

ಪತ್ರಿಕಾ ತುಣುಕುಗಳು
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19

ಇಲಾಖೆ / ವಿಷಯ : DEPARTMENT / SUBJECT: Court matter

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No need to apply for payment of gratuity: HC

'It must be paid within 30 days of cessation of employment'

SPECIAL CORRESPONDENT
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The High Court of Karnataka has held that the payment of gratuity would not depend upon the employee filing an application before the employer demanding gratuity but it will have to be paid immediately on cessation of the employment.

The gratuity will have to be paid immediately by the employer on cessation of employment in terms of Section 4 of the Payment Gratuity Act, 1972, irrespective of the demand by the employee, the Court said.

Justice M. Nagaprasanna passed the order while rejecting the contention put forward on behalf of two companies - Varma Industrial Pvt Ltd., Bengaluru, and IBC Knowledge Park Pvt



Ltd., Bengaluru - that an employee is required to make application for payment of gratuity.

While Varma Industrial had paid gratuity to P.N. Janakiraman Shetty, who had retired in 2002, only after he made an application in 2015. The competent authority established under the Act had issued a direction to the company in 2017 to pay the interest for delay of 13 years

for paying gratuity. The authority had also directed IBC Knowledge Park, in which Mr. Shetty worked for a few years, also to pay gratuity along with interest.

Both the companies had questioned imposition of interest on the gratuity amount while contending that they were not at fault while blaming the employee for the delay in making application.

"The argument that gratuity becomes payable to an employee only on application being made to the employer becomes a figment of imagination" in view of the clear mandate in the Act to pay gratuity within 30 days of the employee's cessation of service and interpretation of the Act by the apex court and various other High Courts.