



W.P.(MD) No.16182 of 2026

WEB COPY BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED : 15.06.2026

CORAM:

THE HONOURABLE MR.JUSTICE MUMMINENI SUDHEER KUMAR

W.P.(MD) No.16182 of 2026

R.Gnanasekaran

... Petitioner

-VS-

The Management of
Tamilnadu State Transport
Corporation (Kumbakonam) Ltd.,
Trichy Region
rep.by its General Manager
Trichy

... Respondent

PRAYER: Petition filed under Article 226 of the Constitution of India, to issue a writ of mandamus directing the respondent to pay the petitioner amount towards the encashment of 68.5 days of earned leaves surrendered by him in the years before his retirement either based on his monthly wages of the respective months of surrender of those earned leaves, together with 18% interest p.a. from the respective due dates or based on the monthly wages payable on the month of his retirement, together with 18% interest from the date of his retirement, within a time frame as may be fixed by this Court.



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For Petitioner : Mr.S.Arunachalam
For Respondent : Mr.S.C.Herold Singh
Standing Counsel

ORDER

Mr.S.C.Herold, learned Standing Counsel, takes notice for the respondent – Transport Corporation.

2. With the consent of both sides, this writ petition is disposed of at the admission stage.

3. Heard the learned counsel for the petitioner and the learned Standing Counsel appearing for the respondent – Transport Corporation.

4. This writ petition has been filed for issuance of writ of mandamus directing the respondent to pay the petitioner amount towards the encashment of 68.5 days of earned leaves surrendered by him in the years before his retirement either based on his monthly wages of the respective



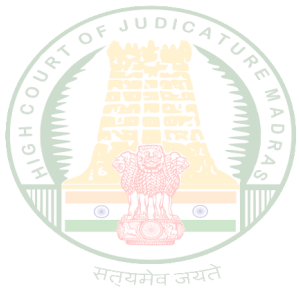
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months of surrender of those earned leaves, together with 18% interest p.a. from the respective due dates or based on the monthly wages payable on the month of his retirement, together with 18% interest from the date of his retirement, within a time frame as may be fixed by this Court.

5. The case of the petitioner is that in terms of the settlement arrived under Section 12(3) of the Industrial Disputes Act, 1947, the employees of the respondent Transport Corporation are entitled to surrender earned leave of 15 days in one year or 30 days in 2 years and the remaining 15 days, or 30 days as the case may be, can be accumulated as terminal earned leave upto maximum of 240 days.

6. The petitioner herein, who has retired from service, is allowed to encash 240 days of of earned leave. However, the petitioner claims that he has 85 days more earned leave available, which were earned by him. But, the petitioner was not allowed to encash the said earned Leave at the relevant point of time due to financial crisis being faced by the respondent Transport Corporation. Hence, he claims that he is entitled to encash the same, but the respondent Transport Corporation is not allowing him to encash it. Hence, the petitioner contends that he is entitled for encashment of the earned leave



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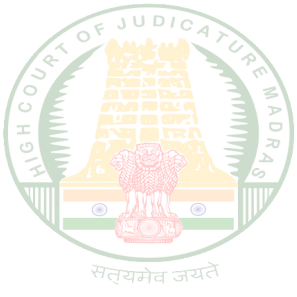
that is available to his credit and for payment of the same with interest at 18% per annum.

7. At the threshold, learned counsel for the petitioner has brought to the notice of this Court that the very same issue has fallen for consideration before this Court in W.P.(MD) No.2449 of 2018 and a Coordinate Bench of this Court by an order dated 02.04.2018 allowed an identical claim under identical fact situation. It is also further brought to the notice of this Court that the said Order of the learned Single Judge of this Court dated 02.04.2018 was also confirmed by the Honourable Division Bench of this Court in W.A.(MD)No. 210 of 2019 by Judgment dated 04.09.2019.

8. Learned Standing Counsel appearing for the respondent Transport Corporation also has not disputed about the said legal position.

9. In the light of the same, this Court does not find any reason to re-adjudicate the matter once again. In the order dated 02.04.2018 in W.P. (MD) No.2449 of 2018, at Paragraph Nos.11 to 14, this Court held as under:

"11. It is not in dispute that there was 12(3) settlement between the parties. According to such



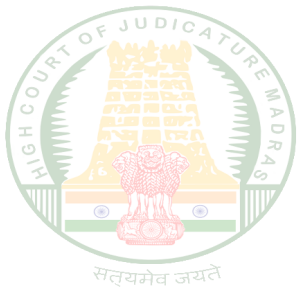
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settlement, employees would be entitled to surrender earned leave of 15 days in one year or 30 days in two years and the remaining 15 days or 30 days, as the case may be, shall be cumulatively accumulated as terminal earned leave benefit to the maximum of 240 days for the whole service.

