

PAYMENT OF EX-GRATIA IN LIEU OF BONUS

Authority The Department of Public Enterprises, Ministry of
PC No.17/2003 Industry, Govt. of India has conveyed, vide OM
Dt.28-08-2003 No.2(221)/97-DPE/WC, dt:20.11.1997, that "the
 Management of Public Enterprises are now authorized to
 disburse the Bonus/Ex-gratia to their employees for each financial year
 (commencing from the financial year 1996-97) with the provision of the Act till
 the provision of the Payment of Bonus Act remain unammended, without
 making specific reference to the Government."

In accordance with the said OM the employees of BDL, as specified below, are eligible for payment of ex-gratia for each Financial Year at the rate of (8.33%) of the salary (Basic+DA+Special Increment) earned by them during the financial year concerned subject to the following considerations:

- i) It will be admissible to all employees (including employees on consolidated pay) but other than (a) Apprentices, (b) Trainees and (c) those on study leave.
- ii) The Payment is admissible to the above categories of employees whose Basic+DA+Special Increment does not exceed Rs 3500/- p.m. during the financial year concerned provided they have put in service of not less than 30 working days during the year.
- iii) The ex-gratia is also payable to employees engaged on casual basis during the financial year provided they have put in service of not less than 30 working days in the year.
- iv) Payment will be made on proportionate basis, in respect of those employees who have worked for a part of the financial year concerned and whose Basic+DA+Special Increment does not cross the limit of Rs.3,500/- per month in the year subject to the minimum service of 30 working days during the year.
- v) Where Basic+DA+Special Increment exceeds Rs 2,500/- per month in the year, the ex-gratia payment will be calculated as if the reckonable emoluments were Rs 2,500/- (the maximum payment will be Rs 2,500/-).
- vi) Employees who were dismissed from the service during the year concerned for fraud, riotous or violent behaviour or for theft, misappropriation or sabotage of the Company's property would not be eligible for the ex-gratia payment.



vii) The payment of ex-gratia to the employees who are under suspension would be effected only after the suspension is revoked and the employees rejoin services.

viii) This ex-gratia payment is treated as income for the purpose of calculation of Income-tax.

ix) The ex-gratia payment in respect of employees transferred during the year from one Division to another will be made by the Division in which the employees in question are presently serving. The amount payable to the employees by the Division where they served earlier during the year or part thereof should be indicated by the transferor Division immediately to the Division in which the employees are presently serving to enable them to make necessary payments. The amount so paid will be debited to the transferred Division by the paying Division.
