

**RESERVED**

**CENTRAL ADMINISTRATIVE TRIBUNAL  
HYDERABAD BENCH**

**Original Application No.21/1263/2018**

**Hyderabad, this the 13<sup>th</sup> day of March, 2020**

***Hon'ble Mr. B.V. Sudhakar, Member (Admn.)***



Between:

1. K. Subrahmanyam Raju, S/o Late K. Janakirama Raju, Age 62 Yrs, EC No. 3506, Occ: retired ST-J, R/o Flat.No. 306, Raviteja Enclave, Mangapuram Colony, Moula Ali, Hyderabad 500040 TS.
2. G. Yadagiri, S/o Late G. Kashaiah, Age 63 Yrs, EC No. 3456, Occ: retired Tradesman-H, R/o H No. 6-2-906/4, Tummala Basthi, Khairatabad, Hyderabad 500004 TS
3. N. Brahmananda Sastry, S/o N. Nagabhushanam, Age 63 Yrs, EC No. 3189, Occ: retired ST-H, R/o H No. C2 -357, NFC Nagar, Ghatkesar, R.R Dist. 501301. TS
4. M. Sathyam, S/o Late Thirupataiah, Age 63 Yrs, EC No. 2939 Occ: retired Sr.Tech-H, R/o H No. C2 -304, NFC Nagar, Ghatkesar, Medchal ,Malkajgiri Dist. 501301. TS
5. V. Prabhakar Raju, S/o V. Bhoom Raju, Age 64 Yrs, EC No. 4187 Occ: retired Tech-G, R/o H No. EWS 37, APIIC Colony, Moula-Ali, Hyderabad 500040 TS
6. Guttula Satyanarayana, S/o Late G.Gopala Swamy, Age 70 Yrs, EC No. 2091 Occ: retired T-G, R/o H No.1-7-9/1,Kamalanagar,ECIL Post, Hyderabad 500062 TS
7. M. Satyanarayana Murthy, S/o Late M. Satyanarayana,

Age 69 Yrs, EC No. 3304 Occ: retired. Foreman B,  
 R/o Flat No.201, Rohit Enclave, Tirumalanagar Colony  
 Meerpet, Moula-Ali, Hyderabad 500040 TS

8. Modukuri Satyanarayana, S/o Late M. lakshmana Rao,  
 Age 70 Yrs, EC No. 1056 Occ: retired S.O-(SF),  
 R/o H No.1-6-19,Plot No. 32,Srirama Nagar,  
 ECIL Post, Hyderabad 500062 TS
9. B.M.S. Ashok Kumar, S/o Late B. Muthalyu Swamy,  
 Age 66 Yrs, EC No.2084 Occ: retired Sr Technician H,  
 R/o B1 -342,H. No. 14-27, NFC Nagar,  
 Ghatkesar, Medchal, Hyderabad 501301. TS
10. V. Niranjan Goud, S/O Voosha Goud,  
 Age 70 Yrs, EC No. 3683 Occ: retired T/B,  
 R/o H No. 301,Srihari Nilayam,Green Hills Colony  
 ,Opp. KG Depot, Malkajgiri, Hyderabad 500040 TS.
11. K. Nancharaiah,S/o K. Venkateswara Rao,  
 Age 71 Yrs, EC No. 2045 Occ: retired SO-E,  
 R/o H No. MIG 24, APHB Colony,  
 Moula Ali, Hyderabad 500040 TS.
12. S. Satyavathi, Widow of Late S.SatyaNarayana,  
 Age 58 Yrs, PPO No. 461511400851/2281,  
 Occ: retired T/H, R/o H No.13-181, NFC Nagar,  
 Ghatkesar, R.R Dist. 501301. TS
13. M. Bramachary,S/o M.Narasimhachary,  
 Age 63 Yrs, EC No. 4081 Occ: retired. Sr. Technician-H,  
 R/o H No.25-14-44/8,Plot No. 6,Lakshmi Nagar  
 Meerpet, Moula-Ali, Hyderabad 500040 TS
14. D. Krishna Hari, S/o D. Gowraiah,  
 Age 63 Yrs, EC No. 3592 Occ: retired. Sr. Technician-J,  
 R/o H No. EWS 142, APIIC Colony, Round Building,  
 Kushaiguda, Kamalanagar, ECIL Post, Hyderabad 500062 TS
15. C. G. David, S/o Late C.A.Gamatrel,  
 Age 64 Yrs, EC No. 3603 Occ: retired. Sr. Technician-H,  
 R/o H No. F-5/5, Gulmohar Garden,  
 Shakti Sai Nagar, Mallapur, Hyderabad 500076 TS



16. K. Satyanarayana,S/o K. Kistaiah,  
 Age 68 Yrs, EC No. 2012 Occ: retired. Sr. Technician-H,  
 R/o. H No. 66/C Class, Bansilalpet, Secundrabad, 500003 TS.

17. M. Nagaiah, S/o M. Yellaiah,  
 Age 68 Yrs, EC No. 0426 Occ: retired. Technician-G,  
 R/o H No. 5-118, Narasingi Village,  
 Post Golkonda , RR Dist. ,500075 TS.

18. Y. M. Jayaprakash,S/o Late y. Mallaiah,  
 Age 69 Yrs, EC No. 2840 Occ: retired. Sr. Technician-H,  
 R/o H No.18-13-9/40/1,Rajeev Gandhi Nagar  
 Bandlaguda, Chandrayangutta , Hyderabad 500005 TS

19. Y.R. Sekhara Rao, S/o Venkateswarlu,  
 Age 63 Yrs, EC No. 3224 Occ: retired. Sr. Technician-J,  
 R/o H No. F-201, Plot No. 55, Srinivasam Poojitha Enclave,  
 Rajeev Gandhi Nagar,Bachupally, Hyderabad 500090 TS

20. M. Prakash, S/o M Vittal,  
 Age 63 Yrs, EC No. 3862 Occ: retired. Sr. Technician-H,  
 R/o H No.1-11/111,Sri Vasavi Shiva Nagar,  
 Kushtaguda, ECIL Post, Hyderabad 500062 TS

21. P.Subbiah,S/o P.Pencharaiah,  
 Age 66 Yrs, EC No. 3083 Occ: retired. Sr. Technician-J,  
 R/o H No. C2 -299, NFC Nagar,  
 Ghatkesar,Medchal ,Hyderabad 501301. TS.

22. K. Satyanarayana, S/o K. Chittari  
 Age 64 Yrs, EC No. 3475 Occ: retired. Technician-D,  
 R/o H. No. 5-8-65, Bhagath Singh Nagar,  
 J.J. Nagar,Yapral, R.R. Dist, Hyderabad 500087. TS.

