

IN THE SUPREME COURT OF INDIA  
CIVIL APPELLATE JURISDICTION

CIVIL APPEAL NO.19542 OF 2017  
(@ SPECIAL LEAVE PETITION (CIVIL) NO. 34301 OF 2015)

WESTERN COALFIELDS LIMITED . . . APPELLANT (S)

VERSUS

SHRI LAXMAN PANDE . . . RESPONDENT (S)

WITH

CIVIL APPEAL NO.19534 OF 2017  
(@ SPECIAL LEAVE PETITION (CIVIL) NO.32237 CC No.  
22306 OF 2015)

CIVIL APPEAL NO.19543 OF 2017  
(@ SPECIAL LEAVE PETITION (CIVIL) NO. 34302 OF 2015)

O R D E R

Leave granted.

Heard learned counsel for the parties.

The issue raised in these appeals arises out of a complaint, before the Controlling Authority under the Payment of Gratuity Act, 1972, by the respondent. The complaint is to the effect that under Section 4(2) of the Act calculation of gratuity has to be consistent with the explanation to the said provision. Monthly rate wages is to be divided by 26 and multiplied by the relevant quotient. The

quotient specified in the explanation is 15.

The stand of the appellant is that in addition to what is stipulated under the said provision i.e. the 15 days wages represented by the quotient of 15, the appellant, based on an Agreement, made a provision for applying the higher quotient of 26. Agreement between the parties is that beyond 30 years of service, one month wages are to be paid for each year of service by way of gratuity. The quotient of 26 has been provided which is certainly beyond 15. Thus, there was no conflict between the statutory requirement and the Agreement, as interpreted by the appellant. Merely because that the Agreement provides one month wages does not mean that payment of one month is to be arrived at in the manner provided in the explanation. The explanation applies only for quotient of 15 but there is no compulsion to apply the logic of the explanation for higher benefit. But for the explanation, the quotient of 26 represents one month wages. In doing so there is no breach of the agreement. Interpretation of the agreement is not

controlled by the explanation.

In view of above, we vacate the order of the Controlling Authority as affirmed by the High Court. The amount deposited by the appellant may be disbursed to the respondent accordingly.

The appeals are disposed of in above terms.

.....J.  
[ADARSH KUMAR GOEL]

NEW DELHI  
21<sup>st</sup> NOVEMBER, 2017

.....J.  
[UDAY UMESH LALIT]

ITEM NO.4

COURT NO.11

SECTION IX

S U P R E M E C O U R T O F I N D I A  
R E C O R D O F P R O C E E D I N G S

Petition(s) for Special Leave to Appeal (C) No(s). 34301/2015  
(Arising out of impugned final judgment and order dated 12-01-2015  
in WP No. 3738/2011 passed by the High Court Of Judicature At  
Bombay At Nagpur)

WESTERN COALFIELDS LIMITED.

Petitioner(s)

VERSUS

SHRI LAXMAN PANDE

Respondent(s)

WITH

S.L.P.(C)...CC No. 22306/2015 (IX)SLP(C) No. 34302/2015 (IX)

Date : 21-11-2017 This petition was called on for hearing today.

CORAM :

HON'BLE MR. JUSTICE ADARSH KUMAR GOEL

HON'BLE MR. JUSTICE UDAY UMESH LALIT

For Petitioner(s) Mr. Anip Sachthey, AOR  
Ms. Anjali Chauhan, Adv.  
Ms. Ria Sachthey, Adv.

For Respondent(s) Ms. Aishwarya Bhati, AOR(AC)  
Ms. Tanuja Patna, Adv.  
Mr. T.Gopal, Adv.  
Ms. Ritu Apurva, Adv.  
Ms. Heena Khan, Adv.  
Mr. Viswajeet Singh, Adv.

UPON hearing the counsel the Court made the following  
O R D E R

Leave granted.

The appeals are disposed of in terms of the  
signed order.

Pending application(s), if any, shall also  
stand disposed of.

(MADHU BALA)

COURT MASTER (SH)

(Signed order is placed on the file)

(PARVEEN KUMARI PASRICHA)

BRANCH OFFICER