

Naresh Kumar Goel vs Defence on 8 May, 2026

Central Administrative Tribunal
Principal Bench, New Delhi

O.A. No. 1306/2023

Order reserved on: 27.04.2026
Order pronounced on: 08.05.2026

Hon'ble Mr. Rajinder Kashyap, Member (A)

Naresh Kumar Goel, aged 61 years
S/o Sh. Om Prakash Goel,
Retired as Chief Engineer from
MES, Ministry of Defence,
r/o 10, Indubaba Marg, Rajpur road,
Kishanpur, Dehradun (UK)-248009

...Applicant

(By Advocate: Mr. Yogesh Sharma)

VERSUS

1. Union of India through the Secretary,
Ministry of Defence, Govt. of India,
101-A, South Block, New Delhi-110001
2. Directorate General (Personnel),
Engineer-in-Chief's Branch,
Kashmir House, Integrated HQ of MOD (Army)
DHQ PO, New Delhi-110011
3. The Joint Secretary & Chief Administrative Officer,
FF, A-Block, Defence Office Complex,
Africa Avenue Marg, New Delhi-110023
4. The Principal Controller of Defence Accounts,
6th Floor, A-Block, Defence office Complex,
Africa Avenue Marg, New Delhi-110023
5. The Record officer,
Central Record Office (Officers),
Military Engineer Service,
Tigris Road, Delhi Cantt.-110010

....Respondents

(By Advocate: Ms. Anupama Bansal)

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Item No. 23/C-6

2

ORDER

By filing the present O.A. under Section 19 of the Administrative Tribunals Act, 1985, the applicant has sought the following reliefs:-

"(i) That the Hon'ble Tribunal may graciously be pleased to pass an order of quashing the impugned orders dated 19.1.2022 (Annex. A/1), order dated 20.2.2023 & order dated 31.3.2023 (Annex. A/2), order dt. 31.5.2021 (Annex. A/3) and all other internal orders passed by the respondents, by which respondents instead of granting the due leave encashment of the applicant, directed the applicant to deposit the amount of Rs. 4,94,534/-, declaring to the effect that the same are illegal, arbitrary and against the law of the land and consequently, pass an order directing the respondents to pay the payment of leave encashment of the applicant in respect of 34 earned leave and 237 half pay leave which were available in the leave account of the applicant at the time of his retirement with interest.

(ii) That the Hon'ble Tribunal may graciously be pleased to pass an order of quashing the impugned order dated 13.9.2021, declaring to the effect that the same is illegal, arbitrary and against the rules, and consequently, pass an order directing the respondents to benefits of OM dated 12.10.2020 with all the consequential benefits.

(iii) That the Hon'ble Tribunal may graciously be pleased to pass an order directing the respondents to released all the due payment including TA/DA Bill and Insurance amount with interest.

(iv) Any other relief which the Hon'ble Tribunal deem fit and proper may also be granted to the applicant along with the costs of litigation."

FACTS OF THE CASE

2. As stated by the applicant, he was initially appointed as Assistant Executive Engineer (AEE) in the Military Engineering Service (MES) on 01.12.1985 and was subsequently promoted to the post of Chief Engineer, from which he superannuated on 31.05.2021. At the time of retirement, the applicant had 34 days of Earned Leave (EL) and 237 days of Half Pay Leave (HPL) in his leave account and was entitled to leave encashment thereof. However, respondent No. 3, vide order dated 19.01.2022 (Annexure A-1), alleged that the applicant had NEETU Digitally signed by NEETU SHARMA SHARMA Date: 2026.05.11 16:57:49+05'30' Item No. 23/C-6 3 OA No. 1306/2023 availed excess earned leave of 147 days during service and proposed recovery of Rs. 12,89,523/-, which after adjustment with HPL was reduced to Rs.6,18,445/-. The said conclusion was based on a revised

leave account prepared by the Central Record Office (CRO). 2.1 Aggrieved thereby, the applicant submitted a detailed representation dated 08.03.2022 requesting reconciliation of records and objecting to the proposed recovery. The applicant further submitted another representation dated 23.07.2022 seeking release of retiral dues including leave encashment.

2.2 Thereafter, the Record Office, vide letter dated 22.08.2022 (Annexure A-5), revised the calculation and indicated that the net recoverable amount would be only Rs. 65,792/- instead of Rs. 6,18,445/-. Despite the above, Respondents issued communication dated 23.02.2023 (Annexure A-2), conveying internal order dated 20.02.2023, directing the Applicant to deposit Rs. 4,94,534/- through MRO for final settlement of the case.

2.3 The applicant again submitted representation dated 20.03.2023 against the said demand; however, no relief was granted. Separately, the applicant had applied for benefit under Government of India OM dated 12.10.2020 regarding LTC Cash Package Scheme (Annexure A-

10). The said claim was rejected by the respondents vide order dated 13.09.2021 (Annexure A-4) on the ground that initial transaction for vehicle purchase occurred prior to 12.10.2020, and the applicant was directed to refund LTC advance of Rs. 54,000/- along with leave encashment of Rs. 32,074/- and interest.

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Item No. 23/C-6

4

OA No. 13

2.4 The applicant stated that the actual purchase invoice was dated 21.10.2020 (Annexure A-8) and payment was made after issuance of the scheme, thereby making him eligible under the LTC scheme. 2.5 It is the case of the applicant that the respondents arbitrarily reconstructed the leave account post-retirement without issuing any show cause notice and ignored the leave records maintained at the unit level, on the basis of which leave had been duly sanctioned during service. The applicant challenges the impugned orders dated 19.01.2022 (Annexure A-1), 20.02.2023/23.02.2023 (Annexure A-

2), 31.05.2021 (Annexure A-3), and 13.09.2021 (Annexure A-4), primarily on the grounds of arbitrariness, violation of principles of natural justice, and illegality in effecting recovery from retiral benefits.

