2026:CGHC:4121

NAFR

HIGH COURT OF CHHATTISGARH AT BILASPUR

WPS No. 804 of 2026

1 - Krishna Kumar Mishra S/o Late Shri Gyasi Lal Mishra Aged About 67 Years Retired Executive Engineer, Resident Of Q. No. 12/250, Koteshwar Nagar Kota, District- Raipur Chhattisgarh,

--- Petitioner(s)

versus

1 - State Of Chhattisgarh Through- The Secretary Department Of Finance Mantralaya Mahanadi Bhawan Atal Nagar Nawa Raipur, District- Raipur (C.G.)

2 - State Of Chhattisgarh Through- The Secretary Department Of Water Resources, Secretary Mahanadi Bhawan, Atal Nagar, Naya Raipur District- Raipur (C.G.)

3 - The Director Directorate Of Treasury And Accounts Block- A, First Floor,indrawati Bhawan, Nawa Raipur, Atal Nagar, District- Raipur (C.G.)

4 - The Divisional Joint Director Divisional Treasury Accounts And Pension Division, Raipur District- Raipur (C.G.)

5 - The Superintending Engineer Mahanadi Jalashey Pariyojna Bandh Mandal Rudri, District- Dhamtari (C.G.)

--- Respondent(s)

(The Cause Title is taken from CIS system)

For Petitioner	:	Mr. Amit Kumar Chaki, Advocate
For State	:	Mr. Kalpesh Ruparel, P.L.

S.B.: Hon'ble Shri Parth Prateem Sahu, Judge

Order on Board

23/01/2026

1. Heard.

2. The grievance of the petitioner in the present writ petition is for grant of benefit of one annual increment while fixing the pension and other retiral dues, as despite rendering full one year of service, the petitioner was not allowed annual increment only because he had retired on 30th June of the respective year.

3. Learned counsel for the petitioner would submit that the petitioner retired from service on 30.06.2021 and he would be entitled for annual increment to be added in his salary for the purpose of computing last drawn salary which was to be added on 01.07.2021 as the date of annual increment payable to the petitioner is 1st July, though this Court earlier in WPS No.8945/2019 vide order dated 05.11.2019 has directed the State Authorities to consider the said aspect, taking into consideration the judgment of the Division Bench of Madras High Court in **P.Ayyamperumal Vs. The Registrar, Central Administrative Tribunal and Others passed in WP No. 15732/2017**, but respondent No.2 has declined to add one annual increment which became due on 01.07.2021. Learned counsel for the petitioner would further submit that identical issue came up before this High Court in **WPS No.3036 of 2020, Pitambar Singh Nayak Vs. State of Chhattisgarh and others connected matters**, in which, following was observed at paras 6 and 7 which read thus :-

> “6. The issue as to whether the employees who have retired on the 30th of June would be entitled for the

increment which fell due w.e.f. 1st of July of the year they retire was a subject matter of dispute before various High Courts in the country. Many of the High Courts have allowed the writ petitions and few of the High Courts have rejected the petitions. The entire issue thereafter traveled to the Hon'ble Supreme Court in the case of "Director (Admn. And HR) KPTCL and others v. C.P. Mundinamani and others" reported in 2023 SCC OnLine SC 401. In the said judgment the Hon'ble Supreme Court has in very categorical terms held that once the petitioner has earned an increment on completing one year of service, he cannot be denied the benefit of increment, which in other words also means that if on the date of retirement, which in all these writ petitions being 30th of June, if they have earned an increment of having worked for 12 months (one year) preceding to the date of retirement, they under no circumstances can be denied the benefit of increment while quantifying the post retiral

benefits.

7. The Hon'ble Supreme Court in deciding the said case has affirmed the orders of the High Courts which had allowed the writ petitions in favour of the employees and have set-aside the orders of those High Courts, which had dismissed the writ petitions categorically holding that the employees, who stood retired from 30th of June and where the increment fell due on the 1st of July would become entitle for their post retiral benefits and consequential monetary benefits by adding that one increment."

4. Learned counsel for the petitioner further submits that recently on 03.08.2023, the State Finance Department had issued, finance instructions 26/2023, wherein a clarification has been issued for granting increment and fixing last wages draw for the public servant

whose retirement dates are 31st December and 30th June and in the said circular, it is also clarified that it will also be applicable to the retired government servants, therefore, as the State itself has issued the circular, no controversy remains and the petition may be allowed in the light of the said circular.

5. On the other hand learned counsel for the State would submit that an identical issue has already been decided by the Supreme Court in the matter of **"Director (Adm. And HR) KPTCL and others Vs. C.P. Mundinamani and others,** reported in **2023 SCC Online SC 401"** and the authority be directed to only verify the fact whether the petitioner had been granted benefit of the increment on 1st July of the year in which he has been retired.

