COURT NO. 3
ARMED FORCES TRIBUNAL
PRINCIPAL BENCH, NEW DELHI

OA 175/2018

WITH

MA Nos. 120/2018, 3026/2024

AND 4334/2025

Neelapu Chandra Shekhar Reddy Ex EAP-3 ..... Applicant
Versus
Union of India & Ors. ..... Respondents

For Applicant : Mr. Ved Prakash, Advocate
For Respondents : Ms. Barkha Babbar, Advocate

Dated: 20th January, 2026

CORAM

HON'BLE MS. JUSTICE NANDITA DUBEY, MEMBER (J)
HON'BLE MS. RASIKA CHAUBE, MEMBER (A)

ORDER

MA 120/2018

This is an application filed under Section 22(2) of the Armed Forces Tribunal Act, 2007 seeking condonation of delay in filing the present OA. In view of the judgment of the Hon'ble Supreme Court in the matter of *Union of India and Ors.* Vs. *Tarsem Singh* [(2008) 8 SCC 648] and the reasons mentioned in the application, the delay in filing the OA is condoned. The MA is disposed of accordingly.

MA 3026/2024

2. This application filed on behalf of the respondents for taking on record the judgments/rulings is allowed. MA stands disposed of.

MA 4334/2025

3. This is an application filed on behalf of the respondents seeking condonation of delay in filing the Comprehensive Affidavit. For the averments made in the application, the delay in filing the Comprehensive Affidavit is condoned and the same is taken on record. MA stands disposed of.

OA 175/2018

4. The present OA filed under Section 14 of the Armed Forces Tribunal Act, 2007, assails Annexure A-1, whereby the applicant's claim for grant of service pension has been rejected on the following grounds:

> *(a) The applicant was enrolled in the Indian Navy on 01.08.2002 and was discharged on 31.07.2012 upon expiry of the term of engagement having rendered 10 years of qualifying service.*
>
> *(b) In terms of Regulation 78 of the Navy (Pension) Regulations 1964, a minimum of 15 years of qualifying service is mandatory for earning eligibility to service pension.*
>
> *(c) There exists no policy or provision in the Indian Navy for grant of any kind of pension on sympathetic or equitable grounds where the individual has rendered less than the prescribed minimum qualifying service of 15 years.*

5. The applicant was enrolled in the Indian Navy on 1st August 2002, under the Direct Entry Diploma Holder

(DEDH) scheme for an initial engagement of ten years. On completion of his initial term of engagement, he was released from service on 31st July 2012. At that time, the applicant was placed in Low Medical Category S3A2(A) (Permanent) by the Release Medical Board (hereinafter referred to as "RMB") on account of the disability "Non-Union Fracture Scaphoid (Right)." The RMB assessed the disability at 11–14% and held it to be attributable to, but not aggravated by, military service. However, the net assessment qualifying for disability pension was recorded as "Nil" for life. Befoere expiry of his initial term of engagement in 2012, the applicant in 2010 sought re-engagement for a further period of five years. His case for re-engagement was initiated by INS Valsura while he was in LMC S3A3(A) (Permanent) and was forwarded to the Integrated Headquarters of the Ministry of Defence (Navy) for consideration. The case was, however, returned with the direction that it be resubmitted after an early Re-Categorisation Medical Board. Upon resubmission, the applicant continued to remain in LMC S3A2(A) (Permanent). In terms of Para 8 of Navy Order 14/2001, personnel in the said medical category were not eligible for further re-engagement and it was

accordingly directed that the applicant be released from service on expiry of his existing engagement. Subsequently, in August 2016, the applicant submitted a representation seeking reinstatement into service and further re-engagement so as to enable him to complete the qualifying service for grant of service pension. The said request was not acceded to, as he was found not fit for reinstatement or further re-engagement. Consequently, Annexure A-1 reply was issued to the applicant reiterating the aforesaid reasons and further advising him to approach the nearest Zilla Sainik Board for guidance regarding concessions, benefits and financial assistance admissible to ex-defence personnel. Aggrieved thereby, the applicant has filed the present Original Application seeking the following reliefs:

> *(a) to set aside the impugned orders passed by the respondents vide Annexure A-1 (Colly) and to direct the respondents to grant service pension with effect from 01.08.2017 by counting notional service of five years, with all consequential benefits;*
>
> *(b) in the alternative, to direct the respondents to grant disability pension/invalid pension to the applicant by rounding off the disability element to 50% with effect from 01.08.2012 together with arrears along with interest @ 12% per annum;*
>
> *(c) to pass such other or further orders/directions as this Tribunal may deem fit and proper in the facts and circumstances of the case; and*
>
> *(d) to award costs of the present OA.*

6. The learned counsel for the applicant contends that the action of the respondents in denying the applicant service pension is arbitrary, unjustified and contrary to law. It is submitted that the rejection of his request for re-engagement for a further period of five years made on completion of the initial ten-year engagement deprived him of the opportunity to complete the minimum qualifying service for pension, despite his case having been duly recommended by the Commanding Officer and the Administrative Authority. Such rejection, according to the learned counsel for the applicant, is contrary to the policy contained in Annexure A-5 issued by IHQ MoD (Navy). Reliance is placed on the judgment of the Hon'ble Supreme Court in ***Ved Prakash*** Vs. ***Union of India and Others*** (CA No. 11933/2016), wherein it was held that in the absence of specific norms under para 9(c), re-engagement of sailors of the Artificer cadre is governed by the policy dated 21st November 2006. It is urged that the applicant's request for re-engagement could not have been denied mechanically. It is further submitted that the applicant was discharged in Low Medical Category S3A2(A) (Permanent) on the ground of medical unfitness for re-engagement, yet was

denied disability pension as his disability was assessed at only 11–14%, though accepted as attributable to military service. Consequently, the applicant has been deprived of both service pension and disability pension. In the absence of any material to show that the disability affected his efficiency, such action is stated to be unfair and unreasonable.

7. The counsel for the applicant further argues that having been denied continuation in service on medical grounds, the applicant ought to have been invalided out. In that event, his disability would necessarily be treated as 20% or more entitling him to disability pension. Reliance is placed on the decision of the Hon'ble Supreme Court in ***Sukhvinder Singh*** Vs. ***Union of India and Others*** (CA No. 5605/2010), wherein it was held that a disability leading to invaliding out of service pre-supposes a disability of 20% or above and attracts disability pension with a disability element of 50%. Support is also drawn from the decision of Hon'ble Supreme Court in ***KJS Buttar*** Vs. ***Union of India and others*** (CA No.5591/2006) decided on 31.03.2011, Hon'ble Delhi High Court in ***Mahavir Singh Narwal*** Vs. ***Union of India and others*** (2005 [1[All India Service Law Journal 133) as well as the judgment of this

Tribunal in ***T. Sreekumar Nair*** Vs. ***Union of India and others*** (OA 13/2013)R.B. Kochi to contend that the applicant should be deemed to have been invalided out of service and granted the service element of disability pension with rounding off of the disability element to 50%. Lastly, it is contended that while officers released in a lower medical category are granted service element of disability pension under the Ministry of Defence letter dated 30th August 2006, denial of a similar benefit to the applicant merely on account of his rank as a non-commissioned officer is discriminatory and violative of Article 14 of the Constitution of India.

8. On the other hand, the respondents, in their counter affidavit, have justified the impugned action by contending that sailors recruited under the Direct Entry Diploma Holder (DEDH) scheme are initially engaged for a period of ten years. As per the policy issued by IHQ MoD (Navy) vide letter dated 21st November 2006, such sailors are eligible to seek re-engagement in accordance with Navy Order (Str) 17/1994, as amended from time to time, which contemplated re-engagement for a further period of five years subject to fulfilment of the prescribed criteria and service requirements.

