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IN THE CENTRAL ADMINISTRATIVE TRIBUNAL : HYDERABAD BENCH  
AT HYDERABAD.

O.A.No.918/92.

Date of Judgement : 27-4-1994

1. Nuclear Fuel Complex  
Employees Union, ECIL P.O.,  
Hyderabad-762  
Reptd. by its President  
Shri P.C.Ramakrishnayya.

2. S.Venkateswara Rao

3. V.L.Narayana Sharma .. Applicants

Versus

1. The Union of India  
Reptd. by Under-Secretary  
to Govt. of India,  
Min. of Defence,  
Dept. of Expenditure,  
Central Secretariat,  
New Delhi.

2. Additional Secretary,  
Dept. of Atomic Energy,  
CSM Marg, Anusakti Bhavan,  
Bombay-400039.

3. The Chief Executive,  
Nuclear Fuel Complex,  
Dept. of Atomic Energy,  
Moulali, Hyderabad. .. Respondents

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Counsel for the Applicants ::Shri V.Venkateswara Rao

Counsel for the Respondents ::Shri N.R.Deveraj, Sr. CGSC

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C O R A M

Hon'ble Shri A.B.Gorthi : Member(A)

Hon'ble Shri T.Chandrasekhar Reddy : Member(J)

J u d g e m e n t

X As per Hon'ble Shri A.B.Gorthi : Member(A) X

By means of this application, the employees of the Nuclear Fuel Complex (N.F.C. for short) claim that they are entitled to payment of ad-hoc bonus in terms of Office Memo F.No.14(3)-1(COORD)/92 dt. 29.9.1992 issued by the Ministry of Finance, Department of Expenditure.

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2. N.F.C. is a constituent unit of the Department of Atomic Energy under the control of the Govt. of India. It is stated that the N.F.C. produces nuclear fuel bundles for atomic reactors which produce electrical energy.

3. Provisions of Payment of Bonus Act, 1965 are not applicable to industrial establishments under the control of the Central Government. A scheme of Productivity Linked Bonus (P.L.B. for short) was, therefore, introduced in 1977. Even this scheme did not extend to Central Government Departments like the Railways, Defence, Posts & Telegraphs etc. Therefore, it was decided to provide for payment of ad-hoc bonus to those not covered by the P.L.B. scheme.

4. So far as N.F.C. is concerned, a scheme for payment of "Production Incentive Bonus" (Incentive Bonus for short) was introduced in 1974, effective from 1.4.1973. Admittedly, the applicants are receiving Incentive Bonus under the said scheme. Their claim is for payment of ad-hoc bonus in addition to Incentive Bonus.

5. In support of the claim, Shri V.Venkateswara Rao, learned counsel for the applicants, urges that in the scheme for payment of ad-hoc bonus, only those who are receiving P.L.B. are excluded. Since the Incentive Bonus which the applicants are receiving is not the same as P.L.B., the applicants cannot be denied the benefit of ad-hoc bonus. His further contention is that in Govt. of India Mint, employees are being paid ad-hoc bonus in addition to Incentive Bonus which they were already receiving.

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It is stated that two different types of bonus can be paid to the employees. For this, reliance is placed on workmen of Kettlewell Bullen & Company Ltd., JT 1994(1) SC 18.

That was a case where the question raised was essentially as regards the entitlement of the workmen to the continued payment of "customary bonus" even after the coming into operation of the Payment of Bonus Act, 1965. Hon'ble Supreme Court decided the issue in favour of the workmen. "Customary bonus", it was observed, was not linked to profit or productivity but was being paid, over a considerably long period of time to the employees, who thus acquired legitimate expectation that it would continue to be paid even after the introduction of the Bonus Act.

6. Admittedly, those in receipt of "Productivity Linked Bonus" are not entitled to ad-hoc bonus as per the scheme under which ad-hoc bonus was introduced. Now the question is whether the Incentive Bonus which the applicants are receiving is the same as the P.L.B. There should not be any difficulty in resolving this issue, even though both the types of bonus are given different nomenclatures. Both are aimed at spurring the workmen for better production. They both are production related. Therefore, if those receiving P.L.B. are excluded from being entitled to ad-hoc bonus, it does not stand to reason that those receiving the Incentive Bonus should become eligible for it. Learned counsel for the applicant elaborately took us through the various efforts made by the N.F.C. Employees Union and even the N.F.C. authorities to secure to the employees the benefit of ad-hoc bonus in addition to the Incentive Bonus. We need not discuss the same here as, finally, the Government declined to accept the demand.

7. The respondents, in the reply affidavit, admitted that employees of the India Government Mint, who are covered by a Group Incentive Scheme are being paid ad-hoc bonus also, but clarified that it was a "transitional arrangement", because the question of applying the P.L.B. scheme to the employees of the Mint is under consideration.

8. The scheme under which ad-hoc bonus was introduced clearly lays down that such bonus would not be given to those already receiving P.L.B. We have already held that Incentive Bonus is substantially the same as P.L.B. notwithstanding the dissimilarity in features and form. The result is that those receiving Incentive Bonus cannot claim to be entitled to ad-hoc bonus also. Merely because of a solitary instance of the employees of the India Government Mint receiving such double benefit, we cannot proclaim it to be a general rule for application to all Govt. employees. It is so because the basic concept of bonus, except customary bonus, is production/profit oriented. It is based on the general principle that workmen should have a share in the surplus profits generated by their industry and labour. Thus, Payment of Bonus Act, 1965 was held to be a code confined to profit oriented bonus only. Productivity Linked Bonus (P.L.B.) are and Production Incentive Bonus/also of the same kind. It was with a view to provide similar incentive to employees working in certain Govt. Departments and Govt. controlled establishments that the scheme of ad-hoc bonus was introduced. There is nothing on record to show that it was to be paid as an additional benefit. On the other hand,

the exclusion from its application, those in receipt of P.L.B., clearly indicates the contrary.

9. In the result, we are not convinced that the applicants can claim to be entitled to payment of ad-hoc bonus in addition to the Incentive Bonus. The O.A. is, therefore, dismissed, but without any order as to costs.

*T.C. Reddy*  
( T.Chandrasekhar Reddy )  
Member(J).

*Gorthi*  
( A.B.Gorthi )  
Member(A).

Dated: 27 April, 1994.

*Prabhakar*  
Deputy Registrar(J)CC

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To

1. The Union-Secretary to Govt.of India,  
Ministry of Defence, Dept.of Expenditure, Central  
Secretariat, NewDelhi.
2. The Additional Secretary, Dept.of Atomic Energy,  
CSM Marg, Anusakti Bhavan, Bombay-39
3. The Chief Executive, Nuclear Fuel Complex,  
Dept.of Atomic Energy, Moulali, Hyderabad.
4. One copy to Mr.v.Venkateswara Rao, Advocate, CAT.Hyd.
5. One copy to Mr.N.R.Devraj, Sr.CGSC.CAT.Hyd.
6. One copy to Library, CAT.Hyd.
7. One spare copy.
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