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**IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH**

232

CWP-33152-2019

Date of Decision : **March 10, 2026**

VIJAY SHARMA

.....Petitioner

VERSUS

**CHANDIGARH INDUSTRIAL AND TOURISM DEVELOPMENT
CORPORATION LTD AND ORS**

.....Respondents

CORAM: HON'BLE MR. JUSTICE DEEPINDER SINGH NALWA

Present : Mr. Shubhkarman Singh Gill, Advocate for
Mr. Balwinder Singh, Advocate for the petitioner.
Ms. Madhu Dayal, Advocate for the respondents.

DEEPINDER SINGH NALWA, J. (Oral)

1. In the present writ petition, the petitioner is praying for issuance of direction to the respondents to pay interest @ 12% on account of delayed payment of retiral benefits.

2. Brief facts of the case are that the petitioner joined the Chandigarh Industrial Tourism Corporation Ltd. (hereinafter referred to as 'the Corporation') in the year 1989. He was further promoted to the post of General Manager on 28.05.2014. The petitioner was denied extension of service, as a consequence of this, he filed writ petition in this Court bearing CWP No.15732 of 2018. The petitioner retired on 30.06.2018 on attaining the age of superannuation. Charge-sheet dated 23.07.2018 was served upon the petitioner after his retirement. The petitioner duly filed reply to the abovesaid charge-sheet. The contention raised by the petitioner in the reply filed to the charge-sheet was not found to be credit worthy, as such, regular

departmental enquiry was initiated against the petitioner. The departmental proceeding initiated against the petitioner was ultimately decided and order of punishment of recovery from petitioner of an amount of Rs.10,000/- was issued vide order dated 10.04.2019. After the abovesaid order of punishment was passed by the respondents, the respondents released leave encashment to the petitioner on 10.09.2019. As there was a delay of five months in releasing the retiral benefits i.e. leave encashment from the date of passing of the order dated 10.04.2019, the petitioner has filed the present writ petition claiming interest on the abovesaid amount of leave encashment. The writ petition filed earlier i.e. CWP-15732-2018 was withdrawn by the petitioner on 02.02.2021.

3. The only contention raised by the learned counsel for the petitioner is that as the order of punishment was passed on 10.04.2019 and leave encashment was given on 10.09.2019 to the petitioner, as there was a delay of more than five months in release of leave encashment after the passing of order of punishment, the petitioner is entitled to interest @ 12% on account of delayed payment of leave encashment.

4. Learned counsel appearing on behalf of the respondents submits that leave encashment could not be released to the petitioner on the ground that there was a departmental proceedings pending against the petitioner at the time of retirement and vide punishment order dated 10.04.2019, an amount of Rs.10,000/- was ordered to be recovered from the petitioner and thereafter, within a reasonable time, leave encashment was given to the petitioner on 10.09.2019. It is the case of the learned counsel for the respondents that after passing of the order of punishment dated 10.04.2019, the process in

respect of release of leave encashment of the petitioner had started within one month i.e. on 03.05.2019 and leave encashment was released to the petitioner within reasonable time as such, the petitioner is not entitled for grant of any interest.

5. I have heard learned counsel for the parties at length and have gone through the record.

6. The only issue involved in the present petition is whether the petitioner is entitled for grant of interest on the delayed payment of leave encashment. A perusal of the facts of the present case would show that although the petitioner had retired on attaining the age of superannuation i.e. on 30.06.2018. However, at the time of retirement, departmental proceeding was pending against him and vide order dated 10.04.2019, an amount of Rs.10,000/- was ordered to be recovered from the petitioner. Thereafter, the case of the petitioner was considered for release of leave encashment and leave encashment was given to petitioner on 10.09.2019. Further perusal of the facts would show that the delay in releasing the leave encashment to the petitioner is not inordinate. The leave encashment was released within a period of five months from the date of passing of the order dated 10.04.2019. In a case where retiral benefit is to be released to an employee after the decision of departmental proceedings, there is always some delay in releasing the retiral benefits.

7. Taking into consideration that there is no inordinate delay in releasing the retiral benefits i.e. leave encashment to the petitioner,

this Court finds that the petitioner is not entitled to any interest on delayed payment of leave encashment. Accordingly, finding no merit in the writ petition, the present writ petition is dismissed.

March 10, 2026
ajaysharma

(DEEPINDER SINGH NALWA)
JUDGE

Whether speaking/reasoned. : Yes/No
Whether Reportable. : Yes/No