

GOVERNMENT OF KARNATAKA PROCEEDINGS

Subject : Regarding deferring of VDA hike for the year 2020-21 for the employees working at various Manufacturing / Establishments.

Reference :

1. Letter Ref CI/2020/21, dated 22/04/2020 from Principal Secretary, Commerce & Agriculture Department
2. Letter Ref KVK-2/ETC-1/VDA/MIS/20-21 dated 29/05/2020 from Commissioner of Labour.
3. Representations from Employees & Employers dated 26/05/2020.

COMMENDATION

Referring the communication from the Principal Secretary, Commerce & Agriculture Department wherein due to Covid19 lockdown as declared by the Central Government has impacted the Industries financially and are finding it difficult to reimburse the Minimum Wages/VDA and requested to defer it by 4 months and accordingly had forwarded a request from the Employers to the Labour Department.

Referring the communication from the Commissioner of Labour they have notified the increase of Consumer Price Index Points of 348 points for the year 2020-21 and with the calculates it with 4 paise for every CPI point which amounts to VD increase of Rs.417.60 monthly and Rs.16.06 per day and was applicable from 01/04/2020 onwards.

Referring the communication from the representatives of both Employees and Employers wherein the Employers submitted that they had complied during the initial lockdown period wherein they paid the wages to their employees and with the continuing down turn in the industry and financial constraints it has become difficult for them to sustain the continuity of business and many establishments are on the verge of closure and so requested that the VDA hike for the year 2020-21 may be deferred by one year so that industries can pick up their business in later stage.

Employee Representatives have submitted their request wherein the pointed out that Establishments are already availing various relaxations from reduction in interest rates, GST etc., and other stimulus packages which is giving the much required financial support. Minimum Wages is nothing but the base wages and revoking or not implementing the annual VDA revision is against the Minimum Wages Act. So Establishments should not pass their loss to the wages of the employees and VDA hike for the year should be implemented and they oppose to any such move of deferring/revoking of the VDA.

And due to Covid19 situation wherein the Central Government had declared the Lockdown and directed Establishments to pay Wages including VDA but considering the present circumstances the Commissioner of Labour has recommended that VDA hike effective from 01/04/2020 may be deferred.

Accordingly, the recommendation of the Commissioner of Labour has been studied comprehensively and the below Order is passed.

GOVERNMENT ORDER NO. KE 72 LWA 2020, BENGALURU dated 20/07/2020.

With the above recommendation wherein due to Covid19 pandemic and as per the directions of the Central Government that Wages including that of VDA were required to be paid to the employees during lockdown period. And so considering the factual and keeping in view the interests of the Employers who are employment generators VDA for the year 01/04/2020 to 31/03/2021 has been deferred.

IN THE NAME & WITH THE ORDERS OF GOVERNOR OF KARNATAKA

SD/-

A UMADEVI

PRESIDING OFFICER 2

DEPARTMENT OF LABOUR

To,

Government Printing Press for gazette release

Department of Labour

Representatives of Employers & Employees

All District Commissioner

All District Panchayats

Secretary, Minimum Wages Board

All District Labour Officers