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

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**CWP-18643-2022 (O&M).
Date of Decision: 20.05.2025.**

GURPARKASH BEDI

... Petitioner(s)

Versus

FOOD CORPORATION OF INDIA AND OTHERS

... Respondent(s)

CORAM: HON'BLE MR. JUSTICE VINOD S. BHARDWAJ.

Present: Mr. Rakesh Sobti, Advocate,
(Through Video Conference)
for the petitioner.

Mr. K.K. Gupta, Advocate,
for the respondents/FCI.

VINOD S. BHARDWAJ, J. (ORAL)

The petitioner has approached this Court seeking quashing of the impugned order dated 22.08.2019 (Annexure P-13), passed by respondent No.6 — the Divisional Manager, Food Corporation of India, Divisional Office, District Gurdaspur — whereby the petitioner's claim for grant of additional increments on acquiring higher qualification has been rejected. The petitioner predicates his entitlement under Circular No. 4 of 1985 and Circular No. EP-06-2012-07 dated 26.04.2012 issued by the respondent-Food Corporation of India (hereinafter referred to as "the respondent-

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Corporation”). The rejection by the respondent-Corporation is founded on two grounds:

- (i) That a penalty of reduction in time scale of pay by three stages had earlier been imposed upon the petitioner, thereby disentitling him from earning increment during the penalty period; and
- (ii) That an employee involved in a vigilance case or placed under suspension is not entitled to benefits under the Scheme unless fully exonerated.

2 The petitioner disputes the applicability of these grounds to his case and asserts that he is fully eligible for the benefit in question but has been arbitrarily and unfairly denied the same.

3 Learned counsel appearing for the petitioner has submitted that the petitioner joined the respondent-Corporation as Technical Assistant Grade III on 01.06.1984. Thereafter, he was successively promoted to the post of Technical Assistant Grade II on 31.12.1993, to Technical Assistant Grade-I on 07.08.2008, and eventually to the position of Manager (Quality Control) on 01.07.2013, from which post he superannuated on 31.10.2020. Counsel for the petitioner places reliance upon Circular No. 52 of 1987 dated 22.07.1987, issued by the Food Corporation of India, which provides for the grant of an additional increment to Category III employees upon completion of eight years of service. Further reference is made to Circular No. 40 of 1985 dated 29.07.1985, which pertains to a scheme formulated for providing incentives to employees of the Corporation upon acquisition of higher

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qualifications during the course of service. It is submitted that Clause 3 of the said Scheme contemplates the grant of two additional increments for the acquisition of 'eligible qualifications.' Counsel emphasizes that the term 'higher qualification' as envisaged in the Scheme, includes acquisition of a Master of Business Administration (MBA) degree, which the petitioner duly acquired during his service tenure. The relevant Clause reads thus:-

“3. The following Courses of study have been approved for grant of the two increments as indicated in subsequent pages.

xxx xxx xxx

(B) High professional qualifications viz. MBA, ACA, AMIE, LLB, BL, ACS etc.

All the above courses (Diplomas/Degrees) should be at least of two years duration.”

4 He further refers to the eligibility as mentioned in Clause 4 and the admissibility of incentive as provided thereunder which read thus:

“4. The following are the details of the Scheme for grant of incentive: -

ELIGIBILITY

All regular employees of the Corporation would be eligible for benefit under the Scheme subject to the following terms and conditions:

i) The Scheme would apply to all the regular employees of the Corporation except deputationists/ those employed on contract basis/casual or on tenure basis.

ii) Employees covered under (i) above should have acquired or may acquire higher professional qualifications from recognised Institutions/Universities during the course of their service in the

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FCI with prior permission from the competent authority of the Corporation. The acquisition of said qualifications should be useful to the Corporation in its operations.

iii) Employees involved in vigilance cases or under suspension will not be eligible to get the benefit under this scheme till they are fully exonerated.

iv) The eligible employees shall have to satisfy the competent authority about the fact of having acquired higher qualifications during the course of service in the Corporation by production of relevant original certificates of the recognised Institution/University concerned along with attested copies thereof which would ultimately form part of the service record of the employee concerned. The permission of competent authority for acquiring such qualification should also be enclosed.