23. C. Jagannathan, S/o Late M. Chinna Thambi  
 Age 64 Yrs, EC No. 3848 Occ: retired. Technician-F,  
 R/o H. No. 11-35, Jai Jawahar Nagar, Yapral, Secundrabad 500087. TS.

24. A. D. Harry, S/o C. A. Dass,  
 Age 65 Yrs, EC No. 4467 Occ: retired. Technician-A,  
 R/o H. No. 3-14-4467, Terumalagiri, Secundrabad 500017. TS.

25. V.V Krishnam Raju,E.C No. 4376,  
 S/o V.Subbba Raju, Age 63, Occ:Retd Sr.Techinician H ,



R/o Plot No. 172, Tirumala nagar, Meerpeta,  
Moula-ali, Hyderabad-500040.

26. N.M. Chengalaiah, E.C No. 5731, S/o N.N. Munuswamy,  
Age 69 yrs, Occ:T/G, R/o H.No. 11-32 Old, 11-503 New,  
Annapurna Enclave, Near Kingsstone P.G College,  
Nagaram, Keesara M andal, MedchalDist, Telangana -500083



27. C Muthyalu, E.C No. 2059, S/o C.Raghupathi,  
Age 67 yrs, Occ: Retd Sr. T/H,  
R/o LIG 229, APHB Colony, Moula-ali Hyderabad-40.

28. T.Daya Shanker, E.C No. 1588,  
S/o T.Laxmaiah, Age 69 yrs, Occ: Retd. Foreman/C,  
R/o Plot no. 43/A, H.No. 5-14-44/1/C -143,  
Laxminagar, Moulali-Hyd-500040.

29. Madhuker Bhonsle, E.C No. 1969,  
S/o Late Govind Rao Bhonsle, Age 66 yrs,  
Occ: Retd. Sr. Techinician/H, R/o EWSH-182-APHSB Colony,  
Meerpeta-II phase, Moulaali, Hyd-500040.

.....Applicants

(By Advocate: Mrs.Anita Swain)

AND

1. The Union of India Rep by its secretary/Chairman,  
Department of Atomic Energy, Anushakti Bhavan,  
CSM Marg, Mumbai 400001.

2. The Chief executive, Nuclear Fuel Complex,  
Department of Atomic Energy,  
ECIL Po Hyderabad-500062,

3. The Secretary,  
Department of Personnel & Training,  
Government of India, New Delhi.

... Respondents

(By Advocate: Mr. V. Vinod Kumar, Sr. CGSC)

***ORDER***  
***{As per B.V. Sudhakar, Member (Admn.)}***



2. This OA is filed seeking re-fixation of pension and pensionary benefits after granting increment and DA due on 1<sup>st</sup> July, for having worked for a year and retiring on 30<sup>th</sup> June of the year of retirement.

3. The capsulated facts of the case with terse sufficiency, as narrated in this OA are that the applicants have superannuated on 30<sup>th</sup> June in different years from 2007 to 2016. The increment was due to be drawn on 1<sup>st</sup> July as per 6<sup>th</sup> CPC along with DA due but as they have retired on 30<sup>th</sup> June the same was not drawn which had a recurring adverse impact in regard to drawing Pension and Pensionary benefits since Pension is drawn as 50% of the last pay drawn or of average emoluments for a certain period, whichever is beneficial. Applicants cited FR 26(a), FR 56, pension rules, judgment of Hon'ble High Court of Madras and Hon'ble Apex Court in the matter to buttress their claim. Legal notice was issued to the respondents on 12.10.2018 and there being no response, this OA has been necessitated.

4. Grounds raised by the applicants are that after having rendered one year of service up to 30<sup>th</sup> June they are eligible for the due annual increment. Denying, for the reason of retiring a day before to 1<sup>st</sup> July is unfair since a legal right has accrued and only its execution was pending in respect of drawing of the increment. Increment can be denied as a penalty in any disciplinary action which is not the case in respect of the applicants. Rules vividly support their cause. Unfortunately 6<sup>th</sup> CPC did not visualise the scenario arising out of the retirement of employees on 30<sup>th</sup> June while

fixing a uniform date for drawing annual increment. Not drawing increment to the applicants but drawing to those who continued in service is discriminatory since both the groups complied with the same condition of rendering one year of service. Judgment dated 15.09.2017 of Hon'ble High Court of Judicature at Madras in the case of P. Ayyamperumal vs Union of India & Ors<sup>1</sup> in W.P 15732 of 2017 claiming identical relief has been allowed and the same, by virtue of dismissal on 23.07.2018 of SLP (C)<sup>2</sup> coupled with dismissal on 08-08-2019 of the related Review Petition<sup>3</sup> filed by the Central Government, attained finality. Once one set of employees is granted the benefit, it has to be extended to similarly situated employees as per consuetude and judicial pronouncement.

5. Respondents per contra state that the judgment of the Hon'ble High Court of Madras referred to was a judgment in *personam* and in fact, a response was accordingly given to the legal notice received. Moreover, applicants are not a party to the W.P. decided by the Hon'ble High Court of Madras. Further, drawal of increment arises only when an employee is on duty and not otherwise. Hon'ble Apex Court in **U.O.I v M.K. Sarkar**<sup>4</sup> has observed that a benefit wrongly extended to someone, cannot be cited as a precedent for claiming the benefit by others. Besides, applicants in the OA are differently placed, as they are covered by the merit promotion scheme as well as rationalisation of increment which are unique to the respondents organisation and hence, are ineligible for the relief sought. Indeed, O.M dated 24.08.1974 issued by the Ministry of Finance does not

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<sup>1</sup>in W.P 15732 of 2017

<sup>2</sup> SLP(Civil) No.22283 of 2018

<sup>3</sup>R.P. (C) 1731/2019

<sup>4</sup> (2010) 2 SCC 59



permit the drawal of increment sought and that even there are no orders from the DOPT, the nodal Ministry, on the subject to proceed further in the matter.

6. Heard both the counsel and perused the pleadings on record.



7)(I) At the very outset, we disapprove the contention of the respondents that the benefit afforded to the petitioner in the writ petition cited above was wrongly granted. It was in the wake of the judgment of the Hon'ble High Court after thorough rumination and taking into account an earlier decision of the same High Court, the Hon'ble Apex Court has declined to interfere with under Art. 136 of the Constitution of India.

