



2026:CGHC:22134-DB

NAFR**HIGH COURT OF CHHATTISGARH AT BILASPUR****WA No. 358 of 2026**

Ram Prasad Nayak S/o Bhagbali Nayak Aged About 70 Years R/o Shanti Vihar
Colony Dangniya Raipur District- Raipur Chhattisgarh

... Appellant(s)**versus**

1 - State Of Chhattisgarh Through Secretary, Department Of Energy, Mantralay
Atal Nagar, Naya Raipur (Chhattisgarh), District Raipur, Chhattisgarh

2 - Chhattisgarh State Power Distribution Company Limited Through Managing
Director (Cspdcl) Dangniya Raipur, District Raipur Chhattisgarh., District
Raipur, Chhattisgarh

3 - Superintendent Engineer Chhattisgarh State Power Distribution Company
(Civil- Distribution), Cercal C-6, Gudiyari Raipur, District Raipur Chhattisgarh,
District Raipur, Chhattisgarh

... Respondent(s)

(Cause Title Taken from Case Information System)

For Appellants	:	Ms. Surya Kawalkar Dangi, Advocate.
For Respondent(s)	:	Mr. Prasun Kumar Bhaduri, Deputy Advocate
		General
For Respondent No. 2 and 3:	:	Mr. K.R.Nair, Advocate.

Hon'ble Shri Ramesh Sinha, Chief Justice**Hon'ble Shri Ravindra Kumar Agrawal, Judge**

Judgment on Board

Per Ramesh Sinha, Chief Justice

11/05/2026

- 1 Heard Ms. Surya Kawalkar Dangi, learned counsel for the appellant. Also heard Mr. Prasun Kumar Bhaduri, learned Deputy Advocate General for the State/respondent No. 1 as well as Mr. K.R.Nair, learned counsel for the respondent No. 2 and 3.
- 2 By this appeal under Section 2(1) of the Chhattisgarh High Court (Appeal to Division Bench) Act, 2006, the appellant/writ petitioner seeks to challenge the order dated 15.04.2025 passed by the learned Single Judge in WP(S) No. 1473/2021 as well as the order dated 26.02.2026 passed in Review Petition No. 191/2025 whereby the appellant has been denied the benefit of full back wages.
- 3 The appellant/writ petitioner, in this appeal, has prayed for the following relief(s):

“A. That, this Hon'ble Court may kindly be pleased to allow the present writ appeal.

B. That, this Hon'ble Court may kindly be pleased to set aside the judgment and order dated 26.02.2026 (Annexure A/2) passed in Review Petition No. 191 of 2025 as well as the judgment and order dated 15.04.2025 (Annexure A/1) passed in W.P.(S) No. 1473 of 2021.

C. That, this Hon'ble Court may kindly be pleased to grant the relief prayed by the appellant in W.P.(S) No. 1473 of 2021.

D. That, In the alternative, this Hon'ble Court may kindly be pleased to remand the matter to the competent authority for fresh consideration strictly in accordance with Fundamental Rule 54, after

affording due opportunity of hearing to the appellant and by passing a reasoned order within a time- bound period.

E. That, the Hon'ble Court be pleased to grant any other relief deem fit in the interest of justice.”

- 4 The facts, in brief, as projected by the appellant/writ petitioner are that the appellant was initially appointed in the Electricity Board on 01.06.1977 as Assistant Grade-1 (Civil). Thereafter, in due course, he was promoted to the post of Supervisor (Civil) in the year 1995 and was posted in the office of the Executive Engineer (Civil), M.P. State Electricity Board, Raipur. On the basis of a complaint allegedly made by one Manshukh Lal, an FIR bearing Crime No. 02/2004 came to be registered under Sections 7, 13(1)(d) and 13(2) of the Prevention of Corruption Act, 1988. On account of filing of charge-sheet in the said case, the appellant was placed under suspension by order dated 12.10.2007. The learned Special Judge (Prevention of Corruption Act), Raipur, vide judgment dated 11.12.2012, convicted the appellant. Against the judgment of conviction, the appellant preferred Criminal Appeal No. 1153 of 2012 before this Hon'ble Court. During pendency of the criminal appeal, the appellant attained the age of superannuation on 31.08.2018. This Hon'ble Court, vide judgment dated 08.05.2020 passed in Criminal Appeal No. 1153 of 2012, set aside the conviction and acquitted the appellant on merits and the appellant was given honorable acquittal.
- 5 Ms. Surya Kawalkar Dangi, learned counsel for the appellant submits that the acquittal of the appellant was not on technical ground, and on the contrary, the learned appellate Court had specifically recorded that there was nothing on record to say that the appellant demanded illegal gratification; that from the entire evidence on record it was not proved that the appellant demanded money from the complainant as illegal

