



MAJESTY LEGAL  
Advocates & Solicitors

**NO DEDUCTION OF 'PROSTSAHAN AGRIM' OR GST FROM RETIRAL DUES**

**"SATISH KUMAR VERMA VS. SHRI KAMTA PRASAD, EXECUTIVE DIRECTOR, U.P. STATE EMPLOYEES WELFARE CORPORATION"**

Hon'ble Allahabad High Court in case of *Satish Kumar Verma vs. Shri Kamta Prasad, Executive Director, U.P. State Employees Welfare Corporation*<sup>1</sup>, expressed serious concern over illegal deductions made from the retiral dues of an employee of the U.P. State Employees Welfare Corporation and directed that the full amount, along with salary arrears, be paid within one month, failing which contempt proceedings would follow against the Executive Director.

In the case, despite total retiral dues of ₹15,71,604 being acknowledged, deductions amounting to ₹4,55,100.38 were made under various heads, leaving only ₹11,16,504 paid. Hon'ble Court held that deductions towards "Prostsahan Agrim," "Tyohar Agrim," and GST had no legal basis and also noted improper disbursal of funds received from the State Government for clearing such dues.

Observing that the Executive Director was merely "buying time" and misleading the Court, it granted a last opportunity to clear the entire retiral dues without any deduction and pay salary arrears within one month, directing his personal appearance on March 19, 2026 in case of non-compliance.

**TEAM MAJESTY LEGAL<sup>2</sup>**

OFFICE : B-87, Alaknanda Apartment, G-1, Ganesh Marg/Moti Marg, Bapu Nagar,  
Jaipur, Rajasthan-302015.

[https://maps.app.goo.gl/BsUvY9RWyvUt6JcB9?g\\_st=iw](https://maps.app.goo.gl/BsUvY9RWyvUt6JcB9?g_st=iw)

CHAMBER : 204, E-Block, Rajasthan High Court, Jaipur.

MOBILE No. : 9785461395

E-MAIL : [mahi@majestylegal.in](mailto:mahi@majestylegal.in)

<sup>1</sup> CONTEMPT APPLICATION (CIVIL) No. - 2193 of 2025

<sup>2</sup> Majesty legal is a LAW FIRM established in 2013 by Ms. Mahi Yadav. Objective of this legal update is to provide insights on law, statutes and is personal in nature, not to be deemed as legal advice.



**HIGH COURT OF JUDICATURE AT ALLAHABAD**

**CONTEMPT APPLICATION (CIVIL) No. - 2193 of 2025**

Satish Kumar Verma

.....Applicant(s)

Versus

Shri Kamta Prasad, Executive Director, U.P. State  
Employees Welfare Corporation

.....Opposite  
Party(s)

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Counsel for Applicant(s) : Kalpnath Tripathi, Rajesh Shankar  
Srivastava

Counsel for Opposite Party(s) : Utkarsh Birla

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**Court No. - 9**

**HON'BLE ROHIT RANJAN AGARWAL, J.**

1. On 21.01.2026, the following order was passed:

*"1. Learned counsel for the applicant has placed before the Court the decision dated 7.11.2025 rendered by appellate Court in Special Appeal Defective No. 746 of 2025. He contends that the appeal filed by State Employee Welfare Corporation was dismissed.*

*2. Sri Utkarsh Birla, learned counsel appearing for the opposite party nos. 2 and 3, states that the part of retiral dues have been paid but as far as arrears of salary is concerned, the corporation is facing financial crunch, as such, the said amount could not be paid.*

*3. Opposite party no. 2 is directed to file his personal affidavit disclosing the outstanding amount payable to the employees in regard to arrears of salary as well as retiral dues within a period of three weeks. It is further directed that the officer concerned shall disclose the time period within which the outstanding amount would be paid to the applicant.*

*4. List after three weeks.*

*5. In case affidavit is not filed by the next date, Executive Director, State Employee Welfare Corporation shall remain present in the Court."*

2. Today, a personal affidavit of the Executive Director, U.P. State

Employees Welfare Corporation has been filed, which is taken on record.

3. From the perusal of the affidavit, it transpires that the correct figures have not been mentioned by the Executive Director nor he has disclosed the outstanding amount payable to the employees as arrears of salary. In the earlier compliance affidavit filed on 06.07.2025, the opposite party has stated that the total amount payable to the applicant towards retiral dues was Rs. 15,71,604/-, out of which, an amount of Rs. 2,90,185/- and Rs. 28,900/- have been deducted under the head of "Prostsahan Agrim" and "Tyohar Agrim" and further deduction under the GST recovery of Rs. 56,253.38/- and Audit recovery of Rs. 79,762/-, totally an amount of Rs. 4,55,100.38/- has been deducted from the retiral dues of the applicant. The total approved and paid amount to the applicant towards retiral dues are Rs. 11,16,504/-.

4. This Court is shocked to hear the deduction which has been under the various heads by the opposite party towards the retiral dues payable to the applicant. There is no such provision for deducting "Prostsahan Agrim" and "Tyohar Agrim" as well as GST from the retiral dues of an employee of the Corporation. Further, the amount received by the State Government through soft loan towards the payment of the retiral dues has not been properly disbursed to its employees and neither the opposite party are complying with the order passed by the writ Court. The opposite party has also not disclosed through his personal affidavit the total outstanding amount of salary to be paid to the applicant, nor there is any whisper of the amount so paid towards the retiral dues except in the compliance affidavit mention having been made to the total amount of retiral dues to be paid and the deductions to be done from the said amount.

5. This Court finds that the Executive Director of the U.P. State Employees Welfare Corporation is only buying time and misleading the Court by not paying its employees their retiral dues and salary for which they are entitled.

6. As a last opportunity, a month's time and no more is granted to the Executive Director, U.P. State Employees Welfare Corporation, to clear all the entire retiral dues without making any deduction from the amount

payable to its employees as well as the arrears salary. In case of non-compliance, he shall remain present in the Court on 19.03.2026 for framing of charge.

7. The Principal Secretary, Food and Civil Supplies is hereby directed to investigate into the matter as to why the employees of the U.P. State Employees Welfare Corporation till date had not been paid retiral dues as well as salary as has been directed by the writ Court.

8. Learned Standing Counsel shall intimate this order to the Principal Secretary, Food and Civil Supplies, U.P. Govt., Lucknow, who after making an inquiry shall also file his personal affidavit as to the action taken against the defaulting officers of the U.P. State Employees Welfare Corporation.

9. List this matter on 19.03.2026 along with connected matters.

**(Rohit Ranjan Agarwal,J.)**

**February 12, 2026**

A. V. Singh