II) The disapproval has the backing of the extensive observations of the Hon'ble Supreme Court as laid out here under:-

a) It is the cardinal principle of judicial discipline, as held by the Apex Court in the case of **S.I.Roopal vs Lt. Governor of Delhi**<sup>5</sup> that precedents are to be strictly adhered to. The Apex Court has categorically held therein as under:-

*“12. .... Precedents which enunciate rules of law form the foundation of administration of justice under our system. This is a fundamental principle which every presiding officer of a judicial forum ought to know, for consistency in interpretation of law alone can lead to public confidence in our judicial system. .... A subordinate court is bound by the enunciation of law made by the superior courts.”*

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<sup>5</sup> (2000) 1 SCC 644

Referring to another judgment in the case of **Tribhovandas Purshottamdas Thakkar v. Ratilal Motilal Patel**<sup>6</sup> the Apex Court has observed as under:-

*This Court in the case of **Tribhovandas Purshottamdas Thakkar v. Ratilal Motilal Patel** while dealing with a case in which a Judge of the High Court had failed to follow the earlier judgment of a larger Bench of the same Court observed thus:*



*The judgment of the Full Bench of the Gujarat High Court was binding upon Raju, J. If the learned Judge was of the view that the decision of Bhagwati, J., in **Pinjare Karimbhai case**<sup>7</sup> and of Macleod, C.J., in **Haridas case**<sup>8</sup> did not lay down the correct law or rule of practice, it was open to him to recommend to the Chief Justice that the question be considered by a larger Bench. Judicial decorum, propriety and discipline required that he should not ignore it. Our system of administration of justice aims at certainty in the law and that can be achieved only if Judges do not ignore decisions by courts of coordinate authority or of superior authority. Gajendragadkar, C.J., observed in **Bhagwan v. Ram Chand**<sup>9</sup> :*

*'It is hardly necessary to emphasise that considerations of judicial propriety and decorum require that if a learned Single Judge hearing a matter is inclined to take the view that the earlier decisions of the High Court, whether of a Division Bench or of a Single Judge, need to be reconsidered, he should not embark upon that inquiry sitting as a Single Judge, but should refer the matter to a Division Bench, or, in a proper case, place the relevant papers before the Chief Justice to enable him to constitute a larger Bench to examine the question. That is the proper and traditional way to deal with such matters and it is founded on healthy principles of judicial decorum and propriety.'*

When the above is the law laid down by the Apex Court, needless to mention that the judgment on identical subject in the case of **R. Ayyamperumal** (supra) cannot be overlooked by the Tribunal in view of its

<sup>6</sup> (1987) 4 SCC

<sup>7</sup> 1962(3) Guj LR 529

<sup>8</sup> *Haridas v. Ratansey*, AIR 1922 Bom 149(2)

<sup>9</sup> AIR 1965 SC 1767

binding nature. Therefore, respondents submission that a benefit wrongly extended cannot be cited as a precedent for claiming similar benefits to others by citing Hon'ble Supreme Court directions in U.O.I v M.K. Sarkar, is amusing to say the least. The very premise of the submission is on a shaky foundation since the Hon'ble Supreme Court, which shapes and sets the law of the land, has upheld the findings of the Hon'ble High Court of Madras and therefore, the benefit to be extended to the applicants by no stretch of imagination can be termed as wrongly extended. Hon'ble Supreme Court is supreme in the domain of law and therefore it was too risky an objection raised by the respondents. It is devoid of any legal substance and hence rejected with all the force which English language commands. The judgment of the Hon'ble Apex Court cited by the respondents is therefore not relevant to the issue on hand. The relief extended by the Hon'ble High Court of Madras on attaining finality is enforceable across the administrative spectrum of the Government of India.

III) The other objection akin to the above, taken by the respondents which requires to be responded to is that the Ayyamperumal judgment cited supra, is applicable only to parties who were before the Hon'ble High Court and that the applicants being non-parties to the judgment, it cannot be extended to them. The said objection flies in the face of well settled law that if a relief is extended to a set of employees then the same needs to be extended to similarly situated employees without forcing them to go over to the courts for an identical relief. It is not out of place to affirm that if the authorities discriminate amongst persons similarly situated, in matters of concessions and benefits, the same directly infringes the constitutional



provisions enshrined in Articles 14 and 16 of the Constitution of India. In fact, observations of the Hon'ble Supreme Court in the following cases would set at rest the doubts lingering in the minds of the respondents about the inevitability to extend the benefit of the judgment to the applicants.



***Amrit Lal Berry v. Collector of Central Excise,<sup>10</sup> :***

*“We may, however, observe that when a citizen aggrieved by the action of a Government Department has approached the Court and obtained a declaration of law in his favour, others, in like circumstances, should be able to rely on the sense of responsibility of the Department concerned and to expect that they will be given the benefit of this declaration without the need to take their grievances to Court.”*

***Inder Pal Yadav Vs. Union of India, 1985 (2) SCC 648:***

*“...those who could not come to the court need not be at a comparative disadvantage to those who rushed in here. If they are otherwise similarly situated, they are entitled to similar treatment if not by anyone else at the hands of this Court.”*

The V Central Pay Commission, as well, in its recommendation, in regard to extension of benefit of court judgment to similarly situated, observed as under:-

*“126.5 – Extending judicial decisions in matters of a general nature to all similarly placed employees. - We have observed that frequently, in cases of service litigation involving many similarly placed employees, the benefit of judgment is only extended to those employees who had agitated the matter before the Tribunal/Court. This generates a lot of needless litigation. It also runs contrary to the judgment given by the Full Bench of Central Administrative Tribunal, Bangalore in the case of C.S. Elias Ahmed and others v. UOI & others<sup>11</sup>, wherein it was held that the entire class of employees who are similarly situated are required to be given the benefit of the decision whether or not they were parties to the original writ. Incidentally, this principle has been upheld by the Supreme Court in this case as well as in numerous other judgments like G.C. Ghosh v. UOI<sup>12</sup>, dated 20-7-1998; K.I. Shepherd v. UOI<sup>13</sup>; Abid Hussain v. UOI<sup>14</sup> etc. Accordingly, we*

<sup>10</sup>(1975) 4 SCC 714

<sup>11</sup>O.A. No. 451 and 541 of 1991

<sup>12</sup>(1992) 19 ATC 94 (SC)

<sup>13</sup>(JT 1987 (3) SC 600)

*recommend that decisions taken in one specific case either by the judiciary or the Government should be applied to all other identical cases without forcing the other employees to approach the court of law for an identical remedy or relief. We clarify that this decision will apply only in cases where a principle or common issue of general nature applicable to a group or category of Government employees is concerned and not to matters relating to a specific grievance or anomaly of an individual employee.”*



Hence, law being candid in all its hues in regard to extending a judicial relief to similarly situated employees, there cannot be any iota of doubt in extending the relief of notional increment to the applicants as was granted by the Hon'ble High Court of Madras, referred to paras cited supra.