v) Acquiring of part qualifications would not entitle the employees to the benefit under this Scheme e.g., Intermediate/Previous or 1st year etc. of any course leading to final examination would be deemed as part or incomplete.

vi) Eligible employees shall have to apply in the prescribed proforma (Annexure-A) to the Competent Authority to establish their claim within prescribed time limit specified hereinafter.

vii) Grant of qualification incentive shall be subject to the good records and satisfactory work performance and CRs in respect of the concerned employee.

viii) Performance of normal official duties during the period when the employee(s) pursue course of higher qualifications should be rated as 'Good' at least.

ix) In cases where the employee, who joins the higher post under direct recruitment and where for such higher post the prescribed minimum qualification is the same as acquired by the employee

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while in the lower post, the incentive already granted to him/her in the lower post would not be allowed to continue on his/her appointment to the higher post.

INCENTIVE ADMISSIBLE:

Employees fulfilling the eligibility conditions referred to above would only be entitled to the benefits under the scheme. The incentives offered under this Scheme would be in the form of two special increments as 'personal pay', to be merged in pay at the time of promotion to the next higher grade. This incentive would be admissible only on written orders by the competent authority on merit of each case. The Incentive in the form of two increments would be granted starting from first day of the following month when the employee concerned has been declared to have passed the listed Courses or the date of enforcement of this scheme whichever is later.”

(emphasis supplied)

5 Learned counsel for the petitioner has further submitted that as per the terms of the incentive scheme, an employee who acquires a higher qualification after the issuance of the notification may apply for the benefit as and when such qualification is obtained.

6 It is contended that the petitioner had submitted an application for seeking approval to pursue a Master of Business Administration (MBA), through the proper channel, and upon obtaining requisite permission, completed the said course. Reliance is placed on a communication dated 19.09.2014, issued by the Regional Office, FCI, Punjab, and addressed to the Area Manager, FCI, Ferozepur, whereby approval was granted to the petitioner to pursue the MBA (Administration) from Vinayak Mission University, Salem, Tamil Nadu, subject to the usual terms and conditions.

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7 It is pointed out that the petitioner, upon acquiring the MBA degree, submitted a formal intimation dated 24.09.2017 to the respondent-Corporation, requesting that the qualification be officially added to his service records as an additional qualification. The said representation was duly forwarded by the Area Manager to the Regional Office of the Corporation.

8 Counsel contends that, notwithstanding the petitioner's long, uninterrupted service and performance of duties without any blemish, a chargesheet under Regulation 58 of the FCI (Staff) Regulations, 1971 was served upon him in relation to an alleged shortage of food grains in three wheat special trains dispatched ex-Patti on 26.05.2017, 30.05.2017, and 31.05.2017. It is submitted that an inquiry was conducted and the Inquiry Officer submitted an adverse report against the petitioner.

9 Consequent thereto, a punishment of reduction in time scale of pay by three stages, with cumulative effect until retirement, was imposed upon the petitioner. Additionally, the petitioner was denied increment during the penalty period, and it was ordered that his terminal benefits be calculated on the lowest pay scale applicable to the post of Manager. Furthermore, the period of suspension was directed to be treated as a period not spent on duty for all intents and purposes.

10 Aggrieved by the order of punishment dated 28.05.2018, the petitioner preferred an appeal before the Managing Director, Food Corporation of India (FCI). The appeal was partly allowed, and the penalty was modified to the extent that the reduction in the time scale of pay by three

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stages was maintained till retirement, with no increments during the penalty period, and the terminal benefits were ordered to be calculated on the reduced pay scale. Subsequently, the petitioner filed a review petition before the Chairman, FCI, New Delhi, which was rejected vide order dated 07.01.2021. Thereafter, the petitioner filed Civil Writ Petition No. 6820 of 2022 challenging the aforesaid orders, which was admitted by this Court vide order dated 07.04.2022.

11 The petitioner, however, claimed grant of the additional increment on acquisition of the higher qualification of MBA (General Administration) in terms of Circular No.40 of 1985, and the stagnation increment in terms of Circular No.52 of 2012, by representation dated 20th/22nd July 2019. On receipt of this representation, the respondents passed the impugned order dated 22.08.2019, rejecting the petitioner's claim on the ground that a penalty of reduction in time scale by three stages till retirement had been imposed upon him. Additionally, it was contended that the petitioner was involved in various vigilance cases and therefore was not entitled to the said benefits. Despite submitting a representation against this alleged wrongful denial, no decision was taken thereon, thereby compelling the petitioner to approach this Court for the relief claimed.

