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IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 30-03-2026

CORAM

THE HON'BLE MR JUSTICE S. M. SUBRAMANIAM

AND

THE HON'BLE MR.JUSTICE K.KUMARESH BABU

WA No. 2363 of 2025

1. The Chairman Cum Managing Director
Tamil Nadu Generation and Electricity
Distribution Corporation Ltd., Tamil Nadu
Electricity Board, No.144, Anna Salai,
Chennai 600 002
2. The Superintending Engineer
TN Generation and Electricity Distribution
Corporation Ltd.,
Tamil Nadu Electricity Board,
Krishnagiri Electricity Distribution Circle,
Krishnagiri

..Appellant(s)

Vs

K.V. Natarajan

..Respondent(s)

Writ Appeal filed under Clause 15 of the Letters patent to set aside the Order dated 26.08.2022 made in WP.No. 4503 of 2018 and consequently dismiss the writ petition by upholding the order of rejection of the claim of the respondent to disburse the encashment of earned leave and encashment of unearned leave on private affairs made in the proceedings of the superintending engineer (O and M) Krishnagiri Electricity distribution circle in his office letter no.00600/36 Ni.Pi.2/U.2.Ko.K.V.Natarajan 2018 dated 08.02.2018 and thus render justice.

For Appellant(s):

Mr.K Rajkumar

Standing Counsel for TANGEDCO

For Respondent(s):

Mr.C.Prakasam



JUDGMENT

(Judgment of the Court was delivered by S.M.Subramaniam J.)

Under assail is the writ order dated 26.08.2022 passed in W.P. No. 4503 of 2018.

2. The Chairman-cum-Managing Director, TANGEDCO is the appellant preferred the present intra court appeal under Clause 15 of the Letters Patent mainly on the ground that 1st respondent is a dismissed employee, and therefore, not entitled to claim service benefits in view of the Services Rules in force. The respondent was dismissed from service based on the order of conviction passed by the Criminal Court of law. Thus, his past services are forfeited in view of Rule 21 of the Tamil Nadu Pension Rules, 1978 (For brevity, hereinafter referred to as 'Rules').

3. Beyond Rule 21, learned counsel for the appellant would rely on an earlier judgment of this Court in the case of **K.V.Natarajan Vs. The Chairman cum Managing Director, TANGEDCO** dated 26.08.2022, in W.P.No.4503 of 2018, wherein this Court considered the amendment made to the Fundamental Rules and Tamil Nadu Leave Rules, 1933, issued by the Government in G.O.Ms.No.100, Human Resources Management (FR.II) Department, dated 17.09.2022. In the said judgment, issues relating to entitlement of terminal benefits have been considered by this Court. In respect of earned leave, a dismissed employee is not entitled, since the entire services rendered by the dismissed employee forfeited in view of Rule 21 of



the Tamil Nadu Pension Rules, which reads as under,

“21. Forfeiture of service on dismissal or removal.-

Dismissal or removal of a Government servant from a service or post entails forfeiture of his past service.”

G.O.Ms.No.100, Human Resources Management (FR.II) Department,
dated 17.09.2022 is extracted here under:



ABSTRACT

Fundamental Rules and Tamil Nadu Leave Rules, 1933 – Encashment of leave benefits to the Government servants who were not allowed to retire from service but retained in service under rule 56(1)(c) of Fundamental Rules and who were dismissed / removed / resigned from service – Amendments to Fundamental Rules and Tamil Nadu Leave Rules, 1933 – Orders – Issued.

Human Resources Management (FR.II) Department

G.O.(Ms) No. 100 Dated : 07.09.2022
சுபகிருது, ஆவணி 22,
திருவள்ளூர் ஆண்டு 2053.

Read :

ORDER:

Rule 86(a)(i) of Fundamental Rules and rule 7(i) of Tamil Nadu Leave Rules, 1933 provide that the encashment benefits of earned leave and leave on private affairs at the credit of a Government Servant can be drawn and disbursed by the competent authority on the date of retirement or on the termination of extension of service as the case may be. Further, rule 21 of Tamil Nadu Pension Rules, 1978 clearly states that dismissal or removal of Government servant from a service or post entails forfeiture of his past service. Similarly, rule 23 of Tamil Nadu Pension Rules, 1978 clearly states that resignation from a service or post entails forfeiture of his past service.

2. The Government have reviewed the above provisions under the Fundamental Rules and the Tamil Nadu Leave Rules, 1933 in the light of the above provisions under the Tamil Nadu Pension Rules, 1978 and decided to make suitable amendments to the Fundamental Rules and the Tamil Nadu Leave Rules, 1933.

3. Accordingly, the following notification shall be published in the Tamil Nadu Government Gazette:-

NOTIFICATION.

In exercise of the powers conferred by the proviso to Article 309 read with Article 313 of the Constitution of India and of all other powers hereunto enabling, the Governor of Tamil Nadu hereby makes the following amendments to the Fundamental Rules:-

AMENDMENTS.

In the said Fundamental Rules,-

(1) after rule 52, the following rules shall be inserted, namely:-

“52-A. Forfeiture of service on dismissal or removal. – Dismissal or removal of a Government servant from service entails forfeiture of his past service.

