



IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 7TH DAY OF JULY, 2026

BEFORE

THE HON'BLE MR. JUSTICE ASHOK S.KINAGI

WRIT PETITION NO. 49688 OF 2014 (S-R)

BETWEEN:

1. SRI M SRINIVASALU SETTY
S/O LATE PAMPANNA SETTY M
AGED ABOUT 61 YEARS
RETIRED SALES MANAGER
KARNATAKA HANDLOOM DEVELOPMENT
CORPORATION, BANGALORE
R/AT NO. 1091, ADARSHA LAYOUT
8TH CROSS, 1ST BLOCK,
3RD STAGE, BASAVESWARANAGAR
BANGALORE-560079
2. ZABIBULLA SHARIFF
S/O ABDUL REHMAN SHARIFF
AGED 62 YEARS
RETD SALES MANAGER
KARNATAKA HANDLOOM DEVELOPMENT
CORPORATION
BANGALORE
R/AT NO. 7, 3RD CROSS,
ROSHANANAGAR
NEAR DEEPANJALINAGAR
MYSORE ROAD
BANGALORE-560026
3. SRI N V LOKESH
S/O LATE L VENKATAPPA
AGED 61 YEARS

Digitally
signed by
SHILPABAI S
Location
HIGH
COURT OF
KARNATAKA





RETD.ASSISTANT
KARNATAKA HANDLOOM DEVELOPMENT
CORPORATION
BANGALORE
R/AT NO. 302, SHRI LAKSHMIVENKATESHWARA
NILAYA
RAILWAY STATION ROAD
CHANDRASHEKARAPURA
DODDABALLAPUR-561203
BANGALORE RURAL DISTRICT

4. SRI B S ESHWAR RAO
S/O LATE SHAMRAO
SINCE DEAD REP. BY HIS LEGAL REPRESENTATIVES

4(A) SMT SADHANA
W/O SRI B S ESHWAR RAO
AGED ABOUT 60 YEARS

4(B) SRI SWETHA B E
W/O PRASHANTH B
AGED ABOUT 39 YEARS
KRISHNAMMA GARDEN BANGALORE NORTH
BENSON TOWN BANGALORE NORTH BANGALORE
KARNATAKA – 560 046

4(C) SRI NEETA B E
D/O LATE SRI B S ESHWAR RAO
AGED ABOUT 36 YEARS

4(A) AND 4(C) ARE R/AT
No.203/B, 1ST MAIN ROAD
BAPUJINAGAR
BANGALORE – 560 026

5. SHRI C NAGARAJ
S/O LATE SHRI CHANNAPPA D
AGED ABOUT 61 YEARS
RETD DEPUTY MANAGER (ACCOUNTS)
KARNATAKA HANDLOOM DEVELOPMENT
CORPORATION BANGALORE



R/AT NO. 68, 7TH CROSS
VASANTH NAGAR
BANGALORE-560052

6. SHRI RAMESH MOKASHI
S/O NAGENDRA RAO MOKASHI
AGED ABOUT 61 YEARS
RETD DEPUTY MANAGER (ACCOUNTS)
KARNATAKA HANDLOOM DEVELOPMENT
CORPORATION
BANGALORE
R/AT NO. 176-A, 4TH BLOCK
3RD MAIN ROAD, RAJAJINAGAR
BANGALORE-560010
7. D VASUDEVA MURTHY
S/O LATE M DAKSHINACHAR
AGED ABOUT 61 YEARS
RETIRED SALES MANAGER
KARNATAKA HANDLOOM DEVELOPMENT
CORPORATION
BANGALORE
R/AT NO .625, 7TH MAIN ROAD
VIJAYANAGAR
BANGALORE-560040
8. SHRI S PRAKASH RAJ
S/O SRI G SANTHANA RAJ
AGED ABOUT 60 YEARS
RETD. ASSISTANT
KARNATAKA HANDLOOM DEVELOPMENT
CORPORATION
BANGALORE
R/AT NO. 1262, 1ST FLOOR
8TH CROSS, NALA STREET
SUNNADA KERI
K R MOHALLA
MYSORE-4
9. SRI S KESHAVA MURTHY
S/O LATE H SRINIVASAMURTHY



AGED ABOUT 61 YEARS
KARNATAKA HANDLOOM DEVELOPMENT
CORPORATION
BANGALORE
R/AT NO. 147, 4TH A CROSS
LAKESHORE GARDEN,
THINDLU
BANGALORE-560097