gratification; that no demand made by the appellant was established; and that the factual matrix regarding demand or acceptance by the appellant was not proved. Thus, the acquittal amounted to full exoneration on merits. After acquittal, the appellant submitted representations claiming consequential service benefits. Thereupon, respondent No. 2 passed order dated 05.02.2021 (Annexure P/1) whereby the order of dismissal dated 01.04.2013 was withdrawn and the appellant was notionally reinstated/restored; however, for the period from 01.04.2013 till 31.08.2018, though continuity for certain limited purposes was recognized, actual back wages and monetary benefits were denied.

- 6 Ms. Dangi submits that the said order dated 05.02.2021 was challenged by the appellant in W.P.(S) No. 1473 of 2021. The case of the appellant in the writ petition was that once the dismissal was a direct consequence of conviction alone and the conviction stood obliterated on merits, the matter had to be governed by Fundamental Rule 54; that the appellant was entitled to full pay and allowances on account of full exoneration; and, at the very least, complete denial of pay without following the procedure prescribed under the rule was impermissible. However, the writ petition was dismissed by judgment dated 15.04.2025, principally by holding that Fundamental Rule 54-B would not apply and by relying upon decisions which do not deal with the Rule 54. Being aggrieved, the appellant preferred an appeal being Writ Appeal No. 418 of 2025. The said writ appeal was permitted to be withdrawn by the Hon'ble Division Bench vide order dated 30.06.2025 reserving liberty to the appellant to take recourse to law before the learned Single Judge. Thereafter the appellant preferred Review Petition No. 191 of 2025 specifically pointing out that the error that the appellant's claim was governed by the Fundamental Rule 54. The review petition further demonstrated that the

acquittal was honorable and on merits, that no departmental enquiry had ever been initiated, that the order dated 05.02.2021 had been passed without the hearing contemplated by proviso/procedure of Rule 54, and that the authorities as well as the learned Single Judge had failed to give effect to the mandatory consequences flowing from sub-rules (2), (3), (4) and (7) of Fundamental Rule 54. However, by the impugned order dated 26.02.2026, the review petition has been dismissed on the reasoning that no error apparent was made out and that even if Rule 54 were to apply, the appellant would still not be entitled to relief because the rule does not specifically mention criminal cases. The learned Single Judge further held that subsequent acquittal does not retrospectively wipe out the legal consequences of conviction for the purpose of back wages. The finding recorded by the learned Single Judge in paragraph 13, to the effect that entitlement to back-wages would arise only in a situation where disciplinary proceedings were initiated and such action was found to be unsustainable, is contrary to the statutory scheme governing the field in the State of Chhattisgarh. Once an employee, who was dismissed or removed solely on account of criminal conviction, stands acquitted by a competent court of law, the matter is not left to the discretion of the Department to initiate or not to initiate disciplinary proceedings; rather, the consequences are statutorily governed by Fundamental Rule 54, which mandates determination of pay and allowances for the intervening period upon reinstatement. The applicability of Fundamental Rule 54 is not contingent upon the holding of a departmental enquiry, nor does the Rule contemplate such a precondition. Therefore, importing a requirement of prior disciplinary proceedings as a condition precedent for grant of back-wages is legally unsustainable and *dehors* the governing service rules. The interpretation

