

Disparities in Service Conditions and Fringe Benefits

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Workers in many organisations are allowed various allowances and perquisites which are not always taken into account in discussions about disparities in income earnings among different groups of workers. Such benefits however have considerable impact on the level of well-being of workers concerned and the differences in them cause further distortions in the distribution of income earnings.

This paper draws attention to the wide range of such somewhat invisible, facilities enjoyed by a small group while the vast majority remain under-nourished and have to strive even for a bare existence. The authors also argue that there are wide differences even amongst those who are fortunate to have got into organisations that disburse such benefits.

THE earlier papers in the series published in the *Economic and Political Weekly* under the title 'Inter and Intra Occupational Differences in Income and Level of Living' (April 22, June 10, July 22 and October 28, 1989) focused primarily on the disparities in income and level of living of families of workers of two occupation groups employed in selected public and private sector organisations located in the Calcutta municipal corporation area. The results presented so far highlight the differences in the direct monetary income received by the workers. The present paper is devoted to an examination of the service conditions and fringe benefits received by the same groups of workers.

It is common knowledge that workers employed in many organisations are allowed various allowances and perquisites. These are not always taken into account while talking about disparities in income earnings among different groups of workers. But surely such benefits have considerable impact on the

level of well-being of the workers concerned and differences in them cause further distortions in the distribution of income earnings. As it is, the inequality in the distribution of direct monetary earnings is believed to be considerably high in our country. The direction and magnitude of change is totally unknown when these other benefits are taken into consideration.

One reason why we have decided to write a separate note on this aspect is to draw attention to the wide range of such, somewhat invisible, facilities enjoyed by a small group while the vast majority remain under-nourished and have to strive even for a bare existence. What is more important is that the privileged class is being favoured with more and more concessions when the unemployed group has already assumed unmanageable dimensions. Secondly, we want to argue that there are wide differences even amongst those who are fortunate to have got into organisations that disburse such benefits. It follows and it is our intention to emphasise

that any analysis of disparity in the earnings of workers should be based on the total package consisting of salary and non-salary components and not simply in terms of salary earnings of individuals. All these might appear to be quite known and acceptable, but unfortunately, the fact of the matter is that no conscious effort is being made to correct the situation and move in the desirable direction of lessening inequalities.

The importance of perquisites and other benefits in studying income disparities has recently been emphasised by Chatterjee (1988). She has argued on the basis of information collected from a number of selected public sector organisations that there exists a high degree of disparity in the types and amounts of benefits provided by them. What she presents is neither exhaustive nor complete—some of the information collected by her can be updated. But it does drive home the basic issue that it is the package, and not individual components, which should be taken into account in assessing the real situation.

Another very strong reason to take up this kind of study is to point out that there are no estimates at the national level about the total amounts spent on providing the various benefits to the workers. Each organisation may have records of its financial allocations on these accounts. But can anyone say, for example, how much is spent in a year on giving loans or advances to the workers for the purchase of cars in the whole country? No one seems to have even the slightest idea about the order of magnitudes involved. We suggest that attempts be made to compile such figures for a proper appraisal of the yet undefined wage/income policy being pursued.

KINDS OF FRINGE BENEFITS: PUBLIC SECTOR

We have collected for the different public sector bodies considered by us rules and regulations relating to various fringe benefits and perquisites. They have been collected

TABLE I: PRIVATE SECTOR: WORKING CONDITIONS

Item (1)	Corporate			Non-Corporate		
	Large (2)	Medium (3)	Small (4)	Large (5)	Medium (6)	Small (7)
1 Number of sample firms	8	9	6	2	2	7
2 Percentage of firms having						
(a) Fixed working hours	100	100	100	100	100	85.72
(b) Weekly off-day with pay	100	100	100	100	100	71.43
3 Average working hours per day per firm	8.05	7.28	7.33	7.45	8.00	7.45
4 Average number of days of leave with pay per firm per year	44.88	41.56	34.6	22.5	30	28.2
5 Percentage of firms having worker's organisation	62.5	11.11	—	50	—	—
6 Percentage of firms						
(a) Having female workers	87.5	33.33	16.67	100	50	14.29
(b) Providing special benefits to female workers	87.5	33.33	16.67	100	—	—
7 Percentage of firms having adequate toilet facilities for male and female workers separately	62.5	11.11	—	50	—	—
8 Percentage of firms having adequate working space	100	55.56	83.33	100	50	85.71

Notes: 1 The firms having less than or equal to five workers are defined as small, those having six to nineteen are called medium and the ones with even higher staff strength are considered as large.

