

**Voluntary Retirement Scheme (VRS) Expenditure –  
Accounting and Prudential Regulatory Treatment**

DBOD.BP. BC. 90 /21.04.018/2000-01

March 22, 2001

**All Public Sector Banks**

Dear Sir,

**Voluntary Retirement Scheme (VRS) Expenditure –  
Accounting and Prudential Regulatory Treatment**

Please refer to our instructions issued earlier vide Circulars DBOD.No.BP.BC.73 and 87/21.04.018/2000-01 dated January 30, 2001 and March 7, 2001 respectively. It is observed from some references received on the subject that the banks are not in a position to complete the process of acceptance of VRS applications within the prescribed time, in certain cases, due to administrative reasons. It is clarified that, in such cases, provisions need not be made in the accounts for this year.

Yours faithfully

( *M.R. Srinivasan* )  
Chief General Manager-in-Charge