



HIGH COURT OF UTTARAKHAND AT NAINITAL

Writ Petition No. 628 of 2026 (S/B)

Rajesh Kumar Nigam

.....Petitioner

Versus

State of Uttarakhand and others

.....Respondents

Present:-

Mr. Shubhang Dobhal, learned counsel for the petitioner.

Mr. S.S. Chaudhary, learned Standing Counsel for the State.

Mr. B.S. Parihar, learned counsel for the respondent nos. 2 & 3.

Coram:Hon'ble Ravindra Maithani, J.

Hon'ble Siddhartha Sah, J.

Hon'ble Ravindra Maithani, J. (Oral)

By means of instant writ petition, the petitioner seeks the following reliefs :-

"i. Issue a writ, order or direction in the nature of certiorari quashing the impugned Office Memorandum No. B.Ni./09/1207/2026/2397 dated 18.07.2026 passed by the Managing Director, Uttarakhand Seeds and Tarai Development Corporation Ltd. (Annexure No. 1 to this writ petition). Page No-26 to 29.

ii. Issue a writ, order or direction in the nature of mandamus commanding the respondents to pay to the petitioner interest on the amount of gratuity from 31.08.2017, i.e. the date on which it became payable, till the date of actual payment, at the rate of 18% per annum or at such rate as this Hon'ble Court may deem fit, but not less than the rate notified under Section 7(3A) of the Payment of Gratuity Act, 1972.

iii. Issue a writ, order or direction in the nature of mandamus commanding the respondents to pay to the petitioner interest on the delayed payment of leave encashment, group insurance, last month's salary and other retiral dues from 01.09.2017 till the respective dates of actual payment, at such rate as this Hon'ble Court may deem fit.

iv. Issue a writ, order or direction in the nature of mandamus commanding the respondents to pay to the petitioner the balance amount of gratuity of Rs. 4,84,993/- along with interest thereon.

v. Issue a writ, order or direction in the nature of mandamus commanding the respondents to pay to the petitioner the arrears of

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ACP for the entire period of his entitlement along with interest on the arrears from the respective dates on which they fell due till the date of actual payment.

vi. Issue a writ, order or direction in the nature of mandamus commanding the respondents to refund to the petitioner the amount deducted from his retiral dues towards penal rent and other heads, or in the alternative to consider waiver of penal rent under Rule 10 of the House Allotment Rules of the Corporation by a reasoned order.

vii. Issue any other suitable writ, order or direction which this Hon'ble Court may deem fit and proper in the facts and circumstances of the case.

viii. Award the cost of the writ petition in favour of the petitioner.”

2. Heard learned counsel for the parties and perused the record.

3. Petitioner retired as Company Secretary from respondent no.3, Uttarakhand Seeds and Tarai Development Corporation Ltd. on 31.08.2017. He was not paid retiral dues, including gratuity on time. This forced him to file Writ Petition (S/B) No. 407 of 2021, Rajesh Kumar Nigam vs. State of Uttarakhand and Others (“the first writ petition”). The first writ petition was decided on 14.06.2024 and in paragraph 14 of the judgment, the Coordinate bench of this Court observed as follows:

“14. In such view of the matter, the writ petitions are allowed. The act of Uttarakhand Seeds and Tarai Development Corporation Ltd. to withhold Gratuity, Leave Encashment, Group Insurance and other monetary benefits of the petitioners, is declared to be illegal. Petitioners shall be entitled to Gratuity, Leave Encashment, Group Insurance and other monetary benefits, which shall be released by Uttarakhand Seeds and Tarai Development Corporation Ltd. to the petitioners, without any further delay.”

4. Against this order dated 14.06.2024, the department approached the Hon'ble Supreme Court in SLP (Civil) Diary No. 23851 of 2025, Uttarakhand Seeds and Tarai Development



Corporation Limited and Others vs. Rajesh Kumar Nigam and another. The SLP was dismissed by the Hon'ble Supreme Court on 23.05.2025.

5. Thereafter, when the dues were not paid, the petitioner was forced to file WPSB No. 158 of 2026, Rajesh Kumar Nigam vs. State of Uttarakhand and Others ("the second writ petition"). By the judgment dated 27.03.2026, passed in the second writ petition, liberty was given to the petitioner to make a representation to the competent authority for the remaining dues.

6. The petitioner submitted a representation, which was rejected by the impugned order dated 18.07.2026.

7. Learned counsel for the petitioner would submit that he does not press relief nos. i, iv, v and vi. He submits that he is only pressing relief nos. ii, i.e for payment of interest on amount of gratuity and relief no. iii, i.e. interest on the delayed payment of leave encashment, etc.

8. Since relief nos. i, iv, v and vi are not pressed by the petitioner, the writ petition is dismissed qua those reliefs.

9. Learned counsel for the petitioner would submit that the petitioner retired from service in the year 2017 and without any fault on his part, he was not paid his dues on time. Therefore, he is entitled to interest.

10. Learned counsel for the petitioner would submit that under the Payment of Gratuity Act, 1972, the rate of interest is governed by Section 7(3A) of the Payment of Gratuity Act, 1972 and vide Notification dated 1st October, 1987, the Central Government has provided for payment of simple interest @ ten percent per



annum by the employer to his employee in cases where the gratuity is not paid within the specified time.

11. Mr. B.S. Parihar, learned counsel for the respondent nos. 2 & 3 would submit that in compliance with the order of the Hon'ble Supreme Court, the amount has been paid to the petitioner in the year 2025.

12. Interest is payable from the date when it becomes due. In the first writ petition, in paragraph 14 of the judgment, the Coordinate bench of this Court had categorically held that :

"The act of Uttarakhand Seeds and Tarai Development Corporation Ltd. to withhold Gratuity, Leave Encashment, Group Insurance and other monetary benefits to the petitioners is declared to be illegal."

13. This order has been affirmed by the Hon'ble Supreme Court in the SLP that was preferred by respondent no. 3, which means the petitioner was entitled to his dues on time and he was not paid dues due to the act of the respondents. Thus, the petitioner is entitled to simple interest @ 10% per annum w.e.f. 31.08.2017 as per Notification dated 1st October, 1987 under Section 7(3A) of the Payment of Gratuity Act, 1972 and reasonable interest on other dues. Therefore, the respondents shall pay simple interest to the petitioner @ 10% per annum on the amount of gratuity from 31.08.2017 and also pay interest on other dues from 31.08.2017 @ 6% simple interest per annum.

14. The writ petition is disposed of accordingly.

(Siddhartha Sah, J.)
07.10.2026
Shiv

(Ravindra Maithani, J.)
07.10.2026