2 In all tables, — signifies 0.00

from various memos and circulars lying scattered in the files of the different organisations. We do not present any systematic data concerning the above as much of the story has already being told by Chatterjee (1988). We shall only highlight some of the salient points about the chaotic variety that characterises them.

(a) The banks and the LIC have such provisions as entertainment allowance, allowance for purchasing luxury consumer durables, leave encashment, etc. These are not provided to the officers of comparable categories in the central and West Bengal state governments.

(b) Items like house-building advance, leave travel concession, conveyance loans, etc. are provided to employees of all organisations considered but the rules governing such benefits are not at all uniform. The amount of house-building advance admissible to a worker is a certain multiple of his basic pay subject to a maximum limit. The multiple as well as the limit vary according to organisation and category. The rate of interest also is not the same though always much lower than the bank rate of interest or the rate of interest charged by different organisations which give house-building loans to the public. It varies within a range depending again on the basic pay of the worker and the amount of advance. For the nationalised banks the interest rates are uniform for both officers and assistants while the rate is lower in foreign banks. For the central as well as the West Bengal state government employees, the minimum rate of interest is the same for different loans for different categories of workers though the maximum is widely different. The LIC employees are charged at a uniform rate of 5 per cent irrespective of category and amount of loan.

(c) As regards the leave travel concession, there are wide differences in the rules among the different organisations considered. Managerial staff in the banks with basic pay of Rs 2,925 or more are allowed to travel by air with their family members once in two years to their home town and once in two years to other places without any restriction on the distance travelled. For LIC officers the maximum allowable distance is 3000 km by first class once in four years or the equivalent distance in second class for the same amount of money. The central government employees are allowed to travel to any place in India. The West Bengal state government employees, by contrast, are much less privileged. They can enjoy leave travel concession only once during their entire service period and then too only second class railway fare.

(d) Another benefit provided to the workers in our sample organisations is conveyance loan for the purchase of vehicles. The amount of loan, the rate of interest and the periods of repayment vary between the different organisations. The conveyance loan

for a car is provided only to officers. Except for the LIC officers and managerial cadre in foreign banks, the maximum amount of loan is Rs 80,000. For the LIC managerial cadre, the full cost for purchasing a car is granted interest free and on easy repayment terms. Assistants in the LIC are allowed the

full cost for two-wheelers at 3 per cent rate of interest repayable in 60 monthly instalments. The other employers provide loans to their employees for the purchase of two-wheelers and bicycles but the amount and repayment conditions vary from category to category.

TABLE 2: PRIVATE SECTOR ALLOWANCES AND BENEFITS
(Percentage of firms)

Item (1)	Corporate			Non-Corporate		
	Large (2)	Medium (3)	Small (4)	Large (5)	Medium (6)	Small (7)
1 Overtime allowance	75	11.11	16.67	50	—	—
2 Medical benefits						
(i) Self	100	66.67	33.33	100	—	28.57
(ii) Family members	75	66.67	33.33	100	—	—
3 Holiday travel	62.5	55.56	33.33	—	—	—
4 Children education allowance	—	11.11	—	—	—	—
5 Free domestic servants	12.5	—	—	—	—	—
6 (a) Tiffin						
(i) Free	12.5	11.11	16.67	—	—	—
(ii) Subsidised	25	—	—	—	—	—
(iii) Allowance	12.5	22.22	—	—	—	—
(b) Lunch						
(i) Free	—	—	—	—	—	—
(ii) Subsidised	12.5	—	—	—	—	—
(iii) Allowance	—	—	—	—	—	—
7 Bonus						
(i) Yearly	100	77.78	100	100	100	100
(ii) Half-yearly	—	11.11	—	—	—	—
8 Conveyance allowance	50	55.57	66.67	50	—	—
9 Loans and advances						
(i) Festival advance	12.5	—	—	—	—	—
(ii) Purchase of vehicles	12.5	—	—	—	—	—
(iii) Ceremonials	37.5	11.11	—	—	—	—
(iv) Education	12.5	—	—	—	—	—
(v) Medical treatment	25	22.22	16.67	—	—	14.29
(vi) House building	37.5	11.11	—	50	—	—
(vii) Not specified	25	44.44	50	50	50	50