10. SRI MUNIYAPPA K B
S/O BACHANNA
AGED ABOUT 60 YEARS
KARNATAKA HANDLOOM DEVELOPMENT
CORPORATION
BANGALORE
R/AT NO. 13TH CROSS
19TH WARD, R K EXTENSION
SHRINIVASAPURA TALUK
KOLAR DISTRICT

...PETITIONERS

(BY SRI. H C SUNDARESH, ADVOCATE FOR P1-P3 & P5-P10
AND ALSO FOR P4(A-C))

AND:

1. THE STATE OF KARNATAKA
REP. BY ITS PRINCIPAL SECRETARY
COMMERCE AND INDUSTRIES
DEPARTMENT, VIKASA SOUDHA
BANGALORE-560001
2. KARNATAKA HANDLOOM DEVELOPMENT
CORPORATION
REP. BY ITS MANAGING DIRECTOR
PRIYADARSHINI WEAVER BHAVAN
VIDYANAGAR
HUBLI-580031
3. THE MANAGING DIRECTOR
KARNATAKA HANDLOOM DEVELOPMENT



CORPORATION
BRANCHY OFFICE
NO.1 TANK ROAD
PRIYADARSHINI COMMERCIAL COMPLEX
HALASUR
BANGALORE-560042

...RESPONDENTS

(BY SRI. G RAMESH NAIK, AGA FOR R1
SRI. B S MURALI, ADVOCATE FOR R3
SRI. D NAGARAJ, ADVOCATE FOR R2)

THIS WRIT PETITION IS FILED UNDER ARTICLES 226 AND 227 OF THE CONSTITUTION OF INDIA PRAYING TO-CALL FOR RECORDS RELATING TO ISSUE OF THE IMPUGNED ENDORSEMENTS BEARING No. KHDC/DPA.HO.2014-15/2151, KHDC/DPA.HO.2014-15/2149, KHDC/DPA.HO.2014-15/2144, KHDC/DPA.HO.2014-15/2148, KHDC/DPA.HO.2014-15/2152, KHDC/DPA.HO.2014-15/2147, KHDC/DPA.HO.2014-15/2147, KHDC/DPA.HO.2014-15/ADM/2153, KHDC/DPA.HO.2014-15/2150 DATED 17.9.2014 ISSUED BY THE R-3 VIDE ANNEX-L, L1, L2, L3, L4, L5, L6, L7, L8 & L9 AND AFTER PERUSAL SET ASIDE THE SAME; DIRECT THE R-2 & 3 TO RE-DETERMINE THE PENSIONARY BENEFITS OF THE PETITIONERS BY TAKING INTO CONSIDERATION THEIR BASIC EMOLUMENTS LAST DRAWN, BY FIXING THE SAME NOTIONALLY, IN THE 6TH REVISED PAY AND GRANT ALL CONSEQUENTIAL BENEFITS. TO GRANT THE PETITIONERS THE BENEFIT OF ORDER DT.28.2.2013 (ANNEX-F) EXTENDING THE MAXIMUM PERIOD OF ENCASHMENT OF LEAVE ON RETIREMENT FROM 240 DAYS TO 300 DAYS AND TO PAY THEM THE DIFFERENCE IN GRATUITY; TO PASS SUCH OTHER ORDERS AS THIS HON'BLE COURT DEEMS FIT IN THE FACTS AND CIRCUMSTANCES OF THE CASE.

THIS PETITION, COMING ON FOR PRELIMINARY HEARING IN 'B' GROUP, THIS DAY, ORDER WAS MADE THEREIN AS UNDER:

CORAM: HON'BLE MR. JUSTICE ASHOK S.KINAGI



ORAL ORDER

The petitioners have filed this writ petition seeking the following reliefs:

- (a) To call for records relating to issue of the impugned endorsements bearing No.KHDC/DPA.HO.2014-15/2145, KHDC/DPA.HO.2014-15/2151, KHDC/DPA.HO.2014-15/2149, KHDC/DPA. HO.2014-15/2144, KHDC/DPA.HO.2014-15/2148, KHDC/DPA.HO.2014-15/2152, KHDC/DPA.HO.2014-15/2147, KHDC/DPA.HO.2014-15/ADM 2153, KHDC/DPA.HO.2014-15/2150, dated 17.09.2014, issued by the 3rd respondent, vide Annexures-L, L1, L2, L3, L4, L5, L6, L7, L8 & L9 and after perusal set aside the same;
- (b) To direct the respondents 2 and 3 to re-determine the pensionary benefits of the petitioners by taking into consideration their basic emoluments last drawn, by fixing the same notionally in the 6th revised pay and grant all consequential benefits.
- (c) To grant the petitioners the benefit of order dated 28.02.2013 (Annexure-F) extending the maximum period of encashment of leave on retirement from 240 days to 300 days and to pay them the difference in gratuity;
- (d) To pass such other orders as this Hon'ble Court deems fit in the facts and circumstances of the case.

