BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

Reserved On : 21.04.2026

Pronounced On : 30.04.2026

CORAM

THE HONOURABLE MR.JUSTICE N.SATHISH KUMAR
AND
THE HON'BLE MR.JUSTICE M.JOTHIRAMAN

WA.(MD)No.556 of 2026
and
C.M.P.(MD)No.5240 of 2026

The Administrator,
Tamil Nadu State Transport Corporation
Employees Pension Fund Trust,
Thiruvalluvar House,
No.2, Pallavan Salai,
Chennai-600 002. ... Appellant

Vs.

1.R.Valarmathi

2.The State of Tamil Nadu,
Rep.by its Principal Secretary to Government,
Transport Department,
Secretariat, St.George Fort,
Chennai.

3.The Managing Director,
Tamil Nadu State Transport Corporation (Madurai) Ltd.,
Bypass Road, Madurai-625 010.
... Respondents

PRAYER : Writ Appeal filed under Clause 15 of letters Patent against the order dated 10.12.2025 made in W.P.(MD)No.35410 of 2025.

For Appellant	:	Mrs.Datchayani Reddy, Senior Counsel, for Mr.S.C.Herold Singh
For R1	:	Mr.H.Mohammed Imran, for M/s.Ajmal Associates
For R2	:	Mr.D.Sasi Kumar, Additional Government Pleader.

JUDGMENT

(Judgment of this Court was delivered by **M.JOTHIRAMAN J.**)

Under assail is the order passed in WP.(MD)No.35410 of 2025 dated 10.12.2025.

2.The first respondent/writ petitioner has challenged the order passed by the third respondent/Managing Director, Tamil Nadu State Transport Corporation (Madurai) Ltd., vide his proceedings dated 13.11.2025 and consequential direction to the official respondents to revise the family pension of the writ petitioner along with dearness allowance and disburse the family pension with dearness allowance including arrears thereof with an accrued interest at the rate of 12% per annum.

3.It is the case of the first respondent/writ petitioner that her husband namely, Mr.A.Ravichandran was working as Deputy Manager in the third respondent/Transport Corporation. He retired from service on 31.07.2022. He received pension and retirement benefits. He died on 13.12.2022. Upon his demise, the pension was converted into family pension. The petitioner being the wife of the deceased pensioner have been receiving the family pension. She is working as Deputy Director/PA (Agri) to District Collector, Theni. The family pension is being disbursed without adding the proportionate Dearness Allowance, which is admissible to the family pensioner. The Government of Tamil Nadu vide G.O.Ms.No.327, Finance (Pension) Department dated 21.10.2019 has revised the rate of Dearness Allowance to the pensioner as well as the family pensioner. However, the writ petitioner being paid family pension without Dearness Allowance. Hence, she made representation dated 04.11.2025 to revise her family pension by adding

Dearness Allowance. The third respondent therein rejected the request and passed the impugned order dated 13.11.2025. Hence, the writ petition. The learned Writ Court allowed the writ petition on the ground that the Government of India in Office memorandum dated 02.07.1999 has issued orders allowing dearness allowance on family pension to the employed family pensioners at the rates applicable from time to time. In view of the same, the Government of Tamil Nadu had issued G.O.Ms.No. 112, dated 24.03.2008 decided to allow Dearness Allowance on family pension in the case of employed family pensioners. Aggrieved over the same, the second respondent therein/ The Administrator, Tamil Nadu State Transport Corporation Employees Pension Fund Trust has preferred the present appeal.

4.The learned Senior Counsel appearing for the appellant would submit that the first respondent is employed as a Personal Assistant to the District Collector (Agriculture)/Deputy Director of Agriculture and she is drawing government salary which have specific component for dearness allowance. As such the component matching the price index is being taken care of the of the employer of the first respondent. The Dearness

Allowance is a cost of living adjustment and would be a percentage of the basic pay which is calculated on percentage of the basic salary as well as pension. The concept of paying Dearness Allowance is to compensate the inflation to mitigate on the purchasing power of the first respondent. The purchasing power of the first respondent is being taken care of by her employee by providing Dearness Allowance along with her salary. The first respondent though appointed independently is receiving salary from the government and in addition to that she is receiving 53% Dearness Allowance based on her salary. Therefore, paying Dearness Allowance would amount to dual payment.

5.The learned Senior Counsel appearing for the appellant would further submit that Rule 20 A of the TNSTC Employee's Pension Fund Rules[hereinafter referred as Pension Fund Rules] stipulates that in addition to the pension, a nominal amount as fixed by the Government would be paid towards Dearness Allowance. The said Rule further stipulates that if the pensioner is re-employed, they are not entitled for the allowance. This Rule is specifically enacted to prevent dual payment of Dearness Allowance. Without considering the same, the learned Writ

Court has passed the order and the same is un-sustainable in law. G.O.Ms.No.112 dated 24.03.2008 is applicable only to the government servants and the same was not applicable to transport corporation. To strengthen his contention, the learned Senior Counsel relied on the judgment of the Hon'ble Supreme Court in Union of India & Others Vs. Rekha Majhi reported in 2000 (10) SCC 659 to show that the employee is not entitled to draw two dearness allowances ie., one on the salary and the other on the family pension paid to them. The explanation "re-employment" would also include regular appointment in the service. She has also relied upon the another judgement of this Court reported in 2026 SCC OnLine Mad 2193 in P.Vanajakshi Vs. Metropolitan Transport Corporation to show that the family pensioner on regular appointment in service is not entitled for the dearness allowances on her family pension.

