

COURT NO. 2  
ARMED FORCES TRIBUNAL  
PRINCIPAL BENCH, NEW DELHI

OA 1920/2024

Sgt M Balaji

... Applicant

Versus

Union of India & Ors.

... Respondents

For Applicant

: Mr. Ajit Kakkar, Advocate

For Respondents

: Mr. Shyam Narayan, Advocate

CORAM

HON'BLE MS. JUSTICE ANU MALHOTRA, MEMBER (J)

HON'BLE REAR ADMIRAL DHIREN VIG, MEMBER (A)

ORDER

31.05.2024

The present OA has been filed under Section 14 of the Armed Forces Tribunal Act, 2007 by the applicant, who is aggrieved by the incorrect fixation of his pay in the 6<sup>th</sup> Central Pay Commission (CPC) resulting in continuous financial loss and disadvantage. The applicant has made the following prayers:

*“(a) To direct the respondents to resolve the anomaly in the pay of the applicant as per most beneficial option.*

*(b) Direct to respondents to fix the basic pay of the applicant and fix pay in a manner that is most beneficial to the applicant and other allowances w.e.f. 01.01.2006 (VIth CPC), 01.01.2016 (LAC) & 01.06.2009 (Cpl), 01.01.2016 (VIIth CPC), 03.01.2018 (Sgt)*

*(c) To direct the respondents to pay interest @12%p.a. on the arrears accrued to the applicant.*

*(d) To pass any other appropriate order or relief, which this Hon'ble Tribunal deems fit and proper anytime during the proceeding of this case."*

2. Notice of the OA was issued to the respondents which is accepted on their behalf.

3. The applicant was enrolled in the Indian Air Force on 28.12.2004 and was promoted to the rank of LAC on 01.06.2006 in the transition period of 6<sup>th</sup> CPC and was further promoted to the rank of Cpl on 01.06.2009 and was again promoted to the rank of Sergeant(Sgt) on 03.01.2018. It is the submission of the applicant that he could not exercise option for fixation of his basic pay on the implementation of the 6<sup>th</sup> CPC wherein his basic pay has not been fixed as per the most beneficial option on promotion to the rank of LAC on 01.06.2006 in the transition period of 6<sup>th</sup> was not CPC( 01.01.2006 to 11.10.2008)) and thus he is receiving lesser pay of Rs.1400/- p.m. than his similarly placed Coursemate named No.799974 Sgt V Vibin who had exercised Option-II. The applicant submits that he had exercised option for fixation of his basic pay as per the SAFI guidelines, however, his option was not acted upon on the implementation of the 6<sup>th</sup> CPC w.e.f. 01.01.2006 due to late submission of option from and this default option resulted in wrong fixation of his basic pay. The applicant submits that his basic pay is Rs.48,200/- as per April, 2024 pay slip whereas the basic pay of his similarly placed coursemate No.799974 Sgt V Vibin is Rs.49,600/-. The applicant submits that his pay was

wrongly fixed while implementing the recommendations of the 6th CPC as well as of the 7th CPC w.e.f. 01.01.2006 and 01.01.2016 respectively. The applicant submits that he was not guided to exercise his option as per the policy of SAI Guidelines, resulted disadvantageously to him and this arbitrary action on the part of the respondents is causing huge financial loss to him and the applicant is being deprived of his legitimate entitlement of equal pay for equal work. The applicant submits that his representation dated 15.04.2024 in relation to resolve the pay anomaly is yet to be replied by the respondents.

4. The applicant further submits that no action was taken by the respondents to resolve the issue of pay fixation in the most beneficial manner and thus the action of the respondents is in violation of the para 14(b)(iv) of SAI 1/S/2008 which stipulates that if no option is exercised by the individual, the PAO(OR) had to fix the basic pay in such a manner that is most beneficial to the individual and is also contrary to the principles of law laid down by the Hon'ble Supreme Court in its pronouncements. The applicant also places reliance on the order of Armed Forces Tribunal (PB), New Delhi *in OA 1182/2018 titled Sub Mahendra Lal Shrivastava Vs Union of India & Ors* wherein the Armed Forces Tribunal(PB) has given relief to similarly placed personnel by fixing the pay from the date of promotion that was a more

beneficial option for the applicants thereof. The Tribunal also held in catena of orders that if no option is exercised by the individual, the concerned authority will regulate and ensure that the more beneficial of the two options is allowed.

4. It is essential to observe that vide the order dated 03.09.2021 in OA 1182/2018 titled *Sub M L Srivastava & Ors Vs Union of India & Ors.*, the Armed Forces Tribunal(PB), New Delhi has held that it is the responsibility of the respondents and the service authority to look after the interests of its own subordinate personnel and directed the respondents to review the pay and allowances of the applicants therein after due verification and re-fix their pay under the 6<sup>th</sup> CPC in a manner that is most beneficial to the applicants and thereafter re-fix the pay in all subsequent ranks and on transition to 7<sup>th</sup> CPC.

5. The respondents fairly do not dispute the settled proposition of law put forth on behalf of the applicant in view of the verdicts relied upon on behalf of the applicant.

