2026:PHHC:082369

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

117 CWP-15276-2026
Date of Decision: **25.05.2026**

Madan Lal Dheer and others

.....Petitioners

VERSUS

State of Punjab and others

...Respondents

CORAM: HON'BLE MR. JUSTICE HARPREET SINGH BRAR

Present : Ms. Riti Aggarwal, Advocate
for the petitioners.

Ms. Pratibha Bali, AAG Punjab.

Mr. Rehatbir Singh Mann, Advocate
for respondent No.4.

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HARPREET SINGH BRAR, J. (Oral)

1. The present writ petition has been filed under Articles 226/227 of the Constitution of India, praying for issuance of an appropriate writ, order or direction in the nature of *certiorari* for quashing the order dated 21.02.2025 (Annexure P-6), whereby the claim of the petitioners has been rejected by the respondent-authorities in an illegal and arbitrary manner,

without considering the provisions prescribed under the Punjab Civil Services Rules. A further prayer has been made for issuance of a writ in the nature of *mandamus* directing the respondents to grant the benefit of accommodation of 450 days' leave under Rule 8.116 of the Punjab Civil Services Rules, Volume I, Part I, Chapter VIII, in lieu of the unutilized earned leave lying to the credit of the petitioners on the dates of their superannuation, whereas only 300 days' leave encashment has been allowed after retirement, along with all arrears of pay and consequential benefits, with interest @ 12% per annum.

2. Learned counsel for the petitioners, *inter alia*, contends that the petitioners are retired employees of the Municipal Corporation, Ludhiana, who were granted extension in service under the applicable Punjab Civil Services Rules. Initially, the rules permitted encashment of only 300 days of earned leave at the time of retirement after availing extension in service. However, vide amendment dated 30.10.2015 carried out in Rules 3.26 and 8.21 of the Punjab Civil Services Rules, the earlier restriction of 300 days was removed, thereby entitling employees to encashment/accommodation of up to 450 days of earned leave under Rule 8.116.

2.2. Despite the said amendment, the respondents wrongly restricted the petitioners' leave encashment to 300 days only. The petitioners served a legal notice dated 02.02.2024, but no action was taken by the department. Thereafter, the petitioners filed CWP No. 17527 of 2024, which was disposed of on 26.11.2024 with a direction to the respondents to take a decision on the legal notice. In purported compliance thereof, the respondents passed the impugned order dated 21.02.2025 rejecting the claim of the petitioners in an illegal, arbitrary and erroneous manner, contrary to the amended rules.

3. Notice of motion.

4. Ms. Pratibha Bali, AAG Punjab appears and accepts notice on behalf of respondent-State and Mr. Rehatbir Singh Mann, Advocate has filed memo of appearance on behalf of respondent No.4, which is ordered to be taken on record. Registry is directed to place the same at an appropriate place.

5. *Per contra*, learned counsel for respondent-Corporation submits that the controversy involved in the present case is squarely covered by judgment rendered by this Court in ***Ram Lal Jindal vs. High Court of Punjab and Haryana and another, CWP-29121-2018, dated 21.01.2025,*** in which the amendment to Rule 8.21(b) was considered and the claim of the petitioner therein seeking benefit of unutilized leave encashment was considered. As such, the case of the petitioner is liable to be dismissed.

6. I have heard the submissions advanced by learned counsel for the parties and have perused the record with their valuable assistance. The date of retirement with extension after 30.10.2015 is as follows:-

Sr. No.	**Name**	**Date of Appointment**	**Date of Regular Joining**	**Date of Retirement**	**Date of Retirement with Extension After 30.10.2015**
1	Madan Lal Dheer	26.06.1982	01.06.1992	30.09.2018	31.03.2020
2	Sudarshan Kumar Sharma	20.05.1980	11.11.1981	31.03.2015	31.03.2017
3	Hari Chand	21.06.1983	01.06.1992	31.03.2019	30.03.2020
4	Ashwani Handa	01.09.1980	05.03.1986	30.04.2019	30.04.2020
5	Ram Ditta	Sep, 1981	05.03.1986	30.04.2014	30.04.2016

Also, in the judgment rendered by this Court in ***Ram Lal Jindal (supra)***, the following was observed:-

> *"........4. The question which arises for determination in the present petitions is whether, the employees who were granted extension in service are entitled for the encashment of total unutilized leave pending in the kitty at the time of suprennuation or, the same is also to be restricted to the maximum of 300 days.*
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> *5. Before proceedings further, the rule according to which the leave encashment is admissible needs to be noticed.*

Rule 8.21 of the Punjab Civil Services Rules Volume 1 part 1, is as under:-

*"**8.21. (a)** Leave at the credit of a Government employee in his leave account shall lapse on the date of his retirement:*

***Provided** that the Government employee, –*

(A) retiring on superannuation; or

(B) retiring prematurely, voluntarily or on invalidation; or

(C) retiring compulsorily as a measure of punishment and in whose case cut in the amount of pension has not been ordered by the competent authority;

shall, subject to the provisions of sub-rule (c), be entitled to cash payment in lieu of the un-utilised earned leave due as leave preparatory to retirement

as under :–

(i) the cash payment shall be equivalent to leave salary limited to a

maximum of 300 days" earned leave;

(ii) the cash payment shall become payable on retirement in the above cases in lump sum as a one-time settlement;

*(iii) the leave salary for the purpose of this rule shall not include city compensatory allowance or house-rent allowance; **and***

(iv) no deduction on account of pension and pensionary benefit equivalent to other retirement benefits shall be made from the cash thus paid."

