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

4.

OA 3153/2025

828680-R NC(E) Shiv Murti Pal Applicant
Versus
Union of India & Ors. Respondents

For Applicant : Mr. Tatsat Shukla & Mr Rajeev
Kumar, Advocates
For Respondents : Mr. Vijendra Singh, Advocate

CORAM

**HON'BLE MS. JUSTICE ANU MALHOTRA, MEMBER(J)
HON'BLE REAR ADMIRAL DHIREN VIG, MEMBER (A)**

ORDER
16.10.2025

828680-R NC(E) Shiv Murti Pal vide the present OA
filed under Section 14 of the Armed Forces Tribunal Act,
2007 makes the following prayers:

- (a) *To direct the Respondents to rectify Basic Pay fixation anomaly
in salary of the applicant by re-fixing his basic pay as per the
most beneficial option to applicant on implementation of 7th CPC
and subsequent , on the principles affirmed by Hon'ble Tribunal*

in OA No.1182/2018, Sub Mahendra Lal Shrivastava Vs Union of India & Ors.

- (b) To direct the respondents to make payment of arrears of salary accrue to him on re-fixation of his basic pay, in accordance with the beneficial option on the principles affirmed by Hon'ble Tribunal order in OA No.1182/2018, Sub Mahendra Lal Shrivastava Vs Union of India & Ors.*
- (c) To direct the respondents to pay interest @12% per annum on the arrears accrue to the applicant on arrears of payments on Re-fixation of basic pay.*
- (d) To pass other order or direction in favour of applicant which may be deemed just and proper under the facts and circumstances of this case in the interest of justice."*

2. The applicant was enrolled in the Indian Air Force on 06.08.2015. The applicant submits that his basic pay has not been fixed as per beneficial option on 01 Jan 2016 in the transition period of 7th CPC and thus he is receiving Rs.800/- per month lesser than his similarly placed batchmate NC(E) i.e. 878763-H NC(E) Rohit who exercised option-II whereas he could not exercise this option during the transition period of the 7th CPC in time. The applicant further submits that his basic pay during the transition period of the 7th CPC was fixed from the Date of Next Increment i.e. on 01 Jan 2016 whereas he exercised option for

fixation of his basic pay as per the SAFI guidelines, however, his option was not acted upon at the time of implementation of the 7th CPC due to non-submission of option form and thus the action of the respondent is violation of Para 14(b)(iv) of SAI 1/S/2008. The applicant further submits that on making a representation dated 20 Feb. 2025, the respondents' response is to the effect:

"OIC Cell-APW Reply:

Your query has been examined. It is intimated that quoted service number 828763 has been migrated in VIIth CPC from the date of next increment i.e. wef 01 Jul 16. Accordingly, his basic pay was fixed to Rs.19100/- as on 01 Jul 2016 whereas you have been opted for pay fixation from 01 Jan 2016 and accordingly your basic pay fixed to Rs.18000/- wef 01 Jan 2016. So, he is drawing more basic pay than you. Further, it is intimated that currently there is no option now to migrate in VIIth CPC from Date of Next Increment.

Date: 20-Feb 2025 11:59:29"

and that no further action has been taken by the respondents to grant him the benefits of the most beneficial option.

3. The applicant further submits as per Para 14(b)(iv) of SAI 1/S/2008, if no option is exercised by the individual, the

PAO(OR) will regulate and fix the pay of the individual on promotion in a more beneficial manner by keeping in view the views expressed by the Hon'ble Armed Forces Tribunal (PB) vide order dated 05.08.2022 in OA 1182/2018 titled *Sub Mahendra Lal Shrivastava Vs Union of India & Ors.* and a catena of other orders of the Armed Forces Tribunal wherein also similarly circumstanced applicant (s) have been granted the stepping of pay at par to his junior.

