

2025 LiveLaw (SC) 258

IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION
SANJIV KHANNA; CJI., SANJAY KUMAR; J.
FEBRUARY 20, 2025
MISCELLANEOUS APPLICATION DIARY NO. 2400 OF 2024
IN
CIVIL APPEAL NO. 3933 OF 2023, 20-02-2025
UNION OF INDIA & ANR. *versus* M. SIDDARAJ

Service Law - Annual Increment for Retirees – Held, government employees are entitled to an annual increment earned the day before retirement, as per *Director (Admn and HR) KPTCL v. CP Mundinamani* (11.04.2023). This entitlement applies prospectively to third parties from 01.05.2023, with enhanced pension including one increment payable from that date. No enhanced pension is payable for the period before 30.04.2023. For employees who succeeded in prior writ petitions, the judgment operates as *res judicata*, entitling them to enhanced pension with one increment as per the judgment, unless the judgment is under appeal and not final. Retired employees who filed applications for intervention, impleadment, writ petitions, or original applications before the Central Administrative Tribunal (CAT), High Courts, or Supreme Court are entitled to enhanced pension with one increment for the three years prior to the month of filing, as per modified direction issued on 20.02.2025. Applications filed after *Union of India & Anr. v. M. Siddaraj* (19.05.2023) are governed by the prospective application rule and not the modified direction. Excess payments or arrears already made will not be recovered. Aggrieved parties may approach relevant authorities for non-compliance and, if necessary, the CAT or High Court as per law.

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ORDER

Miscellaneous Application Diary Nos. 2400/2024, 35783/2024, 35785/2024 and 35786/2024 Delay condoned.

We had passed the following interim order dated 06.09.2024, the operative portion of which reads as under:

“(a) The judgment dated 11.04.2023 will be given effect to in case of third parties from the date of the judgment, that is, the pension by taking into account one increment will be payable on and after 01.05.2023. Enhanced pension for the period prior to 31.04.2023 will not be paid.

(b) For persons who have filed writ petitions and succeeded, the directions given in the said judgment will operate as *res judicata*, and accordingly, an enhanced pension by taking one increment would have to be paid.

(c) The direction in (b) will not apply, where the judgment has not attained finality, and cases where an appeal has been preferred, or if filed, is entertained by the appellate court.

(d) In case any retired employee has filed any application for intervention / impleadment in Civil Appeal No. 3933/2023 or any other writ petition and a beneficial order has been passed, the enhanced pension by including one increment will be payable from the month in which the application for intervention/ impleadment was filed.”

We are inclined to dispose of the present miscellaneous applications directing that Clauses (a), (b) and (c) of the order dated 06.09.2024 will be treated as final directions. We are, however, of the opinion that Clause (d) of the order dated 06.09.2024 requires modification which shall now read as under:

“(d) In case any retired employee filed an application for intervention / impleadment / writ petition/original application before the Central Administrative Tribunal/High Courts/this Court, the enhanced pension by including one increment will be payable for the period of three years prior to the month in which the application for intervention/ impleadment / writ petition/ original application was filed.”

Further, clause (d) will not apply to the retired government employee who filed a writ petition/original application or an application for intervention before the Central Administrative Tribunal/High Courts/this Court after the judgment in “*Union of India & Anr. v. M. Siddaraj*”¹, as in such cases, clause (a) will apply.

Recording the aforesaid, the miscellaneous applications are disposed of.

We, further, clarify that in case any excess payment has already been made, including arrears, such amount paid will not be recovered.

It will be open to any person aggrieved by non-compliance with the directions and the clarification of this Court, in the present order, to approach the concerned authorities in the first instance and, if required, the Administrative Tribunal or High Court, as per law.

Pending applications including all intervention / impleadment applications shall stand disposed of in terms of this order.

Contempt Petition (Civil) Diary Nos. 38437/2023, 38438/2023, 11336/2024 and 20636/2024

In view of the order passed today in the connected matters, that is, M.A. Diary No. 2400 OF 2024 and other connected applications, the present contempt petitions will be treated as disposed of with liberty to the petitioners to take recourse to appropriate remedies, if required and necessary, as indicated *supra*. It goes without saying that the respondents shall examine the cases of the petitioners/ applicants in terms of the order passed today and comply with the same expeditiously.

Pending application(s), if any, shall stand disposed of.

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¹ Dated 19.05.2023 in Civil Appeal No. 3933/2023, titled “*Union of India & Anr. vs. M. Siddaraj*” and other connected matters.