12 Counsel for the respondent-Corporation, on the other hand, does not dispute the issuance of various circulars providing for stagnation increments as well as two additional increments for higher qualifications. However, he contends that the instructions dated 29.07.1985 expressly stipulate that the higher qualification course must be of a minimum duration

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of two years, and that the employee concerned should neither be involved in any vigilance case nor under suspension to be eligible for benefits under the said Scheme. Since the disciplinary proceedings against the petitioner have not culminated in any exoneration, he submits that the petitioner is not entitled to the benefits as per the Scheme itself. It is further averred that the degree possessed by the petitioner was of one-year duration and was obtained through distance education from a private university in 2015. Counsel also contends that the petitioner intimated the acquisition of the higher qualification only in January 2017, without making any prior request for grant of additional increments. He submits that before the verification of the degree could be completed, the petitioner was placed under suspension from 07.06.2015 to 15.11.2017 and was subjected to multiple disciplinary proceedings, reflecting a poor service record. Accordingly, the claim for additional increments was rightly rejected.

13 Learned counsel for the respondent-Corporation further contends that the petitioner's claim for entitlement to the stagnation increment after the expiry of a period of three years is based on a later instruction, which was not applicable at the relevant time when the petitioner's claim arose. He submits that the instructions in force at that time mandated a minimum service period of eight years for an employee to be eligible for the stagnation increment.

14 Learned counsel for the respondent-Corporation, while responding to the petitioner's claim for the grant of stagnation increment, submits that the petitioner joined the services of the respondent-Corporation

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as Technical Assistant Grade III on 01.06.1984. The stagnation increment became due in the year 1992, upon completion of eight years of service, and was duly released to him. Subsequently, the petitioner was promoted as Technical Assistant Grade II on 31.12.1993. The next stagnation increment became due in December 2001; however, it was not granted as the petitioner was then facing a vigilance inquiry, pursuant to the memorandum of chargesheet dated 25.06.2001. Thereafter, the petitioner was promoted as Technical Assistant Grade I on 07.08.2008, within a period of less than eight years from the previous promotion, which disqualified him from entitlement to the stagnation increment. Further, the petitioner was promoted as Manager (Quality Control) also within a period of less than eight years and retired within a period of less than eight years from the date of that promotion. Therefore, the petitioner was not eligible for the stagnation increment. It is further submitted that the petitioner was facing a vigilance case by way of memorandum dated 25.07.2017, pursuant to which a penalty order was passed on 04.04.2019. Consequently, the petitioner was not entitled to the grant of the said benefits. The petitioner was also placed in the doubtful integrity list by the Chief Vigilance Commission.

15 Learned counsel for the petitioner, in response, refers to the replication to the written statement filed on behalf of the petitioner, wherein it is specifically stated that Vinayak Mission University, Salem, Tamil Nadu, was established under Section 3 of the University Grants Commission Act, 1956, and that the duration of the course undertaken by the petitioner was two years, not one year. Thus, the requirement prescribed under Circular

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No.40 was duly complied with. It is further submitted that the respondents, having granted approval to the petitioner to undergo the said course, cannot thereafter question the legality or admissibility of the certificate obtained by the petitioner. Counsel further contends that the petitioner's ineligibility for benefits under the Scheme on the ground of being involved in a vigilance case or punishment during the currency thereof is misplaced. The higher qualification was acquired by the petitioner after obtaining approval from the Department in 2015, whereas the chargesheet was issued only in July 2017. Thus, at the time of acquisition of the higher qualification, no vigilance inquiry was pending against the petitioner. It is further submitted that the petitioner completed eight years of service as Technical Assistant Grade II on 31.12.2001, at which time a vigilance inquiry was pending. However, according to the clarification dated 31.10.2019 issued by the Food Corporation of India, the existence of a vigilance inquiry at that stage has no bearing on the grant of additional increment. Counsel contends that there was no requirement of vigilance or administrative clearance for granting the upgraded scale or increment. It is further submitted that the petitioner was promoted to Technical Assistant Grade I on 07.08.2008 and subsequently promoted as Manager (Quality Control) on 01.07.2013. The petitioner completed three years of service as Manager (Quality Control) on 01.07.2016 and was thus entitled to an additional increment as per the clarification issued by the Food Corporation of India, which was not given effect to. In light of these facts, counsel argues that the denial of stagnation increment at the stage after promotion of the petitioner from Technical Assistant Grade II to