TABLE 3: PRIVATE SECTOR RETIREMENT BENEFITS

Item (1)	Corporate			Non-Corporate		
	Large (2)	Medium (3)	Small (4)	Large (5)	Medium (6)	Small (7)
1 Retirement benefits						
(a) Contributory P F-cum-gratuity	75	100	50	100	50	—
(b) Pension-cum-gratuity	25	—	—	—	—	—
(c) Any other	—	—	—	—	—	—
(d) None	—	—	50	—	50	100
2 Age of retirement						
(i) Below 58 years	—	22.22	16.67	—	—	—
(ii) 58 years	62.5	11.11	16.67	—	—	—
(iii) 60 years	37.5	33.33	—	50	—	—
(iv) Not fixed	—	33.34	66.66	50	100	100

TABLE 4A: VARIOUS FRINGE BENEFITS PROVIDED BY DIFFERENT EMPLOYERS

Employers (1)	(Percentage of employees)				
	Office Quarters (2)	Office Cars (3)	Official Tours (4)	Medical Reimburse- ment (5)	Holiday Tour Reimburse- ment (6)
Public Sector					
Bank	2.02	—	8.06	100 (54.64)	87.36 (42.06)
LIC	11.05	2.38	0.59	64.41 (9.2)	59.28 (20.4)
Central government	15.81	10	32.22	16.23 (18.3)	46.43 (34)
State government	14.92	7.89	16.21	0.31 (0.48)	0.62 (3.02)
Private sector					
Corporate	1.75	1.85	30.22	20.71 (66.29)	6.31 (85.52)
Non-corporate	7.8	4.05	12.76	—	—

Note: Figures in brackets represent percentage of expenditure reimbursed.

KINDS OF FRINGE BENEFITS: PRIVATE SECTOR

When it comes to the private sector, service conditions and fringe benefits provided to employees are different for every

single individual unit. In Tables 1 to 3 we present some information regarding the proportion of units in our sample providing or not providing a particular benefit or a service condition for a selected list of items. Some of the important points relating to

them may be summarised as follows:

(a) As may be expected, workers in the corporate private sector are found to be more privileged than those in the non-corporate private sector. A whole lot of perquisites provided by public sector enterprises and corporate private enterprises are not provided by the non-corporate private sector.

(b) Unexpectedly, however, it is found that, taken as a whole, the private sector employees receive service conditions and fringe benefits which are less than those enjoyed by public sector employees.

(c) If the corporate/non-corporate distinction is important, so is the size of an enterprise. Large sized non-corporate establishments provide many of the benefits and service conditions provided by public sector enterprises; whereas many small sized enterprises, even of the corporate private sector, do not provide them.

While the different public sector organisations covered in our study offer packages of benefits which are, to a large extent, the same in terms of the types of benefits (with differences being in the rules governing them), in the private sector various perquisites are provided which are not extended to the public sector employees. Thus, one may find instances of benefits like newspaper allowance, entertainment allowance, furnishing allowance, car allowance, allowance for domestic servants, etc. provided to senior level managerial staff in the private sector. It is quite common these days for private companies to rent-in large modern flats in posh localities for their senior executives. It is also common for big private firms to provide cars to their senior staff for their private use while paying for their running expenses. For leave travel concession there are companies who do not pay anything on this account; there are others which pay leave fare every year or once in two years. The amount paid also varies considerably; it may be one month's salary or a fixed amount that varies for different employees. Similarly the amount of medical allowances, wherever paid, is fixed per month for some companies but for some others it is a fixed percentage of the salary. As to service conditions, we found one private company where the retirement age for male workers is 58 years but for female workers 55 years.

TABLE 4B: VARIOUS FRINGE BENEFITS ENJOYED BY CATEGORY OF WORKERS
(Percentage of employees)

Category of Workers	Office Quarters	Office Cars	Official Tours	Medical Reimbursement	Holiday Tour Reimbursement
(1)	(2)	(3)	(4)	(5)	(6)
Public Sector					
Officer	18.91	10.91	36.6	53.63 (80.71)	67.95 (42.27)
Assistant	6.65	2.92	9.46	48.28 (15.57)	46.17 (24.39)
Private sector					
Corporate: Officer	3.42	3.61	53.95	34.19 (83.05)	10.43 (54.86)
Assistant	—	—	5.23	5.52 (54.04)	1.97 (151.33)
Non-corporate: Officer	—	12.71	19.06	—	—
Assistant	11.45	—	—	—	—

Note: Figures in brackets represent percentage of expenditure reimbursed.

