



LABOUR

Enforcement of Retiral Benefits and Salary Arrears in Contempt Jurisdiction

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PUBLISHED 19 February 2026

Introduction

The timely disbursement of retiral dues and salary arrears is not a matter of administrative discretion but a legally enforceable right flowing from service jurisprudence and constitutional guarantees. In *Contempt Application (Civil) No. 2193 of 2025*, decided on 12 February 2026, the High Court of Judicature at Allahabad reaffirmed this settled principle while addressing non-compliance with earlier judicial directions concerning payment of retiral benefits and salary arrears. The judgment, delivered by Hon'ble Justice Rohit Ranjan Agarwal, highlights the Court's firm approach of retiral benefits and salary arrears in contempt proceedings where executive authorities fail to implement binding orders.

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Factual Background

The applicant-initiated contempt proceedings alleging wilful disobedience of earlier directions requiring payment of retiral dues and arrears of salary. The State Employee Welfare Corporation had preferred Special Appeal Defective No. 746 of 2025, which was dismissed on 7 November 2025. With the dismissal of the appeal, the entitlement of the applicant stood affirmed and the obligation to comply with the writ court's order attained finality. On 21 January 2026, the Court directed the concerned officer to file a personal affidavit disclosing the outstanding amounts payable towards arrears of salary and retiral dues, and to indicate the time frame for payment. The Court further directed that in the event of failure, the Executive Director would remain present before the Court. A personal affidavit was subsequently filed by the Executive Director of the U.P. State Employees Welfare Corporation. However, upon examination, the Court found that the affidavit did not disclose accurate figures and failed to specify the total outstanding arrears of salary payable to the applicant.

Court's Observations

The Court examined the earlier compliance affidavit dated 6 July 2025. It recorded that a sum of ₹15,71,604/- was payable to the applicant as retiral dues. From this amount, deductions totaling ₹4,55,100.38/- were made under various heads, including "Prostsahan Agrim," "Tyohar Agrim," GST recovery, and audit recovery. After these deductions, ₹11,16,504/- was disbursed. The Court found no legal provision authorising deduction of "Prostsahan Agrim" or "Tyohar Agrim" from retiral dues. The deduction under the head of GST recovery was also held to be unsupported by any statutory basis in the context of retiral benefits. Retiral dues represent accrued service entitlements and cannot be subjected to deductions unless expressly permitted by law. In the absence of such authority, the deductions were considered impermissible.

The Court also noted that the State Government had extended financial assistance in the form of a soft loan for payment of retiral dues, yet the amount had not been properly disbursed to employees. This raised concerns regarding administrative compliance with judicial directions. A further significant aspect was the failure of the Executive Director to disclose the total outstanding arrears of salary in his personal affidavit. The affidavit neither quantified the precise amount due nor provided a definite schedule for payment. The Court observed that such omission reflected a lack of bona fide compliance.

Directions Issued

Considering the material placed before it, the Court granted a final opportunity of one month to the Executive Director to clear the entire retiral dues without any deductions and to pay the arrears of salary in full. It was made clear that no further time would be granted. In case of non-compliance, the Executive Director was directed to remain present before the Court on 19 March 2026 for framing of charges in the contempt proceedings.

The Court further directed the Principal Secretary, Food and Civil Supplies, Government of Uttar Pradesh, to conduct an inquiry into the reasons for non-payment of retiral dues and salary despite earlier judicial directions. The Principal Secretary was required to file a personal affidavit detailing the action taken against the defaulting officers of the Corporation.

Legal Significance

The order reiterates settled principles governing service law and contempt jurisdiction. Retiral benefits constitute a vested right accruing upon completion of service. Such benefits cannot be reduced or withheld except in accordance with statutory provisions. Administrative practices or financial constraints do not justify deviation from binding judicial orders. The decision also reflects the scope of civil contempt proceedings, which are intended to secure compliance with judicial determinations. By requiring personal affidavits and directing possible framing of charges, the Court emphasised individual responsibility at the administrative level. The direction to a higher authority to investigate the matter highlights the importance of institutional accountability in public administration. The Court's scrutiny of deductions under specific heads clarifies that financial recoveries from retiral dues must be supported by express legal authority. Absent such authority, deductions are unsustainable.

Conclusion

The decision in *Satish Kumar Verma v. Kamta Prasad* reinforces the enforceable nature of retiral dues and salary arrears. By directing full payment without deductions, insisting on complete disclosure, and warning of contempt consequences, the Court ensured adherence to its earlier orders. The matter, listed for further proceedings on 19 March 2026, stands as an affirmation that public authorities are bound to implement judicial directions promptly and in accordance with law.

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