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Technical Assistant Grade I was misconceived and not based on a correct appreciation of the facts. Accordingly, the petitioner rightly claimed the benefits provided under the Scheme.

16 No other argument has been raised nor any judgment has been cited by the learned counsel appearing on behalf of the respective parties.

17 I have heard the learned counsel appearing for the respective parties and have gone through the documents appended along with the present petition with their able assistance.

18 So far as the first claim of the petitioner for the grant of two additional increments on acquisition of a higher qualification is concerned, it is undisputed that the Scheme requires the employee to have completed a two-year degree or diploma course to be eligible for such benefit. The eligibility conditions further stipulate that an employee who is involved in a vigilance inquiry or under suspension shall not be entitled to the benefits under the Scheme until such time as he is fully exonerated. It is also pertinent to note that the incentive is admissible only upon the issuance of a written order by the competent authority, and such benefits commence from the first day of the month following the date on which the employee is declared to have passed the specified course, or from the date of enforcement of the Scheme, whichever is earlier.

19 Although the respondents have strongly contended that the course pursued by the petitioner was of one year's duration, the petitioner, in his replication, has specifically averred that the course was of two years' duration, supported by detailed marks certificates for both years. This fact

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remains uncontroverted, as the respondent-Corporation has not denied or disputed the same in their rejoinder. Consequently, the objection regarding the duration of the course stands effectively met by the petitioner's submission. The subsequent objection raised by the respondents pertains to the petitioner's disciplinary status at the time his claim for additional increments was considered. It is also noted that the petitioner submitted his application for grant of additional increments pursuant to Circular No.40 of 1985 only on 23.07.2019. By that time, the penalty of reduction in time scale of pay by three stages had already been imposed rendering the petitioner ineligible as per the respondents, for benefits under the Scheme, as per Clause (iii) which excludes employees under disciplinary penalty from claiming such benefits.

20 The respondents have emphatically relied upon Eligibility Condition No. (iii), which stipulates that an employee involved in a vigilance case or under suspension shall not be entitled to any additional increment until exoneration.

21 However, since the Scheme contemplates granting incentives based on the acquisition of the higher qualification, hence, the question of eligibility should be examined with reference to that date, and not merely the date on which the application for the benefit is submitted. The respondents' submission that the petitioner was not eligible because a vigilance inquiry was pending on the date of application submission arises from a narrow and isolated reading of the clause and to hold as if the benefit accrues only from the date of application. A harmonious and purposive construction of the

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Scheme mandates that eligibility should be assessed as on the date when the employee became entitled to the benefit — that is, the date of acquisition of the higher qualification. The fundamental object of the Scheme is to incentivize employees to acquire higher qualifications; therefore, a mere delay in submission of the application by the employee ought not to result in forfeiture of the benefit. Such an interpretation would not align with the Scheme's intent or ensure fairness in its implementation. The aforesaid view of this Court can be understood from the following illustration: -

“Assuming, in the present circumstances, that the petitioner had submitted the application for grant of additional increments on acquisition of the higher qualification in the year 2016 itself, it follows that the subsequent initiation of vigilance or disciplinary proceedings would not have precluded the petitioner from being entitled to the said benefit.”

22 Therefore, the commencement of vigilance or disciplinary proceedings subsequent to the date on which the benefit became due cannot operate as a bar to the grant of such increments. If the benefit, once accrued, cannot be withdrawn merely on the ground that disciplinary proceedings have been initiated thereafter, then a mere delay in the submission of the application by the employee ought not to be construed to his prejudice. The harmonious and purposive construction of the relevant clauses of the Scheme thus necessitates that eligibility for the benefit must be determined with

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reference to the date from which the benefit falls due to the employee, and not the date on which the application is submitted.