TABLE 5A: VARIOUS ALLOWANCES PROVIDED BY DIFFERENT EMPLOYERS
(Percentage of employees benefitting)

Employers	Dearness	City Compensatory	House Rent	Medical	Transport
(1)	(2)	(3)	(4)	(5)	(6)
Public sector					
Bank	100	89.92	100	100	—
LIC	100	100	93.97	60.25	35
Central government	100	100	87.80	—	—
State government	100	1.08	96.28	99.38	—
Private sector					
Corporate	31.59	4.64	86.14	54.57	21.53
Non-corporate	—	—	38.84	44.90	6.07

TABLE 5B: VARIOUS ALLOWANCES ENJOYED BY CATEGORY OF WORKERS
(Percentage of employees)

Category of Workers	Dearness	City Compensatory	House Rent	Medical	Transport
(1)	(2)	(3)	(4)	(5)	(6)
Public sector					
Officer	100	67	87.42	59.16	8.12
Assistant	100	67.54	98.20	78.24	—
Private sector					
Corporate: Officer	3.59	7.17	87.73	66.47	21.62
Assistant	61.07	1.97	84.47	42.03	21.44
Non-corporate: Officer	—	—	44.46	63.55	19.06
Assistant	—	—	36.2	36.2	—

TABLE 6A: FINANCIAL BURDEN FOR PROVIDING ALLOWANCES BY DIFFERENT EMPLOYERS
(Percentage of annual basic)

Employers	Dearness	City Compensatory	House Rent	Medical	Transport
(1)	(2)	(3)	(4)	(5)	(6)
Public sector					
Bank	84.06	6.96	16.51	5.44	—
LIC	76.53	8.11	10.33	1.55	10.71
Central government	11.19	3.76	18.60	—	—
State government	165.86*	0.51	15.11	2.84	—
Private sector					
Corporate	29.76	1.4	20.3	4.67	3.97
Non-corporate	—	—	4.35	6.08	1.92

* includes additional dearness and dearness pay.

QUANTITATIVE ESTIMATES

In this section we shall be concerned with the quantitative magnitudes relating to various fringe benefits. We shall try to estimate the proportion of employees that benefit, the extent of a benefit enjoyed in relation to the basic salary of an employee and the amounts that are being spent by the employers for providing those benefits. One most important finding is that *the public sector seems to provide more fringe benefits to their employees than the private sector does*. Within the public sector, autonomous

bodies like banks and the LIC are more generous with these benefits than the central and state governments. This of course goes against generally held notions. The private

sector is supposed to provide many more different benefits and in higher quantities than the public sector. This supposition is based on observations which are biased in favour

of the topmost sections of private employees in this biggest private firms. Our survey shows that when one does not look at the top only but all the private sector enterprises and all sections of employees, the truth appears to be different. Another interesting finding which is of course not unexpected is that the non-corporate private sector is less benefited than the corporate private sector in all these matters.

Table 4A presents the percentages of respondents enjoying a certain number of benefits. In the four public sector and two private sector groups employers' residential quarters are something that are enjoyed only by a very small proportion of employees. The proportion is highest among central government employees, the state government coming next. Surprisingly, the corporate private sector extends the benefit to a negligible proportion of its employees. The proportion happens to be smaller than even the non-corporate private sector. This may not be quite true. The private sector employers do not often build quarters for their employees, especially in a city like Calcutta. What they do is to lease-in apartments and then give it to their employees who may pay a much lower amount than what the employers pay as rent. This appears to have been missed out in our enquiry. The same kind of difference is found between the proportion of beneficiaries in the public and private sectors with respect to such items as provision of office cars for private use, medical reimbursement schemes, holiday travel reimbursement schemes and official tours. It is noteworthy that within the public sector more bank employees benefit from medical reimbursement schemes and holiday reimbursement schemes. In Table 4B, one sees that in both the private and public sectors more officers enjoy the benefit of the schemes than assistants.