3. Pursuant to notice issued by this Tribunal, the respondents have filed reply opposing the claim of the applicant. In response thereto, the applicant has also filed rejoinder.

CONTENTIONS OF THE APPLICANT

4. The applicant has assailed the impugned order/action of the respondents on several grounds, inter alia, that the same is arbitrary, illegal, and contrary to the settled principles of law:-

a) that the applicant availed his leaves during service time as per the leave account maintained at the unit level and every time the leave were sanctioned by the competent authority. It is submitted that the service record as well as the leave account were audit/checked number of times by the competent authority and the competent authority did not find any irregularity or illegalities in the leave accounts and, therefore, there was no NEETU Digitally signed by NEETU SHARMA SHARMA Date: 2026.05.11 16:57:49+05'30' Item No. 23/C-6 5 OA No. 1306/2023 question of availing any excess earned leave during his service time. It is relevant to mention here that even at the time of granting the benefit of LTC, the benefit of four days EL was granted by the competent authority only after verifying the leave account of the applicant and, therefore, at this stage, the action of the Record Office to prepare a fresh leave account is totally illegal, arbitrary and against the rules and principle of natural justice.

b) that the respondents should considered the leave account, which was in operation at unit level and on the basis of which the leave were granted to the applicant from time to time by the competent authority and now without given any opportunity to the applicant and without supplying the copy of the old leave record to the applicant passing the impugned order is totally illegal and arbitrary in the eyes of law.

c) that although there was no illegality in granting the EL to the applicant during his service, as all the ELs were sanctioned by the competent authority at the relevant time after verifying the leave record. Even otherwise also, if there is any mistake, the same was not on the part of the applicant and, therefore, the applicant should not be punished for the same and no recovery should be made from the retirement benefits of the applicant as held by the Hon'ble Supreme Court in the case of State of Punjab and Ors. Vs. Rafiq Masih (White Washer) etc. NEETU Digitally signed by NEETU SHARMA SHARMA Date: 2026.05.11 16:57:49+05'30' Item No. 23/C-6 6 OA No. 1306/2023 reported in AIR 2015 SC 696, decided on 18.12.2014 issued the guidelines regarding recovery from the Govt. Servant.

d) that the Hon'ble Supreme Court in Babu Lal Jain Vs. State of M.P. & Ors., (2006) 6 SCC has categorically held that recovery of excess payment is impermissible where the employee has not obtained such benefit by way of fraud or misrepresentation and has, in fact, discharged higher responsibilities. The Hon'ble Court observed that any excess payment arising due to a mistake or misconception of law on the part of the employer cannot be recovered from the employee.

e) that it is well settled principle of law that even in case of erroneous payment, the recovery of excess/overpayment already paid not to be recovered, and, therefore, there is no question of recovery of any over payment or excess payment at this stage without any reasons or justification and, therefore, the impugned orders are liable to be quashed. Reliance has also been placed on the following cases by the applicant in support of his claim; (i) S. Leikh Abdul Rashid & Ors. Vs. State of J&K, JT 2008 (1) SC 127; (ii) Union of India Vs. Narendra Singh, 2008 (1) SCC (L&S) 547; (iii) Duryodhan Lal Jatav Vs. State of UP & Anr. 2005 (3) ATJ 56; and (iv) Shyam Babu Verma Vs. Union of India & Ors., 1994 (2) SCC 521.

f) that it has been held by the Hon'ble Supreme Court in the cases of State of Orissa Vs. Advail Charan Mohanty, 1995 Supp.(1) SCC 470, Union of India Vs. Sita Ram Dheer, 1994 NEETU Digitally signed by NEETU SHARMA SHARMA Date: 2026.05.11 16:57:49+05'30' Item No. 23/C-6 7 OA No. 1306/2023 SCC (L&S) 1445, Nand Kishore Sharma Vs. State of Bihar, 1995 Supp.(3) SCC 722, State of Karnataka Vs. Mangalore University Non-Teaching Employees Assn., 2002 (3) SCC 302, that if additional payment has been made to the employee for no fault of theirs, they should not be penalized for this and same should not be recovered and therefore, in view of the settled legal position, the respondents are not entitled to recover the alleged excess pay, which was paid to the applicants rightly at that time with the approval of the higher authorities CONTENTIONS OF THE RESPONDENTS

5. Learned counsel for the respondents, by referring to the contents of the reply filed on 23.08.2023 on behalf of respondents, submits that the applicant superannuated from Govt. service from Engineer-in-Chief Office on 31.05.2021. Subsequently a verified and audited Leave Encashment Certificate for (-) 147 days Earned Leave and (+) 247 days Half Pay Leave was received from Central Record Office (CRO) vide their letter dated 22.12.2021. Accordingly, a calculation sheet was prepared and the same after getting vetted by Principal Controller Defence Accounts (PCDA) was forwarded to the applicant with request to deposit the amount of Rs. 6,18,445/- of Leave Encashment for (-) 147 days in the Government treasury for final settlement of his retirement case. The applicant represented against the order of payment of Leave Encashment amount as calculated by the respondents. The representation of the applicant was forwarded to CRO for their consideration. The Joint Directorate General (RTI & NEETU Digitally signed by NEETU SHARMA SHARMA Date: 2026.05.11 16:57:49+05'30' Item No. 23/C-6 8 OA No. 1306/2023 Legal) and Chief Record Office (CRO) scrutinized the balance of Earned Leave as well as Half Pay Leave and issued a revised Leave Encashment Certificate for (-) 130 days Earned Leave and 245 days Half Pay Leave and forwarded to the respondents. Accordingly, a fresh calculation sheet was prepared on the basis of revised Leave Encashment Certificate and the same was duly got vetted by Principal Controller Defence Accounts (PCDA) and was forwarded to the applicant to deposit the amount of Rs. 3,94,752/- calculated on the basis of revised Leave Encashment Certificate. 5.1 They further state that the Office of JS and CAO functions only as Drawing and Disbursing Officer (DDO) for payment of Pay and Allowances to Military Engineering Service officers only for the period of their posting to Engineer-in-Chief Branch and payment of Central Government Employees Insurance Scheme (CGEIS) amount plus Leave Encashment amount (Based on Leave Encashment Certificate received

