IN THE HIGH COURT OF JUDICATURE AT MADRAS

RESERVED ON : 24 / 04 / 2026
PRONOUNCED ON : 01 / 06 / 2026

Coram:

THE HONOURABLE MR. JUSTICE P.VELMURUGAN
and
THE HONOURABLE MRS. JUSTICE K.GOVINDARAJAN THILAKAVADI

W.P.Nos.19942 & 21172 of 2025 &
W.M.P.Nos.22497, 22498 & 23902, 23905 of 2025

1.The Employees' State Insurance Corporation,
Rep. by its Director General,
Headquarters Office, Panchdeep Bhavan,
CIG Marg, New Delhi.

2.The Additional Commissioner / Regional Director,
Regional Office (Tamil Nadu),
Employees' State Insurance Corporation,
143, Sterling Road, Nungambakkam,
Chennai.

3.The Additional Commissioner / Regional Director,
Sub-Regional Office (Coimbatore),
Employees' State Insurance Corporation,
Ramanathapuram, Coimbatore.

4.The Deputy Director (Admin),
Sub Regional office (Coimbatore),
Employees' State Insurance Corporation,
Ramanathapuram, Coimbatore. ... Petitioners in both W.Ps'

Vs.

1.C.Gokul Prasad
2.Saraswathi.N. ... Respondents in W.P.No.19942 of 2025

C.S.Seshadri ... Respondent in W.P.No.21172 of 2025

Prayer in W.P.No.19942 of 2025: This Writ Petition is filed under Article 226 of the Constitution of India, praying for issuance of Writ of Certiorari, to call the records relating to the order passed by the Central Administrative Tribunal, Chennai Bench in O.A.No.42 of 2019, dated 25.03.2024 and to quash the same.

Prayer in W.P.No.21172 of 2025: This Writ Petition is filed under Article 226 of the Constitution of India, praying for issuance of Writ of Certiorari, to call the records relating to the order passed by the Central Administrative Tribunal, Chennai Bench in O.A.No.50 of 2019, dated 25.03.2024 and to quash the same.

For petitioner in
both Writ Petitions: Mr.C.V.Ramachandra Murthy

For Respondents in
both writ petitions : Ms.D.Nagasaila

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COMMON ORDER

P.VELMURUGAN, J.

These writ petitions have been filed by the Government challenging the orders dated 25.03.2024 passed by the Central Administrative Tribunal, Chennai Bench, in O.A.Nos.42 of 2019 and 50 of 2019, whereby the Tribunal set aside the Government orders dated 07.03.2018 and 16.07.2018 respectively, and directed the petitioners to refix the pay of the deceased employees from the date of promotion, revise the pension accordingly, and extend consequential monetary benefits to their legal heirs in both matters.

2. Since both matters are interlinked, they were taken up together and are being disposed of by this common order.

3. The facts in W.P.No.19942 of 2025 are that Late C.Chellakutty, who was initially appointed as Peon in 1981, was subsequently promoted as Lower Division Clerk, Upper Division Clerk and finally as Assistant in

2016. He was granted the 3rd financial upgradation under the Modified Assured Career Progression Scheme (MACPS) with effect from 01.07.2011, wherein his pay was fixed with one increment as per Para 4 of the MACP Scheme. Thereafter, on 28.07.2016, he was promoted from UDC in Pay Band I to Assistant in Pay Band II. He claimed one more increment under Rule 13(i) of the Central Civil Services (Revised Pay) Rules, 2008. However, by order dated 07.03.2018, the Government rejected his claim, which led him to approach the Tribunal. During the pendency of the Original Application, the employee, namely C.Chellakutty, passed away and his legal heirs were impleaded. The Tribunal, by relying upon the judgment of the Bengaluru Bench dated 19.04.2018, wherein it was held that when a promotion involves a change in Pay Band the employee would be entitled to the 3% increment under Rule 13(i), allowed the claim by order dated 25.03.2024 in O.A.No.42 of 2019, quashed the rejection order dated 07.03.2018, directed refixation of pay and pension, and ordered payment of arrears to the legal heirs.

