

IN THE HIGH COURT OF JUDICATURE AT BOMBAY
CIVIL APPELLATE JURISDICTION

WRIT PETITION NO. 2595 OF 2025

Municipal Corporation of Greater
Mumbai Through the General
Manager, Brihan Mumbai Electric
Supply and Transport Undertaking
(BEST)

.....Petitioner

: Versus :

Arvind Pingle

.....Respondent

Alongwith

WRIT PETITION NO. 609 OF 2025

Municipal Corporation of Greater
Mumbai Through the General
Manager, Brihan Mumbai Electric
Supply and Transport Undertaking
(BEST)

.....Petitioner

: Versus :

Dattatray Tukaram Rane

.....Respondent

Alongwith

WRIT PETITION NO. 606 OF 2025

Municipal Corporation of Greater
Mumbai Through the General
Manager, Brihan Mumbai Electric
Supply and Transport Undertaking
(BEST)

.....Petitioner

: Versus :

Shivaji Pandurang Karande

.....Respondent

Alongwith

WRIT PETITION NO. 610 OF 2025

Municipal Corporation of Greater
Mumbai Through the General
Manager, Brihan Mumbai Electric
Supply and Transport Undertaking
(BEST)

.....Petitioner

: Versus :

Vilasrao Bapurao Metkari

.....Respondent

Alongwith

WRIT PETITION NO. 608 OF 2025

Municipal Corporation of Greater
Mumbai Through the General
Manager, Brihan Mumbai Electric
Supply and Transport Undertaking
(BEST)

.....Petitioner

: Versus :

Philip Anthony Kinny

.....Respondent

Alongwith

WRIT PETITION NO. 607 OF 2025

Municipal Corporation of Greater
Mumbai Through the General
Manager, Brihan Mumbai Electric
Supply and Transport Undertaking
(BEST)

.....Petitioner

: Versus :

Ravindra Krishna Shetye

.....Respondent

Alongwith

WRIT PETITION NO. 966 OF 2026

Municipal Corporation of Greater
Mumbai Through the General
Manager, Brihan Mumbai Electric
Supply and Transport Undertaking
(BEST)

.....Petitioner

: Versus :

Meghshyam Narayan Parab

.....Respondent

Alongwith

WRIT PETITION NO. 4948 OF 2026

Municipal Corporation of Greater
Mumbai Through the General
Manager, Brihan Mumbai Electric
Supply and Transport Undertaking
(BEST)

.....Petitioner

: Versus :

Kalyanrao Ramdas Sakunde

.....Respondent

Alongwith

WRIT PETITION NO. 1517 OF 2026

Municipal Corporation of Greater
Mumbai Through the General
Manager, Brihan Mumbai Electric
Supply and Transport Undertaking
(BEST)

.....Petitioner

: Versus :

Avinash Rajaram Sirmukadam

.....Respondent

Alongwith

WRIT PETITION NO. 1739 OF 2025

Municipal Corporation of Greater
Mumbai Through the General
Manager, Brihan Mumbai Electric
Supply and Transport Undertaking
(BEST)

.....Petitioner

: Versus :

Arun Dhondiram Aitawade

.....Respondent

Alongwith

WRIT PETITION NO. 2879 OF 2025

Municipal Corporation of Greater
Mumbai Through the General
Manager, Brihan Mumbai Electric
Supply and Transport Undertaking
(BEST)

.....Petitioner

: Versus :

Udaykumar V. Yajandar

.....Respondent

Alongwith

WRIT PETITION NO. 3004 OF 2026

Municipal Corporation of Greater
Mumbai Through the General
Manager, Brihan Mumbai Electric
Supply and Transport Undertaking
(BEST)

.....Petitioner

: Versus :

Sandeep Suresh Rege

.....Respondent

Alongwith

WRIT PETITION NO. 4015 OF 2025

Municipal Corporation of Greater
Mumbai Through the General
Manager, Brihan Mumbai Electric
Supply and Transport Undertaking
(BEST)

.....Petitioner

: Versus :