from Central Record Office) on retirement if they retire from Engineer-in-Chief Branch. The said office is not the Cadre Controlling Authority for Military Engineering Service officers. The service book in respect of Military Engineering Service officers is centralized/maintained by and at Central Record Office (CRO) and they are the custodian of Service Books in respect of Military Engineering Service officers. The Central Record Office (CRO) is directly under the administrative control of Director General (Personnel) Engineer-in-Chief Branch. The respondents processed payment of Leave Encashment amount on retirement in respect of NEETU Digitally signed by NEETU SHARMA SHARMA Date: 2026.05.11 16:57:49+05'30' Item No. 23/C-6 9 OA No. 1306/2023 Military Engineering Service Officers purely on the basis of duly audited Leave Encashment Certificate verifying the number of days of leave to the credit of retiree officer received from CRO along with duly audited Service Book.

5.2 Learned counsel drew our attention to chronological list of events and states that the date of retirement of the applicant i.e. Shri Naresh Kumar Goel was mentioned as 31.05.2021 (Annexure R-1) and he was struck of strength; Leave Encashment Certificate for (-) 147 days and 247 HPL received from CRO vide letter dated 22.12.2021 (Annexure R-2); Calculation sheet prepared based on Leave Encashment Certificate received from CRO and forwarded to PCDA along with Service Book of the officer vide o/o JS & CAO letter dated 27.05.2022 (Annexure R-3); (iv) PCDA vetted the calculation sheet vide letter dated 10.06.2022 (Annexure R-4); (v) Vetted Calculation Sheet was forwarded to the applicant on 22.06.2022 with a direction to deposit the outstanding amount against him (Annexure R-5). 5.2.1 The applicant represented to DG (Pers.) and DG (Pers.) forwarded his representation to CRO with a direction to reconcile leave account and suitable reply to the applicant (Annexure R-6) and the applicant represented against delay in payment of dues vide letter dated 23.07.2022 which was forwarded to DG (Pers.) with copy to the officer vide letter dated 03.08.2022 (Annexure R-7). 5.2.2 Revised Leave Encashment Certificate for (-) 130 days and 245 HPL received from CRO on 22.08.2022, wherein CRO informed that NEETU Digitally signed by NEETU SHARMA SHARMA Date: 2026.05.11 16:57:49+05'30' Item No. 23/C-6 10 OA No. 1306/2023 there shall be recovery of Rs. 65,792/- from the officer instead of Rs.6,18,445/- (Annexure R-8) and fresh Calculation sheet prepared as per revised Leave Encashment Certificate received from CRO was sent to PCDA vide o/o JS & CAO on 29.09.2022 for vetting the calculation sheet (Annexure R-9). PCDA vetted the revised calculation sheet vide letter dated 20.02.2023 (Annexure R-10). 5.2.3 The applicant represented against the recovery amount and requested for confirmation of recovery amounts intimated to him by CRS i.e. Rs. 65,792/- which was outcome of wrong calculation on the part of CRO (Annexure R-11). The applicant was informed to deposit the revised amount as calculated by the respondents and duly vetted by PCDA vide JS & CAO letters dated 23.02.2023 and 31.03.2023 (Annexure R-12).

5.3 Learned counsel also submitted that the revised Leave Encashment Certificate for (-) 130 days Earned Leave and (+) 245 days Half Pay Leave received from CRO vide their letter dated 22.08.2022. Since, the leave encashment for only 300 days of Leave (Earned+ Half Pay Leave) is payable on retirement, the calculation of leave encashment ibid Leave Encashment Certificate was prepared and got duly vetted by Principal Controller Defence Accounts, New Delhi which is as under :-

(i) Earned Leave (Minus) (-) 130 days and

[BP + DA 28%] X (-) 130/30

[2,05,600 + 57,568] X (-) 130/30 = (-) 11,40,394.67 NEETU Digitally signed by NEETU SHARMA SHARMA Date: 2026.05.11 16:57:49+05'30' Item No. 23/C-6 11 OA No. 1306/2023

(ii) Half Pay Leave 170 days.

$\frac{1}{2}$ [2,05,600 + 57,568] X 170/30 = 7,45,642.67

Amount recoverable from the applicant = (-) 3,94,752.00 From the above, it is clear that the amount to be recovered from applicant on the basis of Leave Certificate of CRO for (-) 130 days EL and 245 days HPL is Rs. 3,94,752/- and not Rs. 65,792/- as calculated by the CRO which is not correct. The calculation sheet prepared by the respondents has been duly audited by the Principal Controller Defence Accounts as given above.

5.4 It is submitted that the applicant was requested vide the respondents' letter dated 23.02.2023 to deposit a sum of Rs. 4,94,534/- (Leave Encashment Rs. 3,94,752/- + LTC Advance Rs. 62,600/- + Leave Encashment on LTC Rs. 37,182) vide the respondents' letter dated 31.03.2023. The ibid amount of Rs. 4,94,534/- has been calculated on the authority of Leave Calculation Certificate Received from CRO for (-) 130 days EL and 245 days HPL including LTC advance and amount of Leave Encashment on LTC, which is in order. The application dated 20.03.2023 of applicant was replied by the respondents vide letter dated 31.03.2023 and he was asked to deposit the above amount of Rs. 4,94,534/- informing him that the calculation of CRO is incorrect, copy of which was also endorsed to administrative authority i.e. DG (Pers.) and CRO.