adopted in the impugned order, if sustained, would lead to manifest arbitrariness, inasmuch as it would enable the employer to defeat the legitimate claim of an employee to back-wages merely by abstaining from initiating disciplinary proceedings. Such an interpretation would confer unguided discretion upon the Department and render the statutory protection under Fundamental Rule 54 illusory. The service jurisprudence does not permit the State to take advantage of its own inaction; rather, once the foundation of dismissal, namely the criminal conviction, is set aside, the employee is entitled to be placed in the same position as if the order of dismissal had not been passed, subject of course to the parameters under Fundamental Rule 54. Consequently, the reasoning that absence of disciplinary proceedings disentitles the appellant/writ petitioner from back-wages is *ex facie* arbitrary, contrary to the statutory mandate, and liable to be set aside. The reasoning that denial of back-wages can be justified merely on account of the fact that the employee had suffered a conviction, even where such conviction has subsequently been set aside by way of honourable acquittal, is fundamentally inconsistent with settled principles of service jurisprudence. It is submitted that the distinction between a mere acquittal on benefit of doubt and an honourable acquittal, where the employee is found to be completely innocent and falsely implicated, is a well-recognised and legally significant distinction. If, despite a clear finding of honourable acquittal, the employee is denied consequential benefits including back-wages, the very purpose of recognising such distinction stands obliterated, rendering the concept of honourable acquittal otiose in its application to service law. The approach adopted in the impugned order effectively penalizes the appellant for an act which he never committed, thereby violating the fundamental principle that no person should suffer

for no fault of his own. The employer cannot be permitted to retain the benefit of denying wages for the intervening period when the employee was kept out of service due to a conviction which has ultimately been set aside as unsustainable. Such a position would not only be inequitable but would also run contrary to the doctrine of restitution, which mandates that a person who has suffered on account of a wrongful action or an erroneous judicial outcome must, as far as possible, be restored to the position he would have occupied but for such action.

- 7 It is further submitted by Ms. Dangi that the review order records in para 3(iii) the decisions given by the coordinate Bench's wherein, interpreting Fundamental Rule 54 it has been consistently held that in cases of honourable acquittal, the employee is entitled to consequential benefits including full back-wages, and the said line of authority squarely governs the issue involved in the present case. In such circumstances, the learned Single Judge, exercising coordinate jurisdiction, was bound by the principle of judicial discipline to follow the earlier decisions or, in case of disagreement, to refer the matter to a Larger Bench for authoritative determination. The departure from binding coordinate Bench judgments, without recording reasons for reference to a Larger Bench, is contrary to settled principles of precedential discipline and renders the impugned finding legally unsustainable. Further, in para 20 the Court has given an opinion that alternative view is possible. The impugned order is contrary to the settled legal position established by the series of judgments, including ***Shankar Lal Soni vs. State of Chhattisgarh***, {2021 SCC OnLine Chh 2722} and ***Santosh Kumar Patnayak vs. State of Chhattisgarh***, {2024 SCC OnLine Chh 1296}, wherein it has been consistently held that upon honourable acquittal, an employee is entitled to full back-wages under FR 54 and the employer has no discretion in the

matter for the period from dismissal to reinstatement. Infact, the petitioner has not been paid even pension for the period of superannuation i.e. 01.09.2018 till 08.05.2020. The learned Single Judge has fallen in manifest error in law in holding, in substance, that Fundamental Rule 54 does not govern a case where dismissal is founded solely on conviction in a criminal case and the conviction is later set aside in appeal. Fundamental Rule 54 expressly applies when a government servant who has been dismissed, removed or compulsorily retired "is reinstated as a result of appeal or review or would have been so reinstated but for his retirement on superannuation". The rule is wide in its text and does include cases of reinstatement following acquittal after criminal appeal. The very contingency contemplated by the rule squarely covers the appellant, who would have been reinstated but for retirement on superannuation. Fundamental Rule 54 is a beneficial provision intended to reconstitute an employee who has been wronged. A hyper-technical interpretation as adopted in the impugned judgment, defeats the very purpose and object of the Rule. The rule mandates that in case of full exoneration, the period of absence "shall be treated as a period spent on duty for all purposes," which necessarily includes the payment of salary and allowances. It is settled law, as held by the Hon'ble Supreme Court in ***M. Gopalakrishna Naidu v. State of M.P.*** {1967 SCC OnLine SC 88}, that an order under FR 54 determining the pay and allowances for the period of absence entails civil consequences and cannot be passed without affording a reasonable opportunity of hearing to the concerned employee, which was admittedly not done in the present case. The learned Single Judge failed to appreciate that the reliance on the judgment of the Hon'ble Supreme Court in ***Ranchhodji Chaturji Thakore vs. Superintendent Engineer, Gujarat Electricity Board,***