Balkrishna Eknath Patil

.....Respondent

Alongwith

WRIT PETITION NO. 4084 OF 2025

Municipal Corporation of Greater
Mumbai Through the General
Manager, Brihan Mumbai Electric
Supply and Transport Undertaking
(BEST)

.....Petitioner

: Versus :

Ravikiran Dinkar Shilimkar

.....Respondent

Alongwith

WRIT PETITION NO. 4019 OF 2025

Municipal Corporation of Greater
Mumbai Through the General
Manager, Brihan Mumbai Electric
Supply and Transport Undertaking
(BEST)

.....Petitioner

: Versus :

Khyati Dattatray Dalvi

.....Respondent

Alongwith

WRIT PETITION NO. 4086 OF 2025

Municipal Corporation of Greater
Mumbai Through the General
Manager, Brihan Mumbai Electric
Supply and Transport Undertaking
(BEST)

.....Petitioner

: Versus :

Dudhnath Lale Pal

.....Respondent

Alongwith

WRIT PETITION NO. 4203 OF 2025

With

INTERIM APPLICATION NO. 13820 OF 2025

Municipal Corporation of Greater
Mumbai Through the General
Manager, Brihan Mumbai Electric
Supply and Transport Undertaking
(BEST)

.....Petitioner

: Versus :

Ajaykumar Matabadal Singh

.....Respondent

Alongwith

WRIT PETITION NO. 5433 OF 2025

Municipal Corporation of Greater
Mumbai Through the General
Manager, Brihan Mumbai Electric
Supply and Transport Undertaking
(BEST)

.....Petitioner

: Versus :

Pravin Kumar Bhima Patel

.....Respondent

Alongwith

WRIT PETITION NO. 5380 OF 2025

Municipal Corporation of Greater
Mumbai Through the General
Manager, Brihan Mumbai Electric
Supply and Transport Undertaking
(BEST)

.....Petitioner

: Versus :

Rekha Prakash Surve & Ors.

.....Respondent

Alongwith

WRIT PETITION NO. 5449 OF 2025

Municipal Corporation of Greater
Mumbai Through the General
Manager, Brihan Mumbai Electric
Supply and Transport Undertaking
(BEST)

.....Petitioner

: Versus :

Sunita Sunil Sawant

.....Respondent

Alongwith

WRIT PETITION (ST.) NO. 21308 OF 2025

Municipal Corporation of Greater
Mumbai Through the General
Manager, Brihan Mumbai Electric
Supply and Transport Undertaking
(BEST)

.....Petitioner

: Versus :

Sandesh Harish Chandra Dandekar

.....Respondent

Alongwith

WRIT PETITION (ST.) NO. 21310 OF 2025

Municipal Corporation of Greater Mumbai
Through the General Manager, Brihan
Mumbai Electric Supply and Transport
Undertaking (BEST)

.....Petitioner

: Versus :

Samir Suryakant Gharat

.....Respondent

Alongwith

WRIT PETITION (ST.) NO. 23050 OF 2025

Municipal Corporation of Greater Mumbai
Through the General Manager, Brihan
Mumbai Electric Supply and Transport
Undertaking (BEST)

.....Petitioner

: Versus :

Jadideep Shripad Kulkarni

.....Respondent

Alongwith

WRIT PETITION (ST.) NO. 23442 OF 2025

Municipal Corporation of Greater Mumbai
Through the General Manager, Brihan
Mumbai Electric Supply and Transport
Undertaking (BEST)

.....Petitioner

: Versus :

Satish Vamanrao Mahajan

.....Respondent

Alongwith

WRIT PETITION (ST.) NO. 23564 OF 2025

Municipal Corporation of Greater Mumbai
Through the General Manager, Brihan
Mumbai Electric Supply and Transport
Undertaking (BEST)

.....Petitioner

: Versus :

Mangesh Krishna Pednekar

.....Respondent

Alongwith**WRIT PETITION (ST.) NO. 23884 OF 2025**

Municipal Corporation of Greater
Mumbai Through the General
Manager, Brihan Mumbai Electric
Supply and Transport Undertaking
(BEST)

.....Petitioner

: Versus :

