

GOVERNMENT OF KERALA

Abstract

PUBLIC SECTOR UNDERTAKINGS/BOARDS/CORPORATIONS/CO-OPERATIVE INSTITUTIONS ETC.—PAYMENT OF EXGRATIA AND SUCH OTHER IRREGULAR PAYMENTS TO EMPLOYEES WHO ARE NOT ELIGIBLE FOR BONUS—AVOIDANCE OF—GUIDELINES PRESCRIBED—ORDERS ISSUED.

FINANCE (PUC) DEPARTMENT

G. O. (P) No. 601/91/Fin.

Dated, Thiruvananthapuram, 12th November 1991.

- Read:—1. Circular No. 40/79/Fin. dated 30-4-1979
2. Circular No. 16/81/Fin. dated 6-4-1981
3. Circular No. 54/82/Fin. dated 6-9-1982
4. Lr. No. CE3-8005/89 dated 9-11-1989 from the Director of Coir Development, Thiruvananthapuram.

ORDER

Bonus is being paid to the employees of PSUs/Boards/Corporations/Co-operative Institutions etc., every year as per the guidelines issued by the Labour Department in accordance with the provisions contained in the Payment of Bonus Act, 1965 and the guidelines/directions issued by the Finance Department in the circulars read above. In the Circulars read above, it has been specifically indicated that, under the Payment of Bonus Act, 1965, employees drawing above Rs. 1600 p.m. (Rs. 2500 p.m. as per the second amendment) are not eligible for bonus and that any payment such as exgratia payment or goodwill payment or by whatever name it is called, if allowed to employees who are not eligible for Bonus under the Bonus Act, will only defeat the purpose for which bonus is denied under the Payment of Bonus Act and will serve as a measure to overcome the limitation, laid down in the Act. The PSUs and other institutions were, therefore, GPT. 4/5147/MC.

directed to ensure that for payment of exgratia etc., the eligibility for the payments and the maximum quantum of payment should be determined strictly by the principles enunciated in the Bonus Act. In spite of these instructions, instances have been brought to the notice of Government, that certain PSUs/Corporations/Boards/Co-operative Institutions have paid exgratia etc., in lieu of bonus, to all officers, including those on deputation, drawing salary above the eligible limit as per the Bonus Act, at the same rates sanctioned for payment of bonus to other employees who are eligible for it.

2. In order to avoid such irregular payments of bonus/exgratia/good-will payments etc., in future the following instructions are issued for strict compliance:

(i) The employees of the PSUs/Boards/Corporations/Co-operative Institutions etc., drawing up to Rs. 2500 p.m. alone will be entitled for bonus as provided in the Bonus Act.

(ii) Employees of the PSUs/Boards/Corporations/Co-operative Institutions etc., drawing salary above Rs. 2500 p.m. will be eligible only for Special Festival Allowance as sanctioned by Government every year.

(iii) Payment in lieu of bonus by some other name or means shall not be made to these employees of PSUs/other organisations, who are not eligible for Bonus.

(iv) Government officers drawing a salary of more than Rs. 2500 p.m. on deputation to PSUs/other organisations will be eligible for Special Festival Allowance only.

(v) In cases where excess amounts have already been paid violating the provisions contained in the Bonus Act and the instructions issued by Government, the same should be recovered from the officers concerned if they are still in service.

3. The Chief Executives of the PSUs/Boards/Corporations/Co-operative Institutions etc., will be held personally responsible for any violation of the above instructions in future.

By order of the Governor,

M. MOHAN KUMAR,

Commissioner and Secretary (Finance).

To

The Accountant General (A&E/Audit), Kerala, Thiruvananthapuram
All Chairmen/MDs/General Managers/Chief Executives of PSUs/
Boards/Corporations/Co-operative Institutions, etc.
The Registrar of Co-operative Societies, Thiruvananthapuram.
All Departments in the Secretariat.
The Private Secretary to Chief Minister and Other Ministers.
The GA (SC) Department vide item No. III of the Proceedings of
the Council of Ministers dated 23-10-1991.
The Deputy Secretary to Chief Secretary.
The Labour Commissioner, Thiruvananthapuram.
The Director of Industries & Commerce.
The Director of Coir Development.
The Secretary, Planning and Economic Affairs (BPE) Department
Stock File.