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Registered on :- 12/04/2019
Decided on :- 25/03/2026
Period :- 06Y; 11M; 13D.

BEFORE CONTROLLING AUTHORITY UNDER THE PAYMENT OF GRATUITY ACT
& JUDGE, SECOND LABOUR COURT, KOLHAPUR.
(Presided over by – Kashinath B. Kamgauda)
(JO CODE-MH-1894)

Application (P.G.A.) No.19/2019
CNR No. MHLCO90001582019

Shri. Bajirao Baburao Hilge,

Age : 54 Years, Occu.:- Retired,

R/o. A/p. Midalge, Bu,

Tal. Bhudargad,

Dist. Kolhapur.

... Applicant

Versus

Chaugule Infrastructure Pvt. Ltd.,

Office:- 4/16, Elight Gardens Aundh,

Pune.

Through Executive Director.

... Opponent

APPEARANCES :-

Shri. A. P. Chaugale, Adv. for Applicant.

Shri. U. B. Jadhav Adv. for Opponent.

: J U D G M E N T :

(Delivered on this 25th day of March, 2026)

1. Present application is filed for payment of gratuity amount

under the provisions of the Payment of Gratuity Act, 1972.

Facts of the case in brief are as follows :-

2. According to Applicant, he was working with Opponent since 01/01/1998 as “Mechanical Foreman”. He has worked with Opponent for more than 5 years continuous service. He has resigned from service on 04/11/2018. He served with Opponent for 6 and 14 years from 01/01/1998 to 31/01/2012, 01/02/2012 to 04/11/2018 respectively. There is employer-employee relationship between them. There is no any stigma on his career. Applicant having clean and unblemished service record. Opponent has not paid gratuity. At the time of resignation Applicant was getting Rs. 20,000/- per month as a salary. He from time to time demanded gratuity amount. Opponent not paid gratuity amount within stipulated period. He had send Form-I notice dated 02/02/2019. Opponent neither paid nor replied the Form-I notice. Applicant now seeking and claiming gratuity amount from the Opponent with interest @ 10% p.a. Applicant calculated his gratuity amount of Rs. 1,90,383/-.

3. Opponent filed it's written statement at Exh. C-11 and has denied Applicant's entitlement to claim of gratuity amount as prayed. According to Opponent the provisions of Payment of Gratuity Act, 1972 are not applicable to the parties. It is admitted that Applicant was working with Opponent but application is not maintainable as this Court has no jurisdiction. The service tenure from 01/01/1998 to 31/01/2012 and 01/02/2012 to 04/11/2018 denied by the Opponent. Even salary of the Applicant also denied. Lastly is is submitted that

application be rejected.

4. In view of rival pleadings following issues are framed at Exh. O-3, to which findings are recorded along with reasons given below :-

S.N.	ISSUES	FINDINGS
1)	Whether Applicant is entitled for gratuity from Opponent ? If yes, what is the quantum and interest if any ?	Yes
2)	What order?	As per final order

-: REASONS :-

5. **AS TO ISSUE NO. 1 :-**

Opponent disputed and challenged the jurisdiction of this Authority. It is stated that Opponent being private limited company having its registered office at Pune. Applicant never worked in Kolhapur district. Opponent never ever having any site or workshop within the jurisdiction of this Authority. Therefore, straight way disputed and challenged the jurisdiction of this Authority. From the record it shows that Applicant is resident of Kolhapur district. Evidence of Applicant and Opponent also suggest that he joined Opponent at its registered office of Pune. Witness of the Opponent admitted that their company having one petrol pump running in the Kolhapur district. He also admitted that Opponent company used to work with Government by obtaining appropriate tender. The evidence of witness itself suggest that Government tenders are granted

anywhere and everywhere in the state of Maharashtra. Therefore, the exclusive jurisdiction of Pune Authority doesn't arise. Applicant being resident of Kolhapur district can file application and claim gratuity amount from Opponent.

6. Applicant cited judgment of Hon'ble Bombay High Court in case of *H. Jayrama Shetty V/s. The Sangali Bank Ltd., reported in (2005) 3 All MR 10*. It is held by Hon'ble Bombay High Court that, a social welfare legislation's purpose should not be defeated by hyper technical and erroneous jurisdictional interpretations. Further it is held that, the Appellate Authority constituted under the Payment of Gratuity Act is expected to discharge a wholesome jurisdiction to facilitate the adjudication of dispute which arise under social welfare legislation. From the above ratio, it shows that Applicant has filed his application before the Authority having jurisdictional power. The objection of Opponent on the point of jurisdiction has no substance.

7. Witness of Opponent admitted that Applicant has worked since 01/01/1998. The provisions of Provident Fund are amenable to the Opponent. It is also objected that due to eligible number of workmen provisions of Payment of Gratuity Act are not applicable. Opponent don't having strength of 10 workmen. Therefore, provision of Payment of Gratuity Act are not applicable. If witness is admitted that provisions of Provident Fund are amenable, then it can be inferred that Opponent having strength of workmen more than 20 in numbers. From the evidence it also reveals that Applicant worked in

two tenures. Firstly from 01/01/1998 to 31/01/2012 for 14 years and secondly from 01/02/2012 to 04/11/2016 for 6 years. He has given a short break of two months in between 31/01/2012 to 01/02/2012. Unless he worked continuously 20 years with Opponent. Therefore, he is entitle gratuity amount from Opponent. It is also proved that for first part of his service he was getting Rs. 14,000/- per month and for remaining part Rs. 20,000/- per month. Therefore, his last drawn salary for the month of November 2018 would be considered as Rs. 20,000/-.

8. As per Section 4(2) of the Act, calculation of gratuity amount is provided. Applicant served with the Opponent for 20 years. It also provides that for every completed year of service or part thereof in-excesses of 6 months the employer shall pay gratuity amount @ 15 days wages based on the rate of wages last drawn by the employee concerned. Applying this ratio present Applicant has completed 20 years of service. For computing gratuity, number of working days in a month is considered 26 days. The last drawn salary is divided by 26 days. The amount so obtained is multiplied by 15 to compute the amount of gratuity per year. Therefore, Applicant is entitled to receive gratuity of Rs.1,90,3083/-. Opponent is not justified in with holding amount of gratuity. As Opponent failed to pay gratuity amount within 30 days from due date, it is liable to pay interest as per prevailing rate as notified by Central Government. By way of notification No. SO 874(E) Dt. 01/10/1987 the rate of interest has been specified @ 10% p.a. Therefore, Applicant is entitled simple interest @10% per annum.

Considering the evidence on record Applicant succeeded in proving gratuity amount due from Opponent. Accordingly Issue No. 1 is answered in "Affirmative" and in answer to Issue No.2 following order is passed.

: ORDER :

1. Application is allowed.
2. Opponent is hereby directed to pay the gratuity amount of Rs.1,90,383/- (Rs. One Lac Ninety Thousand Three Hundred Eighty-Three only) to Applicant, within two months from today, alongwith interest @ 10% p.a. from the date it became due till its full realization.
3. In the circumstances, no order as to the costs.
4. Issue notice to Opponent in Form 'R' of the Payment of Gratuity (Maharashtra) Rules, 1971.

(K. B. Kamgauda)

Controlling Authority Under
Payment of Gratuity Act & Judge,
Second Labour Court, Kolhapur.

Date : 25/03/2026
Kolhapur.

Argued on :- 25/03/2026
Judgment Dictated on :- 25/03/2026
Judgment transcribed on :- 25/03/2026
Judgment checked & signed on :- 25/03/2026