



PLANNING AND ECONOMIC AFFAIRS (BPE) DEPARTMENT

**No. 19579/BPE-1/97/Plg., Thiruvananthapuram
dated, 18th January 1998**

CIRCULAR

Sub.- Public Sector Undertakings-Payment of bonus/ex gratia-
Compliance of guidelines-Instruction issued.

Read.- Circular No.22412/BPE-1/92/Plg., dated 5th January 1993.

Guidelines for payment of bonus by Public Sector Undertakings and Co-opertive institutions are being issued every year from the Labour Department of the Government for strict compliance. As per the guidelines, no payment in any form or name other than that eligible thereunder shall be made in violation of the guidelines. It was also stipulated in the Circular cited that Government's prior approval should be taken when it is proposed to deviate from Government guidelines.

2. A public Sector Undertaking has disbursed an amount as 'performance incentive' to its employees in addition to Festival Allowance and sought for Government ratification. This is highly irregular and is an example of clear violation of the Government guidelines. Such actions will render Government guidelines totally ineffective and will lead to wide disparities tin the payment of bonus among the public Sector Undertakings.

3. Government are therefore, constrained to direct that the guidelines for payment of bonus should not be violated and in the event of any violation, the amount paid in excess of that admissible as per the guidelines will be treated as the personal liability of the Chief Executives and will be recovered form them.

K. MOHANDAS

Secretary