Sharad Shantaram Gunjal

.....Respondent

Alongwith**WRIT PETITION (ST.) NO. 23886 OF 2025**

Municipal Corporation of Greater
Mumbai Through the General
Manager, Brihan Mumbai Electric
Supply and Transport Undertaking
(BEST)

.....Petitioner

: Versus :

Vishwas Sitaram Vichare

.....Respondent

Alongwith**WRIT PETITION (ST.) NO. 28873 OF 2025**

Municipal Corporation of Greater
Mumbai Through the General
Manager, Brihan Mumbai Electric
Supply and Transport Undertaking
(BEST)

.....Petitioner

: Versus :

Shaji Padmanabhan Maikkapaddy

.....Respondent

Alongwith**WRIT PETITION (ST.) NO. 28925 OF 2025**

Municipal Corporation of Greater
Mumbai Through the General
Manager, Brihan Mumbai Electric
Supply and Transport Undertaking
(BEST)

.....Petitioner

: Versus :

Anil Bapurao Jawale

.....Respondent

Alongwith**WRIT PETITION (ST.) NO. 29341 OF 2025**

Municipal Corporation of Greater
Mumbai Through the General
Manager, Brihan Mumbai Electric
Supply and Transport Undertaking
(BEST)

.....Petitioner

: Versus :

Ramesh Tukaram Ghanvat & Anr.

.....Respondents

Alongwith**WRIT PETITION NO. 14187 OF 2025**

Municipal Corporation of Greater
Mumbai Through the General
Manager, Brihan Mumbai Electric
Supply and Transport Undertaking
(BEST)

.....Petitioner

: Versus :

Dipak Balkrishna Dhavan

.....Respondent

Alongwith

WRIT PETITION (ST.) NO. 31911 OF 2025

Municipal Corporation of Greater
Mumbai Through the General
Manager, Brihan Mumbai Electric
Supply and Transport Undertaking
(BEST)

.....Petitioner

: Versus :

Prakash Pandurang Vichare

.....Respondent

Alongwith

WRIT PETITION NO. 18993 OF 2024

Municipal Corporation of Greater
Mumbai Through the General
Manager, Brihan Mumbai Electric
Supply and Transport Undertaking
(BEST)

.....Petitioner

: Versus :

Mangesh Parshuram Mhaske,
through BEST Kamagar Sanghtana
CITU Centre

.....Respondent

Alongwith

WRIT PETITION NO. 19056 OF 2024

Municipal Corporation of Greater
Mumbai Through the General
Manager, Brihan Mumbai Electric
Supply and Transport Undertaking
(BEST)

.....Petitioner

: Versus :

Ganpat Baban Sonawane

.....Respondent

Alongwith

WRIT PETITION NO. 19051 OF 2024

Municipal Corporation of Greater
Mumbai Through the General
Manager, Brihan Mumbai Electric
Supply and Transport Undertaking
(BEST)

.....Petitioner

: Versus :

Mangalprasad Acchibar Singh

.....Respondent

Alongwith

WRIT PETITION NO. 19063 OF 2024

Municipal Corporation of Greater
Mumbai Through the General
Manager, Brihan Mumbai Electric
Supply and Transport Undertaking
(BEST)

.....Petitioner

: Versus :

Satish Harishchandra Rane

.....Respondent

Alongwith

WRIT PETITION NO. 19052 OF 2024

Municipal Corporation of Greater
Mumbai Through the General
Manager, Brihan Mumbai Electric
Supply and Transport Undertaking
(BEST)

.....Petitioner

: Versus :

Ulhas Pandharinath Choudhary

.....Respondent

Alongwith

WRIT PETITION (ST.) NO. 41231 OF 2025

Municipal Corporation of Greater
Mumbai Through the General
Manager, Brihan Mumbai Electric
Supply and Transport Undertaking
(BEST)

.....Petitioner

: Versus :

Arvind Balku Bandal

.....Respondent

Mr. Vishal Talsania (*through V.C.*) *with Ms. Kavita Anchan, for the Petitioner.*