6. Hon'ble Supreme Court in case of **C.P. Mundinamani and others (supra)** has considered the issue with regard to grant of increment to employee, who retired very next day of the earning increment and observed thus :-

> "**17.** A government servant is granted the annual increment on the basis of his good conduct while rendering one-year service. Increments are given annually to officers with good conduct unless such increments are withheld as a measure of punishment or linked with efficiency. Therefore, the increment is earned for rendering service with good conduct in a year/specified period. Therefore, the moment a government servant has rendered service for a specified period with good conduct, in a timescale, he is entitled to the annual increment and it can be said that he has earned the annual increment for rendering the specified period of service with good conduct. Therefore, as such, he is entitled to the benefit of the

annual increment on the eventuality of having served for a specified period (one year) with good conduct efficiently. Merely because the government servant has retired on the very next day, how can he be denied the annual increment which he has earned and/or is entitled to for rendering the service with good conduct and efficiency in the preceding one year.

* * *

20. Similar view has also been expressed by different High Courts, namely, the Gujarat [*State of Gujarat* v. *Takhatsinh Udesinh Songara*, 2022 SCC OnLine Guj 2522] High Court, the Madhya Pradesh [*Yogendra Singh Bhadauria* v. *State of M.P.*, 2020 SCC OnLine MP 4654] High Court, the Orissa [*Arun Kumar Biswal* v. *State of Odisha*, 2021 SCC OnLine Ori 2368] High Court and the Madras [*P. Ayyamperumal* v. *Central Administrative Tribunal*, 2017 SCC OnLine Mad 37963] 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 efficiency 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 [*Principal Accountant-General, A.P.* v. *C. Subba Rao*, 2005 SCC OnLine AP 47] 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.

* * *

22. We are in complete agreement with the view taken by the Madras High Court in *P. Ayyamperumal* [*P. Ayyamperumal* v. *Central Administrative Tribunal*, 2017 SCC OnLine Mad 37963] ; the Delhi High Court in *Gopal Singh* [*Gopal Singh* v. *Union of India*, 2020 SCC OnLine Del 2640] ; the Allahabad High Court in *Nand Vijay Singh* [*Nand Vijay Singh* v. *Union of India*, 2021 SCC OnLine All 1090] ; the Madhya Pradesh High Court in *Yogendra Singh Bhadauria* [*Yogendra Singh Bhadauria* v. *State of M.P.*, 2020 SCC OnLine MP 4654] ; the Orissa High Court in *Arun Kumar Biswal* [*Arun Kumar Biswal* v. *State of Odisha*, 2021 SCC OnLine Ori 2368] ; and the Gujarat High Court in *Takhatsinh Udesinh Songara* [*State of Gujarat* v. *Takhatsinh Udesinh Songara*, 2022 SCC OnLine Guj 2522] . We do not approve the contrary view taken by the Full Bench of the Andhra Pradesh High Court in *Principal Accountant-General, A.P.* [*Principal Accountant-General, A.P.* v. *C. Subba Rao*, 2005 SCC OnLine AP 47] and the decisions of the Kerala High Court in *Union of India* v. *Pavithran K.* [*Union of India* v. *Pavithran K.*, 2022 SCC OnLine Ker 5922] and the Himachal Pradesh High Court in *Hari Prakash* v. *State of H.P.* [*Hari Prakash* v. *State of H.P.*, 2020 SCC OnLine HP 2362]

23. 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 efficiency. We are in complete agreement with the view [*C.P. Mundinamani* v. *Karnataka Power Transmission Corpn. Ltd.*, 2020 SCC OnLine Kar 5232] 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. State of Chhattisgarh had also issued a circular dated 03.08.2023 (Annexure P-4), wherein decision has been taken by the State Government to grant increment to the retired employees, who had accrued eligibility for the same and to grant them increment notionally for the purpose of calculating retiral benefits.

8. In the aforementioned facts of the case, decision of Hon'ble Supreme Court in case of **C.P. Mundinamani and others (supra)** as also the circular of the State Government dated 03.08.2023, in the opinion of this Court, this writ petition deserves to be allowed and it is accordingly allowed.

9. The respondent authorities are directed to verify the fact whether the petitioner has been granted increment on 1st of July of the year in which he has retired. If during the course of the inquiry/scrutiny, it is found that petitioner is not being granted increment, appropriate steps for grant of increment which fell due on 1st of July to add in the pay of the petitioner notionally. Respondents are further directed to calculate the post retiral benefits including the pensionary benefits

thereafter. Let this entire exercise be concluded within an outer limit of 90 days from the date of receipt of copy of this order.

Certified copy as per rules.

sd/-
(Parth Prateem Sahu)
Judge

Balram