

FICCI's National Committee on Transport Infrastructure

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FICCI, the apex body of industry in the country has urged Prime Minister Narendra Modi not to introduce mid-term retrospective legislations and clarifications as they are difficult to implement and are not provisioned in the accounting Financial year of the company . " Government recently introduced mid-year amendments in the Payment of Bonus (Amendment) Act 2015, published in the Gazette on 1st January, 2016, giving it retrospective effect from 1st April, 2014.. Through the amendment, the wage limit prescribed for coverage of employees under the Bonus Act has been increased from Rs 10,000 per month to Rs 21,000, with effect from April 1, 2014. Further, the ceiling for bonus calculation has been doubled from Rs 3,500/= to Rs 7,500/=, per month, again retrospectively." Said Mr K K Kapila , Co Chairman, FICCI's National Committee on Transport Infrastructure . "The Mid-year amendment will result in increased and unforeseen financial burden on small and medium companies and employers which are struggling to meet their operating costs, and big businesses employing a large workforce. Administrative work would increase for all these companies, as none of them would have factored in the enhanced bonus liability in their balance sheets/statement of accounts for the period ending March 31, 2015." Said Mr Kapila "Greater hardship and inconvenience would be faced by those companies which have already paid the statutorily prescribed bonus to their eligible employees during the festive season on the basis of calculation prevailing prior to the amendment. Trouble does not end here, as appropriate governments typically notify increase in minimum wages for scheduled employments twice a year, so any advance calculation of the bonus liability at the beginning of the year may not turn out to be a correct estimation." He added. "The private Sector has repeatedly been requesting that retrospective amendment of the above Act needs to be revisited as mid year amendments are not provisioned for and further it is equally difficult to pass on such retrospective benefit to Employees particularly in sectors which have high Employee's turnover and where large no. of semi / unskilled word force is the norm along with high mobility rate." Said Mr Kapila. " The Government has been talking big on ease of doing business in the country but such acts of government are further increasing challenges and hardships already being faced by the Industry. Such retrospective acts of government should be stopped for making the country an attractive destination for investment." said Mr Kapila.

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