6.Per contra, the learned counsel appearing for the first respondent / writ petitioner would submit that Dearness Allowance on family pension was suspended by the Government of Tamil Nadu vide G.O.Ms.No.191, Finance (Pension) Department, dated 16.03.1996. Thereafter, the Government of India in its office memorandum dated

02.07.1999, has issued orders allowing dearness allowance on family pension to the employed family pensioners. Thereafter, the Government of Tamil Nadu had issued G.O.Ms.No.112, dated 24.03.2008 permitting to get dearness allowance on family pension in the case of employed family pensioners. The Dearness Allowance on family pension could not be denied on the ground that they have already been employed. G.O.Ms.No.112 dated 24.03.2008 clearly states that as per G.O.Ms.No. 191 dated 16.03.1996, the Dearness Allowance was suspended on family pension, if a family pensioner is employed in State or Central Government or a Government Undertaking or a Corporation or an Autonomous Body or a Local Fund in a post on fixed pay or on time scale of pay where Dearness Allowance on pay is allowed. In paragraph No.3 of G.O.Ms.No.112 dated 24.03.2008, it is clearly stated that the Government of India has decided to allow Dearness family pension wherever admissible and Dearness Allowance on family pension in the case of employed family pensioners, by considering the order of Government of India , Ministry of Personnel, Public Grievances & Pensions, Department of Pension and Pensioners Welfare, Office Memorandum dated 02.07.1999. Considering the above said order from the Government of India, the Government of Tamil Nadu allowed the dearness family pension at the rate of 50% of family pension and dearness allowance on family pension including dearness family pension wherever applicable shall be paid to all the employed family pensioners in State or Central Government or a Government undertaking or a Corporation or an Autonomous Body or Local Fund in a post on fixed pay or on time scale of pay where Dearness Allowances on pay is allowed. Therefore, as per G.O.Ms.No.112 dated 24.03.2008, the first respondent is entitled to get dearness allowance. To strengthen his contention, he has relied upon the judgment of the Hon'ble Supreme Court reported in (2000) 2 SCC 227 in a case of H.S.E.B and others Vs. Azad Kaur to show that person, who is having independent employment elsewhere even prior to the death of her husband, cannot deprive the family of the benefit of the ad hoc relief on family pension. He has also relied upon the another judgment of Hon'ble Supreme Court reported in (2016) 15 SCC 289 in a case of State of Uttar Pradesh and others Vs. Ajay Kumar Sharma and others and he has also relied upon the judgment of the Division Bench of this Court in W.A.Nos.2444 and 2424 of 2022 dated 23.09.2025 in a case of Tamil Nadu State Transport Corporation

Employees Pension Fund Trust Vs. Pokkuvarathukazhaka Oyvupetra Aluvalau Nala sangam, Kovai.

7.We have considered the submissions made on either side and perused the records carefully.

8.It is not in dispute that the first respondent's husband was working as Deputy Manager in the third respondent/Transport Corporation and he retired from service on 31.07.2022 and died on 13.12.2022. Admittedly, the first respondent herein is also working as Deputy Director/P.A. (Agri) to the District Collector, Theni. After demise of her husband, the first respondent is receiving family pension. However, she has been denied Dearness Allowance on the family pension. The impugned order in the writ petition came to be passed on the ground that since the first respondent is working as Deputy Director/P.A. (Agri) to the District Collector, Theni, she is not entitled for dearness allowance on family pension and G.O.Ms.No.112 dated 24.03.2008 is only applicable to the pensioners and not to the family pensioners.

9.It is the contention of the appellant that Rule 20A of the Pension Fund Rules stipulates that if the pensioner is re-employed, they are not entitled for the allowance. Such position is cleared by the provision. Since such pensioners who is re-employed will be taken care of by their employer with regard to the matching price index. This Rule is specifically enacted to prevent dual payment of dearness allowance. It is also contented that G.O.Ms.No.112 dated 24.03.2008 is applicable only to the pensioners and not to the family pensioners.

10.At this juncture, it is relevant to refer G.O.Ms.No.112 dated 24.03.2008, which reads as under:-

FINANCE (PENSION) DEPARTMENT

G.O.No.112, Dated 24th March, 2008

(Panguni 11, Thiruvalluvar Aandu 2039)

Pension – Regulation of Dearness Allowance on Family Pension to those State Government Family Pensioners who are already employed – Orders – Issued

Read the following:

1. G.O.Ms.No. 191, Finance (Pension) Department, dated 16.3.1996.

2. From the Government of India, Ministry of Personnel, Public Grievances & Pensions, Department of Pension and

Pensioners Welfare, Office Memorandum No.45/73/97-P&PW (G). dated 2.7.1999.