IV) Reverting to the subject proper, the dispute relates to drawal of annual increment due to be drawn on completion of one year of service in respect of employees retiring on 30<sup>th</sup> June pursuant to the recommendations of the 6<sup>th</sup> / 7<sup>th</sup> CPC. The governing provision for drawal of increment is FR 26, which reads as under:

*Sub-rule (a) runs as follows:-*

*(i) All duty in a post on a time-scale counts for increments in that time-scale:*

*Provided that, for the purpose of arriving at the date of the next increment in that time-scale, the total of all such periods as do not count for increment in that time-scale, shall be added to the normal date of increment.*

*Sub-Rule (b) prescribes that*

*(ii) in case of Extra-Ordinary Leave, taken otherwise than on medical certificate, the period will not count for purposes of increments.*

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<sup>14</sup>JT 1987 (1) SC 147,

The key words are that “all duty in a post on a time- scale of pay counts” for drawal of increment. There is no dispute in regard to all duty performed by the applicants for an year to be eligible for drawing the increment nor were their increments postponed to a future date due to availing of extraordinary leave or unauthorised absence or a penalty befalling them.



The rule does not specify that the applicant has to be on duty to be eligible for drawing the increment but only speaks of “all duty in a post” is to be reckoned. The contention of the respondents that applicants have to be on duty to draw increment, taking support of the Dept. of Expenditure OM dated 24.08.1974 wherein it was actually stated that an employee during leave draws leave salary only and not duty pay, is incongruent to the provisions of FR 26. Thus, such an inference is inapplicable to the applicants since they were not on leave to be ineligible for increment due to be drawn. Tribunal takes support of the Hon’ble Supreme Court observations in para 15 of the judgment in the case of **State of Sikkim v. Dorjee Tshering Bhutia**,<sup>15</sup> wherein, the Apex Court has held as under:-

*“It is well settled law that any order, instruction, direction or notification issued in exercise of the executive power of the State which is contrary to any statutory provisions is without jurisdiction and is a nullity.”*

The action of the respondents in rejecting the drawl of increment on 1<sup>st</sup> July is against the statutory Fundamental Rule referred to. Denial was for having adorned the tag of a pensioner on 1<sup>st</sup> July though they have rendered one year service required to be eligible for the annual increment to be drawn. The rejection of the request of the applicants, therefore, goes against the very grain of the judgment cited.

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<sup>15</sup>AIR 1991 SC 2148,



V). Delving further into the subject, an increment is a raise in salary as a certain percentage of the basic pay the periodicity of which is as provided for in the rules governing the services of an employee. It is in the form of an incentive and in recognition of the contributions of the employees to the Organisation they serve. A simple pay raise, whatever be the rate of increase, can boost morale, increase employee satisfaction and encourage hard work. Rise, it is paramount to note, is related to performance. However, for administrative and accounting convenience, Govt. has decided that the awarding of increment will be on an annual basis and crystallizes for payment at the end of the year without any pro-rata increment for a period less than completion of one year. The yearly time interval is presumed to be reasonable to assess the performance of an employee. In the case of the applicants, no doubts were cast in regard to their performance and in such a scenario if the grant of annual increment were to be split into 12 parts with each one granted on the 1<sup>st</sup> of the subsequent month, they would not have been any occasion for the applicants to be before the Tribunal, at least for the 11/12<sup>th</sup> portion of the annual increment under dispute. Hence, there could be no offence attributed, if stated that the convenience of the respondents organisation cannot be a bane to its men and that too, for not being found fault with.

VI). True to speak, the issue per se, has cropped up with the recommendation of the 6<sup>th</sup> CPC wherein it was decided to fix a uniform date for drawal of increment on 1<sup>st</sup> of July/January and later restricted to 1<sup>st</sup> July in 7<sup>th</sup> CPC, in order to avoid the rigmarole of granting increments

throughout the year to employees depending on the date of joining the service. However, this has given rise to the issue of non grant of increment to those who retire on 30<sup>th</sup> June since they have become pensioners on 1<sup>st</sup> July resulting in applicants being docked. A enviable answer to the mind racking question is found in Rule 10 of the CCS (Revised Pay) Rules 2008 wherein it was stipulated as under:



*There will be a uniform date of annual increment viz. 1<sup>st</sup> July of every year. Employees completing 6 months and above in the revised pay structure as on 1<sup>st</sup> of July will be eligible to be granted the increment.*

The applicants retirement has been dated as 30<sup>th</sup> June in the years 2007 to 2018 and applying Rule 10 read with FR 26 (a) cited supra, they are entitled for the increment as they have completed more than 6 months unblemished service in the revised pay structure. Even the Revised Rules framed in 2016 consequent to the implementation of 7<sup>th</sup> CPC do not prohibit release of the increment in question. Rules, if not adhered to by the respondents, then who would, will be a serious question to be introspected by the concerned in the respondents organisation. In regard to rules Hon'ble Apex has made it crystal clear that deviation from rules has to be snubbed and curbed, in an array of judgements, extracted below:

*The Hon'ble Supreme Court observation in **T.Kannan and ors vs S.K. Nayyar**<sup>16</sup> held that “Action in respect of matters covered by rules should be regulated by rules”. Again in **Seighal's case**<sup>17</sup> the Hon'ble Supreme Court has stated that “Wanton or deliberate deviation in implementation of rules should be curbed and snubbed.” In yet another judgment<sup>18</sup> the Hon'ble Apex court held “the court cannot de hors rules”*

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<sup>16</sup>(1991) 1 SCC 544

<sup>17</sup>(1992) (1) supp 1 SCC 304

<sup>18</sup>(2007) 7 SCJ 353

In view of the above respondents cannot afford to ignore the rule cited supra.

VII) One another point of view which favours the applicants is that a right, to be granted the increment, has been vested in the applicants as per rules referred to, since they have served for 12 months without any remark whatsoever. In fact had the date of uniform increment as 1<sup>st</sup> July was not stipulated, majority of the employees would not have been placed in this piquant situation. The view point of the 6<sup>th</sup> CPC to bring in rationalisation of grant of increment is a welcome measure but in the same vein the genuine grievance of the applicants has to be redressed in implementing a measure of intrinsic administrative importance. Applicants are not at fault for the shift of the increment to a single date. There are provisions under FRSR 26 to defer the increment when an employee is on extra ordinary leave for the purpose of study or training and if this be so, under the same analogy the applicants who have been otherwise eligible for annual increment can be considered for the increment on the 1<sup>st</sup> day of retirement as a deferred increment. Rules are to be uniform and should not be discriminative in nature. When employees who are not on duty due to extraordinary leave but granted deferred increment, it does not stand to reason as to why the eligible increment of employees transformed into pensioners, like the applicants who obviously could not be on duty on the 1<sup>st</sup> day of retirement which is the increment date, should not be drawn on advancing the drawal by a day which is the last working day in service.