4. The facts in W.P.No.21172 of 2025 are that Late R. Banumathy was appointed as LDC in 1975 and was subsequently promoted as Insurance Inspector in 1990, Manager Grade I in 2006, and Deputy Director in 2010. She was granted the 2nd financial upgradation under the Modified Assured Career Progression Scheme (MACPS) with effect from 16.05.2010, wherein her pay was fixed with one increment in terms of Para 4 of the MACP Scheme. Thereafter, on 02.07.2010, she was promoted from Manager Grade-I in Pay Band II to Deputy Director in Pay Band III. Her husband/legal heir claimed one more increment under Rule 13(i) of the Central Civil Services (Revised Pay) Rules, 2008, on the ground that the promotion involved a change in Pay Band. However, by order dated 16.07.2018, the Government rejected the claim, which led the legal heir to approach the Tribunal. The Tribunal, by relying upon the judgment of the Bengaluru Bench dated 19.04.2018, wherein it was held that when a promotion involves a change in Pay Band the employee would be entitled to the 3% increment under Rule 13(i), allowed the claim by order dated 25.03.2024 in O.A.No.50 of 2019, quashed the rejection order dated 16.07.2018, directed refixation of pay and pension, and ordered payment of arrears to the legal heir.

5. Challenging the aforesaid orders passed by the Tribunal, the petitioners are before this Court.

6. Learned counsel for the petitioners submitted that in W.P.No.19942 of 2025, the employee, Late C.Chellakutty, had already been granted the 3rd financial upgradation under the MACP Scheme with effect from 01.07.2011, wherein his pay had been fixed with one increment in terms of Para 4 of the Scheme. Subsequently, when he was promoted from UDC in Pay Band I to Assistant in Pay Band II on 28.07.2016, he claimed another increment under Rule 13(i) of the CCS (Revised Pay) Rules, 2008, on the ground that the promotion involved a change in Pay Band. According to the learned counsel, such a claim amounts to seeking double benefit, since one increment had already been granted under the MACP Scheme, and the Rules do not contemplate grant of a second increment for the same promotional advancement.

7. Learned counsel further submitted that, in W.P.No.21172 of 2025, the employee, Late R.Banumathy, had been granted the second financial upgradation under the MACP Scheme with effect from 16.05.2010, and her pay had been fixed by granting one increment in terms of Paragraph 4 of the Scheme. Shortly thereafter, she was promoted from Manager Grade I in Pay Band II to the post of Deputy Director in Pay Band III on 02.07.2010. He further submitted that the deceased employee passed away on 11.11.2017, and thereafter her legal heir claimed another increment under Rule 13(i) on the ground that the promotion involved a change in Pay Band. According to the petitioners, the said claim amounts to seeking a double benefit, since the increment had already been granted under the MACP Scheme.

8. Learned counsel for the petitioners further submitted that an increment can be granted only in two circumstances, namely, on completion of one year of service or upon promotion. According to the learned counsel, the MACP Scheme was introduced only to address stagnation arising from delayed promotions by granting financial upgradation equivalent to the benefit of promotion. Therefore, the benefit of increment can be granted

either at the time of promotion or at the time of financial upgradation under the MACP Scheme, but not on both occasions. Learned counsel pointed out that Para 4 of the MACP Scheme makes it clear that once pay fixation is granted at the time of financial upgradation, no further fixation is permissible at the time of regular promotion except to the extent of difference in Grade Pay. The mere fact that the promotion involves movement to another Pay Band does not automatically entitle an employee to a second increment once the benefit of pay fixation has already been granted under the MACP Scheme. According to the petitioners, Rule 13(i) of the CCS (Revised Pay) Rules, 2008 only permits fixation of pay at the minimum of the promotional Pay Band where the existing pay is lower, and does not entitle an employee to an additional increment merely on account of change in Pay Band.

9. Learned counsel further submitted that the respondents are seeking pay fixation twice in respect of the same promotional advancement, thereby claiming two increments, which is not contemplated either under the MACP Scheme or under the CCS (Revised Pay) Rules, 2008. According to the petitioners, if increments are allowed both at the time of MACP upgradation

and again at the time of promotion, the same would result in anomaly and disparity among similarly placed employees who would not be entitled to such double benefit.

