

2026 LiveLaw (SC) 508

IN THE SUPREME COURT OF INDIA

CIVIL APPELLATE JURISDICTION

AHSANUDDIN AMANULLAH; J., R. MAHADEVAN; J.

APRIL 30, 2026

CIVIL APPEAL NO. 6826 OF 2026 (@ SPECIAL LEAVE PETITION (CIVIL) NO. 21019 OF 2025)

C. POORNA CHANDRAN versus THE GOVERNMENT OF TAMIL NADU & ORS.

Service Law — Imposition of Cost on Government Servant — Scope of Liability — A government servant cannot be penalized or made personally liable for heavy costs for adhering to a validly operating Government Order (G.O.) at the relevant point of time - An official following executive instructions limiting recruitment to sanctioned posts acts in accordance with the law, and subsequent retrospective changes or quashing of such instructions by a court cannot fasten adverse liability on them. [Para 6]

Administrative Law — State Liability and Complete Justice — When the primary administrative action taken by an official is found to be lawful, technicalities cannot impede the Supreme Court from doing complete justice to protect the public exchequer - Even if the State fails to file an independent appeal against an adverse cost order, the Court can exercise its powers to set aside the cost imposed on the State, keeping in view its role as the custodian of public funds - The Supreme Court observed that a government servant cannot be expected to take a stand against the Government - Since the appellant merely followed the rule of law existing at that point in time, no adverse personal liability could be fastened onto him - exercising its power to do complete justice, the Supreme Court extended the benefit to the State of Tamil Nadu and set aside its share of the ₹25,00,000/- cost as well, noting that the State failed to actively defend its own officer despite the officer having acted strictly in accordance with the law. [Paras 8 – 10]

For Petitioner(s): Mr. S. Sriram, Sr. Adv. Mr. A. Karthik, AOR Mr. C. Vigneswaran, Adv. Ms. Smrithi Suresh, Adv. Mr. Sugam Agrawal, Adv. Ms. Veera Mahuli, Adv. Ms. Nanditha S, Adv. Mr. Saaketh Kasibhatla, Adv. Mr. Kartik Brundavan, Adv. Mr. Dharun Lakshman, Adv. Mr. Vinay Krishna Kodali, Adv.

For Respondent(s): Mr. Amit Anand Tiwari, Sr. A.A.G. Ms. Misha Rohatgi, AOR Mr. Nakul Mohta, Adv. Mr. Rohit K. Debnath, Adv. Ms. Devyani Gupta, Adv. Ms. Sommya Kashyap, Adv. Mr. C. Solomon, AOR

ORDER

Leave granted.

2. We have heard Mr. S.Sriram, learned Senior Counsel for the appellant, Mr. Amit Anand Tiwari, learned Sr. AAG for respondents no.1 to 3/State of Tamil Nadu and its functionaries. Despite respondent no.4 being duly served, there is nobody present on its behalf when the matter is taken up today.

3. The present appeal is directed against the order dated 23.04.2025 passed by the High Court of Judicature at Madras in Writ Appeal No. 1273/2025, by which the Court has imposed a total cost of Rs.50,00,000/- (Rupees Fifty Lakhs) on the State of Tamil Nadu, out of which Rs.25,00,000 (Rupees Twenty-Five Lakhs) was directed to be recovered from the appellant, who, at the relevant point of time was holding the post of Director of Collegiate Education, State of Tamil Nadu.

4. Learned Senior Counsel for the appellant submitted that at the relevant point of time, the appellant, in the capacity of Director of Collegiate Education had not approved for recruitment of the writ petitioner on the post of Group D posts in the background of there being a restriction imposed by the State Government. However, later, the State Government had permitted recruitment beyond the sanctioned posts and thereafter, appointments were made. When the writ petitioner approached the High Court, the High Court had directed for disbursal of salaries to them. After the order of the High Court, payments have been made to them. It was submitted that the Court had issued notice and the appellant was also present before the Court when the impugned order was passed and just because the appellant had not taken a stand or did not disclose with regard to the reason why he had not approved the writ petitioner from recruiting more persons on Group D posts as was required, when the Government itself had later approved after coming out with a fresh G.O. pursuant to an order of the High Court, which was held against the appellant and recovery of Rs.25,00,000/- (Rupees Twenty Five Lakhs) from him was directed. It was contended that the Court also felt that as the 12 employees were not paid salaries because of this controversy, they needed to be compensated. Learned Senior Counsel submitted that the appellant may have taken a different view in the matter, but what prevented him was the fact that only 11 posts were sanctioned and thus, he could not have granted approval for recruitment beyond 11 posts, which he did. It was submitted that the Government being sovereign, interfered in the said order by allowing/permitting further recruitment, which has been done. It was his contention that just because the Government had clarified its earlier position and granted approval for further recruitment for posts beyond 11, such interference would not make the appellant liable in any manner, much less, for personal cost to be imposed.

5. Learned Sr. AAG for the State submitted that he would support the contention of the appellant inasmuch as at his level, at the relevant point of time, what was done was in accordance with the law operating at that time, i.e., G.O.No. 219 dated 24.10.2013.

6. Having considered the matter in its entirety, we find substance in the contentions of learned Senior Counsel for the appellant. We are constrained to observe that the High Court should have been conscious of the fact that a government servant cannot be made to take a stand against the Government, that too, in the manner which is reflected in the impugned order. The facts itself show that there was a government G.O. at the relevant point of time in operation

and the appellant had followed the said G.O. and not permitted recruitment beyond a certain number, i.e., 11. However, the Government, later on interfered with that and granted sanction for recruitment beyond 11 posts of Group 'D' in view of the fact that subsequently, the G.O. on which the appellant had relied, had been quashed by the High Court. Another point which the High Court ought to have considered was that the approval by the Government was because of the subsequent quashing of the G.O., which was much after the order passed by the appellant. Thus, in our considered opinion, no adverse liability can be fastened on the appellant, much less of imposition of heavy cost of Rs.25,00,000/- (Rupees Twenty-Five Lakhs).

7. In view of the aforesaid, the appeal is allowed. The cost of Rs.25,00,000/- (Rupees Twenty-Five Lakhs) imposed on the appellant stands set aside.

8. At this juncture, learned Sr. AAG for the State of Tamil Nadu submits that the cost imposed on the State of Tamil Nadu of Rs.25,00,000/- (Rupees Twenty-Five Lakhs) be also interfered with. We are surprised as to why the State, who was the appellant before the High Court when the impugned order was passed, has chosen to remain silent and inactive despite an officer, who had acted as per law on the relevant day was not supported by the State Government by standing for him.

9. Be that as it may, this Court believes that once it is satisfied on a cause, technicalities should not come in the way of doing complete justice between the parties. As we have found that the reason for the approval given later by the State Government, was a later G.O. issued after the High Court quashed the G.O. on which the appellant had relied for not granting permission to recruit more than 11 persons on Group 'D' post and that was also a reason why payments were made late to the concerned, we find that the State is also entitled to the benefit. Accordingly, the imposition of cost of Rs.25,00,000/- (Rupees Twenty-Five Lakhs) on the State also stands set aside.

10. We hope that the learned Sr. AAG representing the State of Tamil Nadu would inform the State with regard to the responsibility the State has in the capacity of custodian of public exchequer, because ultimately payments would be from the public exchequer and public is absolutely innocent in the present matter.

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