



मुख्यालय  
HEADQUARTERS  
कर्मचारी राज्य बीमा निगम  
EMPLOYEES' STATE INSURANCE CORPORATION  
पंचदीप भवन; सी.आई.जी. रोड; नई दिल्ली - 110002  
PANCHDEEP BHAWAN; C.I.G. ROAD; NEW DELHI - 110002

No.A-40/13/4/CC. Notional Pay/2020-E.III

Dated:-10.02.2021

**OFFICE MEMORANDUM**

**Sub.: References/Representations/Court cases for granting notional increment for pensionary benefits in pursuance of the judgment dated 15.09.2017 of Hon'ble High Court of Madras in W.P. No. 15732 of 2017 in the case of P. Ayyamperumal Vs Union of India & Ors- reg.**

A copy of Government of India, Ministry of Personnel, Public Grievances & Pensions (Department of Personnel and Training) OM No.19/2/2018-Estt(Pay-I) dated 03.02.2021 on the above subject, is forwarded herewith for information and further necessary action.

All cadre controlling Authorities are advised to dispose of all pending grievances seeking notional increment for pensionary benefits and also to defend the various pending Court cases in this matter, in accordance with the provisions of the enclosed O.M.

Hindi version will follow.

Encl.: As above

  
(J. SRIVASTAVA)  
ASST. DIRECTOR

Copy to:-

1. PPS to Director General / Financial Commissioner for information.
2. PPS to all Insurance Commissioners.
3. All the Regional Directors/ Dir. (I/c)/ Jt. Dir. (I/c) of ROs/ SROs.
4. Dir. (Med.) Delhi/ NOIDA/ K.K. Nagar.
5. Medical Superintendents ESI Hospitals/ ESIC Model Hospitals/ Dean, Medical Education Institutions.
6. Addl. Comm. (Fin.)/ Director (Fin.), Hqrs Office.
7. Jt. Director/ Dy. Director (Fin.) of all Regions/ Sub Regions/ Hospitals/ Medical Educational Institutions.
8. Jt. Director, E-V Hqrs Office/ E-I / E-II Hqrs. office
9. Fin. & A/c's Branch-III / IV, Hqrs Office.
10. Dy. Director (P.R) / Website Content Manager with the request to upload this letter in the website of ESIC.
11. Guard File/ Spare Copies.

P. NO. 19/2/2018-ESU (Pay-I)  
Government of India  
Ministry of Personnel, Public Grievances & Pensions  
(Department of Personnel & Training)

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North Block, New Delhi  
Dated 3<sup>rd</sup> February, 2021

OFFICE MEMORANDUM

Subject: References/Representations/Court cases for granting notional increment for pensionary benefits in pursuance of the judgement dated 15.09.2017 of Hon'ble High Court of Madras in W.P. No. 15732 of 2017 in the case of P. Ayyamperumal Vs Union of India & Ors-regarding.

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The undersigned is directed to refer to references/representations/court cases/VIP references, received in this Department in large numbers on the issue of granting notional increment for pensionary benefits to those Central government servants who have retired on 30<sup>th</sup> June/ 31<sup>st</sup> December of a year, in pursuance of the judgement dated 15.09.2017 of Hon'ble High Court of Madras in W.P. No. 15732 of 2017 in the case of P. Ayyamperumal Vs Union of India & Ors.

2. The issue has been examined in this Department in consultation with Department of Legal Affairs and it has been observed that the judgement dated 15.09.2017 of Hon'ble High Court of Madras in W.P. No.15732 of 2017 in the case of P. Ayyamperumal Vs Union of India & Ors. is '*in personam*' in nature. A brief note reflecting the Government's stand on this issue is attached as Annexure-I.

3. Further, it is also mentioned that in a similar case, the Hon'ble Supreme Court, vide judgment dated 29.03.2019 (copy enclosed as Annexure-II), while dismissing the SLP (C) Dy. No.6468/2019 filed by D/o Telecommunications against the judgment dated 03.05.2017 of Hon'ble High Court, Lucknow Bench in WP No.484/2010 in the matter of UOI & Ors. Vs. Sakha Ram Tripathy & Ors., has, *inter alia*, observed the following:

*"There is delay of 566 days in filing the special leave petition. We do not see any reason to condone the delay. The Special leave petition is dismissed on delay, **keeping all the questions of law open.**"*

4. Since the question of law is open and not yet decided, decision for implementation of the judgement dated 15.09.2017 of Hon'ble High Court of Madras in W.P. No. 15732 of 2017 in Shri P. Ayyamperumal case, *in rem* has not been taken.

