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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

\+ CONT.CAS(C) 868/2025

DR AKHIL KATYAL .....Petitioner
Through: Mr. Yatharth Kumar, Advocate.

versus

DR B R AMBEDKAR UNIVERSITY DELHI .....Respondent
Through: Mr. Mohinder J.S. Rupal, Mr. Hardik Rupal and Ms. Aishwarya Malhotra, Advocates.

CORAM:
HON'BLE MR. JUSTICE PRATEEK JALAN

O R D E R

% **28.05.2025**

1. The petitioner has filed this contempt petition, alleging non-compliance of order dated 28.04.2025 in W.P.(C) 7109/2024. By the said order, the submission of learned counsel for the respondent – Dr. B.R. Ambedkar University ["University"] was recorded, to the effect that the petitioner's arrears of salary for May 2024, and leave encashment will be processed and remitted to him within a period of two weeks.

2. The respondent first remitted the amount of Rs. 2,44,331/- to the petitioner on 16.05.2025. By an e-mail dated 26.05.2025, it was explained that this included Rs. 1,38,596/- towards salary for the month of May 2024, and Rs. 1,05,735/- towards leave encashment on resignation, computed upto 31.12.2023. The question of further leave encashment for the period of 01.01.2024 to 31.05.2024, when the petitioner was actually relieved from service, remained pending.

3. By a further e-mail dated 27.05.2025, the total amount of leave encashment due to the petitioner until 31.05.2024, was computed as Rs. 1,34,700/-. However, it was contended by the University that the balance amount of Rs. 28,965/- has been withheld on account of Tax Deducted at Source [“TDS”].

4. Copies of the aforesaid email communications dated 26.05.2025 and 27.05.2025 have not been placed on record. Mr. Yatharth Kumar, learned counsel for the petitioner, states that they were received after the filing of the petitioner. Copies have been handed up in Court, and are taken on record, as they are undisputed.

5. The contempt petition has been filed on the contention that the payments have not been made in full. It is the contention of Mr. Kumar that TDS is not deductible in respect of leave encashment, as leave encashment payment below Rs. 20 lakhs is exempted from income tax. He relies on Section 10 (10AA)(ii) of the Income Tax Act, 1961, and a notification of Department of Central Board of Direct Taxes dated 24.05.2025 in this connection, which is handed up in Court and is taken on record.

6. It is specifically stated by Mr. Kumar that the total figures computed by the respondent (salary for the month of May 2024 of Rs. 1,38,596/- and leave encashment entitlement of Rs. 1,34,700/-) are not disputed. The only question in this contempt petition, therefore, concerns the deduction of TDS amounting to Rs. 28,965/-.

7. The situation does not appear to be of wilful disobedience of order, but a dispute as to the applicability of TDS deduction to the payment in question. I do not consider it appropriate to institute contempt

proceedings in such circumstances.

8. While disposing of the contempt petition, the respondent is directed to consider the issue of whether TDS deduction was required to be made in respect of the leave encashment component. If it comes to the conclusion that no such deduction was required, the balance amount of Rs. 28,965/- be remitted to the petitioner, within a period of two weeks from today. If it comes to the conclusion that the amount was rightly withheld, it will communicate its justification to the petitioner within the same period. The petitioner’s rights and remedies remain reserved.

9. The contempt petition is disposed of in the aforesaid terms.

PRATEEK JALAN, J

MAY 28, 2025

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