Tables 5A and 5B present data about the proportion of employees enjoying certain allowances. Dearness allowance and pays are enjoyed by all employees of central and state governments. In the private sector the benefit is not provided by the non-corporate wing and only 32 per cent of the employees of the private corporate sector enjoy the allowance. The CCA is primarily a matter of the central government, banks and the LIC. Only those state government employees who belong to the IAS cadre enjoy this benefit. The house rent allowance is enjoyed by most employees of both the sectors excepting the non-corporate private sector. Medical allowances are nominally given by most employees excepting the central government which provides reimbursement schemes. The private sector provides transport allowance to many employees and the same is true of the LIC. In respect of all these allowances too the public sector conditions are seen to be superior to the private sector ones. The non-corporate private sector offers much less than the corporate private sector.

TABLE 6B: FINANCIAL BURDEN FOR PROVIDING ALLOWANCES BY CATEGORY OF WORKERS
(Percentage of annual basic)

Category of Workers (1)	Dearness (2)	City Com- pensatory (3)	House Rent (4)	Medical (5)	Transport (6)
Public sector					
Officer	55.45	3.52	17.07	3.79	1.53
Assistant	76.58	6.20	16.47	2.30	—
Private sector					
Corporate:					
Officer	2.92	1.37	21.25	4.78	4.11
Assistant	119.60	1.50	17.13	4.31	3.49
Non-corporate:					
Officer	—	—	5.07	7.11	2.74
Assistant	—	—	2.65	3.68	—

TABLE 7A: DEGREE OF BENEFITS BY WAY OF VARIOUS ALLOWANCES PROVIDED BY DIFFERENT EMPLOYERS
(Percentage of annual basic salary of reporting respondents)

Employers (1)	Dearness (2)	City Com- pensatory (3)	House Rent (4)	Medical (5)	Transport (6)
Public sector					
Bank	84.06	9.03	16.51	5.44	—
LIC	76.53	8.11	11.41	2.94	27.08
Central government	11.19	3.76	21.96	—	—
State government	176.22*	8.71	17.39	2.97	—
Private sector					
Corporate	283.76	22.67	24.14	7.31	22.35
Non-corporate	—	—	5.92	7.65	4.66

* Includes additional dearness and dearness pay.

TABLE 7B: DEGREE OF BENEFITS BY WAY OF VARIOUS ALLOWANCES ENJOYED BY CATEGORY OF WORKERS
(Percentage of annual basic salary of reporting respondents)

Category of Workers (1)	Dearness (2)	City Com- pensatory (3)	House Rent (4)	Medical (5)	Transport (6)
Public sector					
Officer	83.39	5.22	19.76	7.25	27.08
Assistant	114.88	7.27	17.02	3.75	—
Private sector					
Corporate:					
Officer	190.71	18.69	12.26	6.99	25.03
Assistant	295.55	65	20.86	8.79	15.73
Non-corporate:					
Officer	—	—	6.18	7.82	4.66
Assistant	—	—	5	6.95	—

TABLE 8A: VARIOUS LOANS AND ADVANCES PROVIDED BY DIFFERENT EMPLOYERS
(Percentage of employees benefitting)

Employers (1)	Festival Advance (2)	House- building Loan (3)	Cat/Scooter/ Cycle Loans (4)	PF and Co-operative Loans (5)	Percentage of Loan Repayers* (6)
Public sector					
Bank	58.06	6.32	—	33.06	68.41
LIC	84.10	—	3.31	49.17	65.14
Central government	58.27	1.18	—	16.54	36.78
State government	84.20	1.32	4.52	18.01	36.91
Private sector					
Corporate	—	—	—	9.48	31.73
Non-corporate	—	—	—	—	—

* The figures represent the percentage of employees who during the current year have been repaying some loan or other taken during some year in the past.

TABLE 8B: VARIOUS LOANS AND ADVANCES ENJOYED BY CATEGORY OF WORKERS
(Percentage of employees)

Category of Workers	Festival Advances	House-building Loan	Car/Scooter/Cycle Loans	PF and Co-operative Loans	Percentage of Loan Repayers*
(1)	(2)	(3)	(4)	(5)	(6)
Public sector					
Officer	69.33	2.84	0.77	41.09	74.86
Assistant	66.30	3.46	1.69	21.01	44.65
Private sector					
Corporate:					
Officer	—	—	—	—	19.75
Assistant	—	—	—	19.46	44.34

* Same as Table 8A.