(1996) 11 SCC 603 and Union of India vs. Jaipal Singh, {(2004) 1 SCC 121} was wholly misplaced. The Hon'ble Supreme Court itself, in the subsequent judgment of *Jaipur Vidyut Vitran Nigam Limited and Others vs. Nathu Ram*, {(2010) 1 SCC 428}, has categorically held that the principle laid down in *Ranchhodji* (supra) is not applicable to cases where no disciplinary proceeding was initiated and the termination of service was a direct consequence of conviction in a criminal case. The appellant's case falls squarely in the latter category.

- 8 On the other hand, Mr. Prasun Kumar Bhaduri, learned Deputy Advocate General appearing for the State/respondent No. 1 as well as Mr. K.R.Nair, learned counsel appearing for the respondents No. 2 and 3 support the impugned order passed by the learned Single Judge and submits that Rule 54-B of the Fundamental Rules would not be applicable in case of the appellant as the appellant was not placed under suspension rather he was dismissed from service in view of his conviction by the learned trial Court. Hence, the appeal filed by the appellant deserves to be dismissed.
- 9 We have heard learned counsel for the parties and perused the material available on record.
- 10 The principal contention raised on behalf of the appellant is that once the conviction stood set aside in appeal, the appellant became entitled to full back wages by operation of Fundamental Rule 54. However, we are unable to persuade ourselves to accept the said contention.
- 11 Admittedly, the appellant stood convicted by the competent criminal Court vide judgment dated 11.12.2012 for offences under the Prevention of Corruption Act, 1988. Consequent upon such conviction, the appellant was dismissed from service by the competent authority. Thus, on the

date when the order of dismissal came to be passed, the same was founded upon a valid and subsisting judgment of conviction rendered by a Court of competent jurisdiction. Merely because the appellant was subsequently acquitted in appeal, the same would not automatically obliterate the legal consequences which had already ensued on account of the conviction. The law in this regard is no longer *res integra*.

- 12** In *Ranchhodji Chaturji Thakore* (supra), the Hon'ble Supreme Court has categorically held that where an employee was dismissed from service on account of conviction in a criminal case, subsequent acquittal would not entitle such employee to claim back wages as a matter of right since the employee could not render service during the relevant period owing to his own involvement in the criminal prosecution. Similar view has been reiterated by the Hon'ble Supreme Court in *Jaipal Singh* (supra), wherein it has been held that acquittal in a criminal case does not automatically confer entitlement to salary for the period during which the employee remained out of service pursuant to dismissal based upon conviction. The learned Single Judge, while dismissing the writ petition as well as the review petition, has taken note of the aforesaid binding precedents and rightly held that Fundamental Rule 54-B would not apply in the facts of the present case, as the appellant was not reinstated upon revocation of suspension but had been dismissed from service consequent upon conviction by the criminal Court.
- 13** Even assuming that the acquittal was on merits, the same by itself would not create an indefeasible right to claim salary for the period during which the appellant had admittedly not discharged any duty. The relationship of employer and employee remained severed during the relevant period on account of a valid dismissal order founded upon conviction by the criminal Court. The principle of "no work no pay" would, therefore,

squarely apply in the present case. The judgments relied upon by the appellant are distinguishable on facts and do not advance the case of the appellant in view of the authoritative pronouncements of the Hon'ble Supreme Court referred to hereinabove.

- 14** Upon due consideration of the entire matter, we do not find any illegality, perversity or infirmity in the orders passed by the learned Single Judge warranting interference in exercise of appellate jurisdiction.
- 15** Accordingly, the writ appeal being devoid of merit deserves to be and is hereby **dismissed**. No order as to costs

Sd/-
(Ravindra Kumar Agrawal)
JUDGE

Sd/-
(Ramesh Sinha)
CHIEF JUSTICE