6. We have examined numerous cases pertaining to the incorrect pay fixation in 6<sup>th</sup> CPC in respect of Officers/JCOs/ORs merely on the grounds of option not being exercised in the stipulated time or applicants not exercising the option at all, and have issued orders that in all these cases the petitioners' pay is to be re-fixed with the most beneficial option as stipulated in Para 14 of the SAI 1/S/2008 dated 11.10.2008. The matter of incorrect fixation of pay and providing the most beneficial option in the case of JCOs/ORs has been exhaustively examined in the case of *Sub M.L. Shrivastava and Ors Vs. Union*

of India [O.A No. 1182 of 2018] decided on 03.09.2021. Relevant paras for the purpose of decision in this matter are quoted below:

*“24. Having heard all parties at length, the main issue before us is whether the respective PAO(OR)s who are the Respondent office responsible for all matters of pay and allowances of personnel below officers’ rank are justified in arbitrarily fixing the pay as on 01.01.2006, without examining the most beneficial option for each individual while fixing the pay; irrespective of whether the option was exercised or not exercised, or was exercised late.*

XXXX

XXXX

XXXXX

*30. In all the three cases, the applicants have been promoted to the next rank after 01.01.2006 and prior to the issue of SAI No 1/S/2008 dated 11.10.2008. Under normal circumstances, the applicants ought to have exercised their option for pay fixation as given in Para 8 and 14 (b) of the SAI. There is no dispute that the time laid down for exercising the option was initially three months from the date of issue of the SAI and that this was further extended to 31.03.2011 vide Corrigendum to SAI dated 21/12/2010. The period was further extended to 30.06.2011 vide MoD letter dated 11.12.2013. The letter dated 11.12.2013 was disseminated to the environment vide AG’s Branch Letter dated 12.12.2013.*

*31. It is also undisputed that if the applicants by default, are to be in the new pay scale as fixed with effect from 01.01.2006, they would be in a disadvantageous position throughout their service tenure and on retirement/ transition to 7th CPC. Moreover, it is absolutely reasonable to assume that no sane person will knowingly put himself in a disadvantageous position in service and will refuse to accept a beneficial pay scale and opt for the new pay scale that is disadvantageous.*

XXXX

XXXX

XXXXX

38. *In summary, we find that given the complexity of calculating pay and allowances, while the rules and regulations for implementation of 6th CPC had adequate safeguards to ensure that the most beneficial option was worked out and adopted for each individual, this has not been implemented with requisite seriousness and commitment by the Respondents, in particular the PAO(OR) who were the custodians to ensure this. This has resulted in serious financial implications to individuals including loss of pay and allowances whilst in service and on retirement. This has also resulted in financial loss to those who transited to 7th CPC with incorrect fixation of pay in the 6th CPC. The only ground for denial of the most beneficial pay scale to the applicants and many others who are similarly placed is that either the individuals did not exercise an option for pay fixation, or they exercised it late, beyond the perceived stipulated period. In the given circumstances, the respondents themselves should have taken steps to remove this anomaly, and ease out the issue for the serving soldiers, many of whom may not be knowledgeable about the intricacies of these calculations, in the full knowledge that that no one will ever knowingly opt for a less beneficial option. We emphasise the fact that it's the responsibility of the Respondents and the service authority to look after the interests of its own subordinate personnel.*

39. *In view of the above, the three OAs under consideration are allowed and we direct the Respondents to:-*

- (a) Review the pay fixed of the applicants and after due verification re-fix their pay under 6th CPC in a manner that is most beneficial to the applicants.*
- (b) Thereafter re-fix their pay in all subsequent ranks and on transition to 7th CPC where applicable, and also ensure that they are not drawing less pay than their juniors.*

- (c) *Re-fix all pensionary and post retiral benefits accordingly.*
- (d) *Issue all arrears and fresh PPO where applicable, within three months of this order and submit a compliance report.*
40. *In view of the fact that there are a large number of pending cases which are similarly placed and fall into Category A or B, this order will be applicable in rem to all such affected personnel. Respondents are directed to take suo moto action on applications filed by similarly aggrieved personnel and instruct concerned PAO(OR) to verify records and re-fix their pay in 6th CPC accordingly.*

7. The issue pertaining to pay fixation in 6<sup>th</sup> CPC in respect of Officers/JCO/OR has been examined in numerous cases by this Tribunal. Similar considerations were applicable for pay fixation of officers (*Lt.Col. Karan Dusad Vs Union of India & Ors(OA No.868 of 2020 and connected matters)* decided on 05.08.2022.

8. In *Uttaranchal Forest Rangers' Assn. (Direct Recruit) v. State of U.P., (2006) 10 SCC 346* the Hon'ble Supreme Court has laid down that service jurisprudence postulates that all the persons similarly situated should be treated similarly.

9. In the light of the above consideration, we allow this OA and direct the respondents, to:

(a) Review and re-fix the pay of the applicant under the 6<sup>th</sup> CPC after due verification in a manner that is most beneficial to him by ensuring that the applicant is not drawing less pay than his juniors.

(b) Re-fix the applicant's pay on transition into 7<sup>th</sup> CPC as on 01.01.2016 in the most beneficial manner while ensuring that the applicant is not drawing less pay than his juniors.

(c) Pay the arrears within three months from the date of receipt of the copy of this order.

10. No order as to costs.

(JUSTICE ANU MALHOTRA)  
MEMBER (J)

(REAR ADMIRAL DHIREN VIG)  
MEMBER (A)

/chanana/