Regular List
Serial No. 08

HIGH COURT OF JAMMU & KASHMIR AND LADAKH AT JAMMU

WP(C) No. 2026/2025

Darshan Kumar & Ors.

.....Petitioner(s)

Through: Mr. O. S. Bandral, Advocate.

Vs

UT of J&K & Ors.

.....Respondent(s)

Through: Mr. Dewakar Sharma, Dy. AG.
Ms. Chetna Manhas, Assisting Counsel vice
Mrs. Monika Kohli, Sr. AAG.

CORAM: HON'BLE MR. JUSTICE SANJAY DHAR, JUDGE

ORDER
(24.02.2026)

01. The petitioners, through the medium of the present petition, have sought release of leave encashment salary in their favour. The petitioners claim that they are retired employees of the respondent-J&K State Handloom Development Corporation Ltd (hereinafter to be referred to as **"respondent-Corporation"**) and they have superannuated from service on different dates from the year 2022 to 2024.

02. It has been submitted that the service of the petitioners was not pensionable and, as such, they are dependent upon the terminal benefits, such as, gratuity, leave encashment, salary etc but despite their retirement from service, the respondents have not released leave encashment salary in favour of the petitioners.

03. In their reply, the respondents have not disputed the claim of the petitioners and they have also not disputed the fact that the petitioners are ex-employees of respondent-Corporation. It has been submitted that certain retirees of respondent-Corporation are awaiting payment of gratuity, leave encashment salary and CP Fund and names of the petitioners appear in the list of such employees. It has been further submitted that gratuity dues of retired employees have been cleared up to the year 2018 and the petitioners fall in the subsequent serial order and their cases are being processed accordingly.

04. The respondents have taken a stand that financial health of the respondent-Corporation is not in good shape and it is dependent upon financial support from the Government for clearing the liabilities of its employees.

05. Heard and considered.

06. From the pleadings of the parties, as narrated hereinbefore, it is clear that there is no dispute to the fact that leave encashment salary of the petitioners has not been released in their favour by the respondents and it is also not in dispute that emoluments under the said head are due to the petitioners. The only ground that has been taken by the respondent-Corporation for denying the emoluments on account of leave encashment salary is that financial health of the respondent-Corporation is not in good shape.

07. The aforesaid ground projected by the respondents is not tenable in law because entitlement to terminal benefits of an employee is not a bounty but it is his legal right which he has earned by serving the employer during the prime of his career. It does not lie in the mouth of the respondent-Corporation to delay the payment of terminal benefits to its employees, particularly when the employment of the petitioners is not pensionable in nature. If the financial health of the respondent-Corporation is not in good shape, it has either to seek the help of the Government or to dispose of its assets but in no case they can withhold the payment of terminal benefits to its employees.

08. In view of the above, the writ petition is allowed and the respondents are directed to release the leave encashment salary in favour of the petitioners within a period of two months from the date a copy of this order is made available by the petitioners to the respondents. In default, the amount due shall carry interest @ 6% per annum from the date of filing of the writ petition to the date of its realization.

09. Disposed of accordingly.

(SANJAY DHAR)
JUDGE

JAMMU
24.02.2026
Naresh/Secy