2026:DHC:8268-DB

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

CNR No. DLHC010458612026

\+ W.P.(C) 14115/2026, CM APPLs. 66084/2026, 66085/2026, 66086/2026 & 66087/2026

UNION OF INDIA & ANR ......Petitioners

Through: Mr. Gyanendra Singh and Ms. Ring Baliyan, Advs.

versus

SUKH VARSHA .....Respondent

Through:

CORAM:
HON'BLE MR. JUSTICE C. HARI SHANKAR
HON'BLE MS. JUSTICE NIVEDITA ANIL SHARMA

JUDGMENT (ORAL)

% **24.09.2026**

C. HARI SHANKAR, J.

1. This writ petition assails the order dated 3 August 2026 passed by the Central Administrative Tribunal[1] in CP 818/2023, which was instituted by the respondent, as the applicant before the Tribunal in OA 423/2022, alleging contumacious and willful disobedience of order dated 4 October 2023 passed by the Tribunal in OA 423/2022.

2. Para 7 of the order dated 4 October 2023, which constituted its operative portion, thus:

> "7. In view of the aforesaid directions passed by the Hon'ble High Court of Delhi, the present OA is disposed of with a direction to the respondents to re-fix the pay of the applicant on the basis of the

[1] "the Tribunal", hereinafter

> last basic pay drawn by him, i.e. Rs.1,26,600/- and revise his pension and other retiral dues after taking an undertaking from the applicant that the recovery of overpayments will be made in case the decision of the Hon'ble Calcutta High Court is delivered in favour of the petitioners, i.e., Union of India and Others within a period of 6 weeks from are date of receipt of a certified copy of this order. Simple interest at GPF rates will be payable, if found due after calculating the same as per Pension Rules for the period beyond 17.05.2015 from the date when the respondents had themselves issued orders in which it was directed that this procedure is to be followed in all such similar cases. No costs."

3. The direction to the petitioners was, as contained in para 7 of the aforesaid order dated 4 October 2023, was, therefore, to revise the respondent's pension and *other retiral dues* within six weeks, failing which, the amounts would carry interest at the GPF rates.

4. The petitioners did not, however, pay any interest on the leave encashment due to the respondent at his superannuation, resulting in the respondent reproaching the Tribunal by way of CP 818/2023.

5. On 20 April 2026, the Tribunal passed the following order in CP 818/2023:

> "The present matter arises in the context of compliance with earlier directions issued by this Tribunal regarding payment of retiral dues along with interest.
>
> 2. At the outset, learned counsel for the respondents submits that all admissible payments have already been made in terms of the orders passed by this Tribunal. It is contended that the only surviving issue in the present contempt proceedings is with regard to the claim of the applicant seeking interest, particularly on the amount of leave encashment. Learned counsel submits that as per the applicable rules, there is no provision permitting grant of interest on leave encashment and, therefore, the respondents cannot be directed to pay the same.

3. Per contra, learned counsel for the applicant submits that there has been a substantial delay of more than three years in release of retiral dues, including leave encashment, despite the matter having already been adjudicated. It is argued that interest is not in the nature of a bounty but is compensatory, intended to offset the loss suffered due to delayed payment. It is further submitted that the respondents are bound to pay interest at least at the GPF rate, as has been consistently directed in such matters.

4. We have heard learned counsel for the parties and perused the material available on record.

5. It is an admitted position that the applicant superannuated on 30.11.2021. It is also not in dispute that certain payments were released belatedly. From the record, particularly the compliance affidavit dated 24.10.2024, it is evident that payment towards leave encashment was shown as payable pursuant to the orders of this Tribunal.

6. The contention of the respondents that interest cannot be granted on leave encashment in the absence of a specific rule does not merit acceptance. It is now well settled that where there is inordinate delay in release of retiral dues, the employee is entitled to compensation by way of interest. Such payment of interest is compensatory in nature and cannot be denied merely on the ground of absence of an express provision.

7. In this regard, we refer to the decision passed in W.P. (C) No. 5537/2025 titled Union of India vs. Vijay Kumar Gupta, dated 06.08.2025 is apposite, wherein it has been held that delayed payment of leave encashment warrants grant of interest.

8. Further, this Tribunal had already directed payment of interest at GPF rates, and the said direction is required to be complied with in letter and spirit.

9. In view of the above, we are not inclined to accept the stand taken by the respondents. Accordingly, as a last and final opportunity, the respondents are directed to fully comply with the directions of this Tribunal and file a compliance affidavit to that effect within two weeks' time, failing which the respondents shall be liable to pay costs of ?10,000/-, to be deposited with the Prime Minister's Relief Fund.

10. It is made clear that no further extension shall be granted.

11. List on 26.05.2026.

12. Order DASTI."

6. Thus, in the order dated 20 April 2026, the Tribunal clearly clarified that leave encashment would also fall within the ambit of the expression "retiral dues", and would, therefore, invite interest in terms of the order dated 20 April 2026 passed by the Tribunal in CP/818/2023.

7. The petitioners did not choose to challenge either the order dated 4 October 2023 passed by the Tribunal in OA 423/2022 or the order dated 20 April 2026 passed in CP/818/2023.

8. Despite this, the petitioners did not choose to pay any interest to the respondent on the leave encashment, which was due to him at the time of his retirement.

9. To our mind, there can be no dispute about the fact that leave encashment falls within the ambit of the expression "retiral dues". The retiral dues are the dues which ought to be paid to the entitled person on his retirement. There is no dispute about the fact that leave encashment is payable to an employee at the time of his retirement, to encash the unavailed leave, which lies to his credit on that day.

10. The Tribunal, eminently fairly, put it to the petitioners, as recorded in para 4 of the impugned order, as to whether leave encashment was or was not the part of retiral dues. Apparently, the impugned order does not reflect any satisfactory answer having been provided by the petitioners to this query. The answer, to our mind, has necessarily to be in the affirmative.

11. Even thereafter, the Tribunal has not proceeded against the petitioners for contempt. It has only directed the petitioners to ensure compliance with the earlier order passed by the Tribunal. The matter is listed for reporting compliance tomorrow, i.e., for 25 September 2026. We are surprised, though we may say that we are not amazed at the fact that this writ petition has been listed before us one day in advance of the date when the CP is listed before the Tribunal for reporting compliance.

12. Mr. Gyanender Singh submits that the writ petition was filed on 2 September 2026, which was also a full month after the order was passed by the Tribunal and at the cusp of expiring the time granted by the Tribunal for reporting compliance.

13. In that view of the matter, we find no reason to interfere with the impugned order passed by the Tribunal. The writ petition is accordingly dismissed.

14. Let the order be uploaded on the website of this Court today itself.

C. HARI SHANKAR, J

NIVEDITA ANIL SHARMA, J

SEPTEMBER 24, 2026*/pd*