

**HIGH COURT OF JAMMU & KASHMIR AND LADAKH
AT JAMMU**

SWP No. 2225/2013

Rattan Lal and ors.

.....Appellant(s)/Petitioner(s)

Through: Mr. Anuj Dewan Raina, Advocate

vs

State of J&K and ors.

..... Respondent(s)

Through: Mr. Suneel Malhotra, GA

Coram: HON'BLE MR. JUSTICE RAJNESH OSWAL, JUDGE

ORDER (ORAL)

02.07.2026

1. The petitioners, who are retired employees of the J&K State Agro Industries Development Corporation Ltd., have filed the present writ petition seeking the following reliefs:-

- (i) Mandamus commanding the respondents to comply & implement the Corporation Order No. AGRO/Adm/49/AIDCL of 2005 dated 26.08.2005, in its true letter & spirit.
- (ii) Mandamus commanding the respondents to calculate and release the arrears of Cost of Living Allowance (COLA) 34 points w.e.f. 01-01-1999 & 01-01-2000 along with interest till its realization.
- (iii) Mandamus commanding the respondents to produce the record pertaining to the case of the petitioners.
- (iv) Any other writ, command, direction or order as the facts of the case demand and this Hon'ble Court may deem just and proper in favour of the petitioners."

2. The respondents filed their response objecting to the petitioners' claim.

However, vide order dated 08.11.2016, this Court recorded that in

compliance with the directions contained in the orders dated 18.12.2014 and 19.12.2014, and subsequent orders passed thereafter, the principal amount of the Cost of Living Allowance (for short, “COLA”) has been paid to all the petitioners except petitioner No. 12, Avtar Singh. Accordingly, the matter was directed to be listed again on 11.11.2016 solely to consider the question of interest.

3. Learned counsel for the petitioners invited attention of this Court to the order dated 26.08.2005, referencing the Finance Department Notification dated 04.08.2004 that sanctioned payment of the COLA in 25 installments from January 1999 and in 9 installments from January 2000. Since the respondents have admitted the petitioners' entitlement and all the petitioners, except petitioner No. 12, have acknowledged receipt of their respective dues, the controversy now stands confined to the question of interest on the delayed payment of COLA and the entitlement of petitioner No. 12 to the balance amount of COLA, as noted in the order dated 08.11.2016.

4. It is a well-settled principle that if an employee is wrongfully denied service benefits, he or she is entitled to claim interest under Articles 14, 19, and 21 of Part III of the Constitution. This position is supported by the judgment of the Hon'ble Supreme Court in **S.K. Dua v. State of Haryana & Anr**, (2008) 3 SCC 44. Para 11 is relevant which is extracted as under :-

“11. Having heard the learned counsel for the parties, in our opinion, the appeal deserves to be partly allowed. It is not in dispute by and between the parties that the appellant retired from service on June 30, 1998. It is also undisputed that at the time of retirement from service, the

appellant had completed more than three decades in Government Service. Obviously, therefore, he was entitled to retiral benefits in accordance with law. True it is that certain charge- sheets/ show cause notices were issued against him and the appellant was called upon to show cause why disciplinary proceedings should not be initiated against him. It is, however, the case of the appellant that all those actions had been taken at the instance of Mr. Quraishi against whom serious allegations of mal-practices and mis-conduct had been levelled by the appellant which resulted in removal of Mr. Quraishi from the post of Secretary, Irrigation. The said Mr. Quraishi then became Principal Secretary to the Chief Minister. Immediately thereafter charge-sheets were issued to the appellant and proceedings were initiated against him. The fact remains that proceedings were finally dropped and all retiral benefits were extended to the appellant. But it also cannot be denied that those benefits were given to the appellant after four years. In the circumstances, prima facie, we are of the view that the grievance voiced by the appellant appears to be well- founded that he would be entitled to interest on such benefits. If there are Statutory Rules occupying the field, the appellant could claim payment of interest relying on such Rules. If there are Administrative Instructions, Guidelines or Norms prescribed for the purpose, the appellant may claim benefit of interest on that basis. But even in absence Statutory Rules, Administrative Instructions or Guidelines, an employee can claim interest under Part III of the Constitution relying on [Articles 14, 19](#) and [21](#) of the Constitution. The submission of the learned counsel for the appellant, that retiral benefits are not in the nature of bounty is, in our opinion, well-founded and needs no authority in support thereof. In that view of the matter, in our considered opinion, the High Court was not right in dismissing the petition in limine even without issuing notice to the respondents.”

5. Given that the petitioners' entitlement to the COLA stands established and the respondents failed to make timely payments thereof, this Court holds that the petitioners are entitled to interest on the principal amount already received. Such interest shall be calculated from the respective due dates up to the date of actual payment.

6. Accordingly, the present writ petition is disposed of in the following terms:-

- (i) The respondent No.3 shall pay the interest @6% per annum from the date the amount of COLA became due to the petitioners till the date of actual payment.
- (ii) Further, the respondent No.3 is directed to pay the balance amount of arrears of the COLA to the petitioner No. 12, if not already paid, along with interest as mentioned above.
- (iii) The entire exercise shall be completed within a period of three months from the date of receipt of copy of this order.
- (iv) The respondent No. 3 shall coordinate with the other concerned respondents/authorities in terms of this order, who shall extend full cooperation to the respondent No. 3 so as to ensure compliance with these directions within the stipulated period.

7. **Disposed** of as above.

(RAJNESH OSWAL)
JUDGE

Jammu
02.07.2026
Neha-II