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Item No. 23/C-6

12

OA No. 1306/2

5.5

Learned counsel for the applicant also submitted that the

applicant admitted that he had made payment of Rs. 4,47,591/- on 09.10.2020 for purchase of Maruti Car, i.e., prior to the date of issue of Govt. of India, Ministry of Finance OM dated 12.10.2020

regarding Special Cash Package equivalent in lieu of Leave Travel Concession (LTC) fare for Central Government Employees during Block Year 2018-2021 and hence, it cannot be made applicable in the case of applicant, as the date of effect of ibid Govt. OM is 12.10.2020. The fact remains that the applicant had entered into the transaction for purchase of the car, making part payment prior to the date of issue of the OM dated 12.10.2020 and, hence, the applicant is not entitled to grant of special cash package. The effective date of operation of the Government of India, Ministry of Finance OM dated 12.10.2020 regarding Special Cash Package equivalent in lieu of Leave Travel Concession (LTC) fare for Central Government Employees during Block Year 2018-2021 took effect from the date of issuance of the OM i.e. 12.10.2020, which was further clarified by the Frequently Asked Questions (FAQs) issued by the Govt. of India, Ministry of Finance, Department of Expenditure Office Memorandum dated 10.11.2020 wherein vide clarification No-13, it has categorically been stated that the bills can be submitted from January, 21 to March, 21 provided the transactions has occurred on or after 12.10.2020. In this case, the applicant had already entered into the transaction prior to the date when Government OM came into existence on 12.10.2020 by paying Rs. 4,47,591/- as advance for purchase of car and his contention that actual purchase was on 21.10.2020 is not tenable and it clearly shows NEETU Digitally signed by NEETU SHARMA SHARMA Date: 2026.05.11 16:57:49+05'30' Item No. 23/C-6 13 OA No. 1306/2023 that he willfully tried to take the benefit of special facility (cash package) for a normal transaction in which he had already entered into and has occurred before the Government OM came into existence. The applicant is thus not entitled to the benefit of Special Cash Package. 5.6 Learned counsel also submitted that the representation of applicant against denial of LTC cash package, not being in consonance with the extant provisions Govt. of India, Ministry of Finance OM dated 12.10.2020, was considered and rejected vide order dated 23.02.2023 and he was rightfully asked to deposit the amount taken as Leave Travel Concession advance and Leave Encashment on LTC through MRO to the Government Exchequer. The respondents processed payment of Leave Encashment on retirement in respect of MES officers on the authority of duly audited Leave Encashment Certificate prepared by the CRO at the time of retirement of Military Engineering Service Officers is received along with Service Book from CRO.

5.7 It is also submitted that application dated 08.03.2022 of applicant was forwarded to CRO to examine the case. The Joint Directorate General (RTI & Legal) of the Director General (Personnel), E-in-C Branch and CRO issued a fresh Leave Encashment Certificate for (-) 130 days Earned Leave and 245 days Half Pay Leave and forwarded to the respondents vide their letter dated 22.08.2022. Accordingly, a fresh calculation sheet was prepared and the same was duly vetted by PCDA. Accordingly, the applicant was informed to deposit the revised amount. The respondents herein questioned only the method of NEETU Digitally signed by NEETU SHARMA SHARMA Date: 2026.05.11 16:57:49+05'30' Item No. 23/C-6 14 OA No. 1306/2023 calculation done by the CRO, which was not in order and never questioned the authority of Leave Encashment Certificate issued by the CRO.

5.8 Learned counsel reiterated that payment of Leave Encashment on retirement in respect of Military Engineering Service Officers is processed by the respondents on the authority of receipt of duly audited final Leave Encashment Certificate from CRO at the time of retirement along with Service Book. The respondents did not prepare any fresh leave account of the applicant nor has the

authority to do so. Leave encashment amount to be recovered from the applicant was calculated on the basis of Leave Encashment Certificate received from CRO. The contention of the applicant that the respondents prepared fresh leave account from the date of his appointment is wrong and baseless.

REBUTTAL TO THE SUBMISSIONS OF THE RESPONDENTS

6. In response to the counter reply filed by the respondents, the applicant filed rejoinder on 19.02.2024 and by referring to the same, learned counsel submitted that the applicant filed the instant O.A. against the illegal orders dated 19.01.2022, 20.02.2023 and 31.05.2021 and all other internal orders passed by the respondents, by which respondents instead of granting the due leave encashment to the applicant, directed him to deposit the amount of Rs. 4,94,534/- through MRO at the earliest, without given any show cause notice and without any reason and justification, which is totally illegal, arbitrary NEETU Digitally signed by NEETU SHARMA SHARMA Date: 2026.05.11 16:57:49+05'30' Item No. 23/C-6 15 OA No. 1306/2023 against the rules and discriminatory in the eyes of law. It is further submitted that the respondents i.e. the respondent no.3 vide impugned order dated 19.01.2022 informed the applicant that on scrutiny of the leave account, it has been found that the applicant availed excess earned leave of 147 days during his service time and, therefore, there is a recovery of Rs. 12,89,523/- in respect of the excess earned leave. It is submitted that after adjusting these alleged excess earned leave into the HPL the total recovery is Rs. 6,18,445/-. It is submitted that along with the letter dated 19.01.2022, the respondent no. 3 supplied a copy of the CRO's letter dated 02.09.2021 by which the record office prepared the new leave account of the applicant from the date of appointment of the applicant and shown minus 134 earned leave in the record of the applicant.

