

1979 KHC 749

Supreme Court of India

V. R. Krishna Iyer; P. S. Kailasam; A. D. Koshal, JJ.

Jalan Trading Co. (P) Ltd. and Others v. D. M. Aney and Another

C. A. No. 594 of 1971

16 November, 1978

Payment of Bonus Act, 1965, S.10 - Bonus -- Payment of minimum bonus irrespective of profit or no profit -- S.10 of the Payment of Bonus Act is not ultra vires Art.19(1)(g) and 301 of the Constitution -- Restriction imposed by the Bonus Act in compelling the employer to pay the statutory minimum bonus even in years where there has been a loss sustained by the management is reasonable or in public interest within the meaning of Art.19 (6) and 302 -- Payment of bonus, being in implementation of Art.39 and 43 of the Constitution, is reasonable. (Para 2)

JUDGMENT

1 The short and only point, draped as a constitutional issue, urged before us, after having been repelled by the Bombay High Court against whose judgment this appeal is filed by certificate, is as to whether S.10 of the Bonus Act is ultra vires of Art.19(1) (g) and Art.301 of the Constitution.

2. We are satisfied that the restriction imposed by the Bonus Act in compelling the employer to pay the statutory minimum bonus even in years where there has been a loss sustained by the management is reasonable or in public interest within the meaning of Art.19(6) and 302. What is reasonable depends on a variety of circumstances, but what is important is that the Directive Principles of State Policy in Part IV of the Constitution are fundamental to the governance of the country. Therefore, what is directed as State Policy by the founding fathers of the Constitution cannot be regarded as unreasonable or contrary to public interest even in the context of Art.19 or 302. It follows that payment of bonus, being in implementation of Art.39 and 43 of the Constitution, is reasonable. We agree with the High Court and dismiss the appeal with costs quantified at Rs.2,000/-. The costs be paid to respondent No.2.