Mr. Arvind Pingle, *Respondent in person in WP-2595 of 2025.*

Mr. Sagar Redkar, *for the Respondent in WP(ST.)-23442-2025.*

Mr. Shailesh S. Pathak, *for the Respondent in WP(ST)-28925-2025.*

Mr. Mayuresh Nagle, *for the Respondent in WP-4084-2025 and WP-4019-2025.*

Ms. Sayli Wani, *for the Respondent in WP-5449-2025.*

Mr. Niraj Prajapati, *for the Respondent in WP-5433-2025.*

Ms. Lubdha Bhoir *with Ms. Gargi Gupte, Ms. Gayatri Nayak, Mr. Vinit Dhotre ib. Mr. Rajesh Khobragade, for the Respondent in WP-18993-2024, WP-19056-2024, WP-19051-2024, WP-19063-2024, WP-19052-2024.*

CORAM : SANDEEP V. MARNE, J.

DATED : 10 SEPTEMBER 2026.

P.C :

1) These petitions are filed by Brihan Mumbai Electric Supply and Transport Undertaking (**BEST**) challenging various orders passed by the Controlling and Appellate Authorities determining the entitlement of

Respondent-employees to receive gratuity. Though the orders passed by the Controlling and Appellate Authorities under the Payment of Gratuity Act, 1972 (**PG Act**) are challenged by the Petitioner-BEST, it is not really averse to payment of gratuity as per the PG Act to the Respondent-employees.

2) Mr. Talsania, the learned counsel appearing for the Petitioner-BEST, on instructions, makes a statement that there is no reservation on the part of BEST in so far as payment of gratuity under the PG Act to the employees is concerned. As a matter of fact, in most of the cases, the gratuity is already paid to the concerned employees.

3) The only reservation that Petitioner-BEST has is to the direction issued by the Controlling and Appellate Authorities for payment of interest @ 10% p.a. on the amount of gratuity. Here again, Petitioner does not contend that no interest is awardable on the amount of gratuity. It has shown willingness to pay interest @ 6% p.a. on the amount of gratuity to each of its employees. Therefore, the limited challenge that survives in the petitions is about direction for payment of interest at the rate exceeding 6%.

4) Under the provisions of sub-section (3A) of Section 7 of the PG Act, if the amount of gratuity is not paid by the employer within the period specified, the employer becomes liable to pay simple interest at such rate not exceeding the rate notified by the Central Government from time to time for repayment of long term deposits as the

Government may by Notification specify. Section 7(3A) of the PG Act provides thus:

(3A) If the amount of gratuity payable under sub-section (3) is not paid by the employer within the period specified in sub-section (3), the employer shall pay, from the date on which the gratuity becomes payable to the date on which it is paid, simple interest at such rate, not exceeding the rate notified by the Central Government from time to time for repayment of long-term deposits, as that Government may, by notification specify: Provided that no such interest shall be payable if the delay in the payment is due to the fault of the employee and the employer has obtained permission in writing from the controlling authority for the delayed payment on this ground.

5) In exercise of powers conferred under Section 7(3) of the PG Act, the Central Government has issued Notification dated 1 October 1987 which reads thus:

In exercise of the powers conferred by sub-section (3-A) of section 7 of the Payment of Gratuity Act, 1972 (39 of 1972), the Central Government hereby specifies ten per cent per annum as the rate of simple interest payable for the time being by the employer to his employee in cases where the gratuity is not paid within the specified period.

This notification shall come into force on the date of its publication in the Official Gazette.

Thus as per the Notification dated 1 October 1987 issued under Section 7(3A) of the PG Act, the rate of interest notified 10%.

6) There is another provision in the PG Act for payment of interest. Section 8 of the PG Act provides for recovery of gratuity and interest. Section 8 provides thus:

8. Recovery of gratuity.-

If the amount of gratuity payable under this Act is not paid by the employer, within the prescribed time, to the person entitled thereto, the controlling authority shall, on an application made to it in this behalf by the aggrieved person, issue a certificate for that amount to the Collector, who shall recover the same, together with compound interest thereon at such rate as the Central Government may, by notification, specify,] from the date of expiry of the prescribed time, as arrears of land revenue and pay the same to the person entitled thereto :

Provided that the controlling authority shall, before issuing a certificate under this section, give the employer a reasonable opportunity of showing cause against the issue of such certificate:

Provided further that the amount of interest payable under this section shall, in no case exceed the amount of gratuity payable under this Act.