4. We have examined numerous cases pertaining to the incorrect pay fixation in 6th 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. The matter in issue is no more *res judicata* in view of the order dated 24.08.2022 of the Armed Forces Tribunal (PB), New Delhi in the case of *Col. Rajesh Suredia (Retd) Vs Union of India & Ors* in OA 2857/2021 whereby vide paras 10 to 15 thereof it has been observed as under:

"10. Unlike the 6th CPC, implementation instructions which has an explicit provision that no promotion, in the eventuality of the requisite option not being exercised by an officer, the most beneficial option of fixing the, either from date of

promotion/next increment will be extended, the 5th CPC instructions does not have such a provision. Similarly, the 7th CPC too does not have such an explicit provision.

11. We have examined numerous cases pertaining to the incorrect pay fixation in 6th CPC in respect of Officers/JCO/OR 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 pay fixation has been exhaustively examined in Sub M.L. Shrivastava v. Union of India. O.A No. 1182 of 2018 decided on 03.09.2021. Relevant portions are extracted below:

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 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 PRO 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 motu 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.

12. Similarly, in the matter of incorrect pay fixation in the 7th CPC, the issue has been exhaustively examined in Sub Ramjeevan Kumar Singh v. Union of India decided on 27.09.2021. Relevant portions are extracted below:

12. Notwithstanding the absence of the option clause in 7th CPC, this Bench has repeatedly held that a soldier cannot be drawing less pay than his junior, or be placed in a pay scale/band which does not offer the most beneficial pay scale, for the only

reason that the soldier did not exercise the required option for pay fixation, or exercised it late. We have no hesitation in concluding that even under the 7th CPC, it remains the responsibility of the Respondents; in particular the PAO (OR), to ensure that a soldier's pay is fixed in the most beneficial manner.

13. In view of the foregoing, we allow the OA and direct the Respondents to:—

(a) Take necessary action to amend the Extraordinary Gazette Notification NO SRO 9E dated 03.05.2017 and include a suitable 'most beneficial' option clause, similar to the 6th CPC. A Report to be submitted within three months of this order.

(b) Review the pay fixed of the applicant on his promotion to Naib Subedar in the 6th CPC, and after due verification re-fix his pay in a manner that is most beneficial to the applicant, while ensuring that he does not draw less pay than his juniors.

(c) Issue all arrears within three months of this order and submit a compliance report.

(d) Issue all arrears within three months of this order and submit a compliance report.

13. As stated by the Counsel for the applicant, recently in our Order dated 08.07.2022 in OA 1579/2017 Gp Capt AVR Reddy (supra), we have examined the same issue and have directed the Respondents to review the pay fixation on promotion in 5th CPC and re-fix the pay with the most beneficial option. Also in our Order dated 05.08.2022 in OA 868 of 2020 Lt Col Karan Dusad & Ors we have directed CGDA to issue necessary instructions to review pay fixation of all officers of all the three Services, whose pay has been fixed on 01.01.2006 in 6th CPC and provide them the most beneficial option. Relevant extracts are given below.

102 (a) to (j) xxxxxx.

(k) The pay fixation of all the officers, of all the

three Services (Army, Navy and Air Force), whose pay has been fixed as on 01.01.2006 merely because they did not exercise an option/exercised it after the stipulated time be reviewed by CGDA/CDA (O), and the benefit of the most beneficial option be extended to these officers, with all consequential benefits, including to those who have retired. The CGDA to issue necessary instructions for the review and implementation.

Directions

103. xxxx.

104. We, however, direct the CGDA/CDA(0) to review and verify the pay fixation of all those officers, of all the three Services (Army, Navy and Air Force), whose pay has been fixed as on 01.01.2006, including those who have retired, and re-fix their pay with the most beneficial option, with all consequential benefits, including re-fixing of their pay in the 7th CPC and pension wherever applicable. The CGDA to issue necessary instructions for this review and its implementation. Respondents are directed to complete this review and file a detailed compliance report within four months of this order.