VIII) Going further, it is clearly discernable that the employees who have served for 12 months are granted the annual increment for the reason that



they continue in service but the applicants who have also rendered 12 months service are denied a similar benefit since on the due date of increment their designation changed over to a pensioner for being born in June due to quirk of fate. The important point to note is the rendering of 12 months of service. Increment is granted for satisfactory service rendered and not for the service that is going to be rendered. In other words, it is the past, and not the future in respect of service rendered which is critical to be rendered for being granted the annual increment. In this regard, both serving employees and the applicants have served the same period of 12 months to earn the annual increment due, excepting for the later taking the avatar of a pensioner on the due date of increment in respect of the aspect under adjudication. Therefore, granting increment to the serving employees and not to the applicants with the same standing of serving for 12 months without blemish, is no more than hostile discrimination impermissible under law and is evidently violative of Article 14 of the Constitution of India. Extrapolating the observation of the Hon'ble Apex Court in **Syed Khalid Rizvi Vs. Union of India** in 1993 Supp (3) SCC 575, wherein it was stated that unequals cannot be treated as equals offending Articles 14 and 16(1) of the Constitution of India, so too applicants/pensioners who are equals to the serving employees in regard to the completion of residency period of one year to earn the annual treatment, the applicants who are pensioners, cannot be treated as unequals for granting the legitimate annual increment due to them.

IX) Indeed, applicants have served the organization until the last day of their service and it is for the services rendered by them during the last one

year of their service the increment for that year has not been paid. Once an employee renders uninterrupted service for full one year, he stands to gain increment in terms of certain % of his pay. This is a statutory right vested with every government servant. Such a right cannot be denied save under due process of law and after affording an opportunity to the individual affected. Reply statement furnished by the respondents is devoid of any measures taken under law to deny the right accrued. Measures taken which have adverse civil consequences are to be based on a reasoned order, as observed by the Hon'ble Supreme Court as under:

(a) In Mohinder Singh Gill & Ors. v. The Chief Election Commissioner, New Delhi & Ors.<sup>19</sup>, Krishna Iyer, J. speaking for the Constitution Bench observed:

*"But what is a civil consequence, let us ask ourselves, by passing verbal booby-traps?" Civil consequences" undoubtedly cover infraction of not merely property or personal rights out of civil liberties, material deprivations and non-pecuniary damages. In its comprehensive connotation, everything that affects a citizen in his civil life inflicts a civil consequence."*

(b) Vice Chancellor, Banaras Hindu University Vs. Shrikant, reported in 2006 (11) SCC 42. In this case, the Hon'ble Apex court observed that

"An order issued by a statutory authority inviting civil or evil consequences on the citizen of India, must pass the test of reasonableness."

The reply statement is barren in regard to submission of issue of such an order. Besides, executive power can be used only to fill in the gaps but the instructions cannot and should not supplant the law, but only supplement the law as observed by Hon'ble Apex Court in J & K Public Service Commission v. Dr. Narinder Mohan, 1994 (2) SCC 630. The executive instruction of claiming that albeit applicants have completed one year of service required, yet denying the same stating that the applicants

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<sup>19</sup>(2007) 7 SCJ 353



were no more employees on 1<sup>st</sup> July, is to supplant the law instead of supplementing it by honouring the vested right accrued rather than decrying it with legally invalid reasons.

(X) In fact, if the date of uniform increment as 1<sup>st</sup> July was not stipulated, majority of the employees would not have been placed in a peppery situation as is agitated upon by the applicants before the Tribunal. The view point of the 6<sup>th</sup> CPC is to usher in rationalisation of grant of increment but not to deny eligible increment to those entitled. Applicants have no role in the shift of the increment and, therefore, denying them their due, goes against the legal tenets laid down by the Hon'ble Supreme Court as under:

(a) *A.K. Lakshmipathy v. Rai Saheb Pannalal H. Lahoti Charitable Trust*<sup>20</sup>

*“they cannot be allowed to take advantage of their own mistake and conveniently pass on the blame to the respondents.”*

(b) *Rekha Mukherjee v. Ashis Kumar Das*<sup>21</sup>:

*36. The respondents herein cannot take advantage of their own mistake.*

Mistake of the respondents is that the applicants though rendered one year unblemished service they were denied the eligible increment and justifying it by claiming that since applicants have become pensioners they are ineligible, does not go well with the above observations of the Hon'ble Apex Court.

XI) Setting forth a hyper technical argument that though the applicants have put in 12 months service, yet for not being on duty on 1<sup>st</sup> July, they are ineligible, is invalid since the very object of rationalising the grant of increment is defeated. The object was to rationalise and not deny a legitimate benefit, which is contrary to the doctrine of legitimate

<sup>20</sup>, (2010) 1 SCC 287

<sup>21</sup>, (2005) 3 SCC 427



expectations. Under the said doctrine, a procedural angularity and impropriety has crept in and therefore, requires correction. The administrative decision of denying the benefit sought can be firmly and authoritatively questioned based on grounds of illegality, irrationality & procedural impropriety as laid in **Union of India vs. Hindusthan Development Corporation**<sup>22</sup>. Applicants have exercised such a right in filing the present OA deprecating the decision of rejection, which for reasons discussed so far, warrants judicial interference.

(XII) It requires no reiteration that decisions of the respondents are to be in harmony with the constitutional provisions of Articles 14 & 16 and the laws of the land. Further, respondents decisions invariably are not to be directed towards unauthorised ends of rejecting an acceptable request, but ought to be in tandem with the purpose of bringing forth of a uniform date of granting increment in consonance with the legal principle laid by the Hon'ble Supreme Court. In ***1974 (3) SCR 121:: 1974 AIR 497, Murthy Match Works vs. Collector, Central Excise***, Hon'ble Supreme Court held as under:

*“The legislative project and purpose turn not on niceties of little verbalism but on the actualities or rugged realism and so, the construction of ... must be illumined by the goal, though guided by the word.”*

(XIII) In addition, when an interpretation of the objective of the 6<sup>th</sup> / 7<sup>th</sup> CPC to fix a uniform date for grant of increment is to be made, it has to be necessarily broad based so that the purported object is not defeated. In the instant case, there are two interpretations, one of which is pedantic denying increment on 1<sup>st</sup> July, though eligible but for becoming a pensioner



<sup>22</sup>[(1993) 3 SCC 499]

and the other is broader one supported by rules calling for grant of increment based on the one year service rendered to earn the same.