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52-B. Forfeiture of service on resignation.- Resignation from a service or post entails forfeiture of past service;

Provided that a resignation shall not entail forfeiture of past service if it has been submitted to take up, with proper permission, another appointment, whether temporary or permanent, under the Government where service qualifies.;

(2) in rule 65, in ruling (5), for the expression "Article 418 (b) of the Madras Pension Code", the expression "the proviso to sub-rule (1) of rule 23 of the Tamil Nadu Pension Rules, 1978" shall be substituted;

(3) in rule 86, -

(a) the expressions "or on the date of termination of extension of service, as the case may be" and "or the date of termination of extension of service" wherever they occur, shall be omitted;

(b) in sub-rule (a),-

(i) after clause (ii), the following provisos shall be inserted, namely:-

"Provided that the Government servants who are dismissed or removed from service or who have resigned from service shall not be eligible for encashment of earned leave and leave on private affairs:

Provided further that the encashment of earned leave and leave on private affairs shall be deferred to the Government servants who are not permitted to retire from service on attaining the age of superannuation but retained in service under Fundamental Rule 56(1)(c), till the enquiry into the charge of misconduct or criminal misconduct is/are concluded and final order passed thereon by the competent authority. The said benefit of encashment of earned leave and leave on private affairs shall be drawn and disbursed to such Government servants after regulating their suspension period.;

(ii) under the Explanation, clause (i) shall be omitted;

(4) in Appendix - I, in Annexure - III, in the Tamil Nadu Leave Rules, 1933, -

(a) in rule 7, -

(i) the expression "or on the date of termination of extension of service, as the case may be" and "or the date of termination of extension of service" wherever they occur shall be omitted;

(ii) after clause (iii), the following provisos shall be inserted, namely:-

"Provided that the Government servants who are dismissed or removed from service or who have resigned from service shall not be eligible for encashment of earned leave and leave on private affairs:

Provided further that the encashment of earned leave and leave on private affairs shall be deferred to the Government servants who are not permitted to retire from service on attaining the age of superannuation but retained in service under Fundamental Rule 56(1) (c), till the enquiry into the charge of misconduct or criminal misconduct is / are concluded and final order passed thereon by the competent authority. The said benefit of encashment of earned leave and

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leave on private affairs shall be drawn and disbursed to such Government servants after regulating their suspension period,";

(iii) under the Explanation, clause (i) shall be omitted;

(b) in rule 8, in sub-rule (b),-

(i) in the third proviso, the expressions "or resign" and "or resignation, as the case may be" shall be omitted;

(ii) in the fourth proviso, the expression "is removed or dismissed from service or" occurring in two places and the expression "as the case may be" shall be omitted.

(BY ORDER OF THE GOVERNOR)

MYTHILI K. RAJENDRAN
SECRETARY TO GOVERNMENT

To

All Secretaries to Government, Chennai-600 009.

All Departments of Secretariat, Chennai-600 009.

All Heads of Departments / District Collectors /

District Judges / District Magistrates

The Secretary, Tamil Nadu Public Service Commission, Chennai- 600 003.

The Registrar General, High Court of Madras, Chennai- 600 104.

The Registrar General, High Court of Madras (Madurai Bench), Madurai.

The Accountant General (A&E), Chennai - 600 018.

The Pay & Accounts Office (North / East / South), Chennai - 1/8/35.

The Works Manager, Government Central Press,

Chennai - 600 079. (Two copies for publication in the

TamilNadu Government Gazette)

Copy to:

The Secretary-I to Hon'ble Chief Minister, Chennai - 600 009.

The Special Personal Assistant to the Hon'ble Minister
(Finance and Human Resources Management), Secretariat, Chennai - 600 009.

The Principal Private Secretary to the Chief Secretary to Government,
Chennai - 600 009.

The Principal Private Secretary to the Secretary to Government,
Human Resources Management Department, Chennai - 600 009.

All Officers / Sections in Human Resources Management Department,
Chennai - 600 009.

The Human Resources Management (AR-II) Department, Chennai - 600 009.
(to publish in the Government website www.tn.gov.in / intranet)

The Finance (Public / Pension) Department, Chennai - 600 009.

The Law (Scrutiny) Department, Chennai - 600 009.
Stock File /Spare Copy.

// FORWARDED BY ORDER//

V. V. J. 07/19/2022
SECTION OFFICER
8/1/22 07/19/2022

4.Learned counsel for the respondent would submit that a dismissed employee is eligible to receive his contribution, and the Writ Court has granted such relief.



5. Learned counsel for the appellant would submit that contributions made by the respondent had already been disbursed. Therefore, he cannot seek any further benefits.

6. This Court is of the considered view that the services of a dismissed employee stands forfeited in view of Rule 21. As far as earned leave benefits are concerned, amendment was made to the Fundamental Rules as stated above. Thus, respondent is eligible to receive the benefits available to a dismissed employee as per Rules, which had already been settled in the present case. That being the factum, further direction issued by the Writ Court is running counter to the provisions of the Pension Rules as well as the amended Fundamental Rules.

7. Consequently, the writ order dated 26.08.2022 made in WP.No. 4503 of 2018 is set aside and the writ appeal is allowed. No costs. Consequently, the connected miscellaneous petitions, if any, are closed.

(S.M.S.,J.) (K.B.,J.)
30-03-2026

Index: Yes/No
Speaking/Non-speaking order
Neutral Citation: Yes/No

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**S.M.SUBRAMANIAM, J.
AND
K.KUMARESH BABU, J.**

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