6.1 Learned counsel also submitted that now the respondents vide order dated 23.02.2023 communicated the internal letter dated 20.02.2023 by which the respondents directed the applicant to deposit Rs. 4,94,534/- through MRO for final settlement of the case. It is submitted that against this order also the applicant submitted his representation dated 20.03.2023 and requested the competent authority to set aside the recovery and finalize the retirement dues of the applicant but till date no reply has been received. It is further submitted that the Competent Authority vide order dated 13.10.2021 rejected the request of the applicant by saying that the case of the applicant is not covered by the LTC special package, which commenced on 12.10.2020 only on the sole ground that the applicant initial NEETU Digitally signed by NEETU SHARMA SHARMA Date: 2026.05.11 16:57:49+05'30' Item No. 23/C-6 16 OA No. 1306/2023 transaction of Rs. 4,47,591/- towards purchase of vehicle took place on 09.10.2020 whereas, this policy came on 12.10.2020 and directed the applicant to deposit the entire advance amount of Rs. 54,000/- and leave encashment of Rs. 32,074/- along with panel interest @ 9% per annum. It is also submitted that on 09.10.2020 the applicant deposit only part booking amount to purchase the vehicle and actually vehicle was purchased on 21.10.2020. It is also added that even the amount of Rs. 4,47,591/- was deposited on 13.10.2020, which is clear from the official receipt dated 13.10.2020. It is submitted that it is clear from the clarification issued by the Ministry of Defence that the purchase should have been affected after the issue of the order i.e. 12.10.2020 and should have an invoice and in present case, the invoice is dated 21.10.2020 and therefore, the claim of the applicant is covered under the

clarification issued by Ministry of Defence orders dated 12.10.2020 and 10.11.2020 and therefore, the order passed by the respondents dated 13.09.2021 is totally illegal and arbitrary. 6.2 It is further submitted that against the order dated 13.09.2021 also the applicant submitted his representations but the same has not been accepted and the respondents vide order dated 23.02.2023 directed the applicant to deposit the LTC advance and leave encashment on LTC through MRO for settlement of the case. Learned counsel also submitted that it is clear from the impugned orders that the respondent no. 3 prepared a fresh leave account of the applicant from the date of his appointment and alleged the availing of excess EL during the service time, which is against the Govt. of India decision NEETU Digitally signed by NEETU SHARMA SHARMA Date: 2026.05.11 16:57:49+05'30' Item No. 23/C-6 17 OA No. 1306/2023 dated 27.07.2020 in which it has been clarified that the account officer has no authority to go back for a period earlier than a maximum of 24 months proceedings the date of retirement and, therefore, the impugned order is totally illegal in the eyes of law.

7. Learned counsel for the applicant has placed reliance upon certain judgments of this Tribunal, which were subsequently assailed by the respondents before the Hon'ble High Court by way of writ petitions; however, the said writ petitions came to be dismissed, thereby affirming the findings rendered by this Tribunal; (i) O.A. No. 956/2017 in the matter of Gokal Chand Koslia Vs. Union of India & Ors. and W.P. No. 3249/2025 titled Union of India & Ors. Vs. Gokal Chand Kosila; and (ii) O.A. No. 481/2010 in the matter of J. R. Dhiman Vs. Union of India & Ors. and W.P. No. 7992/2012 titled Union of India & Ors. Vs. J. R. Dhiman.

8. Learned counsel for the respondents relied upon the bank statement of the applicant in which it is clear that the applicant made first payment of Rs. 4,47,591.00/- for the car on 09.10.2020.

9. I have heard learned counsel for the parties at length and carefully perused the pleadings and documents placed on record as well as judgments on which reliance is placed.

ANALYSIS

10. Having heard and perused the pleadings, this Tribunal finds that the applicant was appointed as AEE in the Military Engineering Service (MES) on 01.12.1985 and superannuated from the post of Chief NEETU Digitally signed by NEETU SHARMA SHARMA Date: 2026.05.11 16:57:49+05'30' Item No. 23/C-6 18 OA No. 1306/2023 Engineer on 31.05.2021. At the time of retirement, the leave account of the applicant was subject to verification by the CRO, which is the custodian of service records of MES officers, and on the basis of such verification, Leave Encashment Certificates were issued from time to time. Initially, a Leave Encashment Certificate indicating negative balance of Earned Leave and positive balance of Half Pay Leave was issued by the CRO, on the basis of which recovery was proposed from the applicant. Subsequently, the said certificate was revised by the CRO, altering the quantum of recoverable amount. The respondents, acting as Drawing and Disbursing Authority, processed the leave encashment and recovery on the basis of the Leave Encashment Certificate issued by the CRO and after vetting of calculations by the Principal Controller of Defence Accounts (PCDA). It is also not in dispute that the applicant submitted representations against the proposed recovery and revision of leave account, which were forwarded

to the competent authorities, and thereafter a revised calculation was communicated to the applicant directing deposit of Rs. 4,94,534/- towards leave encashment and LTC-related dues. 10.1 With regard to the LTC Cash Package Scheme introduced vide Government of India OM dated 12.10.2020, it is admitted that the applicant had availed the said benefit and thereafter, a recovery has been proposed by the respondents on the ground that part of the transaction towards purchase of vehicle was undertaken prior to 12.10.2020. It is further admitted that the applicant had made certain payments towards purchase of the vehicle in October 2020, though the NEETU Digitally signed by NEETU SHARMA SHARMA Date: 2026.05.11 16:57:49+05'30' Item No. 23/C-6 19 OA No. 1306/2023 parties are at variance as to the exact date of transaction and its eligibility under the said scheme. The impugned orders dated 19.01.2022, 20.02.2023/23.02.2023, 31.05.2021, and 13.09.2021 form the subject matter of challenge in the present Original Application.

11. Having regard to the above, this Tribunal is of the view that the following issues are required to be adjudicated in this case:-

(i) Whether the action of the respondents in revising the leave account of the applicant post-retirement and directing recovery from leave encashment on the basis of a subsequently prepared Leave Encashment Certificate, without affording opportunity of hearing and despite leave having been duly sanctioned during service, is arbitrary, illegal and violative of the principles of natural justice?

