IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 04-06-2026

CORAM

THE HON'BLE MS. JUSTICE P.T. ASHA

WP No. 49017 of 2025

S.Rengathan
No 21/1OB Sarawathy street,
Mahalingapuram,
Chennai 600 034

..Petitioner(s)

Vs

1. The Principal Secretary to Government,
   Transport Department, Secretariat,
   Chennai 600 009
2. The Managing Director,
   Tamil Nadu State Transport Corporation,
   (villupuram) Ltd,
   Villupuram 605 602
3. The Administrator,
   Tamil Nadu State Transport Corporation,
   Pension Fund Trust (TNSTC EPFT)
   Thiruvlaluvar House, Pallavan Salai,
   Chennai 600 002

..Respondent(s)

This writ petition filed under Article 226 of the Constitution of India to issue a writ of mandamus directing the Respondents to sanction one notional increment to the petitioner as on 01.04.2025, in terms of G.O. Ms. No 311 Finance (CMPC) Department, dated 31.12.2014 G.O. Ms. No 140, finance (Pay

Cell) Department, dated 25.04.2018 Finance (BPE) Department Letter No. 23200 / Fiance (BPE) / 2018, dated 04.05.2018 and Transport Department Letter No 4603 / C1 / 2016, dated 16.02.2017 and direct the Respondents to revise and disburse all consequential pensionary and retirement benefits, including gratuity, commutation value, leave encashment, and monthly pension, by reckoning the incremented last pay.

For Petitioner(s):	Mr. V.Govardhanan, for Mr. S.Sivaskandavarman
For Respondent(s):	Mr. K.Sathish, Gov. Advocate for Mrs.S.Pavithra, Standing Counsel

ORDER

The petitioner has filed this Writ Petition seeking a direction to the respondents to grant one notional increment with effect from 01.04.2025 for the purpose of fixation of pension and other terminal benefits.

2. The learned counsel for the petitioner would submit that the petitioner, who was working as Manager (Cadre Officer) in the respondent Corporation, attained the age of superannuation on 31.03.2025 after completion of 35 years

of service. Though the petitioner retired on 31.03.2025, he has completed one full year of service from 01.04.2024 to 31.03.2025 and was due for his annual increment on 01.04.2025. According to the petitioner, notwithstanding his retirement on 31.03.2025, i.e. one day prior to the date on which the increment became payable, he is entitled to the benefit of such increment in terms of G.O.Ms.No.311/Fin(CMPC) Department, dated 31.12.2014 and Government Letter No.2963/Finance (BPE)/2015, dated 14.01.2025.

3. The issue has been well settled by the Hon'ble Supreme Court in ***Director (Admn. And HR) KPTCL and others. Vrs. C.P.Mundinamani and others.*** reported in ***2023 SCC online SC 401*** wherein it has been held that the entitlement to an annual increment crystallises upon completion of the requisite length of service with good conduct, though it becomes payable on the succeeding day. The Hon'ble Supreme Court furhter held that the word 'accrue' should be understood liberally and that any contrary view would result in arbitrariness and unreasonableness by denying a Government servant a legitimate annual increment earned for one year's service.

4. For better appreciation, the relevant portion of the said judgment of the Hon'ble Supreme Court is extracted below as follows :-

" 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 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 V. Pavithran (O.P.(CAT) No.111/2020 decided on 22.11.2022) and the Himachal Pradesh High Court in the case of Hari Prakash v. State of Himachalpraddesh and 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.*

5. Since the petitioner's case is squarely covered by the aforesaid decision, this writ petition deserves to be allowed. Accordingly, this writ petition is allowed. The respondents are directed to grant one notional increment to the petitioner from 01.04.2025 for the purpose of fixation of pension and other terminal benefits, and to revise and disburse the consequential pensionary benefits within a period of eight(8) weeks from the date of receipt of a copy of this order.

04-06-2026

Index: Yes/No
Speaking/Non-speaking order
Neutral Citation: Yes/No

MRP

To

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   Transport Department, Secretariat,
   Chennai 600 009

2. The Managing Director,
   Tamil Nadu State Transport Corporation,
   (villupuram) Ltd Villupuram 605 602

3. The Administrator,
   Tamil Nadu State Transport Corporation Pension
   Fund Trust (tnstc Epft) Thiruvlaluvar House,
   Pallavan Sali, Chennai 600 002

P.T.ASHA, J.

MRP

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