



SL. No.	Date	Office Notes, reports, orders or proceedings or directions and Registrar's order with Signatures	COURT'S OR JUDGE'S ORDERS
			<u>WPMS/1983/2026</u> Managing Director --Petitioner Versus Ram Kishan Arora & Others --Respondents <u>Hon'ble Manoj Kumar Tiwari, J.</u> Mr. Ashish Joshi, Advocate, for the petitioner. (2) Petitioner has challenged the order dated 24.1.2026, passed by Controlling Authority under sub-section (3-A) of Section 7 of Payment of Gratuity Act, 1972. Petitioner has also challenged subsequent order dated 11.3.2026, passed on petitioner's correction application. Perusal of the impugned order reveals that respondent was terminated from service w.e.f. 7.11.1997, and he had earlier rendered more than 22 years of service on the post of Conductor. Since gratuity was paid to respondent only on 8.11.2019, therefore, Controlling Authority directed petitioner to pay interest @ 10 per cent per annum for the delayed payment of gratuity to respondent. (3) This Court do not find any reason to interfere with the orders impugned in the writ petition. Sub-section (2), (3) and (3-A) of Section 7 of Payment of Gratuity Act are extracted below: <i>"(2) As soon as gratuity becomes payable, the employer shall, whether an application referred to in sub-section (1) has been made or not, determine the amount of gratuity and give notice in writing to the person to whom the gratuity is payable and also to the controlling authority specifying the amount of gratuity so determined.</i>



			(3) <i>The employer shall arrange to pay the amount of gratuity within thirty days from the date it becomes payable to the person to whom the gratuity is payable.</i> (3-A) <i>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:</i> <i>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."</i> (4) As per the scheme of the Act, the amount payable as gratuity has to be determined by employer, whether or not an application has been made therefor by the employee, and the amount so determined has to be paid to the employee within 30 days from the date it becomes payable. Since services of respondent were terminated w.e.f. 7.11.1997, therefore, it was incumbent upon the employer (petitioner herein) to calculate the amount payable as gratuity and to make payment to the respondent within 30 days i.e. on or before 6.12.1997. The amount of gratuity was paid to the respondent only on 8.11.2019. Sub-section (3-A) of Section 7 unequivocally provides that the employee shall be entitled to simple interest at such rate, not exceeding the rate specified by the Central Government, for the delayed payment of amount of gratuity. (5) Learned Counsel for the petitioner concedes that Central Government issued notification, wherein rate of interest payable under sub-section (3-A) of Section
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		7 of the Act is specified as 10 per cent. Learned Counsel for the petitioner, however, contends that respondent challenged the order of termination passed against him in the year 1997 by raising an industrial dispute, which was referred for adjudication to the Labour Court, and the Labour Court decided the reference in favour of respondent vide award dated 28.5.1999; the award rendered by Labour Court was challenged by the employer before this Court in Writ Petition (M/S) No. 1209 of 2000, wherein an interim direction was issued to petitioner to ensure compliance of Section 17(B) of Industrial Disputes Act, 1947; in terms of the interim direction of this Court, respondent was reinstated in service w.e.f. 7.5.2000; said writ petition was partly allowed vide judgment dated 5.8.2005, passed by coordinate Bench of this Court, petitioner was directed to reinstate the petitioner in service; however, respondent was again disengaged on 30.5.2007, when Hon'ble Supreme Court decided the SLP filed by the employer in his favour and set aside the award rendered by the Labour Court as well as the judgment passed by coordinate Bench of this Court, vide judgment dated 9.5.2007. Thus it is contended that gratuity became payable to respondent only on 9.5.2007, when SLP filed by employer was decided against the respondent and the award of Labour Court as well as judgment rendered by coordinate Bench of this Court were set aside. (6) This Court is not impressed by the said submission. Since termination of service of respondent was effected on 7.11.1997, therefore, as per the scheme of Payment of Gratuity Act, 1972, gratuity
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became payable to him within 30 days from the date of his termination i.e. on or before 6.12.1997. In the year 1997, when respondent was terminated from service, no one had contemplated that he would be reinstated in terms of the award rendered by Labour Court for certain period and thereafter he would again be disengaged from service in view of the judgment rendered by Hon'ble Supreme Court. Thus the contention raised on behalf of petitioner that gratuity became payable to respondent only on 9.5.2007, when Hon'ble Supreme Court decided the SLP in favour of employer, cannot be accepted. The impugned orders are in conformity with the provision contained in sub-section (3) and (3-A) of Section 7 of Payment of Gratuity Act, 1972.

(7) For the reasons aforesaid, there is no scope of interference in the matter. Writ petition fails and is dismissed.

(Manoj Kumar Tiwari, J.)
7.7.2026

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