

### Payment of Bonus to L.I.C. Employees

\*85. SHRI GANANATH PRADHAN: Will the Minister of FINANCE AND REVENUE AND BANKING be pleased to state:

(a) whether a comprehensive agreement was made with the Life Insurance Corporation Management on January 24, 1974 to pay bonus to the L.I.C. employees;

(b) whether Government propose to review their demands for payment of bonus in future in view of Calcutta High Court judgement dated 21st May, 1976; and

(c) how much amount Government are likely to pay towards the arrears and future payment of bonus to the employees?

THE MINISTER OF FINANCE AND REVENUE AND BANKING (SHRI H. M. PATEL): (a) to (c). A statement is laid on the Table of the House.

#### Statement

Comprehensive settlements were concluded between the management of the L.I.C. and the Unions of its Class III and Class IV employees on 24th January, 1974 and 6th February, 1974. These settlements were current from 1st April, 1973 to 31st March, 1977 and *inter alia* provided for payment of annual cash bonus to the Class III and Class IV employees at the rate of 15 per cent of annual salary.

With the enactment of the Payment of Bonus (Amendment) Act, 1976, the Central Government decided that, beginning with the accounting year 1974/1974-75, employees of the non-competing public sector undertakings may be paid an amount *ex-gratia*, in lieu of bonus, to be determined by the Central Government, taking into account the wage levels, the financial circumstances and other relevant factors. The *ex-gratia* payment is not to exceed 10 per cent of salary/wage and on those drawing salary upto Rs. 1,000 per mensem are eligible.

The maximum salary/wage level for calculation of *ex-gratia* payment is Rs. 750 per mensem.

The All India Insurance Employees' Association moved the Calcutta High Court on 22nd April, 1976 *inter alia* for a declaration that the settlement dated 24th January, 1974 between the Corporation and the said association is lawful and binding on the LIC and that an injunction should be issued restraining the LIC from refusing to pay bonus to Class III and Class IV employees. The Judge of the Calcutta High Court in his judgement dated 21st May, 1976 directed that the LIC should make payment of bonus as laid down in the settlement. The LIC made an appeal against the above judgement to the Division Bench of the Calcutta High Court presided over by the Chief Justice. Meanwhile the LIC (Modification of Settlements) Act, 1976 came into force on 29th May, 1976 annulling with effect from 1st April, 1975 the provisions of the settlements insofar as they pertained to payment of annual cash bonus to the Class III and Class IV employees. In view of the said legislation, the Division Bench of the Calcutta High Court did not make any order on the appeal as the action of the LIC was now protected by law. And thus the judgement of the Single Judge of the Calcutta High Court was rendered ineffective.

The validity of the LIC (Modification of Settlements) Act, 1976 has since been challenged in the Supreme Court by some of the Unions of the LIC employees. The matter is still pending before the Supreme Court.

#### अन्नक का निर्यात

\* 88. श्री रीतलाल प्रसाद वर्मा : क्या वाणिज्य तथा नागरिक पूर्ति और सहकारिता मंत्री यह बताने की कृपा करेंगे कि क्या सरकार का विचार अन्नक पर लगा वह प्रतिबन्ध