7) Thus, under Section 8, if the amount of gratuity payable under the Act is not paid by the employer within the prescribed time, the Controlling Authority can issue a Certificate of recovery for recovery of amount of gratuity by the Collector together with compound interest thereon at such rate as the Central Government may by Notification specify. Accordingly, in exercise of powers under Section 8 of the PG Act, the another Notification has been issued by the Central Government on 1 December 1987 which reads thus :

In exercise of the powers conferred by section 8 of the Payment of Gratuity Act, 1972 (39 of 1972), the Central Government hereby specifies 15 per cent, per annum as the rate of compound interest, recoverable by the Collector for the time being, along with the amount of gratuity and payable to the person entitled thereto.

This notification shall come into force on the date of its publication in the *Official Gazette*.

Thus while issuing the recovery certificate, the Controlling Authority directs payment of compound interest of 15% p.a.

8) There is a reason why Sections 7 and 8 of the PG Act provide for payment of hefty rate of interest by the employer. There is legislative object behind making the employer pay hefty rate of interest in the event of failure to pay gratuity to the employee. Afterall, gratuity represents one of the major facets of retirement benefits of an employee. Any delay in payment of gratuity adversely affects the employee whose salary is stopped post retirement. Therefore timely payment of amount of

gratuity is of paramount importance. It is employee's money which is kept in the trust with the employer. If the employer violates or breaches such trust and does not pay to the employee the lawful amount of gratuity within the specified time, the employer must be made liable to pay interest on the amount of gratuity. This is a reason why Section 7 of the PG Act empowers the Central Government to notify the rate of interest payable on unpaid amount of gratuity. In exercise of statutory powers, Notification dated 1 October 1987 is issued by the Central government specifying simple rate of interest @ 10% p.a.

9) The employer who acts negligently and defies the order of the Controlling and Appellate Authority and drives the employee to further litigation in the form of recovery of amount of gratuity and makes him spend time and energy in filing a Recovery Application is further penalized by imposing a liability to pay compound rate of interest @ 15% p.a. under the provisions of Section 8 of the PG Act read with Notification issued thereunder.

10) The legislative objective behind specifying rates of interest of 10% and 15% p.a. is to ensure that the employers do not retain the amount of gratuity payable to a retiring employees. This legislative objective cannot be frustrated by contending that the interest @ only 6% p.a. needs to be paid in the facts and circumstances of the case.

11) There are other stringent provisions under the PG Act *qua* employers. Under Section 7(7) the appeal preferred by the employer cannot be entertained unless the whole of the amount of gratuity

awarded is deposited. Highlighting the legislative intent behind Section 7(7) of the PG Act this Court in *Mahanagar Media Network Pvt. Ltd. Versus. Stanny Pereira* has held in para 9 as under:

9) The Appeal however needs to be filed within a period of 60 days from the date of receipt of order of the Controlling Authority. Under first Proviso to sub-section (7) of Section 7 of the PG Act, the Appellate Authority has power of condoning the delay of only 60 days. Thus, appeal under sub-section (7) of Section 7 of the PG Act cannot be filed once period of 120 days has passed from the date of passing of the order by the Controlling Authority. Second Proviso to sub-section (7) of Section 7 of the PG Act provides that no appeal filed by the employer can be admitted unless at the time of filing of the appeal, the appellant either produces the certificate of Controlling Authority about deposit of amount equal to the amount of gratuity to be deposited under subsection (4) of Section 7 of the PG Act or the Appellant deposits with the Appellate Authority such amount. No appeal can be entertained unless the awarded amount of gratuity is first deposited by the employer. The statutory scheme of sub-section (7) of Section 7 of the PG Act is that though remedy of appeal is provided, such remedy has to be exercised within maximum period of 120 days. There is legislative objective behind prescribing a limit on condonation of delay considering the position that the PG Act is a social welfare legislation. Gratuity is payable only upon cessation of employment and is to be paid at the time of their retirement. Legislative objective is that employees cannot be made to wait endlessly for receipt of gratuity. The gratuity is to be paid with a view to provide financial assistance to the employee whose monthly salary stops after cessation of service/retirement. Therefore, the Legislature has put an embargo on condonation of delay in filing appeal under first proviso to sub-section 7 of Section 7 of the PG Act. An additional condition is imposed in the second Proviso for employers, who cannot embroil the employee in endless litigation by simply lodging an appeal before the Appellate Authority. The employer must deposit awarded amount of gratuity so that baseless appeals are not filed with the objective of delaying payment of gratuity and the employee does not have to run behind the employer for recovery of gratuity, in the event of dismissal of the appeal.

