**IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH**

202 **CWP-16135-2024 (O&M)**
Date of Decision: 15.09.2025

Bharat Sanchar Nigam Limited and another
....Petitioners

Versus

Gulshan Sood and others
....Respondents

CORAM: HON'BLE MR. JUSTICE HARSIMRAN SINGH SETHI
HON'BLE MR. JUSTICE VIKAS SURI

Present: Mr. Sanjeev Kaushik, Advocate and
Ms. Manreet Kaur, Advocate
for the petitioners.

Mr. Rohit Seth, Advocate and
Mr. K.Vinay, Advocate
for respondents No.1 to 11.

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Harsimran Singh Sethi, J. (Oral)

1. In the present petition, the challenge is to the order dated 02.02.2024 (Annexure P-4) passed by the Central Administrative Tribunal, Chandigarh Bench, Chandigarh, (for short 'the Tribunal') by which, the benefit of one increment, which became due to respondent(s) prior to his retirement on 31.01.2020 upon completion of 365 days of service in the relevant year, has been directed to be given to the respondents, so as to fix their last drawn salary in order to compute the pensionary benefits admissible to the respondents, whereas the Tribunal failed to notice that these employees

are distinct class of employees as they had retired from service not upon attaining the age of superannuation, but by opting from VRS of 2019.

2. Learned counsel appearing on behalf of the petitioners submits that the respondents were granted the benefit of voluntary retirement under 2019 scheme and therefore, even though, on the date when they retired they had 365 days of service in their credit in the relevant year so as to entitle them for the grant of benefit of increment, but the same cannot be granted as that the respondents never retired from their service upon attaining the age of superannuation.

3. Learned counsel appearing on behalf respondents No.1 to 11 submits that the law with regard to grant of benefit of increment to an employer upon computation of 365 days of service in the relevant year before retirement has been settled by the Hon'ble Supreme Court of India in **Civil Appeal No.2471 of 2023** titled as ***Director (Admn. and HR) KPTCL and others vs. C.P.Mundinamani and others***, decided on 11.04.2023, wherein it has been settled that upon completion of 365 days in service in the relevant year, the benefit of increment is to be given to such employee, even if the same became due on the next day of the date of superannuation of such employee so as to calculate the last drawn pay which would be required to compute the pensionary benefits admissible to such employee. Hence, the reliance being placed upon the said judgment by the Tribunal while granting the said benefit to respondents is perfectly valid and legal and the writ petition may kindly be dismissed.

4. We have heard learned counsel for the parties and have gone

through the case file with their able assistance.

5. Once the only question which needs the consideration of this Court is whether, upon completion of 365 days in service prior to the date when employees voluntarily retired from their service in the relevant year under a scheme, the benefit of increment has to be given to them for fixing the last drawn salary of the respondents in order to assess the pensionary benefits admissible to them or not.

6. The said issue has already been decided by the Hon'ble Supreme Court of India more than once. While deciding the ***C.P.Mundinamani's case (supra)***, the Hon'ble Supreme Court of India held as under:

> *"6.7 Similar view has also been expressed by different High Courts, namely, the Gujarat High Court, the Madhya Pradesh High Court, the Orissa High Court and the Madras High Court. As observed hereinabove, to interpret Regulation 40(1) of the Regulations in the manner in which the appellants have understood and/or interpretated would lead to arbitrariness and denying a government servant the benefit of annual increment which he has already earned while rendering specified period of service with good conduct and efficiently in the last preceding year. It would be punishing a person for no fault of him. As observed hereinabove, the increment can be withheld only by way of punishment or he has not performed the duty efficiently. Any interpretation which would lead to arbitrariness and/or unreasonableness should be avoided. If the interpretation as suggested on behalf of the appellants and the view taken by the Full Bench of the Andhra Pradesh High Court is accepted, in that case it would tantamount to denying a government servant the annual increment which he has earned for the services he has*

rendered over a year subject to his good behaviour. The entitlement to receive increment therefore crystallises when the government servant completes requisite length of service with good conduct and becomes payable on the succeeding day. In the present case the word "accrue" should be understood liberally and would mean payable on the succeeding day. Any contrary view would lead to arbitrariness and unreasonableness and denying a government servant legitimate one annual increment though he is entitled to for rendering the services over a year with good behaviour and efficiently and therefore, such a narrow interpretation should be avoided. We are in complete agreement with the view taken by the Madras High Court in the case of ***P. Ayyamperumal*** *(supra); the Delhi High Court in the case of* ***Gopal Singh*** *(supra); the Allahabad High Court in the case of* ***Nand Vijay Singh*** *(supra); the Madhya Pradesh High Court in the case of* ***Yogendra Singh Bhadauria*** *(supra); the Orissa High Court in the case of* ***AFR Arun Kumar Biswal*** *(supra); and the Gujarat High Court in the case of* ***Takhatsinh Udesinh Songara*** *(supra). We do not approve the contrary view taken by the Full Bench of the Andhra Pradesh High Court in the case of* ***Principal Accountant-General, Andhra Pradesh*** *(supra) and the decisions of the Kerala High Court in the case of Union of India Vs. Pavithran (O.P.(CAT) No. 111/2020 decided on 22.11.2022) and the Himachal Pradesh High Court in the case of* ***Hari Prakash Vs. State of Himachal Pradesh & Ors.*** *(CWP No. 2503/2016 decided on 06.11.2020).*

7. In view of the above and for the reasons stated above, the Division Bench of the High Court has rightly directed the appellants to grant one annual increment which the original writ petitioners earned on the last day of their service for rendering their services preceding one year from the date of retirement *with good behaviour and efficiently. We are in complete agreement with the view taken by the Division Bench of the High Court. Under the circumstances, the present appeal deserves to be dismissed and is accordingly dismissed. However, in the facts and circumstances of the case, there shall be no order as to costs."*

7. A bare perusal of the above reproduction would show that the benefit of increment has to be given to an employee upon completion of 365 days in service in the relevant year even if the same was to be granted on the next day of the retirement.

8. The learned counsel for the petitioners has not been able to dispute the said proposition of law.

9. The petitioner has raised the issue that since the respondents are those set of employees who retired not upon attaining the age of superannuation but by opting the VRS hence, same should not have been granted to the respondents over such aspect, it shall be noted that merely because one employee has retired from service by opting for VRS, the same would disentitle such employee for benefit of increment, the said contention does not hold any weight as no distinction between such employees who retired upon superannuation or voluntary retirement can be drawn qua the work they performed on basis of which said benefit is granted. When the benefit of increment is given on the basis of the work performed in last 365 days before retirement, whether such employee retires upon attaining age of superannuation or by opting for VRS, is of no difference.

10. Keeping in view of the above, as no perversity either on facts or

law has been proved by the learned counsel for the petitioners, no ground is made out for any interference by this Court in the facts and circumstances of the present case.

11. Accordingly, the writ petition is dismissed.

12. Pending application(s), if any, stands disposed of.

(HARSIMRAN SINGH SETHI)
JUDGE

(VIKAS SURI)
JUDGE

September 15, 2025
Varinder

Whether speaking/reasoned : Yes
Whether reportable : No