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W.P No. 30233 of 2015

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 02.02.2026

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THE HONOURABLE MR.JUSTICE HEMANT CHANDANGOUDAR

W.P No. 30233 of 2015

K.S.Chandrasekaran

..Petitioner

Vs

1.The Government of Tamil Nadu
Represented by its Secretary Industrial Department
Secretariat, Chennai.

2.The Managing Director
Tiruttani Co-operative Sugar Mills Ltd.,
Thiruvallangadu-631210

3.The Director of Sugar/Registrar of Cooperative Societies
For Cooperative Sugar Mills,
690, Anna Salai,
Periyar EVR Building,
2nd Floor, Nandanam,
Chennai-600035.

..Respondents

Writ Petition is filed under Article 226 of Constitution of India, praying for issuance of a Writ of Certiorarified Mandamus, calling for the records in Revision Petition No. 11237/SL1/2015, dated 03.09.2015, on the file of the 3rd respondent and quash the same as illegal, incompetent and without jurisdiction and further direct the 2nd respondent to release the Earned Leave benefits of the petitioner.

For Petitioner : Mr. Mr. Sunny Sheer



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For M/s.V.Srimathi

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For Respondents : Mr.P. Kumaresan, AAG

Assisted by

Mr.P.Ganesan, GA

ORDER

The petitioner seeks issuance of a writ of certiorarified mandamus to quash the order dated 03.09.2015 passed by the third respondent and to consequently direct the second respondent to release the Earned Leave benefits due to the petitioner.

2. The petitioner was appointed as Cane Development Officer in the Cooperative Sugar Mills at Cheyyar in the year 1995 and completed ten years of service. In the said circumstances, the Government took a policy decision to abolish the Common Cadre System in the Cooperative Sugar Mills. Vide order dated 08.12.1997, the Common Cadre System was abolished, and all persons in the common cadre, including the petitioner, were directed to resign from their respective posts and undergo a fresh interview to join the posts earmarked for them. Pursuant thereto, the petitioner tendered his resignation and was extended all terminal benefits, including leave encashment for 235 days.



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3. After acceptance of his resignation, the petitioner was issued a fresh appointment order dated 22.04.2006 appointing him as Chief Cane Officer of Tiruttani Cooperative Sugar Mills Ltd., purely on a temporary basis and subject to the terms and conditions stipulated therein.

4. While serving as Chief Cane Officer, the petitioner retired from service on attaining the age of superannuation on 30.07.2014. Thereafter, he submitted a representation seeking encashment of Earned Leave accrued during his service as Chief Cane Officer at Tiruttani Cooperative Sugar Mills. The third respondent, vide order dated 03.09.2015, rejected the petitioner's claim. Aggrieved by the same, the present writ petition has been filed.

5. Mr. Sunny Sheen, learned counsel for the petitioner, submitted that pursuant to the fresh appointment order, the petitioner was eligible for different kinds of leave applicable to officers of similar cadre from time to time and was governed by the Special Bye-laws and Standing Orders relating to the service conditions of the employees of the Sugar Mills. As per the circular dated 26.08.1999 governing the service conditions of Sugar Mill employees, the petitioner is entitled to encash Earned Leave up to a maximum of 240 days. It was further contended that the decision relied upon by the learned Additional Advocate General for the respondents is not applicable to the facts of the



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present case, as the employee in that case had retired and was subsequently re-employed after superannuation.

6. Per contra, the learned Additional Advocate General appearing for the respondents submitted that after resignation, the petitioner was appointed as Chief Cane Officer purely on a temporary basis and therefore, there is no provision for encashment of leave upon such subsequent appointment. It was further contended that leave encashment to a maximum of 240 days is a one-time benefit and cannot be extended to a subsequent appointment, even if it is a fresh appointment. In support of the said contention, reliance was placed on the judgment of the Hon'ble Supreme Court in *State of Sikkim and Others v. Dr. Mool Raj Kotwal* [(2025) 10 SCC 584].

7. The submissions of the learned counsel appearing on either side and the materials placed on record have been carefully considered.

8. The petitioner was initially appointed as Cane Development Officer in the Cooperative Sugar Mills at Cheyyar in the year 1995 and completed ten years of service. Pursuant to the policy decision of the Government to abolish the Common Cadre System, the petitioner tendered his resignation, which was accepted, and he was extended all terminal benefits, including leave encashment



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for 235 days. Subsequently, the petitioner was issued a fresh appointment order dated 22.04.2006 appointing him as Chief Cane Officer at Tiruttani Cooperative Sugar Mills, subject to the terms and conditions stipulated therein.

9. As per the terms and conditions of the appointment order, the following are evident:

- (i) The petitioner was to retire on attaining the age of superannuation at 58 years.
- (ii) The petitioner was eligible for different kinds of leave applicable to officers of similar cadre from time to time.
- (iii) The petitioner was governed by the Special Bye-laws, Standing Orders, and service regulations applicable to the employees of the Mills, as amended from time to time.
- (iv) Upon abolition of the Common Cadre System, the Commissioner of Sugar Mills issued a circular dated 26.08.1999, superseding earlier guidelines relating to filling up vacancies and service conditions of erstwhile common cadre employees.



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(v) Clause 9.2 of the said circular deals with surrender of Earned Leave and stipulates that officers are eligible to surrender Earned Leave at the rate of 30 days once in two years or 15 days per year in lieu of cash, and at the time of retirement, they are entitled to encash a maximum of 240 days of Earned Leave at their credit.

9. In the present case, the petitioner had earlier encashed 235 days of Earned Leave. The service conditions stipulated in the circular dated 26.08.1999 continued to apply to the petitioner even upon his subsequent appointment as Chief Cane Officer. Therefore, as per the governing circular, the petitioner is entitled to encash Earned Leave up to a maximum of 240 days.

10. Leave encashment is ordinarily a one-time terminal benefit linked to a specific spell of service. Once an employee has retired or resigned and received leave encashment, the leave standing to his credit for that tenure is exhausted, and he cannot ordinarily claim leave encashment again upon a subsequent appointment.

11. A subsequent appointment is generally treated as a fresh engagement, and earned leave accrued under such fresh appointment cannot be encashed, as that would amount to a double benefit.



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12. However, an exception arises where the terms and conditions of the subsequent appointment, or the applicable rules or circulars, expressly provide for accrual and encashment of leave during the later tenure. In such cases, the entitlement flows from the new service conditions and not from the earlier service.

13. The decision relied upon by the learned Additional Advocate General is not applicable to the facts of the present case, as in that case the employee was re-employed in Government service and the terms and conditions of re-employment did not expressly provide for leave encashment.

14. In view of the foregoing discussion, this Court is of the considered view that the petitioner is entitled to leave encashment, as the circular governing the conditions of service specifically provides for the same. Denial of such a benefit is therefore arbitrary and discriminatory. Consequently, the impugned order passed by the third respondent is legally unsustainable.



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15. Accordingly, the following order is passed:

- (i) The writ petition is allowed.
- (ii) The impugned order dated 03.09.2015 passed by the third respondent is hereby set aside.
- (iii) The third respondent is directed to disburse the petitioner's Earned Leave benefits for 236 days within a period of six (6) weeks from the date of receipt of a copy of this order.
- (iv) In the event of failure to disburse the Earned Leave benefits within the stipulated period, the respondents shall pay interest at the rate of 6% per annum from the date of expiry of the six-week period till the date of actual payment.
- (v) There shall be no order as to costs.

02.02.2026

Index : Yes
Internet : Yes
Neutral Citation : Yes/No
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To

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Secretariat, Chennai.

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HEMANT CHANDANGOUDAR, J.

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