



CWP-10224-2023

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IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH

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CWP-10224-2023

Date of Decision :07.05.2024

Kaptan Singh

...Petitioner

Versus

State of Haryana and others

...Respondents

CORAM: HON'BLE MR. JUSTICE HARSIMRAN SINGH SETHI

Present: Mr. Ravi Kant Sharma, Advocate for the petitioner.

Mr. Tapan Yadav, DAG, Haryana.

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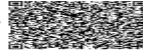
Harsimran Singh Sethi, J. (Oral)

Reply filed on behalf of the respondents No.1 to 3 in the Court today is taken on record.

In the present petition, grievance of the petitioner is that upon his retirement, the petitioner has only been given leave encashment for a period of 164 days instead of 300 days, which is arbitrary and illegal hence, respondents be directed to release the leave encashment of remaining days to the petitioner along with interest.

In reply, the respondents have submitted that upon reconsideration, the petitioner has already been given payment of leave encashment for 300 days.

Now the question arises as to whether the petitioner is entitled for the grant of benefit of interest on the said delayed release of the payment



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of leave encashment .

As per the judgment of the Coordinate Bench of this Court in of ***J.S. Cheema Vs. State of Haryana, 2014(13) RCR (Civil) 355***, where an amount belonging to an employee, has been retained and used by the respondents, upon the release of the said amount, on a later date, the interest has to be given. The relevant paragraph of ***J.S. Cheema's case (supra)*** is as under: -

“The jurisprudential basis for grant of interest is the fact that one person's money has been used by somebody else. It is in that sense rent for the usage of money. If the user is compounded by any negligence on the part of the person with whom the money is lying it may result in higher rate because then it can also include the component of damages (in the form of interest). In the circumstances, even if there is no negligence on the part of the State it cannot be denied that money which rightly belonged to the petitioner was in the custody of the State and was being used by it.”

In the present case, benefit of leave encashment which was admissible to the petitioner on the date of his retirement i.e. on 31.05.2022 was retained by the respondents and the same was released much after hence, in order to compensate the petitioner, the petitioner becomes entitled for the grant of benefit of interest on the said delayed release of the leave encashment keeping in view the law laid down in ***J.S. Cheema (supra)***. Hence, the amount which has been released to the petitioner on account of remaining days of leave encashment will also carry interest @ 6% per annum from date of retirement of the petitioner i.e. 01.06.2022 till the actual payment of the said remaining amount.

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Let the interest under this order be calculated and released to the petitioner within a period of 08 weeks from the date of receipt of copy of this order.

Present petition is disposed of accordingly.

May 07, 2024 (HARSIMRAN SINGH SETHI)
aarti JUDGE

Whether speaking/reasoned : Yes/No
Whether reportable : Yes/No