Ignoring the broader and purposive interpretation, sure enough, was never the intent of the 6<sup>th</sup>/ 7<sup>th</sup> CPC recommendation in going in for a uniform date of grant of annual increment, subject to, of course, fulfilling other conditions to earn the increment other than fulfilling the proviso of rendering one year of service. Adopting the broader interpretation is the choice, which the respondents should have chosen in regard to the dispute on hand, as has been expressly made explicit in Nokes v. Doncaster Amalgamated Collieries<sup>23</sup> as under:

*“If the choice is between two interpretations, the narrower of which would fail to achieve the manifest purpose of the legislation, we should avoid a construction which would reduce the legislation to futility and should rather accept the broader construction based on the view that Parliament would legislate only for the purpose of bringing about an effective result.”*

Respondents have attempted a narrow interpretation rather than a broader one in allowing the increment on a uniform date as recommended by 6<sup>th</sup> / 7<sup>th</sup> CPC. Such an interpretation is thus unsound in view of the aforesaid legal principle expounded.

XIV) In fact, the principles of interpretation permit a court to remove the mischief in interpreting the intent of a rule or a legislative enactment. The principle referred to is as under:

*The main aim of the mischief rule of interpretation, is to determine the "mischief and defect" that the statute in question has set out to*

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<sup>23</sup>(1940) AC 1014

*remedy, and pronounce the ruling that would "suppress the mischief by advancing an appropriate remedy".*

Tribunal, taking support of the above legal axiom spoken of, is exercising the power to remove the mischief in denying the increment legally due to the applicants and advance the remedy of granting it.



XV) Further, substantive aspect of an issue requires profound consideration rather than the procedural aspects associated with it.

In **Bihar State Electricity Board vs. Bhowra Kankaneel Collieries Ltd.**<sup>24</sup>, the Hon'ble Supreme Court opined as under:

*"Substantive justice must always prevail over procedural or technical justice."*

The substantive aspect of the issue on hand is to grant the increment to the applicants for being eligible as per rules and the procedural aspect was the convenience of having a uniform date as 1<sup>st</sup> July of a year to grant increment. The procedural convenience of grant of the due increment on 1<sup>st</sup> July can thus be no ground to refuse the increment earned by the applicants by toiling for a year without any adverse remarks and that too after being found eligible to be granted under relevant rules, which is substantive side of the coin conveniently uncared for by the respondents. Hence, respondents decision of rejection would not get through the filter of the legal principle laid by the Hon'ble Apex Court cited supra.

XVI) Even more, grant of increment on rendering 12 months service is a service condition. Any change in the same cannot be made without putting those adversely effected on notice, as per Principles of Natural Justice.

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<sup>24</sup>1984 Supp SCC 597,

Such an attempt, if made, would have enabled the respondents to work out remedies within the ambit of rules and law. Alas it was not to be and hence the dispute. Applicants, with diminished resources in all respects, and lacking bargaining power to enforce their legal rights, is all the more reason for the respondents who are model employers and be role models for others, to go into the gentility of the claim and resolve it, rather than forcing the applicants, who are in the evening of their lives with little strength and debilitated finances, to approach the Tribunal. Role of a model employer as highlighted by Hon'ble Supreme Court in **Bhupendra Nath Hazarika & Anr vs State Of Assam & Ors**<sup>25</sup>, as under, is the underlying theme which has to be adhered to by the respondents:

48. *Before parting with the case, we are compelled to reiterate the oft-stated principle that the State is a **model employer** and it is required to act fairly giving due regard and respect to the rules framed by it. But in the present case, the State has atrophied the rules. Hence, the need for hammering the concept.*

49. *Almost a quarter century back, this Court in Balram Gupta vs Union of India & Anr<sup>26</sup>. had observed thus:*

*“As a **model employer** the Government must conduct itself with high probity and candour with its employees.”*

50. *If the present factual matrix is tested on the anvil of the aforesaid principles, there can be no trace of doubt that both the States and the Corporations have conveniently ostracized the concept of “**model employer**”*

51. *In Secretary, State Of Karnataka And vs. Umadevi And Others<sup>27</sup> the Constitution Bench, while discussing the role of state in recruitment procedure, stated that if rules have been made under Article 309 of the Constitution, then the Government can make appointments only in accordance with the rules, for the State is meant to be a **model employer**.*

53. *We have stated the role of the State as a **model employer** with the fond hope that in future a deliberate disregard is not taken*

<sup>25</sup> Decided on 30 November, 2012 in CA Nos 8514-8515 of 2012

<sup>26</sup> [1987 (Supp) SCC 228]

<sup>27</sup> [(2006)4SCC1],

*recourse to and deviancy of such magnitude is not adopted to frustrate the claims of the employees. It should always be borne in mind that legitimate aspirations of the employees are not guillotined and a situation is not created where hopes end in despair. Hope for everyone is gloriously precious and a **model employer** should not convert it to be deceitful and treacherous by playing a game of chess with their seniority. A sense of calm sensibility and concerned sincerity should be reflected in every step. An atmosphere of trust has to prevail and when the employees are absolutely sure that their trust shall not be betrayed and they shall be treated with dignified fairness then only the concept of good governance can be concretized. We say no more.*



Dignified fairness, expected candour are missing in the decision of rejecting the request and in fact, the said rejection has guillotined the legitimate aspiration of the applicants to aspire for what is due to them.

XVII) Another interesting and pertinent aspect of relevance to the issue disputed is FR 56, which rules the roost, in respect of age of retirement by declaring that an employee superannuates on the last date of the month in which month he attains the age of the 60 years. The exception being, that if the date of birth is the 1<sup>st</sup> of the month, then the retirement date would be preponed to the last working day of the previous month. Interestingly, the rule carves an exception to shift the date of retirement to a day before. This gives the cue that in respect of applicants a similar exception can be made by preponing the date of increment to the last working day i.e. 30<sup>th</sup> June instead of 1<sup>st</sup> July. The pragmatism in advancing the retirement date, which is valid to the core, is woefully missing considering the applicative similarity of the facts of the case of the applicants for advancing the increment as an exception. However, neat logic that the applicants have become pensioners has been advanced to deny what has been asked for. It is the facts of life/situation which are more important in resolving a dispute

rather than relying on neat logic. Facts present a pragmatic option for implementing what has been aimed at, by applying the canons of law, as can be found in the landmark case of **Ridge Vs. Baldwin**<sup>28</sup>, as under:



*The legal choice depends not so much on neat logic but the facts of life -- a pragmatic proposition. Where the law invests an authority with power to affect the behaviour of others what consequence should be visited on abuse or wrong exercise of power is no abstract theory but experience of life and must be solved by practical considerations woven into legal principle. Verbal rubrics like illegal, void, mandatory, jurisdictional, are convenient cloaks but leave the ordinary man, like the petitioner here, puzzled about his remedy. Rubinstein poses the issue clearly:--*