2. Brief facts leading rise to the filing of this writ petition are as follows:



The petitioners are the employees of respondent No.2-Corporation and have served in various capacities for more than 25 to 30 years. Pursuant to 6th pay recommendation, respondent No.1 by an order dated 21.04.2012 revised the pay scales of all the government employees. On 06.02.2013, respondent No.2-Corporation adopted the Government Order dated 21.04.2012. However, extended the benefit of the revised pay scale notionally from 01.04.2012 and the financial benefits with effect from 01.03.2013. The petitioners, who were retired from service between 01.04.2012 to 28.02.2013 having been extended the benefit of revision of pay scales, 2012, by way of interim relief on 04.05.2012 and 03.11.2012 were also entitled for fixation of their last pay in the revised pay scale of 2012 in terms of the Government Order dated 21.04.2012 and proceedings of the meeting of respondent No.2-Corporation dated 06.02.2018 has not been extended to them, a joint representation was made on 06.07.2013. The petitioner approached this Court in



W.P.No.12074-90/2014 seeking writ of mandamus and to direct the respondents to consider their claim for re-determination of their pay. This Court directed the respondents by an order dated 01.07.2014 to consider the same. Respondent No.3 rejected the representation of the petitioners and issued an endorsement dated 17.09.2014. The petitioners aggrieved by the impugned endorsement dated 17.09.2014, filed this writ petition.

3. Respondent Nos.2 and 3 filed a statement of objections admitting that the petitioners are retired employees of respondent No.2-Corporation. The claim of the petitioners that the Government of Karnataka has extended the benefits of 6th pay commission to its employees. Respondent No.3-Corporation fully owned and controlled by the State Government and will have to extend the said benefits to its employees. It is contended that the State Government framed the Karnataka Civil Services (Revised Pay) Rules 2012 (for short, 'the Rules



2012') with effect from 01.04.2012 and respondent No.2 has adopted the said rules, granted an interim relief to its employees, including the petitioners by extending the 6th Revised Pay Scales. However, in the 205th meeting proceedings of respondent No.2 held on 06.02.2013, it was decided to extend the fixation of pay and monetary benefits only from 01.03.2013. Thus, the petitioners are retired from service between 01.04.2012 to 28.02.2013. It is contended that respondent No.2 does not have budget provision in the government budget to meet the day to day administrative expenses. Since the corporation is an undertaking, the benefits such as DR/HRA/Revised Pay Scales announced by the Government Order will not apply directly or automatically to the employees of the Corporation, but will only be adopted after the approval of the Board of Directors. The Board of Directors will review the financial status and stability, including the generation of funds to meet the extra expenditure before implementing any of the benefits announced by the



Government. The impugned endorsement clearly states the reason why the Board of Directors decided to give effect to the benefits of the 6th pay commission from 01.03.2013 as it involved financial implications on the corporation. The Board of Directors having taken note of the financial conditions has resolved to grant such benefit of the 6th pay commission prospectively. Hence, he prays to dismiss the writ petition.

4. Heard the arguments of the learned counsel for the petitioners, the learned Government Advocate for respondent No.1, and learned counsel for respondent Nos.2 and 3.

5. Learned counsel for the petitioners submits that the Government has issued a notification dated 21.04.2012, wherein the Government has extended the entitlement to the monetary benefits. The Government servant shall be entitled to increase in pay, allowances and pension as a result of fixation or re-fixation of his pay in



the revised scale with effect from 01.04.2012. Respondent No.2 vide office order dated 04.05.2012, approved the decision in regard to the relief of basic pay means Corporation employees possessing applicable pay scale for drawing salary are the Karnataka Civil Service (Time Bound) Rules, 1983 approved selection pay scale and the Karnataka Civil Service (Time Bound) Rules 1983 approved selection pay scale and Karnataka Civil Service (Senior Pay scales automatics special promotion) Rules drawing scale under 1991 rules and includes regarding payment of emoluments. Further, respondent No.2 has issued an office order dated 28.02.2013 for implementation of 6th pay commission in the revised pay scale. The Government has issued a notification dated 21.04.2012. The said rule came into effect from 01.04.2012, but the respondent has adopted the said rule with the effect from 01.03.2013. The action of respondent No.2 in adopting the rule with effect from 01.03.2013 is arbitrary and erroneous. The Corporation could have



effected the rules with effect from 01.04.2012. To buttress his arguments, he has placed reliance on the judgment passed by the Division Bench in W.A.No.1691/2008. Hence, on these grounds, he prays to dispose of the writ petition in terms of the order passed in W.A.No.1691/2008.