(ii) Whether the rejection of the applicant's claim for benefit under Government of India OM dated 12.10.2020 (LTC Cash Package Scheme) on the ground that part payment for purchase of said vehicle was made prior to 12.10.2020, despite the invoice and substantial payment being made after the issuance of the OM, is legally sustainable?

12. It is not in dispute that the applicant superannuated on 31.05.2021 from the post of Chief Engineer. It is also an admitted position that during his entire service tenure, leave was sanctioned by the Competent Authority on the basis of leave records maintained. It is also a fact that service book of the applicant is maintained/kept at NEETU Digitally signed by NEETU SHARMA SHARMA Date: 2026.05.11 16:57:49+05'30' Item No. 23/C-6 20 OA No. 1306/2023 CRO. The controversy has arisen only post-retirement when the CRO undertook a re-verification of the leave account and reflected a negative balance of Earned Leave, leading to proposed recovery. The respondents have justified their action on the basis of audited Leave Encashment Certificate issued by CRO and vetting by PCDA. When the maintenance of the service book is entrusted to the CRO, the leave records maintained at the unit level do not carry much evidentiary value. Moreover, the service book was also forwarded to the PCDA for verification prior to release of the payment.

13. The dispute regarding LTC Cash Package hinges upon the interpretation of OM dated 12.10.2020 and subsequent clarifications. The respondents have denied the benefit on the ground that the applicant made an initial payment of Rs. 4,47,591/- on 09.10.2020, i.e., prior to the issuance of the OM dated 12.10.2020, and therefore, the transaction cannot be said to have occurred within the scheme period. On the other hand, the applicant contends that the actual purchase invoice is dated

21.10.2020 and that substantial payment was made after 12.10.2020, thereby fulfilling the conditions of the scheme. Operative portion of the OM dated 12.10.2020 reads as under:-

"e) The amount both on account of leave encashment and fare shall be admissible if the employee spends (i) an amount equal to the value of leave encashment and; (ii) an amount 3 times of the cash equivalent of deemed fare, as given above on purchase of such items/availing of such services which carry a GST rate of note less than 12% from GST registered vendors/service providers through digital mode and obtains a voucher indicating the GST number and the amount of GST paid.

f) The admissible payment shall be restricted to the full value of the package [leave encashment as admissible for LTC and deemed fare] or depending upon the spending as per example given at Annexure-A. NEETU Digitally signed by NEETU SHARMA SHARMA Date: 2026.05.11 16:57:49+05'30' Item No. 23/C-6 21 OA No. 1306/2023

g) While TDS is applicable in the case of leave encashment, since the cash reimbursement of LTC fare is in lieu of deemed actual travel, the same shall be allowed exemption on the lines of existing income-

tax exemption available to LTC fare. The legislative amendment to the provisions of the Income-Tax Act, 1961 for this purpose shall be proposed in the due course. Hence, TDS shall not be required to be deducted on the reimbursement of deemed LTC fare.

3. Head of the Departments/DDOs may make reimbursement under this package as per the details given above on receipt of invoices of purchases made/services availed during the period post the issuance of this order from the employees who are desirous to avail this package. It may be noted that in order to avail this package an employee should opt for both leave encashment and LTC fare.

4. An amount upto 100% of leave encashment and 50% of the value of deemed fare may be paid as advance into the bank account of the employee which shall be settled based on production of receipts towards purchase and availing of goods and services as given in Para 2(e). The claims under this package (with or without advance) are to be made and settled within the current financial year. Non- utilization/under-utilization of advance is to be accounted for by the DDOs in accordance with the extant provisions relating to LTC advance i.e. immediate recovery of full advance in the case of non- utilisation and recovery of unutilized portion of the advance with penal interest.

5. These orders will take effect from the date of issuance of this Office Memorandum and will be in force during the current financial year till 31st March, 2021.

6. All the Ministries/Departments are requested to bring the contents of this OM to the notice of all its Attached and Subordinate offices for their information."

14. From the material on record, it appears that while an advance/booking amount may have been paid prior to 12.10.2020, the final purchase and invoicing of the vehicle took place after the issuance

of the OM. Advance booking by paying some amount cannot be construed as final transaction and the final transaction has been completed, when the applicant made full and final payment and has been issued a receipt in lieu of said payment. The date of such receipt is 21.10.2020. The scheme, as clarified by subsequent FAQs, emphasizes that eligible expenditure must be incurred within the stipulated period and supported by valid invoice. The purpose of OM NEETU Digitally signed by NEETU SHARMA SHARMA Date: 2026.05.11 16:57:49+05'30' Item No. 23/C-6 22 OA No. 1306/2023 dated 12.10.2020 is enshrined in Paras 1 and 2. For facility of reference, the same is quoted as below:-

"Sub: Special cash package equivalent in lieu of Leave Travel Concession Fare for Central Government Employees during the Block 2018-21.

In view of Covid-19 pandemic and resultant nationwide lockdown as well as disruption of transport and hospitality sector, as also the need for observing social distancing, a number of Central Government employees are not in a position to avail themselves of LTC for travel to any place in India or their Hometowns in the current Block of 2018-21.

2. With a view to compensate and incentivise consumption by Central Government employees thereby giving a boost to consumption expenditure, it has been decided that cash equivalent of LTC, comprising Leave Encashment and LTC fare of the entitled LTC may be paid by way of reimbursement."