*"How does the validity or nullity of the decision affect the rights and liabilities of the persons concerned? Can the persons affected by an illegal act ignore and disregard it with impunity? What are the remedies available to the aggrieved parties? When will the courts recognize a right to compensation for damage occasioned by an illegal act? All these questions revert to the one basic issue; has the act concerned ever had an existence or is it merely a nullity?*

*Voidable acts are those that can be invalidated in certain proceedings; these proceedings are especially formulated for the purpose of directly challenging such acts ..... On the other hand, when an act is not merely voidable but void, it is a nullity and can be disregarded and impeached in any proceedings, before any court or Tribunal and whenever. It is relied upon. In other words, it is subject to 'collateral attack'."*

*20. .... But we do hold that an order which is void may be directly and collaterally challenged in legal proceedings. ...."*

Rule 10 of Revised Pay Rules 2008, which were framed consequent to the 6<sup>th</sup> CPC recommendations, on being read with FR 26 (a) provides for grant of increment once an employee completes 6 months service in the revised pay structure. Therefore the pragmatic preposition was to take the norm of completion of 6 months and allow it on 1<sup>st</sup> July which was fixed for convenience. On application of the above legal principle, it is apparent that the right of earning the increment has been vested in the applicants and therefore denying the same is prone to collateral attack. Besides the rubric that the applicant has donned the role of a pensioner is a convenient cloak

<sup>28</sup> (1963) 2 All.E.R. 66

to deny the undeniable legitimate benefit of an annual increment, practical considerations woven into the legal principle of rejecting discrimination amongst the equals should have been the guiding principle to resolve a fair and just demand of the applicants. For having not done so by the respondents, applicants can do no more but be puzzled about the denial of the increment. The pronounced proposition that applicants are ineligible for having been transformed into pensioners albeit they served the period prescribed for grant of annual increment as per statutory provisions is liable to be termed as void. Hence the legal choice for the Tribunal is to depend on facts rather than on neat logic, attempted by the respondents. The facts are that the applicants are entitled for the benefit for the simple reason that they did what they were expected to do as per the rules, to claim what they should.

XVIII) A similar issue fell for consideration by the Madurai Bench of Hon'ble High Court of Madras in **S.Kandaswamy v The District Collector, Thuthukudi & anr<sup>29</sup>** and relief was granted by the Hon'ble Court following the verdict of the Hon'ble Andhra Pradesh High Court in **Union of India vs. R. Malakondaiah**, 2002 (4) ALT 500(DB), wherein it was held as under :

*“6. The facts that the emoluments of a Government Servant have to be taken as the basic pay, which he was receiving immediately before his retirement, is not at all in controversy. Similarly, the proposition that an increment accrues from the date following that on which it is earned is also not in dispute. Increment in pay is a condition of service. In a way, it is reward for the unblemished service rendered by an employee, which get transformed into a right. Once an employee renders the service for the period, which takes with it an increment, the same cannot be denied to him/her. It is not in dispute that both the respondents rendered unblemished service for one year before the respective dates of their retirements. The periodicity of increment in the service is one year. On*

<sup>29</sup>in W.P. (MD) No. 20658 of 2016



*account of rendering the unblemished service, they became entitled for increment in their emoluments.*



*7. The only ground on which the respondents are denied the increment is they were not in service to receive or to be paid the same. Strictly speaking, such a hyper technical plea cannot be accepted. As observed earlier, with the completion of the year's service, an employee becomes entitled for increment, which is otherwise not withheld. After completion of the one – year service, the right accrues and what remains thereafter is only its enforcement in the form of payment. Therefore, the benefit of the year-long service cannot be denied on the plea that the employee ceased to be in service on the day on which he was to have been paid the increment. There is no rule, which stipulates that an employee must continue in service for being extended the benefit for the service already rendered by him. “*

The verdict of the Hon'ble High Court of Madras in P. Ayyamperumal cases was challenged by way of filing the SLP (C) No.22008 of 2018 and review petition R.P .(C) 1731/2019 which were dismissed on 23.07.2018 & 08.08.2019 respectively. Hence the issue has attained finality. By telescoping the principle laid down to the case of the applicants, it is seen that they too have served for one year and for doing so the increment was due on 1<sup>st</sup> of July but by reason of superannuation they were not in service and that should not infringe the right accrued for earning the increment. Respondents have not cited any rule, which requires that the applicant must have to continue in service for extending the benefit already accrued. The grounds taken by the respondents that the executive instruction received from the Dept. of Expenditure on 24.08.1974 does not permit allowing the relief sought and that the DOPT has not issued any guidelines on the issue, would not hold good as the law on the subject has been firmly and well settled by the superior judicial forums as expounded above. Law prevails in the absence of executive instructions and as well as in their presence, if

they infringe legal principles. The legal principle detailed above is invariably applicable to the applicants for reasons illustrated and furthermore in accordance with the directions in the latter case of **Uttaranchal Forest Rangers' Assn (Direct Recruit) Vs. State of UP**<sup>30</sup>, wherein the Hon'ble Apex Court has referred to the decision in the case of **State of Karnataka Vs. C. Lalitha**,<sup>31</sup> as under:



*“29. Service jurisprudence evolved by this Court from time to time postulates that all persons similarly situated should be treated similarly. Only because one person has approached the court that would not mean that persons similarly situated should be treated differently.”*

Consequentially, based on the above, applicants have to be granted the same relief, as has been granted by the Hon'ble High Court of Madras supra, which attained finality consequent to dismissal of SLP and Review petition filed before the Hon'ble Apex Court challenging the verdict. The dispute having thus been resolved by superior judicial forums, the outcome thereof, has to be abided by in reverence to judicial discipline. Thus, there are two judgments, one in respect of **Sri S.Kandasamy** and the other in **P.Ayyamperumal** wherein the Hon'ble High Court of Madras has granted relief as is being sought by the applicants in the instant case. Nevertheless, at the cost of the repetition, it must be stated that the case of **P.Ayyamperumal** was tested in the highest forum i.e. Hon'ble Supreme Court and it was upheld leading to finality on the issue.