5. Accordingly, all Ministries/Departments are, therefore, advised to dispose of all pending grievances seeking notional increment for pensionary benefits and also to defend the various pending Court Cases in this matter.

6. In their application to the persons belonging to Indian Audit and Accounts Department, these orders are issued under Article 148(5) of the Constitution and after consultation with the Comptroller and Auditor General of India.

7. Hindi Version will follow.

*Bijuli*  
3/2/21

(Murali Bhavaraju)

Deputy Secretary to the Government of India

Tel. No.011-23094542

To

All Ministries/Departments of Government of India.

Copy also forwarded to:-

1. The Comptroller & Auditor General of India.
2. Secretary General, Supreme Court of India.
3. Controller General of Accounts/ Controller of Accounts, Ministry of Finance.
4. Union Public Service Commission/ Lok Sabha Sectt./ Rajya Sabha Sectt./ Cabinet Sectt./ Central Vigilance Commission/ President's Sectt./ Vice-President's Sectt/ Prime Minister Office/ Niti Aayog.
5. Government of all States and Union Territories
6. Department of Personnel and Training (AIS Division)/ JCA/ Admn. Section
7. Secretary, National Council of JCM (Staff Side), 13-C, Feroz shah Road, New Delhi.
8. All Members of Staff Side of the National Council of JCM/ Department Council.
9. All Officers/ Sections of Department of Personnel and Training/ Department of Administrative Reforms & Public Grievances/ Department of Pensions & Pensioners' Welfare/ PESB.
10. Joint Secretary (Pers.), Department of Expenditure, Ministry of Finance
11. Additional Secretary (Union Territories), Ministry of Home Affairs.
12. NIC, DOPT - with request to upload this O.M. on the Department's website under OMs & Orders (Establishment—Pay Rules) and also under "What is New".
13. Hindi Section, DOPT for Hindi Translation.

*Bijuli*  
3/2/21

(Murali Bhavaraju)

Deputy Secretary to the Government of India

Tel. No.011-23094542

**Annexure-I**

**Note on issue of granting a notional increment for pensionary benefits in pursuance of the judgment dated 15.09.2017 of Hon'ble High Court of Madras in W.P. No.15732 of 2017 in the case of P. Ayyamperumal Vs Union of India & Ors.**

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Hon'ble High Court of Madras, vide Order dated 15.09.2017, allowed the W.P. No. 15732 of 2017 filed by Shri P. Ayyamperumal relying upon its earlier judgment dated 20.09.2012 in W.P. No. 8440 of 2011 M. Balasubramaniam Vs State of Tamil Nadu. The said case referred by Hon'ble High Court in the said judgement is related to the Fundamental Rules of Tamil Nadu Government whereas the case of petitioner Shri P. Ayyamperumal relates to Central Government Rules. As per the provisions under the Tamil Nadu Fundamental Rule 26(a), the annual increments of the Govt. Servants are regulated in four quarters viz. 1<sup>st</sup> January, 1<sup>st</sup> April, 1<sup>st</sup> July and 1<sup>st</sup> October. For the Central Government, the increment accrues annually on 1<sup>st</sup> July only (6<sup>th</sup> CPC scenario) [now 1<sup>st</sup> July and 1<sup>st</sup> January in 7<sup>th</sup> CPC scenario]. Hence, argument of petitioner is devoid of merits.