14.1 The said LTC Cash Package Scheme introduced vide OM dated 12.10.2020 is, in essence, a beneficial and welfare-oriented measure, intended to incentivize consumption and mitigate the economic impact of the pandemic. It is a settled principle of law that beneficial schemes must receive a liberal and purposive interpretation, so as to advance the object sought to be achieved rather than defeat it by adopting a narrow or hyper-technical approach. In this context, reference may be made to the judgment of the Hon'ble Supreme Court in *Urmila Dixit Vs. Sunil Sharan Dixit*, reported in (2025) 2 SCC 787, the relevant paras of the same are reproduced as under:-

"7. We have heard Ms V. Mohana, learned Senior Counsel for the appellant, and Ms Madhavi Divan, learned Senior Counsel appearing for the respondents. We have also perused the written submissions filed by both sides. The issue which arises for consideration of this Court is whether the High Court was correct in setting aside the order of the Tribunal, granting benefit of Section 23 of the Act, to the appellant?

8. To answer the issue at hand, it is imperative for this Court to discuss the rules of interpretation to be applied when interpreting a beneficial legislation akin to the Act at hand. While dealing with certain provisions of the Motor Vehicles Act, this Court NEETU Digitally signed by NEETU SHARMA SHARMA Date: 2026.05.11 16:57:49+05'30' Item No. 23/C-6 23 OA No. 1306/2023 in *Brahampal v. National Insurance Co.* [*Brahampal v. National Insurance Co.*, (2021) 6 SCC 512 : (2021) 3 SCC (Civ) 693 : (2021) 3 SCC (Cri) 67], observed that a beneficial legislation must

receive a liberal construction in consonance with the objectives that the Act concerned seeks to serve.

9. This Court in *K.H. Nazar v. Mathew K. Jacob* [*K.H. Nazar v. Mathew K. Jacob*, (2020) 14 SCC 126] reiterated the above expositions and stated that : (SCC pp. 135-36, paras 11 & 13) "11. Provisions of a beneficial legislation have to be construed with a purpose-oriented approach. [*Kerala Fishermen's Welfare Fund Board v. Fancy Food*, (1995) 4 SCC 341] The Act should receive a liberal construction to promote its objects. [*Bombay Anand Bhavan Restaurant v. ESI Corpn.*, (2009) 9 SCC 61 : (2009) 2 SCC (L&S) 573 and *Union of India v. Prabhakaran Vijaya Kumar*, (2008) 9 SCC 527 : (2008) 3 SCC (Cri) 813] Also, literal construction of the provisions of a beneficial legislation has to be avoided. It is the Court's duty to discern the intention of the legislature in making the law. Once such an intention is ascertained, the statute should receive a purposeful or functional interpretation. [*Bharat Singh v. New Delhi Tuberculosis Centre*, (1986) 2 SCC 614 :

1986 SCC (L&S) 335] ***

13. While interpreting a statute, the problem or mischief that the statute was designed to remedy should first be identified, and then a construction that suppresses the problem and advances the remedy should be adopted. [*Indian Performing Rights Society Ltd. v. Sanjay Dalia*, (2015) 10 SCC 161 : (2016) 1 SCC (Civ) 55] It is settled law that exemption clauses in beneficial or social welfare legislations should be given strict construction. [*Shivram A. Shiroor v. Radhabai Shantram Kowshik*, (1984) 1 SCC 588] It was observed in *Shivram A. Shiroor v. Radhabai Shantram Kowshik* [*Shivram A. Shiroor v. Radhabai Shantram Kowshik*, (1984) 1 SCC 588] that the exclusionary provisions in a beneficial legislation should be construed strictly so as to give a wide amplitude to the principal object of the legislation and to prevent its evasion on deceptive grounds. Similarly, in *Minister Administering the Crown Lands Act v. NSW Aboriginal Land Council* [*Minister Administering the Crown Lands Act v. NSW Aboriginal Land Council*, 2008 HCA 48 : (2008) 237 CLR 285], Kirby, J. held that the principle of providing purposive construction to beneficial legislations mandates that exceptions in such legislations should be construed narrowly."

(emphasis supplied)

10. More recently, in *Kozyflex Mattresses (P) Ltd. v. SBI General Insurance Co. Ltd.* [*Kozyflex Mattresses (P) Ltd. v. SBI General Insurance Co. Ltd.*, (2024) 7 SCC 140 : (2024) 3 SCC (Civ) 809], this Court held the definition of a consumer under the Consumer Protection NEETU Digitally signed by NEETU SHARMA SHARMA Date: 2026.05.11 16:57:49+05'30' Item No. 23/C-6 24 OA No. 1306/2023 Act, 1986 to include a company or corporate person in view of the beneficial purpose of the Act.

11. While considering the provisions of the Medical Termination of Pregnancy Act, this Court in *X2 v. State (NCT of Delhi)* [*X2 v. State (NCT of Delhi)*, (2023) 9 SCC 433], reiterated that interpretation of the provisions of a beneficial legislation must be in line with a purposive

construction, keeping in mind the legislative purpose. Furthermore, it was stated that beneficial legislation must be interpreted in favour of the beneficiaries when it is possible to take two views.

12. It is in the above background that we must proceed to examine the Act. The Statement of Objects and Reasons of the Act indicates the purpose behind the enactment, as relied upon by this Court in *S. Vanitha v. Commr.* [*S. Vanitha v. Commr.*, (2021) 15 SCC 730] , is:

"Traditional norms and values of the Indian society laid stress on providing care for the elderly. However, due to withering of the joint family system, a large number of elderly are not being looked after by their family. Consequently, many older persons, particularly widowed women are now forced to spend their twilight years all alone and are exposed to emotional neglect and to lack of physical and financial support. This clearly reveals that ageing has become a major social challenge and there is a need to give more attention to the care and protection for the older persons. Though the parents can claim maintenance under the Code of Criminal Procedure, 1973, the procedure is both time-consuming as well as expensive. Hence, there is a need to have simple, inexpensive and speedy provisions to claim maintenance for parents."

13. The Preamble of the Act states that it is intended towards more effective provisions for maintenance and welfare of parents and senior citizens, guaranteed and recognised under the Constitution.