XIX) In addition, the Hon'ble High Court of Delhi in W.P (C) 10509/2019 in *Gopal Singh v U.O.I* has also granted a similar relief on 23.01.2020, as under:

<sup>30</sup>(2006) 10 SCC 346

<sup>31</sup>2006 (2) SCC 747



“8. More recently, this Court in its decision dated 13th January, 2020 in W.P.(C) 5539/2019 (*Arun Chhibber v. Union of India*) has discussed the judgment in P. Ayyamperumal at some length in the context of the prayer of an officer of the Central Reserve Police Force ('CRPF') who had retired on 30th June, 2007 for notional increment. The Court rejected the contention of the Respondents therein that the judgment in P. Ayyamperumal had to be treated as one that was *in personam* and not *in rem*. In relation to the Respondent's attempt to distinguish the applicability of the judgment in P. Ayyamperumal to CRPF personnel, the Court observed as under:-

“5. The Court finds that the only difference, if any, between P. Ayyamperumal (*supra*) and this case is that the former was an employee of the Central Government, whereas here the Petitioner superannuated from the CRPF. The Court, therefore, finds no reasons to deny the Petitioner same relief granted to Mr. P. Ayyamperumal by the Madras High Court. The similarity in the two cases is that here too, the Petitioner has completed one year of service, just one day prior to 1st July, 2007.”

9. The position here as regards CISF personnel can be no different and it was not, therefore, open to the Respondents to refuse to grant to the Petitioner notional increment merely because he superannuated a day earlier than the day fixed by the CPC for such benefit to accrue.

10. Accordingly, the impugned order dated 3rd May, 2019 is set aside. A direction is issued to the Respondents to grant notional increment to the Petitioner with effect from 1st July, 2019. The Petitioner's pension will consequentially be re-fixed. The appropriate orders will be issued and arrears of pension will be paid to the Petitioner within a period of 6 weeks, failing which the Respondents would be liable to simple interest at 6% per annum on the arrears of period of delay.”

Further, the Hon'ble Ernakulam Bench of this Tribunal in OA No. 180/1055/2018 and batch, vide order dt. 03.12.2019, extended the same relief as sought by the applicants by opining as under:

“9. We find that the Hon'ble Madras High Court had already considered the issue raised by the applicants in the present OAs and we are in full agreement with the judgment passed by the Hon'ble Madras High Court in P. Ayyamperumal's case (*supra*) upheld by the Hon'ble apex court.

10. Therefore, the impugned orders of rejection Annexure A4 in OA No. 180/654/2019 and Annexures A5 in OAs Nos. 180/1055/2018 and 180/61/2019 are quashed and set aside. The applicant in OA No. 180/109/2019 had sought relief to quash Annexure A6 which is only a reply to the question posed by a Member of Parliament in

*Lok Sabha. The applicants shall be given one notional increment for the purpose of calculating the pensionary benefits and not for any other purpose as held by the Hon'ble Madras High Court in P. Ayyamperumal's case (supra) upheld by the Hon'ble apex court. The respondents shall implement the order of this Tribunal within three months from the date of receipt of a copy of this order. There shall be no order as to costs."*



XX) Hence in the context of the judicial findings on the issues, the averment made by the respondents that the applicants being covered by the Merit Promotion Scheme and rationalisation of increment, which are unique to the respondents organisation, do not stand on the same pedestal as that of the employees of other Central Govt. Organisation to be extended the benefit in question, does not impress the Tribunal in any way, since Merit promotion Scheme deals with Promotion on Merit and rationalisation of increments is in a different paradigm not related to the issue under contest. The dispute has been resolved by the superior judicial forums and hence it has to be adhered as respondents apparently cannot sit on appeal over a judicial decision of the Hon'ble Apex Court.

XXI) Lastly, it is to be borne in mind that Pension is a welfare measure. Pension Rules as also any other rules kindred to or associated with Pension are to receive a liberal construction. In **D.S. Nakara v. Union of India**<sup>32</sup>, **the Apex Court has held as under: :**

**“29. Summing up it can be said with confidence that pension is not only compensation for loyal service rendered in the past, but pension also has a broader significance, in that it is a measure of socio-economic justice which inheres economic security in the fall of life when physical and mental prowess is ebbing corresponding to aging process and, therefore, one is required to fall back on savings. One such saving in kind is when you give your best in the hey-day of life to your employer, in days of invalidity, economic security by**

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<sup>32</sup>(1983) 1 SCC 305

*way of periodical payment is assured. The term has been judicially defined as a stated allowance or stipend made in consideration of past service or a surrender of rights or emoluments to one retired from service. Thus the pension payable to a government employee is earned by rendering long and efficient service and therefore can be said to be a deferred portion of the compensation or for service rendered. In one sentence one can say that the most practical raison d'etre for pension is the inability to provide for oneself due to old age. One may live and avoid unemployment but not senility and penury if there is nothing to fall back upon."*



Increment, axiomatically, is an integral and inseparable part of pay and as per the provisions of Rule 64 of the Receipt and Payment Rules, 1983, pay of a Government servant together with allowances becomes due and payable on the last working day of each month. Thus, the increment which accrued over 12 months becomes payable on the last working day of the month of June. Had the same been paid on that date, the last pay drawn would mean the pay with the increment for that year, whereas, since the pay was not disbursed on that day, the increment has not been taken into account while reckoning the last pay drawn. Last pay drawn is significant in view of the fact that all the terminal benefits and pension are calculated on the basis of last pay drawn. Non disbursement of pay on the last working day of June of the year when the applicants superannuated is not on account of any of the fault of the applicants. As such, they cannot be penalized in this regard. The only possible way to right the wrong is to consider the increment due for the last year of service of the applicant as deemed one and the pay with increment is thus the deemed last pay. All the pensionary benefits are, therefore, to be calculated reckoning the deemed last pay as the basis and various pensionary benefits worked out accordingly and also revised PPO issued after revising the extent of pension and fixing the rate of family pension.

XXII) Now coming to the aspect of DA on 1<sup>st</sup> July consequent to retirement of an employee, the matter is under adjudication by the Hon'ble Apex Court in SLP No.5646 of 2018 and 5647 of 2018 and therefore, applicants can pursue for appropriate remedies from the respondents based on the decision of the Hon'ble Supreme Court on the issue.



XXIII) In view of the aforesaid discussion and decisions, the OA succeeds. It is declared that the applicants are entitled to reckon the increment due for the last year of their service before superannuation for the purpose of working out the last pay drawn and it is this revised pay that would form the basis for working out pension, family pension and pensionary benefits. Necessary orders including PPO shall be passed accordingly within a period of three months from the date of receipt of certified copy of this order.

XXIV) As regards disbursement of arrears of pay for the last month of service as also the arrears of difference in pension, the judgment of Hon'ble Apex Court in Union of India & Ors Vs. Tarsem Singh<sup>33</sup> has to be borne in mind and followed.

XXV) There shall be no order as to costs.

(B.V. SUDHAKAR )  
MEMBER (ADMN.)

/evr/

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<sup>33</sup>(2008) 8 SCC 648