23 Since the petitioner has established that he acquired the higher qualification, which was of two years' duration, and that the same was obtained after approval from the competent authority of the Corporation, he is therefore held entitled to the said benefit.

24 In so far as the claim of the petitioner for grant of stagnation increment is concerned, the respondent-Corporation has acknowledged that the stagnation increment was extended to the petitioner in July 1993 upon expiry of a period of eight years of service and considering that he could not be promoted to the next higher post. The sole reason assigned by the respondents for denial of the said benefit is that disciplinary proceedings were pending against the petitioner. Reference has been made by the respondent to the purported disciplinary proceedings initiated under paragraph No.5 of the reply on merits, wherein it is averred that the petitioner was subjected to vigilance cases vide memoranda dated 25.10.2001, 01.06.2002, 16.07.2005, 27.10.2005, 02.12.2008, 06.02.2009, 23.09.2009, and 25.07.2017. Hence, between 2001 and August 2008, there were as many as four vigilance cases claimed to be pending against the petitioner.

25 In the response filed by way of application, the petitioner has stated that there was no pending inquiry against him and the only proceeding initiated was on 25.07.2017, wherein punishment had been inflicted upon him. He further contends that the respondent's submission regarding eight years' service being mandatory, and that the three years' service requirement

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was introduced later, is misconceived, referring to the circular dated 03.06.2019 pertaining to the Scheme of grant of additional increments to Manager (Category II) on completion of three and six years of service, after introduction of reorganization of the pay scales of the executive, in continuation of FCI Circular No.19 of 1980.

26 The respondent-Corporation has taken the stand that as vigilance proceedings were pending against the employee in 2001 when the stagnation increment fell due, he was not entitled to the same. However, a perusal of Circular No.52 of 1987, which stipulates grant of additional increments on completion of eight years of service, does not provide that initiation of disciplinary proceedings would be a disqualification for grant of the stagnation increment. Although an effort has been made by the counsel for the petitioner to contend that disciplinary proceedings would be a bar for promotion, and hence he cannot be granted the benefit in accordance with law, however, acceptance of such an argument at this stage would amount to reading into the Scheme a condition which has not been prescribed therein.

27 The Constitutional Courts, while examining the admissibility of benefits to an employee under the Scheme document, cannot supplant the statutory provisions incorporated in the Rule, if any, to be an integral part of the Scheme document if such stipulation is not prescribed. The Scheme document relied upon by respondent does not stipulate that eligibility conditions required for consideration of a claim by promotion are a prerequisite for claiming the benefit of an additional stagnation increment upon completion of the said period. Acceptance of such an argument would

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amount to legislating and incorporating conditions not originally provided by the respondent in its Scheme document itself, which is not the function of this Court. However, it is also noted that the aforesaid Circular No.52 refers to Office Circular No.27 of 1995 dated 06.05.1995. It is further averred that the clarifications mentioned at Sr. No. (ii), (iii), (iv), and (v) of the said circular shall remain in force, and that there is no change in other terms and conditions. Learned counsel for the parties have not appended or produced before this Court the earlier circulars on the issue of grant of stagnation increment. This Court is not seized of the complete sequential circulars that may govern the release of additional stagnation increments. In the absence thereof, it would not be appropriate for this Court to conclusively determine the entitlement of the petitioner to the grant of the said benefit.

28 Hence, while allowing the petitioner's claim for grant of two additional increments on acquisition of a higher qualification, the matter is remanded to the competent authority to take a fresh decision on the petitioner's entitlement to the claim of stagnation increment in terms of the applicable circular.

29 The petitioner may, if so advised, appear before the competent authority on 25.07.2025, whereupon further proceedings may be undertaken by the respondent-Corporation.

30 Let a decision on the aforesaid plea be taken within a further period of three months. The admissible benefits, if any, shall be released to the petitioner within a further period of one month thereafter.

31 The present writ petition stands disposed of accordingly.

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32 Pending misc. application(s), if any, shall also stand(s) disposed of accordingly.

May 20, 2025.
raj arora

(VINOD S. BHARDWAJ)
JUDGE

Whether speaking/reasoned : Yes/No
Whether reportable : Yes/No