

**IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION**

**CIVIL APPEAL NO. _____/2026
@ SLP (C) NO.12972/2026**

AIR INDIA LIMITED

APPELLANT(S)

VERSUS

ALL INDIA AIRCRAFT ENGINEERS ASSOCIATION & ANR.

RESPONDENT(S)

WITH

**CIVIL APPEAL NO. _____/2026
@ SLP (C) NO.13523/2026**

O R D E R

- 1.** Heard.
- 2.** Leave granted.
- 3.** After having heard Mr. Tushar Mehta, learned Solicitor General appearing for Union of India – respondent No.2, Dr. Abhishek Manu Singhvi, learned Senior Counsel appearing for Air India – appellant and learned counsel appearing on behalf of the employees – respondent No.1 and having regard to the chequered history of this litigation and the factum of settlement having been entered into between the parties on 27.07.2007 which blossomed into lis and culminated into further litigation landing before this Court which resulted in initially mediator being appointed and subsequently, the said order being converted as one of appointment of an Arbitrator. The Arbitrator so appointed by this Court has adjudicated the rival claims and by award dated 25.05.2016 awarded the

wage arrears with interest @ 12% from 01.08.2006 till 25.05.2016 (date of award) and post-award, interest @ 18% on principal plus interest. The said award having received the affirmation by the learned Single Judge and also the Division Bench in the proceedings ignited under Sections 34 and 37 of the Arbitration and Conciliation Act, 1996 has resulted in the present appeals being filed challenging said orders.

4. In the light of the above-stated facts and taking note of the fact that the employees have been eagerly waiting for the award to fructify, we have not interfered with the impugned order and the questions of law with regard to the presidential directives even if any is not adjudicated upon and it is kept open. The only issue which would arise relates to the award of interest. This Court in the case of ***Gayatri Balasamy Vs. ISG Novasoft Technologies Limited, (2025) 7 SCC 1*** having taken note of the statutory framework governing the principles governing award of interest whereunder it has been held that while awarding the interest, the Courts would be guided by the facts which would justify the same. In the instant case, the arrears of wages relates to the period from 01.01.1997 and undisputedly, the appellant is the successor in interest of the erstwhile company which was taken over the year 2022 and as such to burden it with interest that too at the rate that has been awarded, namely, 18% post-award interest would be highly excessive and exorbitant. At the same time, this Court cannot lose sight of the fact that employees who have been fighting for their cause for the last twenty years to be told that they would not be entitled to any interest at all. Hence, in order to balance the equities and balance the scales, we deem it appropriate to modify the interest payable under the award from 01.08.2006 to be at @ 12% p.a. till the date of payment or deposit. The award amount with interest shall be deposited by the

appellant in the pending execution proceedings expeditiously and at any rate within an outer limit of six months in three equated installments from today.

5. With the aforesaid observations, the appeals are disposed of. Pending application(s), if any, shall stand disposed of.

.....J.
(ARAVIND KUMAR)

.....J.
(VIPUL M. PANCHOLI)

**NEW DELHI;
AUGUST 03, 2026.**

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).12972/2026

[Arising out of impugned final judgment and order dated 20-03-2026 in FA00S No.125/2023 passed by the High Court of Delhi at New Delhi]

AIR INDIA LIMITED

Petitioner(s)

VERSUS

ALL INDIA AIRCRAFT ENGINEERS ASSOCIATION & ANR.

Respondent(s)

FOR ADMISSION

IA No. 112216/2026 - PERMISSION TO FILE ADDITIONAL
DOCUMENTS/FACTS/ANNEXURES

WITH

SLP(C) No. 13523/2026 (XIV)

IA No. 153692/2026 - PERMISSION TO FILE ADDITIONAL
DOCUMENTS/FACTS/ANNEXURES

Date : 03-08-2026 These matters were called on for hearing today.

CORAM : HON'BLE MR. JUSTICE ARAVIND KUMAR
HON'BLE MR. JUSTICE VIPUL M. PANCHOLI

For Petitioner(s) : Dr. Abhishek Manu Singhvi, Sr. Adv.
Mr. Avishkar Singhvi, Adv.
Mr. Amit Mishra, Adv.
Mr. Azeem Samuel, Adv.
Ms. Mitakshara Goyal, Adv.
Mr. Vaibhav Kharbanda, Adv.
Mr. Shivam Goel, Adv.
Ms. Shrijeta Pratik, Adv.
Mr. Kunal Chatterji, AOR

Dr. Abhishek Manu Singhvi, Sr. Adv.
Ms. Anuradha Dutt, Adv.
Mr. Lynn Pereira, Adv.
Ms. Suman Yadav, Adv.
Ms. Seema Mehta, Adv.
Mr. Avinash Kumar Singh, Adv.
Mr. Raghav Dutt, Adv.
Ms. B. Vijayalakshmi Menon, AOR

For Respondent(s) : Mr. Tushar Mehta, SG
Digvijay Dam, Adv.

**Madhav Goel, Adv.
N.Visakamurthy, AOR
Sudarshan Lamba, AOR**

**Mr. Ranjan Kumar, AOR
Mr. Rakesh Kumar, Adv.
Mr. Rohini Kumar, Adv.
Mr. Kapil Dev Yadav, Adv.**

**Mr. Himanshu Shekhar, AOR
Mr. M L Lahoty, Adv.
Mr. Anchit Sripat, Adv.
Mr. Arvind Kumar, Adv.
Ms. Siddhi Bohra, Adv.**

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

Heard.

Leave granted.

Civil Appeals are disposed of in terms of the signed order placed on the file.

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

**(NEHA GUPTA)
COURT MASTER (SH)**

**(AVGV RAMU)
COURT MASTER (NSH)**