10. In support of the above submissions, reliance was placed upon the judgment of the Chandigarh Bench of the Central Administrative Tribunal in O.A.No.1090 of 2017 dated 05.07.2018, wherein it was categorically held that once the benefit of pay fixation had been granted under the MACP Scheme, no further fixation could be granted at the time of promotion, since the same would amount to double pay fixation. According to the petitioners, the Chennai Bench, without properly appreciating the said position, allowed the claims in O.A.No.42 of 2019 and O.A.No.50 of 2019 and directed refixation of pay and pension along with payment of arrears. Hence, learned counsel prayed that the impugned orders dated 25.03.2024 passed by the Tribunal be set aside and the writ petitions be allowed.

11. Per contra, learned counsel appearing for the respondents submitted that the Tribunal had rightly allowed the Original Applications.

According to the respondents, both employees were promoted to posts carrying higher Pay Bands and therefore became entitled to pay fixation by grant of one increment under Rule 13(i) of the CCS (Revised Pay) Rules, 2008. In the case of Late C.Chellakutty, the promotion was from Pay Band I to Pay Band II, whereas in the case of Late R.Banumathy, the promotion was from Pay Band II to Pay Band III.

12. Learned counsel for the respondents further submitted that Rule 13(i) of the CCS (Revised Pay) Rules, 2008, clearly provides that where promotion involves a change in Pay Band, the same method of pay fixation by grant of one increment has to be followed. The Tribunal, after considering the Rule and the decisions relied upon by both parties, rightly held that the employees were entitled to the additional increment on promotion. It was further submitted that the Tribunal had rightly relied upon the decision of the Bengaluru Bench of the Central Administrative Tribunal, wherein it was held that employees promoted to a higher Pay Band are entitled to one increment under Rule 13(i). Hence, learned counsel prayed for dismissal of the writ petitions.

13. We have carefully considered the rival submissions made on either side and perused the materials available on record.

14. The main issue that arises for consideration in these writ petitions is whether the respondents, after having already availed the benefit of pay fixation with one increment under the Modified Assured Career Progression Scheme (MACP Scheme), are entitled to claim a further increment upon subsequent regular promotion by placing reliance on Rule 13(i) of the CCS (Revised Pay) Rules, 2008.

15. It is not in dispute that Late C.Chellakutty was granted the 3rd financial upgradation under the MACP Scheme with effect from 01.07.2011 and that Late R.Banumathy was granted the 2nd financial upgradation under the MACP Scheme with effect from 16.05.2010. In both cases, their pay was fixed by granting one increment in terms of Paragraph 4 of the MACP Scheme. Thereafter, Late C.Chellakutty was promoted from UDC in Pay Band I to Assistant in Pay Band II, while Late R. Banumathy was promoted

from Manager Grade I in Pay Band II to Deputy Director in Pay Band III. Since the promotions involved movement to higher Pay Bands, the respondents claimed one additional increment under Rule 13(i) of the CCS (Revised Pay) Rules, 2008.

16. For proper appreciation of the issue, the relevant provisions are extracted below:

16.1. Rule 13(i) of the CCS (Revised Pay) Rules, 2008 pertaining to the fixation pay on promotion on or after 01.01.2006 reads as follows:-

> "In the case of promotion from one grade pay to another in the revised pay structure, the fixation will be done as follow:
>
> One increment equal to 3% will be computed and rounded to the next multiple of 10. This will be added to the existing pay in the Pay Band. The grade pay corresponding to the promotion post will thereafter be granted in addition to this pay in the pay band. In case where promotion involves change in the pay band also, the same methodology will be followed. However, if the pay in the pay band after adding the increment is less than the minimum of the higher pay band to which promotion is taking place, pay in the pay band will be stepped up to such minimum."

A careful reading of Rule 13(i) shows that the Rule mainly explains how pay fixation has to be done at the time of promotion. The increment referred to in the Rule is part of the pay fixation process and cannot be treated as a separate or repeated right to claim additional increments, irrespective of benefits already received under another scheme. The expression "the same methodology will be followed" only means that the same method of pay fixation will apply even when the promotion involves movement from one Pay Band to another. The Rule does not state that every such movement automatically gives an employee a right to another increment, especially when the employee has already received the benefit of pay fixation under the MACP Scheme.

