

Administration of
Dadra and Nagar Haveli, U.T.,
Labour Department
Silvassa

No. LEO/Bonus/2347/2018

Date: 30/10/2018

CIRCULAR

It has been noticed that some industrial establishments/contractors in the U.T. of Dadra and Nagar Haveli are still not paying bonus to the workers in accordance with the provisions of the Payment of Bonus Act, 1965 thereby depriving the workers from their legitimate right. The complaints are often received that the workers are paid bonus less than they are statutorily entitled to get. The act of employers paying less bonus or not paying bonus amounts to blatant violation of the provisions of the Payment of Bonus Act, 1965 and the employers are liable for action.

It is reiterated that the Payment of Bonus Act, 1965 is in force in the U.T. of Dadra and Nagar Haveli which is applicable to all employees, irrespective of status, drawing a salary or wages not exceeding Rs. 21,000/- per month. For the purpose of this Act, salary and wages will include the basic wages and dearness allowance. To be eligible for bonus, the employee must have worked for not less than 30 days in the accounting year. Bonus is payable proportionately on the wages or salary earned by the employee during the year. The ceiling for calculation shall be calculated as if the salary or wage were [seven thousand rupees or minimum wages for the scheduled employment, as fixed by the appropriate Government, whichever is higher] per month.

In the case of new establishments, the employees are entitled to bonus from the accounting year in which the employer makes profit or from the 6th accounting year following the accounting year in which production of service starts. Subject to the above conditions, every factory and establishments employing 20 or more persons on any day in its accounting year is covered by this Act. The contract workers are also entitled to bonus from their contractors and if the contractors fail to pay bonus, the principal employer is liable to pay bonus, which is entitled to be indemnified by the contractors 8.33% of salary for wages earned in the year is the minimum bonus required to be paid even if there is loss incurred in that year. Maximum bonus is 20% of the salary or wages earned in the year. However, under section 34, more bonuses could be paid by mutual agreement based on productivity considerations.

Bonus is payable within 08 months from the close of accounting year of factory or establishments.

The Administration has started receiving complaints for non-payment of bonus and also demands for payment of bonus at more than minimum bonus from the workers and Union raising industrial dispute. The complaints are also received from the workers about non payment of bonus as per the provisions of the Act.

All the factories and establishments including contractors to which the said Act applies are requested to ensure that they pay bonus to their eligible workers in accordance with the provisions of the Payment of Bonus Act, 1965 taking into productivity considerations so that congenial industrial environment could be created leading overall economic development of the region.

The above instructions may kindly be followed scrupulously. Non compliance of the provisions of the Act would invite penal action.

The employers shall also submit Annual Return in Form 'D' under Payment of Bonus Rules, 1975 immediately after making payments of bonus


22/10/18

(Rakesh Minhas)
Deputy Labour Commissioner

To
All Factories / Establishments,
Dadra and Nagar Haveli,
Silvassa.

Copy to :

- 1) The P.S. to Administrator, DD & DNH.
- 2) The P.A. to Advisor to Administrator, DD & DNH.
- 3) The P.A. to Collector/Secretary (Labour)/ Labour Commissioner, D&NH
- 4) The RDC (K)/ Dy. Labour Commissioner, D&NH.
- 5) All Industrial Associations, with a request to take up the matter with their members to ensure strict compliance, Dadra and Nagar Haveli, Silvassa