6. Learned counsel for respondent No.2 supported the endorsement issued by respondent No.2. He submits that respondent No.2 has adopted the Rules with effect from 01.03.2013. If the Rules are effected with a retrospective effect, respondent No.2 will put the financial loss. Hence, on these grounds, he prays to dismiss the writ petition.

7. Perused the records and considered the submissions of the learned counsel for the parties.

8. It is an undisputed fact that the petitioners were working in respondent No.2-Corporation and the



Government has issued a notification vide Annexure-B, wherein the Government shall be entitled to increase in pay and allowances pension as a result of fixation or re-fixation of his pay in revised pay scale with effect from 01.04.2012 as per Rule 9 Karnataka Civil Services (Revised Pay) Rules 2012 (for short 'the Rules, 2012'). The said Rules came into effect with 01.04.2012 vide Annexure-B notification dated 21.04.2012.

9. Rule 3(a) of the Rules, 2012 provides 'basic pay' means pay of a Government servant in the 'existing scale' as on 01.04.2012 or any subsequent date with the effect from which his pay is re-fixed in the 'revised pay scale' and includes the following, namely:-

- (i) annual increment;
- (ii) stagnation increment granted above the maximum of the 'existing scale';
- (iii) personal pay granted under sub-rule (3) of rule 7 of the Karnataka Civil Services (Revised Pay) Rules, 2007; and



(iv) additional increment granted beyond the maximum of the time scale of pay in terms of G.O. No. FD 13 SRP 2002 dated 9th May 2002.

Provided that it shall not include the following, namely:-

- (i) special allowance;
- (ii) personal pay other than that mentioned at (iii) above;
- (iii) technical pay; and
- (iv) any other emoluments specially classed as pay by the Government under Rule 8(32) of the Karnataka Civil Services Rules.

10. The said Rules came into effect from 01.04.2012. Immediately, respondent No.2 has placed before the Board for implementation of 6th pay commission in the revised pay scale to the permanent employees of the Corporation. The respondent-Corporation in its meeting held on 28.02.2013, passed a resolution to implement the revised pay scale to the government employees as per the government order and memorandum of understanding with the employees. After deliberation, it was held necessary to implement the 6th pay commission to the permanent employees of the



Corporation and the Board unanimously approved the proposal while approving the proposal, respondent No.2 has decided to implement and to give effect to the Rules with effect from 01.03.2013. The petitioner, aggrieved by condition No.2, filed this writ petition. As the government in its order has said that the revised pay scale shall come into effect from 01.04.2012 and all the financial benefits shall be give effect from 01.04.2012 when the revision of the pay scale has been extended with effect from 01.04.2012. Even though the respondent is not required to pay the arrears of the revised pay scale, it has to extend the retirement benefits to the employees who are on the role of respondent No.2-Bank as on 01.04.2012. The respondent in condition No.2 has said that the revised pay scale benefits shall be given effect only from 01.03.2013. According to the petitioners or the employees who were working as on 01.04.2012, even though they are not entitled for arrears of salary and other benefits, then the revised pay scale shall come into effect from 01.04.2012.



For the purpose of calculation of retirement benefits and pension, the respondent is bound to extend the benefits to the petitioners as well as to the other retired employees, who have retired after 01.04.2012.

11. In view of the above discussion, I proceed to pass the following:

ORDER

- i. The Writ Petition is ***allowed***.
- ii. The petitioners who have retired subsequent to 01.04.2012 are eligible for the retirement benefits based on the revision of pay scale as on 01.04.2012 till the date of retirement and directed the respondents to re-determine by fixing the same notionally in the 6th revised pay and grant all consequential benefits including the pensionary benefits of the petitioners taking into consideration their basic, emoluments last drawn, within a period of one month from the date of the receipt of the copy of this order.



iii. Pending application/s, if any, shall stand disposed of.

Sd/-
(ASHOK S.KINAGI)
JUDGE

SSB