***(aa)** Notwithstanding anything contained in sub-rule (a), the authority competent to grant leave may withhold whole or part of cash equivalent of earned leave in the case of Government employee, who retires from service on superannuation while under suspension or while disciplinary or criminal proceedings are pending against him, if in the opinion of such authority, there is a possibility of some money becoming recoverable from him on conclusion of the proceedings against him and on* *conclusion of the proceedings, he shall become eligible to the amount so withheld after adjustment of Government dues, if any.*

(b) *In case of a Government employee, who is granted extension in Service, on the completion of his extended period of Service, shall be entitled to draw cash equivalent to (Leave encash able under sub-rule (a) of this rule) on the date of his superannuation:*

Provided *that a Government employee, who continues in Service after his*
superannuation, shall earn leave at the rate applicable to him on the date of his superannuation:

Provided further *that if a Government employee, avails earned leave in excess of leave earned by him during the period of his extension, in that case the excess leave availed by him, shall be deducted from the (Leave encash able under sub-rule (a) of this rule) on the date of his superannuation."*

6. The said rule was amended vide amendment dated 30.10.2015, copy of which has been appended as Annexure P-4 and the said amendment is as under:-

"3.In the said rules, in rule 8.21,.

(i) for sub-rule(b), the following sub-rules shall be substituted, namely:-

" (b) In case of a Government employee, who is granted extension in Service, on the completion of his extended period of Service, shall be entitled to draw equivalent to un-utilized earned leave at his credit on the date of his superannuation:

Provided that Government employee, who continue in Service after his superannuation shall earn leave at the rate applicable to him on the date of his superannuation:

Provided further that if a Government employee, avails earned leave in excess of leave earned by him during the period of his extension, in that case the excess leave availed by him, shall be

deducted from the un-utilized leave at his credit on the date of his superannuation." and
(iii) sub-rule (d), except the Notes given thereunder, shall be omitted."

7. The petitioners are claiming total unutilized leave encashment as per the amendment dated 30.10.2015 to submit that after the amendment of Rule 8.21(b) of Punjab Civil Services Rules, the grant of encashment of leave qua the employees who were granted extension is not subject to the maximum limit of 300 days as envisaged under Rule 8.21 (a) hence, the petitioners are entitled for the grant of the benefit of total leave encashment without there being any restriction of 300 days as the petitioners retired from service when the notification dated 30.10.2015 was applicable.

8. While raising the said argument, the petitioners are ignoring the amendment dated 10.07.2017. The said amendment to Rule 8.21 (b) has been made with retrospective effect i.e. from 30.10.2015 which is reproduced as under:-

"1. (1) These rules may be called the Punjab Civil Services (Amendment), Rules, Volume-1, Part-1, 2017.
(2) They shall be deemed to have come into force on and with effect from the 30th October, 2015.
2. In the Punjab Civil Services Rules Volume-1, Part-1, in rule 8.21, in sub-rule (b),-
(i) for the words "un-utilized earned leave at his credit", the words "leave encashable under sub-rule (a) of this rule" shall be substituted ; and
(ii) in the second proviso, for the words "un-utilized leave at his credit", the words "leave encashable under sub-rule (a) of this rule" shall be substituted."

9. A bare perusal of the above amendment shows that the amendment done to Rule 8.21(b) vide notification dated 30.10.2015, has already been done away with and that too from the same date i.e. 30.10.2015 while passing the amendment dated

10.07.2017 qua Rule 8.21 (b) of the Punjab Civil Services Rules Volume 1 part 1.

10. Learned counsel for the petitioners concedes that as per the amendment dated 10.07.2017 to Rule 8.21 (b), the same is subject to the maximum of 300 days as envisaged under Rule 8.21 (a). That being so, the prayer of the petitioners as raised in the present petitions, which were filed after the amendment dated 10.07.2017 are liable to be dismissed.

11. Further, an argument has been raised by the learned counsel for the petitioners that any employee who has retired prior to the amendment dated 10.07.2017, but after 31.10.2015 is to be governed by the notification dated 30.10.2015 and will be entitled for encashment of total unutilized leave pending in the kitty of the such employee.

12. It may be noticed that once the amendment dated 30.10.2015 to Rule 8.21 (b) has already been taken away w.e.f. the same date keeping in view the amendment dated 10.07.2017, by a legal fiction, the Rule 8.21 (b) is to be read as per the amendment dated 10.07.2017 only. Once, the amendment has been made applicable retrospectively w.e.f. 30.10.2015 and the said amendment is not under challenge, the petitioners, who retired between 31.10.2015 till 10.07.2017 cannot claim that the notification dated 10.07.2017 cannot be made applicable upon them as the operation of the amendment dated 10.07.2017 retrospectively takes away the such arguments. Hence, for all intents and purposes, the amendment dated 30.10.2015 to Rule 8.21 (b) is to be treated as non-existent so as to grant any benefit to any employee qua the encashment of the unutilized leave.

13. Further, it has been brought to the notice of this Court that certain employees retired after the amendment dated 10.07.2017 and on the date when they retired, the said amendment was even otherwise enforceable which takes away their claim so as to apply Rule 8.21 (b) as amended on 30.10.2015.

14. Keeping in view the totality of the facts and circumstances, the claim of the petitioners for the grant of total

> *unutilized leave pending in their kitty qua the employees who were granted extension in service and are governed by Rule 8.21 (b), based upon amendment to the rule dated 30.10.2015 cannot be accepted and the same is accordingly rejected."*

7. In view of the above discussion, no ground is made out for interference by this Court. Accordingly, the present writ petition is dismissed, as the petitioners have not challenged the vires of the applicable amendment.

8. Pending application(s), if any, shall also stand disposed of.

(HARPREET SINGH BRAR)
JUDGE

25.05.2026
parul verma

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