The said Navy Order was subsequently superseded by Navy Order (Str) 02/2007. It is stated that Regulation 269(2) of the Regulations for the Navy, Part III (Statutory) mandates that no sailor shall be re-enrolled or re-engaged unless he is declared medically fit to satisfactorily discharge the duties assigned to him. Further, in terms of paragraph 4 of Navy Order (Str) 02/2007, re-engagement is subject to service exigencies and cannot be claimed as a matter of right. Emphasis has been laid on the fact that the Navy, being predominantly a sea-going force, requires personnel to maintain prescribed medical standards and, therefore, medically fit and medically unfit sailors cannot be treated at par for the purpose of re-engagement. It is also asserted that cases of personnel placed in medical categories below S2A2 require mandatory scrutiny and approval at the Naval Headquarters level, taking into account the overall service requirements.

9. In the applicant's case, his request for re-engagement was examined by the competent authority at IHQ MoD (Navy) and having regard to his prevailing Low Medical Category, it was communicated vide letter dated 30th May 2011 that he was not found fit for further re-engagement. Reliance has also been

placed on Para 11 of Navy Order (Str) 02/2007, which provides that sailors in medical categories below S2A2 are normally not to be granted re-engagement. In support of this position, learned counsel for the respondents referred to the decision of this Tribunal in ***R.P. Manivannan*** Vs. ***Union of India and Others*** (OA No. 123 of 2016) decided on 02.03.2017, wherein it was held that continuation of service beyond the initial engagement is contingent upon satisfaction of various criteria, including medical fitness, discipline and performance and not merely on the willingness of the individual. It is further submitted that the applicant was released from service strictly on completion of his initial tenure of ten years and was neither invalided out nor prematurely discharged on medical grounds. According to the respondents, the service element of disability pension is admissible only to those personnel who are invalided out of service with qualifying service between 10 and 15 years. Personnel discharged on completion of engagement, even if suffering from a disability, constitute a distinct category and are governed by separate provisions relating to disability benefits. Since the applicant was discharged on expiry of his engagement and not invalided out of service, he is stated to be ineligible for

grant of service element or invalid pension. On these premises, the respondents contend that the OA is devoid of merit and is liable to be dismissed with costs.

10. In the rejoinder, the applicant has reiterated substantially the same submissions as advanced earlier. As the said contentions have already been noticed and dealt with, we do not consider it necessary to advert to them again, so as to avoid unnecessary prolixity in the judgment.

11. We have heard the learned counsel appearing for the parties and have carefully perused the records placed before us.

12. At the outset, it is necessary to delineate the scope of the present adjudication. Though the OA was initially framed seeking (i) grant of service pension by counting notional service and (ii) grant of disability pension, it is an admitted position on record that during the course of arguments, the learned counsel for the applicant restricted the relief solely to the grant of invalid pension conceding that the applicant had rendered only ten years of qualifying service. We, therefore, confine our examination exclusively to the question whether the applicant is entitled to invalid pension.

13. The material facts are not in dispute. The applicant was enrolled in the Indian Navy on 1st August 2002 under the DEDH scheme for an initial engagement of ten years and was released from service on 31st July 2012 on expiry of his contractual term of engagement since he was not medically fit as he was placed in LMC S3A2(A) (Permanent) on account of "Non-Union Fracture Scaphoid (Right)" assessed at 11–14%, attributable to service. Thus in view of Regulation 269(2) of the Navy Regulations, Part-III (Statutory) he was not re-engaged and was discharged on completion of his term of engagement which is ten years. Thus he was neither invalided out of service nor prematurely discharged on medical grounds.

14. Invalid pension is a statutory benefit, not an equitable or discretionary one. Under the relevant Pension Regulations, invalid pension becomes admissible only when a personnel member is invalided out of service on account of disability i.e. where the disability renders the individual permanently unfit for further service and results in compulsory termination of service prior to completion of the engagement. A discharge on completion of contractual tenure does not, by itself, attract the concept of invalidation. In the present case, the applicant was

released strictly on completion of his initial engagement and not because of medical invalidation. The RMB did not recommend invalidation nor did it assess the disability at 20% or above so as to attract disability pension.