12) Also, under the first proviso to Section 7(7) the delay in filing appeal cannot be condoned beyond 60 days. All these provisions are deliberately and consciously incorporated under the PG Act to ensure that the employers do not delay in payment of gratuity by engaging the employees in litigation.

13) Mr. Talsania, the learned counsel appearing for the Petitioner submits that BEST has filed series of Writ Petitions before the Division Bench of this Court challenging the Notification dated 1 October 1987. He invites the attention of this Court to order dated 26 March 2025 by which an arrangement is made for deposit of balance 4% interest in the Court during pendency of challenge to the Notification dated 1 October 1987. Mr. Talsania, therefore submits that hearing of the present petitions be deferred till decision of the 12 Writ Petitions pending before the Division Bench. In my view, however it is not necessary to await decision of those 12 Writ Petitions for variety of reasons. *Firstly*, it appears that those 12 petitions have been dismissed for default. No doubt steps are being taken by the Petitioner-BEST for restoration of those petitions, but the fact remains that as of now those petitions stand dismissed.

14) *Secondly* and more importantly, this Court is guided by the order passed by the Hon'ble Apex Court in Gagan Bihari Prusty Versus. Paradip Port Trust & Ors.¹ in which the Hon'ble Apex Court has directed in para-4 as under :

4. In our view, the said argument is of no substances, in particular where an employee retires and he has to receive the gratuity belatedly, the interest would be payable as per the notifications issued by the Central Government without having Therefore, the direction of the Single Judge maintained by the Division Bench for payment of gratuity with interest @ 6% per annum is not justified. The petitioner would be entitled to get interest 10% per annum on the amount of gratuity. The differential amount of interest shall be paid by the respondent within a period of four weeks from today.

¹ SLP (C)-4468/2022 decided on 3 March 2025

15) Thus, the Hon'ble Apex Court has directed that whenever gratuity is paid belatedly, interest would be payable as per Notifications issued by the Central Government without any excuse. I am not impressed with the submission of Mr. Talsania that the Notification dated 1 October 1987 was not under challenge before the Apex Court. The Apex Court was concerned with the issue of validity of directions issued by the Single Judge, as well as Division Bench of the Orrisa High Court in reducing the rate of interest to @ 6% p.a.. The Hon'ble Apex Court has recognized the principle that whenever there is delay in payment of gratuity, the interest has to be paid as per the Notification issued under Sections 7 and 8 of the PG Act.

16) *Thirdly*, it appears that Petitioners have already made an unsuccessful attempt in another proceedings before the Division Bench for reduction of liability to pay interest and for payment of interest of only @ 6% p.a. In *Ajay Vasantrao versus. The State of Maharashtra & Ors.*² the issue before the Division Bench was about non-payment of gratuity by BEST due to lack of financial resources. While disposing off the petitions by judgment and order dated 30 June 2026, the Division Bench directed in para-13 of the judgment as under :