TABLE 9A: FINANCIAL BURDEN ON EMPLOYER FOR PROVIDING LOANS AND ADVANCES BY DIFFERENT EMPLOYERS
(Percentage of annual basic)

Employers	Festival Advance	House-building Loan	Car/Scooter/Cycle Loans	PF and Co-operative Loans	Total
(1)	(2)	(3)	(4)	(5)	(6)
Public sector					
Bank	8.36	10.96	—	12.24	31.56
LIC	4.88	—	14.07	52.37	71.32
Central government	0.98	5.22	—	7.49	13.69
State government	3.36	15.03	0.18	13.55	32.12
Private sector					
Corporate	—	—	—	3.35	3.35
Non-corporate	—	—	—	—	—

TABLE 9B: FINANCIAL BURDEN ON EMPLOYER FOR PROVIDING LOANS AND ADVANCES BY CATEGORY OF WORKERS
(Percentage of annual basic)

Category of Workers	Festival Advance	House-building Loan	Car/Scooter/Cycle Loans	PF and Co-operative Loans	Total
(1)	(2)	(3)	(4)	(5)	(6)
Public sector					
Officer	5.90	8.92	2.01	16.65	33.48
Assistant	4.12	8.62	0.04	13.31	26.09

Note: Private corporate sector provided PF loan to assistants amounting to 16.08 per cent of their basic salary. No other loans and advances was given to either the officers or the assistants.

TABLE 10A: DEGREE OF BENEFITS BY WAY OF LOANS AND ADVANCES BY DIFFERENT EMPLOYERS
(Percentage of annual basic salary of reporting respondents)

Employers	Festival Advance	House-building Loans	Car/Scooter/Cycle Loans	PF and Co-operative Loans
(1)	(2)	(3)	(4)	(5)
Public sector				
Bank	33.43	122.55	0.00	41.56
LIC	5.74	0.00	365.19	117.56
Central government	1.89	239.12	0.00	40.43
State government	3.92	606.06	6.25	61.60
Private sector				
Corporate	—	—	—	103.16
Non-corporate	—	—	—	—

TABLE 10B: DEGREE OF BENEFITS BY WAY OF LOANS AND ADVANCES ENJOYED BY CATEGORY OF WORKERS
(Percentage of annual basic salary of reporting respondents)

Category of Workers	Festival Advance	House-building Loan	Car/Scooter/Cycle Loans	PF and Co-operative Loans
(1)	(2)	(3)	(4)	(5)
Public sector				
Officer	18.44	343.29	365.19	47.85
Assistant	7.35	122.55	6.25	71.11

Note: Private corporate sector provided PF loan to assistants amounting to 95.62 per cent of basic salary of reporting respondents. No other loans and advances was given to either the officers or the assistants.

There is not much of discrimination within the public sector between officers and assistants. In the private sector, however, there seems to be some discrimination in favour of officers against assistants (Table 5b).

The importance of a particular allowance does not depend only on the number of beneficiaries. Another index of its importance is the amounts spent by way of these allowances (Table 6A). From this point of view, dearness allowance is the most important. In the public sector these allowances almost equal the basic salary excepting in the central government where after pay revision the allowances have been merged with the basic. Of the others, the most important is the house rent allowance. Medical, transport, leave travel allowances, etc, add up in most cases to less than 10 per cent of the basic salary. An exception is the LIC which pays most generously by way of transport allowances. In respect of amount too the public sector seems to pay much better than the private sector. An exception is house rent allowance given by the corporate private sector.

As one sees in Table 6B, in the public sector the quantum of benefit is more for assistants than for officers. The same is true for the dearness allowances paid by the corporate private sector. In the matter of other allowances the private sector discriminates in favour of officers. We now come to Tables 7A and 7B which compare the dif-

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ferential rates at which various allowances are paid, the rate being reckoned as a percentage of the basic salary. The rate of the dearness allowance to the basic pay naturally depends on when the salary was last revised; as such, a comparison between different employers is not useful. As for the remaining allowances the private corporate sector pays more than the public sector employees, an exception being the transport allowance given by the LIC.

Table 7B shows that the dearness allowance and the CCA are paid at a higher rates to assistants than to officers. In respect of all other allowances, officers enjoy higher rates than assistants.

