HIGH COURT OF TRIPURA
AGARTALA
WA No.170 of 2020

Ashis Kanti Saha

----Appellant(s)

Versus

Tripura Khadi & Village Industries Board

----Respondent(s)

For Appellant(s)	:	Mr. C. S. Sinha, Adv.
For Respondent(s)	:	Mr. J. Choudhury, Adv. Mr. D. Sharma, Addl. G.A.

HON'BLE MR. JUSTICE S. TALAPATRA
HON'BLE MR. JUSTICE S. G. CHATTOPADHYAY

Order

16/12/2020

Heard Mr. C. S. Sinha, learned counsel appearing for the appellant as well as Mr. J. Choudhury, learned counsel appearing for the respondents No.1 & 2 and Mr. D. Sharma, learned Addl. G.A. appearing for the respondents No.3 & 4.

By means of this inter-court appeal, the order dated 06.03.2020 has been challenged on a limited ground. By the said order delivered in W.P.(C) No.1276 of 2019, the learned Single Judge has directed the respondents in the following terms:

> **"All these amount shall carry statutory interest wherever prescribed and in absence thereof simple interest of 7.5% from the date of this order till actual payment."**

The writ petitioner has challenged that observation as regards the payment of interest on gratuity from the date of the order instead from the date as prescribed by Section 7(3) of the Payment of Gratuity Act, 1972.

Mr. Choudhury, learned counsel appearing for the respondents No.1 and 2 has submitted that those respondents have already implemented the said judgment and paid the interest to the writ petitioner in compliance. In this regard, the Chief Executive Officer, Tripura Khadi and Village Industries Board, Agartala has filed an affidavit before this court on 19.10.2020. We accept that statement as it is not controverted by the petitioner. Thus, the claim of interest is for the period from 01.06.2019 (as the petitioner had retired from his service on 31.05.2019) to 05.03.2020. The writ petitioner has not disputed the rate of interest as provided by learned Single Judge.

True it is that Section-7(3-A) of the Payment of Gratuity Act, 1972 provides that 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. The gratuity becomes payable on the following day of the retirement or discontinuation of the service for various reasons.

Section 3-A of the Payment of Gratuity Act, 1972 provides that if the amount of gratuity payable under Section-7(3) of the said Act, is not paid by the employer within the period specified in Section-7(3) of the said Act, 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. Further 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.

Having that provision in consideration, we direct the respondents No.1 & 2 to pay the interest @ 7.5% on the due amount of gratuity for the period from 01.06.2019 to 05.03.2020 within a period of 2(two) months from today without fail.

In terms of the above, this appeal stands allowed.

To that extent, the direction of the learned Single Judge stands modified.

There shall be no order as to costs.

JUDGE **JUDGE**

Moumita