

**Court No. 2**  
**(SI No. 15)**

**ARMED FORCES TRIBUNAL, REGIONAL BENCH, LUCKNOW**

**ORIGINAL APPLICATION No. 816 of 2023**

Thursday this the 26<sup>th</sup> day of October, 2023

**“Hon’ble Mr. Justice Anil Kumar, Member (J)**  
**Hon’ble Maj Gen Sanjay Singh, Member (A)”**

JC281928L Sub Lalit Narayan Pandey(Retd.) S/o Satya Naryan Pandey R/o House No. 342, Village : Belauhapur Churesh Kesaruva, Post : Manikpur, Tehsil : Manikpur, District: Chitakoot, Uttar Pradesh-210208

..... Applicant

Ld. Counsel for the Applicant : **Shri Raj Kumar Mishra,**  
Advocate

Versus

1. Union of India through Secretary, Ministry of Defence, South Block, DHQ PO, New Delhi-110011.
2. The Chief of the Army Staff, Integrated Headquarters, Ministry of Defence(Army), South Block-III, DHQ PO, New Delhi-110011.
3. Principal Controller of Defence Accounts (Pensions). Draupadi Ghat, Prayagraj, Uttar Pradesh-211014.
4. The Officer-in-Charge records the Artillery Nasik Camp road PIN 908802 C/o 56 APO.

.....**Respondents**

Ld. Counsel for the Respondents : **Shri Alok Kumar Mishra,**  
Central Govt. Counsel

**ORDER**

1. The instant Original Application has been filed under Section 14 of the Armed Forces Tribunal Act, 2007 for the following reliefs :-

- “(a) Quash the impugned PPO (Annexure A-1), the Pension Payment Order No. 232202204257(ARMY) vide which notional increment has been illegally denied to the applicant.*
- (b) Pass an order re-calculating pension and other terminal benefits after taking into account the benefit of notional increment as on 01.01.2022.*
- (c) Pass an order granting interest @ 18% on the arrears of pension and other terminal benefits to which the applicant is held entitled in terms of the re-calculation after implementing the order at (b) above.*
- (d) Issue/pass any other order or direction which this Hon’ble Tribunal may deem just and proper in the nature and circumstances of the case including cost of the litigation.*
- (e) Allow this application with exemplary costs.*

2. Briefly stated, applicant was enrolled in the Indian Army on 19.12.1994 and was discharged on 31.12.2022 (AN). Last Annual Increment was granted to the applicant on 01.01.2022 and after completion of one year qualifying service from 01.01.2022 to 31.12.2022 next annual increment and all retiring benefits was due on 01.01.2023 on the ground that after the 7<sup>th</sup> Central Pay Commission the Central Government fixed 1<sup>st</sup> July and also 1<sup>st</sup> January for grant of annual increment for all Government Employees but the respondents have not taken any action in this regard. It is in this perspective that the applicant has preferred the present Original Application for grant of one increment as on 1<sup>st</sup> January 2023.

3. Learned Counsel for the applicant pleaded that after the Seven Central Pay Commission, the Central Government fixed 1<sup>st</sup> July and also 1<sup>st</sup> January, as the date of increment for all Government Employees and therefore, the applicant is entitled for grant of last increment due on 01.01.2023 for having been served one full year from 01.01.2022 to 31.12.2022. He relied upon the law laid down by the Hon'ble Madras High Court in the case of ***P. Ayamperumal Versus the Registrar, Central Administrative Tribunal, Madras Bench and Others*** (W.P. No. 15732 of 2017, decided on 15.09.2017) and AFT (RB), Lucknow judgment in O.A. No. 366 of 2020, ***HFL Sarvesh Kumar vs. Union of India and Others***, decided on 12.08.2021.

4. On the other hand, Ld. Counsel for the respondents contended that the applicant had served for complete one year from the date of his last annual increment, but he had not been granted annual increment as on the date of his discharge i.e. 31.12.2022 since the date of annual increment fall on the following day i.e. 01.01.2023. Since the applicant was not on the effective strength of Indian Army on 01.01.2023, therefore, he was not granted annual increment on 01.01.2023 as per policy in vogue. Although, he conceded that against the Judgment dated 15.09.2017 passed by the Hon'ble Madras High Court in Writ Petition No.15753 of 2017 a Special Leave Petition (Civil) Diary No. 22282 of 2018 was filed by the Union of India before the Hon'ble

Supreme Court which was dismissed vide order dated 23.07.2018.

