

Copy of Res. No. 28(H-14)  
of  
Council's Ordinary Meeting  
Date: 30-01-2015

ITEM NO. 28 (H-14)

2. NAME OF THE SUBJECT :

The case for grant of ex-gratia @ Rs.11000/- to all regular employees of NDMC on the pattern of Delhi Transco Limited

2. NAME OF THE DEPARTMENT :

Personnel Department

3. BRIEF HISTORY OF THE SUBJECT :

A Member of the Council proposed to grant of ex-gratia to all regular employees of NDMC as per terms and conditions of the DTL with permission of the Chairman in the meeting of the Council held on 19.09.2014. The matter was not listed in the aforesaid meeting of the Council however, it was discussed. Later on, it was desired by Presiding Officer of the Council Meeting "to add a table item raised in the Council meeting dated 19.09.2014 by Shri B.S.Bhati, Member, NDMC mentioning payment of Rs.11000/- to each employee of NDMC as 'ex-gratia incentive' along with other allowances as per the Delhi Transco Limited." In view of this development, clear views on this subject in writing were sought to ensure that there is no confusion in the assumption that the matter was not approved. The responses of the Council Members on the letter of the Chairman, NDMC on the above subject were received in favour of the proposal given by the Members in the meeting held on 19.09.2014. In pursuance of the minutes of the meeting, the matter has now been examined by the Department.

4. DETAILED PROPOSAL ON THE SUBJECT :

Dir. (P)

It is submitted that the matter regarding grant of ex-gratia to those employees of NDMC, who were covered under DTL Pattern, had come up for scrutiny earlier also. The Associations had also been representing for it from time to time. A view was taken with the approval of the then Chairman that DTL has been paying to its employees ex-gratia incentive on the basis of Productivity Linked Bonus which is inclusive of ex-gratia paid to Group B, C & D employees. It was made clear that DTL is a Company being run on commercial lines and cannot be compared with New Delhi Municipal Council, which is statutorily required to provide municipal services in its area.

Legal opinion obtained of a Senior Advocate had been sought in the matter. In her opinion, it was stated that the payment of ex-gratia incentive was productivity linked bonus and therefore it for the employees of NDMC it was not found justified as the Council had already been making ex-gratia i.e. non-productivity linked bonus payment to its employees on the pattern of Central Government.

Furthermore, the issue regarding entitlement of the employees of NDMC for grant of SS Scales was *subjudice* at that time.

The Council vide its Resolution No.21(H-03) dated 22.07.2009 and No.15/2013-14 dated 26.02.2014, granted the SS Scales (Now DTL Scales) to all the left out categories of employees vide Office Order dated 02.06.2014 subject to the outcome of the Court's Orders. In the changed scenario, the matter for grant of ex-gratia on the basis of DTL pay scales had to be re-examined.

The main point for consideration before the Council is whether we may grant ex-gratia to all the employees on the basis of productivity linked bonus which is inclusive of ex-gratia paid to Group B, C & D employees in Delhi Transco Limited. As stated above, the DTL is a company being run on commercial lines and cannot be compared with New Delhi Municipal Council which is statutorily required to provide municipal services in its area out of the revenue earned by it. If it is considered to grant the productivity linked bonus, the parameters of deciding about the productivity of the Council cannot be fixed. Therefore, the Council has to consider the aspect of grant of ex-gratia incentive, which is linked with productivity in DTL treating it as Non-productivity linked bonus/ex-gratia to the employees of NDMC "instead of" Non-productivity linked bonus payment being done earlier on the pattern of the Central Government.

The Council has also to take a decision regarding cut-off date for grant of ex-gratia incentive on the basis of DTL pattern, as it is long pending demand to grant ex-gratia from 2006-07 when the rates of ex-gratia in DTL were enhanced.

5. FINANCIAL IMPLICATIONS OF THE PROPOSAL :

The financial implication for granting the ex-gratia @ Rs.11000/- on the pattern of DTL has been worked out at approximately Rs.10 Crore for the year 2013-14 only and approximately Rs.55 Crore, if arrears for the period 2006-07 to 2012-13 are also to be paid.

6. IMPLEMENTATION SCHEDULE WITH TIMELINES OF EACH STAGE INCLUDING INTERNAL PROCESSING:

Immediately after approval by the Council.

7. COMMENTS OF THE FINANCE DEPARTMENT ON THE SUBJECT:

DTL Scales have been granted to the different categories of employees from time to time by the Council and recently extended to all left out categories of employees. Now proposal/demand is to grant ex-gratia to NDMC employees on the line of DTL, i.e. Rs.11000/- per employee. The anticipated financial implication if demand/proposal is agreed, has been worked out at approximately Rs.10 Crore and approximately Rs.55 Crore if given including arrears for the period 2006-07 to 2013-14.

The ex-gratia in the DTL is linked with productivity while in NDMC the bonus to employees as per order of Govt. of India issued from time to time for respective years and accordingly in Financial Year 2013-14, Rs.3454/- was paid to employees while the demand is for payment of Rs.11000/- per employee on the basis of DTL. Since the proposal/demand is to adopt DTL pattern in place of Govt. of India, an administrative decision by the Competent Authority needs to be taken.

8. COMMENTS OF THE DEPARTMENT ON COMMENTS OF FINANCE DEPARTMENT:

No Comments.

9. DETAILS OF PREVIOUS COUNCIL RESOLUTIONS, EXISTING LAW OF PARLIAMENT AND ASSEMBLY ON THE SUBJECT:

Nil

10. LEGAL IMPLICATION OF THE SUBJECT/PROJECT:

Adviser (Law & Revenue) has advised that unlike payment of salary which is a matter of entitlement, ex-gratia (unlike bonus) payment is discretionary. It is, therefore, upto the NDMC Council to take a call on the issue of ex-gratia payment taking its justification and availability of funds in its budget in view.

11. COMMENTS OF THE DEPARTMENT ON THE COMMENTS OF LAW DEPARTMENT:

No comments

12. CERTIFY THAT ALL CENTRAL VIGILANCE COMMISSION'S GUIDELINES HAVE BEEN FOLLOWED WHILE PROCESSING THE CASE:

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13. RECOMMENDATIONS:

As per the comments received from the Finance Department on the subject, the proposal/demand is to adopt DTL pattern of productivity linked bonus in place of non-productivity linked bonus on the pattern of Govt. of India and an administrative decision by the Competent Authority needs to be taken.

The decision to grant ex-gratia is a purely discretionary in nature and the Council may take a decision in the matter keeping in view the justification of grant of productivity linked bonus on the pattern of DTL and financial implications involved. A decision is also to be taken regarding the year from which the ex-gratia on the pattern of DTL is to be paid as the amount of ex-gratia was enhanced from the year 2006-07 and the demand of the Associations/Unions is to implement the same from 2006-07.

COUNCIL DECISION

Deferred in view of being a major policy decision.

  
16/12/15  
For Secretary  
New Delhi Municipal Council  
Rajka Road, New Delhi