ORDER

In the Government Order first read above, it has been ordered to suspend Dearness Allowance on family pension, if a family pensioner is employed in State or Central Government or a Government Undertaking or a Corporation or an Autonomous Body or a Local Fund in a post on fixed pay or on time scale of pay where Dearness Allowance on pay is allowed. Further it has also been ordered therein that Dearness Allowance on family pension shall be suspended with effect from 16.3.96 to the family pensioners who were already employed prior to the issue of the above order and continued to be on employment on the date of Government.

2. The Government of India in its office memorandum second read above has issued orders among other things, allowing dearness relief on family pension to the employed family pensioners at the rates applicable from time to time.

3. Government after considering the above order of Government of India has decided to allow Dearness Family Pension wherever

admissible and Dearness Allowance on family pension in the case of employed family pensioners. Accordingly, *Government direct that Dearness Family Pension at the rate of 50% of Family Pension and Dearness Allowance on family pension including Dearness Family Pension wherever admissible shall be paid to all the employed family pensioners in State or Central Government or a Government Undertaking or a Corporation or an Autonomous Body or a Local Fund in a post on fixed pay or on time scale of pay where Dearness Allowance on pay is allowed.*

4. These orders shall take effect from the date of issue of order.

11.It is also relevant to cite Rule 20A of the Tamil Nadu State Transport Corporation Employees Pension Fund Rules.

"20A. DEARNESS ALLOWANCE TO PENSIONERS

(i) In addition to the basic pension, the pensioners are eligible for nominal Dearness Allowance at the rates that may be determined by the Government of Tamil Nadu.

(ii) If a pensioner is re-employed under the Central Government or a State Government or a Government Undertaking or a Corporation or an Autonomous Body or a Local Fund in India or abroad, he shall not be eligible to draw dearness allowance on pension during the period of such re-employment.

(iii) Dearness allowance is also not admissible during the pensioners stay abroad."

On reading Rule 20A of the pension rules, we could understand that it mainly speaks about the pensioner and does not include the family pensioners. Even in the definition clause of the said rules, the terms such as pensioner, family pension, and re-employment were not defined. Thus, Rule 20A of the pension rules cannot squarely apply to this present case in hand, as the term family pension was not included in the term pension mentioned in Rule 20A of the Tamil Nadu State Transport Corporation Employees Pension Fund Rules.

12.The ruling relied upon by the learned Senior Counsel for the appellant the judgment of the Hon'ble Apex Court in a case of ***Union of India v. Rekha Majhi***, reported in ***(2000) 10 SCC 659***, and the Madras High Court case in ***Tmt.P.Vanajakshi v. The Metropolitan Transport***, reported in ***2026 MHC 836***, are not applicable, since the facts of the present case is different from those cases, where the writ petitioner in both the above mentioned cases was appointed in the compassionate appointment after the demise of their husband working in the Railways and have examined the meaning of "re-employment" under Rule 75(21) (ii) of the Railway Services (Pension) Rules, 1993.

13.It is to be noted that in the present case, the employment of the writ petitioner was not a consequence of the writ petitioner's husband's death, rather it was secured on the writ petitioner on her own merits before the writ petitioner's husband's passing away. The Dearness allowance received by the writ petitioner from her salary is not related to the service of the Writ petitioner's husband, it was related to the writ petitioner's service. In the same way, the Dearness Allowance on the family pension is linked to the service rendered by the deceased husband, which forms part of the terminal benefits from his employer. Thus, denying the DA on family pension does not prevent double benefits; instead, it merely penalises the family of the deceased because the writ petitioner was gainfully employed on her own merits.

14.It is to be noted that the Dearness Allowance on family pension was suspended by the Government of Tamil Nadu vide G.O.Ms.No.191, Finance (Pension) Department, dated 16.03.1996. Thereafter, as per the memorandum issued by the Government of India dated 02.07.1999 has issued orders allowing Dearness Allowance on family pension to the employed family pensioners at the rates applicable from time to time. In pursuance to the above said memorandum dated 02.07.1999, the Government of Tamil Nadu, vide G.O.Ms.No.112 dated 24.03.2008 allowed Dearness Allowance on family pension in the case of employed family pensioners and the same has been clearly mentioned in paragraph No.3 of the said G.O., cited supra. Therefore, we are of the view that rejecting the writ petitioner's request on the ground that since she is working as Deputy Director/P.A. (Agri) to the District Collector, Theni, she is not entitled for Dearness Allowance on family pension, is contrary to the above mentioned G.O.Ms.No.112 dated 24.03.2008. There is no merits in the writ appeal and the same is liable to be dismissed. Accordingly, this writ appeal is dismissed. There shall be no order as to costs. Consequently, connected miscellaneous petition is closed.

[N.S.K., J.] & [M.J.R., J.]
30.04.2026

NCC : Yes / No
Index : Yes / No
gns

To

The Principal Secretary to Government,
Transport Department,
Secretariat, St.George Fort,
Chennai.

N.SATHISH KUMAR,J.
and
M.JOTHIRAMAN, J.

gns

Pre-Delivery Judgement made in
WA.(MD)No.556 of 2026

30.04.2026