heavy Industries & Public Enterprises  
Department of Public Enterprises

Public Enterprises Bhavan,  
Block 14, CGO Complex,  
Lodi Road, New Delhi-110003  
Dated the 28<sup>th</sup> February, 2002

OFFICE MEMORANDUM

Subject: Voluntary Retirement Scheme/Voluntary Separation Scheme for the employees of Public Enterprises.

The parameters on the basis of which the VRS could be formulated by the PSEs for their employees have been spelt out in this Department O.M. of even number dated 5.5.2000 and 6.11.2001. However, there are certain points on which some more clarifications have been solicited by the PSEs as well as by the administrative Ministries/ Departments. These points have been examined. The points raised as well as the clarifications thereon are given here under:-

1. Whether Computation of VRS compensation would be on pro-rata basis for both part of completed year of service and the part of the remaining period of service?	DPE's clarification (dated 8.12.2000 - Item 17) states that calculation of compensation would be on the basis of completed years of service or part thereof. The part of the year served shall be entitled for ex-gratia on pro-rata basis. Logically, this pro-rata calculation should also be on the remaining part of service.
2. Whether compensation of VRS @ 26 days a month would be allowed even for VRS optees who have gone out before 5.5.2000?	Till 5.11.2001, calculation of VRS @ 26 days a month was allowed under the Gujarat pattern only. As there was no concept of Gujarat pattern VRS before 5.5.2000, the employees who have already opted VR under the 5.10.88 guidelines would be covered under 30 days a month.
3. Can the past services with all PSEs be considered for computation of VR?	If the service with each PSU is continuous (without break) and PF & Earned Leave have been transferred from one PSU to other PSU, then past service may be counted in case the employee avails himself of VRS/VSS as per the scheme notified by DPE's O.M. dated 5.5.2000.

<p>4. Whether an employee whose pay revision was effected from 1.1.1992 and having one year balance service left would be entitled for 50% increased compensation as per DPE's O.M. dated 6.11.2001?</p>	<p>The compensation has to be first worked out in accordance with DPE's O.M. dated 5.5.2000 alongwith the riders. Thereafter the recent amendment issued vide O.M. dated 6.11.2001 would be applied to determine compensation payable in both the cases of VRS/VSS.</p>
<p>5. Whether the executives/non-executives whose scales of pay have been revised with effect from 1.1.1992 but no further revision has taken place are entitled to 50% increase on their existing pay scales?</p>	<p>Yes, the executives/non-executives who got the benefit of revised scales of pay effective from 1.1.1992 as per DPE's OMs dated 12.4.93, 17.1.94 and 19.7.95 are entitled to 50% increase in compensation.</p>
<p>6. Whether the payments made as ex-gratia (with 50% increase), gratuity, leave encashment and pay arrears are recalculated in case pay revision would be allowed at latter date w.e.f. 1.1.97?</p>	<p>Ex-gratia will be recalculated on the basis of revised scales of pay in case the revised scales of pay are made effective subsequently (actually with effect from 1.1.1997). The increased ex-gratia (50%) paid would also be adjusted. The other elements like gratuity, leave encashment etc. are to be paid as per the provisions of the relevant statutes and service conditions. These are outside the computation of ex-gratia on voluntary retirement.</p>
<p>7. Whether the encashment of casual leave is permitted only in Gujarat pattern?</p>	<p>Please see item 8 of DPE guidelines on VRS dated 8.12.2000.</p>
<p>8. Whether the employees who have completed 30 years of service are eligible for ex-gratia amount subject to a maximum to 60 months both under DHI pattern and Gujarat pattern VRS?</p>	<p>Please see item 7 of DPE guidelines on VRS dated 8.12.2000.</p>
<p>9. Whether the workman and staff wage revision effected from different date other than 1.1.87 and 1.1.92 are entitled for the benefit of 50% or 100% increase? If so, at what basis?</p>	<p>Any wage revision permitted by the PSEs for a period prior to the date of effect from 1.1.92 would be treated at '87 level. Similarly, any wage revision permitted by the PSEs for a period commencing before 1.1.97 would be treated as at '92 level. The increase in ex-gratia compensation of 100% or 50% would be effected accordingly. This would also be followed in the cases of workers/staff not covered by DPE guidelines..</p>

10. Whether leave salary and gratuity payment would be made on the basis of increase in compensation as 50% or 100%?

Please see Item # of DMC (rel. to) VRS dated 8.12.2000.

  
**(DR. S. BANERJEE)**  
JOINT DIRECTOR (F)

To

All administrative Ministries/Departments of the Government of India.

Copy to :

1. Chief Executives of the Public Enterprises.
2. Secretary, SCOPE, CGO Complex, Lodi Road, New Delhi.
3. Comptroller & Auditor General of India, AGCR Building, Indraprastha Estate, New Delhi.
4. All Financial Advisers in the administrative Ministries.
5. Secretary, Department of Expenditure, North Block, New Delhi.
6. Secretary, Department of Disinvestment.
7. Special Secretary, Banking Division, Department of Economic Affairs, Jeevan Deep Building, New Delhi.
8. Secretary, PESB, CGO Complex, Lodi Road, New Delhi.
9. IFW (Fin.III Section)), Deptt. of Heavy Industry, Udyog Bhavan, New Delhi

  
**(DR. S. BANERJEE)**  
- JOINT DIRECTOR (F)