2. In light of the relevant provisions of the Fundamental Rules like 9 (21), 9(6), 17(1), 22, 26(a) and 56(a), as also the provisions of CCS (RP) Rules, 2008, a person appointed as a Government servant is entitled to pay, and is also entitled to draw the annual increment as long as such Government servant discharges duties of the post. However, such Government servant may not be entitled to draw the pay and allowances attached to the post as soon as he ceases to discharge those duties. In other words, as per F.R. 17 read with F.Rs. 24 and 26, annual increment is given to a Government servant to enable him to discharge duty and draw pay and allowances attached to the post. If such Government servant ceases to discharge duties by any reason say, by reason of attainment of age of superannuation, he will not be entitled to draw pay and allowances. Such an employee would not be entitled to any increment if it falls due after the date of retirement, be it on the next day of retirement or sometime thereafter. An employee must satisfy not only the condition of becoming entitled for increment, but also should continue to be on duty as a Government servant on the due date (1<sup>st</sup> July/ 1<sup>st</sup> January) to avail the increment.

3. Further, in a similar matter, Hon'ble High Court of Andhra Pradesh at Hyderabad, in the year 2005, in the C. Subbarao case, has, inter alia, observed as under:

*"In support of the above observations, the Division Bench also placed reliance on Banerjee case (supra). We are afraid, the Division Bench was not correct in coming to the conclusion that being a reward for unblemished past service, Government servant retiring on the last day of the month would also be entitled for increment even after such increment is due after retirement. We have already made reference to all Rules governing the situation. There is no warrant to come to such conclusion. Increment is given (See Article 43 of CS Regulations) as a periodical rise to a Government employee for the good behavior in the service. Such increment is possible only when the appointment is "Progressive Appointment" and it is not a universal rule. Further, as per Rule 14 of the Pension Rules, a person is entitled for pay, increment and other allowances only when he is entitled to receive pay from out of Consolidated Fund of India and continues to be in Government service. A person who retires on the last working day would not be entitled for any increment falling due on the next day and payable next day thereafter (See Article 151 of CS Regulations), because he would not answer the tests in these Rules. Reliance placed on Banerjee case (supra) is also in our considered opinion not correct because as observed by us, Banerjee case (supra) does not deal with increment, but deals with enhancement of DA by the Central Government to pensioners. Therefore, we are not able to accept the view taken by the Division Bench. We accordingly, overrule the judgment in Malakondalah case (supra)."*

4. In addition, subsequent to the judgment of Hon'ble High Court of Madras in the P. Ayyamperumal case, Hon'ble CAT Madras Bench vide its Orders dated 19.03.2019 in O.A.No.310/00309/2019 and O.A. No.310/00312/2019 and Order dated 27.03.2019 in O.A. No.310/00026/2019 has also dismissed similar requests related with notional increment for pensionary benefits.

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ITEM NO.14

COURT NO.7

SECTION XI

S U P R E M E C O U R T O F I N D I A  
RECORD OF PROCEEDINGS

SPECIAL LEAVE PETITION (CIVIL) Diary No(s). 6468/2019

(Arising out of impugned final judgment and order dated 03-05-2017 in Service Bench No. 484/2010 passed by the High Court Of Judicature At Allahabad, Lucknow Bench)

UNION OF INDIA & ORS.

Petitioner(s)

VERSUS

SAKHA RAM TRIPATHI

Respondent(s)

(FOR ADMISSION and Interim Relief and  
IA No.44315/2019-CONDONATION OF DELAY IN FILING)

Date : 29-03-2019 This petition was called on for hearing today.

CORAM :

HON'BLE MR. JUSTICE UDAY UMESH LALIT  
HON'BLE MS. JUSTICE INDU MALHOTRA

For Petitioner(s) Ms. Madhvi Divan, ASG  
Mr. Anmol Chandan, Adv.  
Mr. Amit Sharma, Adv  
Mr. Gurmeet Singh Makker, AOR

For Respondent(s)

UPON hearing the counsel the Court made the following  
O R D E R

We have heard Ms. Madhvi Divan, learned Additional Solicitor General for the petitioner-Union of India.

There is delay of 566 days in filing the special leave petition. We do not see any reason to condone the delay.

The special leave petition is dismissed on delay, keeping all the questions of law open.

Signature Not Verified  
Digitally signed by  
MAHABIR SINGH  
Date: 2019.03.29  
16:41:37 IST  
Reason:

Pending applications, if any, shall also stand disposed of.

(MAHABIR SINGH)  
COURT MASTER

(RAJINDER KAUR)  
BRANCH OFFICER