16.2. Para 4 of the MACP Scheme reads as follows:

> "Benefit of pay fixation available at the time of regular promotion shall also be allowed at the time of financial upgradation under the Scheme. Therefore, the pay shall be raised by 3% of the total pay in the pay band and the grade pay drawn before such upgradation. There shall however be no further fixation of pay at the time of regular promotion if it is in the same grade pay as granted under MACPs. However, at the time of actual promotion if it happens to be in a post carrying higher grade pay than what is available under MACPs, no pay fixation would be available and only difference of grade pay would be made available."

The language employed in Paragraph 4 of the MACP Scheme makes the position clear. The Scheme itself grants the employee the benefit of pay fixation with one increment at the time of financial upgradation. In substance, the employee is extended the financial benefit ordinarily available upon promotion so as to address stagnation in service. Once such benefit has already been availed under the Scheme, the employee cannot again seek another increment upon regular promotion. Even in cases where the promotion carries a higher Grade Pay or involves movement to another Pay Band, Paragraph 4 contemplates only grant of the corresponding difference in Grade Pay and not a fresh increment by way of another pay fixation.

17. In the present cases, both employees had already received the benefit of pay fixation with one increment under the MACP Scheme prior to their regular promotions. The claim of the respondents, however, is that since the subsequent promotions involved movement to higher Pay Bands, they became entitled to one more increment under Rule 13(i) of the CCS (Revised Pay) Rules, 2008.

18. This Court is unable to accept the said contention. Once an employee has already received the benefit of pay fixation with increment

under Paragraph 4 of the MACP Scheme, grant of another increment upon subsequent regular promotion would amount to double pay fixation benefit, which is not contemplated either under the MACP Scheme or under the CCS (Revised Pay) Rules, 2008. The mere fact that the subsequent promotion involves movement to another Pay Band would not create or revive a fresh entitlement to another increment.

19. If the interpretation put forward by the respondents is accepted, an employee who has already received the benefit of pay fixation with increment under the MACP Scheme would again become entitled to another increment at the time of regular promotion, resulting in double financial benefit. Such an interpretation would defeat the object of the MACP Scheme and create anomalies among similarly placed employees. The purpose of the Scheme is to grant financial relief to employees facing stagnation in service, and it cannot be interpreted in a manner that gives an employee an additional financial advantage merely because a regular promotion is subsequently granted. Merely because there is a gap of time between the grant of MACP upgradation and the subsequent promotion, the employee cannot claim a second pay fixation after already availing the benefit under the Scheme.

20. In the considered opinion of this Court, the Tribunal failed to properly appreciate the scope and effect of Paragraph 4 of the MACP Scheme and proceeded on the basis that every promotion involving a change in Pay Band would automatically entitle an employee to another increment under Rule 13(i), even though the employee had already received the benefit of pay fixation under the MACP Scheme. Such an interpretation is contrary to the object and purpose of the MACP Scheme and therefore cannot be sustained.

21. Accordingly, this Court holds that the respondents were not entitled to claim an additional increment under Rule 13(i) of the CCS (Revised Pay) Rules, 2008 after having already availed the benefit of pay fixation with one increment under the MACP Scheme. Consequently, the orders dated 25.03.2024 passed by the Tribunal in O.A.Nos.42 of 2019 and 50 of 2019 directing refixation of pay and pension along with consequential monetary benefits are liable to be set aside.

22. In the result, the writ petitions are allowed and the orders dated 25.03.2024 passed by the Central Administrative Tribunal, Chennai Bench, in O.A.Nos.42 of 2019 and 50 of 2019 are set aside. No costs. Consequently, connected miscellaneous petitions are closed.

[P.V.J.,] **[K.G.T.J.,]**
01 / 06 / 2026

Speaking Order
Neutral Citation case: Yes

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To

1.The Central Administrative Tribunal,
Chennai Bench.

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P.VELMURUGAN. J.
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Pre-Delivery Orders in
W.P.Nos.19942 & 21172 of 2025 &
W.M.P.Nos.22497, 22498 & 23902, 23905 of 2025

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