14. It is evident from the above details that there indeed is a financial advantage to the applicants had their pay on promotion in Dec 2004 been fixed from the date of their next increment in March 2005. This would then also have resulted in appropriate financial advantage on transition to the 6th CPC on 01.01.2006 too. In this case, this advantage has been denied only on the grounds that the applicant had not exercised his option. This Tribunal is of the firm opinion that irrespective of whether an officer rendered his option or not, the organization and in particular the implementing agency and the paying agency are beholden to advice an officer and ensure that the most beneficial option in pay fixation is given to him. Merely because the provisions are there in

the instructions, is inadequate methodology to ensure that all officers/men got the most beneficial advantage from the way their pay is fixed. Even if the applicants had not exercised their option, we do not find any record that the Respondents did advise the applicants on the implications of pay fixation from date of promotion/DNI apart from issuing a letter and holding the officer responsible. There is just no reason to believe that anyone will knowingly opt for a less beneficial pay fixation option. Thus the applicants have exercised/not exercised options in the absence of full knowledge of the implication of their action, which in our opinion was the responsibility of the paying authority to ensure. Merely taking cover behind an argument that as per the implementation instructions the paying office was not required/barred from suo moto taking such necessary steps/initiatives does not hold water.

15. In the light of the above consideration, we find that the applicant prima facie has a case and the balance of convenience too is in his favour. We therefore, allow the OA and direct the Respondents to

(a) Review the pay fixed of the applicant on promotion to the rank of Lt Col in Dec 2004 under the 5th CPC and after due verification re-fix his pay in a manner that is most beneficial to the applicant.

(b) Re-fix the applicants' pay on transition into 6th CPC with the most beneficial option, while ensuring that the applicants do not draw less pay than their juniors.

(c) Re-fix the applicants' pay on transition to 7th CPC and subsequent promotion and retirement accordingly.

(d) All pending similar cases pertaining to pay fixation on promotion in 5th CPC with the most beneficial option be similarly reviewed and pay re-fixed.

(e) Pay the arrears within three months of this Order and submit a compliance report."

5. Significantly, vide judgment dated 14.08.2024 in *Union of India & Ors Vs Col. Rajesh Suredia (Retd)* in WP(C) 5477/2024, the Hon'ble High Court of Delhi has upheld the said order of the Armed Forces Tribunal (PB), New Delhi in *Col. Rajesh Suredia (Retd) Vs Union of India & Ors* in OA 2857/2021 and has observed vide paras 3-5 thereof to the effect:

"3. After detailed arguments, learned counsel for the petitioners submits that taking into account that the directions issued by the learned Tribunal for reviewing the pay fixation qua all similarly placed persons as the respondents would involve examining of voluminous record, the exercise to comply with paragraph 15(d) of the order is likely to take at least further six weeks' time.

4. In the light of this explanation given by the petitioners, we grant further six weeks' time to the petitioners to comply with the directions issued in the impugned order.

5. The writ petition is accordingly disposed of in the aforesaid terms. "

7. Furthermore, vide orders of this Tribunal in *Sub M.L Shrivastava and others Vs Union of India and others* (O.A No. 1182 of 2018 decided on 03.09.2021) which has been upheld by Hon'ble High Court of Delhi vide judgment dated 05.05.2025 in WP (C) 5880/2025 in *Union of India and others versus Sub Mahendra Lal Shrivastava Retd* vide observations in Paras 24 and 25 thereof which have been

reproduced in para 5 hereinabove. It is apparent that the mere non exercise of the beneficial option by the applicant or non exercise thereof within the stipulated period of time cannot be a ground to dis-entitle the applicant of the most beneficial option for implementation of the 7th CPC recommendations and the fixation of the pay and the pension of the applicant, merely because the promotion of the applicant had not taken place in the period of transition from the 6th CPC to the 7th CPC.

8. In the light of the above consideration, the OA 3153/2025 is allowed and the respondents are directed to:

- (a) Review the pay fixed of the applicant in a most beneficial manner after due verification in the 7th CPC and ensuring that the applicant is not drawing less pay than that his course-mate/junior.
- (b) To pay the arrears within three months of this order.

9. No order as to costs.

(JUSTICE ANU MALHOTRA)
MEMBER(J)

(REAR ADMIRAL DHIREN VIG)
MEMBER (A)

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