We now come to loans and advances (Tables 8A and 8B). The most popular among the different schemes seems to be festival advance, presumably because its being interest free as well as ease with which the advance is obtainable. The next most popular are provident fund and cooperative loans. The proportion of employees availing of loans for house building and the purchase of vehicles appear to be quite small. It should however be kept in mind that our estimates refer to loans incurred during the reference period of a single year. If one thinks of all the employees that might have taken loans and not yet repaid them the proportions might easily be ten times larger. There does not seem to be much difference in the incidence of loan taking between officers and assistants. If anything the officers take slightly more (Table 8B).

Table 9A presents some information relating to the financial burden which the different loans represent for the respective employees. The amounts spent for giving different kinds of loans are as high as 70 per cent of the salary bill in the case of LIC, 32 per cent in the case of banks and 30 per cent for the state government. The central government seems to spend the least. There are reasons to believe that our figures are underestimates for the central government.

We now try to compare the benefits accruing to the employees through the different loan schemes in terms of the amount received as a proportion of the basic pay of a beneficiary. As we see in Table 10A, for house building loans the state government employees benefit the most. But that only reflects the fact that for them the salaries are as yet unrevised. The central government pays what amounts to 2.5 times the basic annual salary. Banks pay half of that. For enabling officers to purchase cars the LIC pays three times the annual basic salary. Among the rest, loans from provident fund, cooperative loans, etc. involve the highest quantities. Table 10B shows that officers get systematically more than assistants.

Reference

Chatterjee, Sukla (1988), 'Fringe Benefits in the Incomes Jungle', *Economic and Political Weekly*, October 8.

THE ARVIND MILLS LIMITED NOTICE

It is hereby notified for the information of the public that the Arvind Mills Limited proposes to make an application to the Central Government in the Department of Company Affairs, New Delhi, under sub-section (4) of Section 23 of the Monopolies and Restrictive Trade Practices Act, 1969, for approval to the take over of the whole or part of the Nagri Mills Company Limited.

Brief particulars of the proposal are as under:

- (i) Name and address of the applicant : The Arvind Mills Ltd.,
Regd. Office:
Naroca Road,
AHMEDABAD 380 025
- (ii) Name and address of the undertaking to be taken over and the manner of take over : The Nagri Mills Co. Ltd.,
Rajpur Road,
AHMEDABAD - 380 021
By acquisition of 1,05,000 Equity shares of Rs.10/- each or such higher number of Equity shares as the shareholders of the Nagri Mills Co. Ltd. may offer out of total 3,30,750 Equity shares of Rs.10/- each of the Nagri Mills Co. Ltd. and thereby take over control and management of the Nagri Mills Co. Ltd.
- (iii) Management structure of the applicant : Managed by four Managing Directors subject to direction, control and superintendence of the Board of Directors.
- (iv) Capital structure of
(a) the applicant : Authorised : Rs.
2,00,00,000 Equity shares of Rs.10 each 20,00,00,000
Issued & Subscribed:
71,34,000 fully paid up Equity shares of Rs.10 each. 7,13,40,000
- (b) the undertaking proposed to be taken over : Authorised
4,60,000 Equity shares of Rs.10/- each 46,00,000
5,000 Preference shares of Rs.100/- each 5,00,000
51,00,000
Issued & Subscribed:
3,30,750 fully paid Equity shares of Rs.10/- each. 33,07,500
2,205 fully paid Preference shares of Rs.100/- each. 2,20,500
35,28,000
- (v) Line(s) of business of the undertaking which will or is likely to emerge as a result of the proposed take over : Proposal is to take over an already existing undertaking of the Nagri Mills Co. Ltd. which was engaged in manufacture and sale of cotton textiles and blended fabrics and yarn.
- (vi) Consideration for the take over : Rs.1,05,000/- for 1,05,000 Equity Shares at Re.1/- per share. Other Equity shares out of 3,30,750 Equity Shares will also be acquired at Re.1/- per share.
- (vii) Scheme of finance indicating the source(s) of finance for the proposed take over : The amount of Rs.1,05,000/- or the higher amount, as the case may be, will be paid out of internal accruals of the applicant.

2. Any person interested in the matter may make a representation to Secretary, Department of Company Affairs, Government of India, Sansri Bhavan, Dr. Rajendra Prasad Road, New Delhi, within 14 days from the date of publication of this notice, intimating his views on the proposal and indicating the nature of his interest therein.

For The Arvind Mills Limited
ARVIND N. LALBHAI
CHAIRMAN AND MANAGING DIRECTOR

Dated this 15th day of March 1990.