

Section III

WAGES AND SALARIES OF EMPLOYEES



FINANCE (COMMERCIAL) DEPARTMENT

No. 90/79/Fin., Trivandrum
dated, 27th October 1979

CIRCULAR

- Sub- Revision of scales of pay allowances and other benefits to the employees of statutory Corporations/Boards/Government Companies etc- Instructions issued.
- Ref- 1. Circular No. 61/74 Fin., dated 2nd August 1974.
2. Lr.No. 4815/D1/72/ID, dated 28th February 1972 from the Secy. (Public Enterprises) addressed to Chairman/Managing Directors etc. of Public Sector Undertakings.

In the Circular first cited it was indicated that employees in the State Public Sector Undertakings shall not be allowed to have the best of two sets of arrangements. ie. the rights and facilities under the Industrial Disputes Act as well as the automatic extension of all benefits granted to Government servants. In the letter second cited it was directed that prior Government permission shall be obtained before entering into commitments involving the enhancement of emoluments.

2. Several cases involving violations of the above instructions have been brought to notice, in which the Government being presented with fat accomplish, have been forced into the embarrassing position of having to ratify settlements, agreements and other enhancements of emoluments and benefits, granted in violation of Government instructions. Many of these instances have created adverse impacts in other Public Sector Undertakings as well as Government Service and have indirectly affected the finances of the State.

3. Government having considered the above aspects having decided as follows:-
- (i) There shall be no automatic extension of the benefits or increases granted to Government servants to the employees of Public Sector Undertakings.
- (ii) The Boards of Directors and Chief Executives of all Public sector Undertakings with an annual wage and salary expenditure over Rs.5 lakhs (including in subsidiary units or companies if any) shall ensure that commitments involving an enhancement of wages, salaries, allowances etc. shall be made or entered into only after obtaining the prior permission of Government from the Administrative Department concerned, which will process the case and issue appropriate orders in consultation with the Finance Department. The Chief Executives of Public Sector Undertakings with a lower wage and salary bill shall also obtain such prior permission before entering into new commitments.

Government are please to issue directives as above the Chief Executives and Government Directors in the Board of Directors of all State Public Sector Undertakings including Statutory Corporations and Boards.

S. PADMAKUMAR,
Special Secretary (Fin.)