15. The core grievance of the applicant rests on the denial of re-engagement for a further period of five years, which, according to him, prevented completion of the qualifying service for pension. This argument is legally untenable. The policy governing re-engagement, including Navy Order (Str) 02/2007 and Regulation 269(2) of the Navy Regulations, makes it abundantly clear that re-engagement is subject to medical fitness, service exigencies and approval of the competent authority. Personnel placed in medical categories below S2A2 are normally not eligible for re-engagement. The applicant, being in permanent LMC S3A2(A), did not meet the prescribed eligibility criteria. Re-engagement cannot be claimed as a vested or enforceable right merely because the individual is willing to continue in service. The rejection of re-engagement in the applicant's case was taken by the competent authority after due consideration of his medical category and prevailing policy and cannot be characterized as arbitrary or mechanical.

16. The submission that denial of re-engagement on medical grounds should be treated as "deemed invalidation" is misconceived. Invaliding out presupposes a positive act of discharge on medical grounds, following a medical board's recommendation that the individual is unfit to continue service. In contrast, the applicant completed his contractual tenure and was released accordingly. The mere fact that he was in a LMC at the time of release does not convert a tenure-based discharge into invalidation. The disability of the applicant was assessed at 11–14% and though attributable to service, it was expressly recorded as Nil for pensionary purposes. Under settled law and policy, disability pension becomes admissible only when the disability is assessed at 20% or more. We find no infirmity in the assessment made by the RMB nor has any cogent material been placed to warrant interference with the said assessment.

17. The reliance placed by the applicant on judgments such as ***Sukhvinder Singh*** (supra), ***KJS Buttar*** (supra) and other decisions is misplaced. Those cases dealt with situations where personnel were invalided out of service or where the disability was assessed at pensionable levels. The applicant's case is factually and legally distinguishable, as he was neither invalided

out nor assessed with a qualifying disability. Similarly, the reliance placed on the judgment of the Hon'ble Supreme Court in ***Union of India and others*** v. ***V.R. Nanukuttan Nair*** (C.A Nos. 4714-4715/2012) decided on 07.11.2019 is misplaced as the facts of that case are materially different from those obtaining in the present matter. In ***Nanukuttan Nair*** (supra), the applicant, despite having rendered only about ten years of service, was already in receipt of disability pension and had approached the Tribunal seeking the service element thereof. The Tribunal allowed the claim and granted full disability pension including the service element, which decision was subsequently affirmed by the Apex Court. On the other hand, the applicant in the present case was not in receipt of any disability pension. The foundational ground on which relief was granted in ***Nanukuttan Nair*** *(supra)* is entirely absent in the case at hand. Consequently, the said judgment does not advance the applicant's case and is clearly distinguishable on facts as well as on law.

18. The contention that denial of pensionary benefits amounts to discrimination vis-à-vis officers is devoid of merit. Pensionary entitlements are governed by distinct statutory frameworks

applicable to different categories of personnel. Differential treatment founded on statutory classification does not amount to hostile discrimination. The applicant's claim is squarely governed by the applicable Navy Regulations, which do not permit grant of invalid pension in the absence of invalidation.

19. In view of the aforesaid discussion, we hold that the applicant was released from service on completion of his contractual engagement and was not invalided out; his disability was assessed below the pensionable threshold and does not entitle him to disability or invalid pension; denial of re-engagement was in accordance with applicable policy and does not confer any right to pensionary benefits; and the applicant has failed to establish any illegality, arbitrariness or violation of statutory rules warranting interference.

20. Accordingly, the OA is devoid of merit and is dismissed. There shall be no order as to costs.

Pronounced in open Court on this 20th day of January, 2026.

[JUSTICE NANDITA DUBEY]
MEMBER (J)

[RASIKA CHAUBE]
MEMBER (A)

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