14. Therefore, it is apparent, that the Act is a beneficial piece of legislation, aimed at securing the rights of senior citizens, in view of the challenges faced by them. It is in this backdrop that the Act must be interpreted and a construction that advances the remedies of the Act must be adopted.

15. Before advertent to the provisions of the Act, we must be cognizant of the larger issue that this case presents i.e. the care of senior citizens in our society. This Court in *Vijaya Manohar Arbat v. Kashirao Rajaram Sawai* [*Vijaya Manohar Arbat v. Kashirao Rajaram Sawai*, (1987) 2 SCC 278 : 1987 SCC (Cri) 354] highlighted that it is a social obligation for both sons and daughters to maintain their parents when they are unable to do so.

16. In *Badshah v. Urmila Badshah Godse* [*Badshah v. Urmila Badshah Godse*, (2014) 1 SCC 188 : (2014) 1 SCC (Civ) 51] , this Court observed that when a case pertaining to maintenance of parents or wife is being considered, the Court is bound to advance the cause of social justice of such marginalised groups, in furtherance of the constitutional vision enshrined in the Preamble. Recently, this exposition came to be reiterated in *Rajnesh v. Neha* [*Rajnesh v. Neha*, (2021) 2 SCC 324:

(2021) 2 SCC (Civ) 220 : (2021) 1 SCC (Cri) 749] .

NEETU Digitally signed by NEETU SHARMA SHARMA Date: 2026.05.11 16:57:49+05'30' Item No. 23/C-6 25 OA No. 1306/2023

17. While issuing a slew of directions for the protection of senior citizens in *Ashwani Kumar v. Union of India* [*Ashwani Kumar v. Union of India*, (2019) 2 SCC 636 : (2019) 1 SCC (L&S) 465], this Court had highlighted : (SCC p. 641, paras 3-4) "3. The rights of elderly persons is one such emerging situation that was perhaps not fully foreseen by our Constitution-framers. Therefore, while there is a reference to the health and strength of workers, men and women, and the tender age of children in Article 39 of the Constitution and to public assistance in cases of unemployment, old age, sickness and disablement and in other cases of undeserved want in Article 41 of the Constitution, there is no specific reference to the health of the elderly or to their shelter in times of want and indeed to their dignity and sustenance due to their age.

4. Eventually, age catches up with everybody and on occasion, it renders some people completely helpless and dependent on others, either physically or mentally or both. Fortunately, our Constitution is organic and this Court is forward looking. This combination has resulted in path-breaking developments in law, particularly in the sphere of social justice, which has been given tremendous importance and significance in a variety of decisions rendered by this Court over the years. The present petition is one such opportunity presented before this Court to recognise and enforce the rights of elderly persons--rights that are recognised by Article 21 of the Constitution as understood and interpreted by this Court in a series of decisions over a period of several decades, and rights that have gained recognition over the years due to emerging situations."

(emphasis supplied) 14.2 Having regard to the above observation, I also find that the said OM is a beneficial legislation which should be construed liberally in favour of the class of persons for whom it is enacted. Applying the aforesaid principles to the present case, it is evident that the interpretation sought to be placed by the respondents by treating a mere advance payment prior to 12.10.2020 as determinative would defeat the very purpose of the scheme. The substantive compliance, namely, purchase of goods, issuance of valid GST invoice, and incurring of expenditure within the scheme period, ought to prevail over a mere procedural or incidental aspect such as advance booking.

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Item No. 23/C-6

26

OA No. 130

Accordingly, we hold that the scheme deserves to be interpreted liberally and purposively, within the framework of Para 2 (a) to (g) of the said OM, so as to extend the intended benefit to eligible employees, who have substantially fulfilled the conditions.

15. It is further observed that a hyper-technical interpretation denying the benefit solely on the basis of an advance payment of a transaction, which could also be cancelled, prior to the cut-off date would defeat the very object of the scheme, particularly, when the substantive transaction (i.e., purchase and invoicing) occurred after the scheme came into force. Therefore, the issue no. 11 (ii) is answered in favour of the applicant.

16. Accordingly, this Tribunal is inclined to hold that the applicant's claim for LTC Cash Package requires reconsideration by the respondents in the light of the actual date of invoice and payments made post 12.10.2020, rather than being rejected solely on the basis of initial booking amount.

17. In view of the above, for the foregoing reasons, the present Original Application is partly allowed with the following directions:-

i. The impugned orders/communications dated 19.01.2022 (Annexure A-1) and 20.02.2023/23.02.2023 (Annexure A-

2), insofar as they relate to recovery towards alleged excess payment of Earned Leave and withholding of leave encashment, are hereby quashed and set aside. The respondents are directed to finalize the retiral benefits of the applicant and release the NEETU Digitally signed by NEETU SHARMA SHARMA Date: 2026.05.11 16:57:49+05'30' Item No. 23/C-6 27 OA No. 1306/2023 admissible leave encashment amount along with all consequential benefits, after proper reconciliation of records, within a period of 08 (eight) weeks from the date of receipt of a certified copy of this order;

ii. The respondents shall also examine and release all other admissible dues of the applicant, including TA/DA claims and CGEIS/insurance amount, if otherwise payable under the applicable rules, within the aforesaid period; iii. In so far as the challenge to order dated 13.09.2021 (Annexure A-4) relating to LTC Cash Package Scheme is concerned, the same is quashed;

iv. In case, the admissible dues, if any, are not released within the stipulated period, the applicant shall be entitled to interest @GPF rate on the delayed payment from the date it became due till actual payment.

18. Pending MAs, if any, shall also stand disposed of.

19. No order as to costs.

(Rajinder Kashyap) Member (A) /neetu/ NEETU Digitally signed by NEETU SHARMA SHARMA Date: 2026.05.11 16:57:49+05'30'