13. We accordingly direct the BEST Undertaking to pay interest at the rate of 9 per cent per annum to be paid on their retirement dues to each of the employees, which be calculated from the date the amount becoming due and payable, till the date the amount is actually received by each employee. However, if there is any higher rate of interest prescribed in any of the Statutory Rules, Regulations, Act, Circulars, Office Memorandums of the Government issued under the Payment of Gratuity Act, 1972 or other relevant enactments, the obligation of the BEST Undertaking would be to pay such higher rate of interest. The rate of interest being paid be accordingly notified by the BEST Undertaking by issuance of a circular. The interest amount be disbursed as expeditiously as possible and in any event within a period of three months from the date of this order; and more particularly as clearly stated by Mr.Kumbhakoni that on 5th June 2026 the first tranche of Rs.500 crores has

² WP-913-2024 (a/w. connected petitions) decided on 30 June 2026

been disbursed to BEST Undertaking and such money is available. Also the second tranche of Rs.500 crores is to be released to the BEST Undertaking by the MCGM. We accordingly direct that the interest component be first paid from such amounts as received/being received from the MCGM before the amounts are utilized for any other purpose.

17) Petitioner-BEST felt aggrieved by the direction of payment of interest @ 9% p.a. and applied before the Division Bench by filing Interim Application (L.) No. 24312 of 2026. One of the prayers in Interim Application was as under :

(b) modify the rate of interest payable by the Applicant on the outstanding gratuity dues of the employees to 6% p.a. in paragraph 13 of the Order and permit the Applicant to pay the balance interest component of 4% p.a. on the outstanding gratuity dues, subject to the outcome of Writ Petition (L.) No. 3761 of 2024 pending before this Hon'ble Court.

18) The Division Bench however refused to grant any reduction in the rate of interest in favour of the Petitioner-BEST while rejecting the Interim Application by order dated 3 August 2026. Thus, as against mere pendency of 12 Writ Petitions before the Division Bench challenging Notification dated 1 October 1987 (*Petitions are not even pending since they have been dismissed for default*), there is a direction by the Hon'ble Apex Court to pay gratuity as per the statutory Notifications and there are final directions by the Division Bench of this Court in **Ajay Vasantrao Naik** rejecting the prayer of the Petitioners for reduction of interest to 6% p.a.

19) *Fourthly*, the Notification dated 1 October 1987 is not under challenge in the present petitions. The Notification was not challenged before the Controlling or Appellate Authorities as well. Before the Controlling and Appellate Authorities, Petitioner-BEST had disputed

liability to pay gratuity. Now that liability is not questioned by the BEST, it is ready to pay gratuity, as well as, interest @ 6% p.a. to the employees. However, an altogether new challenge is sought to be introduced in the present petitions about the rate of interest payable . In my view, that dispute cannot be entertained in the present petitions. Even if the objection relating to entertainability of objection relating to rate of interest is to be momentarily ignored, in view of the discussion above, I do not find any valid reason for reducing the rate of interest payable on the gratuity.

20) In *Chetna Rajput versus. Modern Education Society & Ors.*³ this Court has held in para-16 as under :

6. The Ministry of Labour, Government of India, in exercise of powers conferred by Sub-section (3A) of Section 7 of the Payment of gratuity Act, 1972 has issued notification dated 01.10.1987 notifying 10% as the rate of simple interest payable by the employer to his employee in cases where the gratuity is not paid within the specific period. Recently, the Hon'ble Supreme Court has held in it's order dated 3rd March, 2025 passed in SLP No. 4468 of 2022 holding that interest on the delayed payment of gratuity, has to be @ 10%, without any excuse. Therefore, We hereby direct the Respondent Nos. 1 and 2 to pay the amount of gratuity payable to the Petitioner with interest component of 10% p.a. from 30.10.2023 till actual payment.

21) In view of this position, I find it unnecessary to keep these petitions pending any longer. The Respondent-employees have retired from BEST services long back and awaiting payment of balance amount of interest. Since the Notification is not challenged in the present petition, it is not necessary to await decision of 12 petitions pending before the Division Bench.

³ MANU/MH/1891/2025

22) In view of the above discussion, there is no warrant for interference in the orders passed by the Controlling and Appellate Authorities. The Writ Petitions are accordingly dismissed. There shall be no order as to costs.

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SHAILESH
SAWANT

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[SANDEEP V. MARNE, J.]