12. As far as the petitioner's case is concerned, during his service, between 2011 and 2014, though he could have surrendered the earned leave of 15 days in a year as per 12(3) settlement, the same was not made possible because the practice was done away by the respondent Corporation, as they have admitted in the answer given to the query under RTI Act. That is the reason why the respondent Corporation in the recent circular dated 09.01.2017 has given the following option to the employee:

□பொருள்: 2011 முதல் 2014 வரையிலான ஆண்டு ஒன்றுக்கு 15 நாட்கள் ஈட்டிய விடுப்பை ஒப்படைப்பு செய்யலாம் என அனைத்து பணியாளர்களுக்கும் தெரிவிக்கப்படுகிறது. ஒவ்வொரு ஆண்டும் 15 நாட்கள் முழுமையாக ஒப்படைப்பு செய்ய முடியும் என்றும் (15 நாட்களுக்கு குறைவாக ஈட்டிய விடுப்பு ஒப்படைப்பு செய்ய இயலாது) மற்றும் ஒப்படைப்பு செய்த 15 நாட்கள் போக மீதி அந்த ஆண்டில் 30 நாட்கள் ஈட்டிய விடுப்பு கையிருப்பில் இருக்க வேண்டும். மேலும் விருப்புரிமை படிவத்தை ஒவ்வொரு ஆண்டுக்கும் தனித்தனியே பூர்த்தி செய்து கிளை மேலாளர்மூலம்



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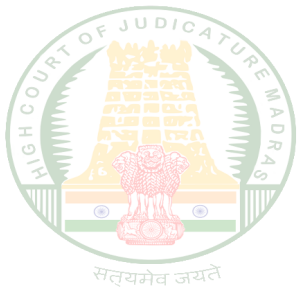


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சமர்ப்பிக்க வேண்டும் என தெரிவிக்கப்படுகிறது.□

13. If the present circular dated 09.01.2017 enabling the employees to surrender earned leave of 15 days per year for the original period between 2011 and 2014, certainly, such benefits should be extended to all such employees. Insofar as the present petitioner is concerned, the petitioner also could not surrender his earned leave between 2011 and 2014 and therefore, the petitioner would be entitled to make such a claim by virtue of the Circular. Moreover, when a similar issue has been raised, by similarly placed employees before this Court in the order cited supra in **A.Sundararajan v. The Tamil Nadu State Transport corporation (Kumbakonam Limited) and another**, the learned Judge, after having considered these issues, has allowed the said writ petition by making the following observations and findings, which are extracted hereunder for easy reference:

“4.Learned standing counsel appearing for the respondents would contend that it is not in dispute that the petitioners are entitled to earned leave surrender salary and it has to be ascertained as to whether they have made any claim for disbursement of the said salary in the respective years, as there is no reference either in the affidavit as well as in the typed set of papers with regard to the forwarding of any



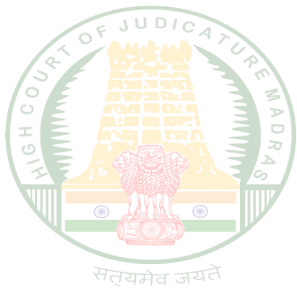
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better/ application, claiming the said amount. He has further submitted that it has to be ascertained as to whether the period for which leave salary is claimed in these writ petitions have been included in the final settlement of surrender leave salary of 240 days after their retirement. Moreover, the respondents/Corporation have been undergoing severe economical crisis, which is also one of the reasons for not releasing the amount.

5.The financial crisis cannot be the ground to deprive the benefit of earned leave surrender salary to the petitioners, especially, when the claim of earned leave surrender salary for 15 days per year or 30 days once in two years has been admitted in the settlement effected under Section 12(3) of the Industrial Disputes Act, 1947.

6.Therefore, the respondents are directed to consider the claim of the petitioners for payment of the earned leave surrender salary in respect of the years 2010-2014 and pay the eligible amount to the petitioners as per the commitment made by the respondents under section 12(3) settlement within a period of eight weeks from the date of receipt of a copy of this order.”



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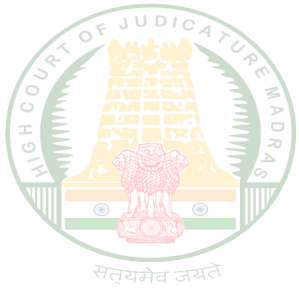


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14. Having considered the said judgment of this Court as well as the said Circular dated 09.01.2017, this Court is of the considered view that the petitioner shall also be eligible and entitled to surrender 15 days earned leave from the years 2011- 2014, where the petitioner was in service and if such surrender is made, certainly, he will be entitled to claim the encashment for the said earned leave surrender".

10. The above Order of the learned Single Judge was confirmed by the Honourable Division Bench of this Court in W.A.(MD) No.210 of 2019 *vide* Judgment dated 04.09.2019.

11. In the light of the above, the entitlement of the petitioner to encash the available earned leave to his credit cannot be denied. Further, as the petitioner is deprived of encashing the same at the relevant point of time, he is also entitled to receive the amounts due and payable on encashment with interest at the rate of 6% per annum.



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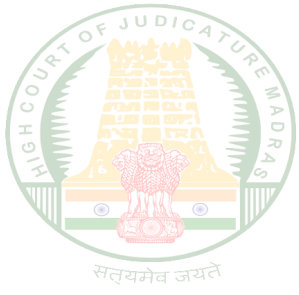
12. Accordingly, this writ petition is allowed directing the respondent Transport Corporation to permit the petitioner to encash the earned leave available to his credit and disburse the amount payable thereunder together with interest at the rate 6% per annum from the date of superannuation till the date of realization as expeditiously as possible, at any rate, within a period five months from the date of receipt of a copy of this order. No costs.

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NCC : Yes / No
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