He also submitted that the notional increment could not be granted to the retirees of 30 June in terms of DoPT, Government of India letter No. 19/2/2018-Estt (Pay-1) dated 03.02.2021.

5. We have heard Ld. Counsel for the applicant as also Ld. Counsel for the respondents and gone through the records and we find that the only question which needs to be answered is that whether the applicant is entitled for one notional increment?

6. The law on notional increment has already been settled by the Hon'ble Madra High Court in the case of ***P. Ayamperumal Versus the Registrar, Central Administrative Tribunal, Madras Bench and Others*** (Supra). Against the said Judgment the Union of India had preferred Special Leave Petition (Civil) Diary No.22282 of 2018 which was dismissed by the Hon'ble Supreme Court vide order dated 23.07.2018. The relevant portion of the Judgment passed by the Hon'ble Madras Court is excerpted below:-

*“5. The petitioner retired as Additional Director General, Chennai on 30.06.2013 on attaining the age of superannuation. After the Sixth Pay Commission, the Central Government fixed 1st July as the date of increment for all employees by amending Rule 10 of the Central Civil Services (Revised Pay) Rules, 2008. In view of the said amendment, the petitioner was denied the last increment, though he completed a full one year in service, ie., from 01.07.2012 to 30.06.2013. Hence, the petitioner filed the original application in O.A.No.310/00917/2015 before the Central Administrative Tribunal, Madras Bench, and the same was rejected on the ground that an incumbent is only entitled to increment on 1st July if he continued in service on that day.*

6. *In the case on hand, the petitioner got retired on 30.06.2013. As per the Central Civil Services (Revised Pay) Rules, 2008, the increment has to be given only on 01.07.2013, but he had been superannuated on 30.06.2013 itself. The judgment referred to by the petitioner in State of Tamil Nadu, rep.by its Secretary to Government, Finance Department and others v. M.Balasubramaniam, reported in CDJ 2012 MHC 6525, was passed under similar circumstances on 20.09.2012, wherein this Court confirmed the order passed in W.P.No.8440 of 2011 allowing the writ petition filed by the employee, by observing that the employee had completed one full year of service from 01.04.2002 to 31.03.2003, which entitled him to the benefit of increment which accrued to him during that period.*

7. *The petitioner herein had completed one full year service as on 30.06.2013, but the increment fell due on 01.07.2013, on which date he was not in service. In view of the above judgment of this Court, naturally he has to be treated as having completed one full year of service, though the date of increment falls on the next day of his retirement. Applying the said judgment to the present case, the writ petition is allowed and the impugned order passed by the first respondent-Tribunal dated 21.03.2017 is quashed. The petitioner shall be given one notional increment for the period from 01.07.2012 to 30.06.2013, as he has completed one full year of service, though his increment fell on 01.07.2013, for the purpose of pensionary benefits and not for any other purpose. No costs."*

7. The Civil Appeal No. 4339 of 2023, Arising out of Diary No. 16764 of 2013, **Union of India & Others vs. Anand Kumar Singh** has been dismissed by the Hon'ble Supreme Court vide order dated 10.07.2023 in terms of earlier judgment passed by the Hon'ble Supreme Court in Civil Appeal No. 2471 of 2023, **The Director (Admn. and HR) KPTCL & Ors vs. C.P. Mundinamani & Ors** dated 11.04.2023 in which the Hon'ble Supreme Court has held that an employee who has served for a complete year in an organisation is entitled to annual increment on the last day of service for rendering one full year service.

8. In view of law laid down by the Hon'ble Madras High Court and other courts, upheld by the Hon'ble Supreme Court, we are of

the view that applicant has to be treated as having completed one full year of service as on 31.12.2022, though the date of increment falls on the next day of his retirement, i.e. on 01.01.2023 on which date he was not in service, is entitled to annual service increment.

9. In view of the above, the Original Application is **allowed**. The impugned order, if any, is set aside. The applicant shall be given one notional increment for the period from 01.01.2022 to 31.12.2022, as he has completed one full year of service, though his increment fell on 01.01.2023, for the purpose of pensionary benefits and not for any other purpose. The respondents are directed to issue fresh Corrigendum P.P.O. accordingly. The respondents are further directed to give effect to this order within a period of four months from the date of receipt of a certified copy of this order. Default will invite interest @ 8% per annum till the actual payment.

10. No order as to costs.

11. Pending Misc. Application(s), if any, shall be treated to have been disposed off.

**(Maj Gen Sanjay Singh)**  
**Member (A)**

**(Justice Anil Kumar)**  
**Member (J)**

Dated : 26<sup>th</sup> October, 2023

RPM