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No. BDPA (I)/2026/CAT/GENL Dated 20.11.2026

LANDMARK CAT JUDGMENT ON BSNL PENSIONERS' RIGHTS!

VALIDATION ACT, 2025 UNDER JUDICIAL SCRUTINY – IMPORTANT QUESTIONS BEFORE ALL PENSIONERS' ASSOCIATIONS

CAT Chandigarh's Judgment dated 16.11.2026 in Bhawani Dutt Sharma & 28 Others vs. Union of India – A Wake-up Call for Collective Study and Action

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SALIENT FEATURES OF THE CAT JUDGMENT:

Case: CP No. 063/111/2019 in OA No. 063/1192/2017

Court: Central Administrative Tribunal, Chandigarh Bench

Date of judgment: 16.11.2026

Applicants: 29 retired BSNL employees from Himachal Pradesh.

Subject: Non-implementation of the CAT judgment dated 23.01.2019 granting consequential revision of retirement benefits based on revised pay fixation with 78.2% IDA merger.

1. Background of the case:

- The applicants were absorbed employees of the Department of Telecommunications who subsequently retired from BSNL.
- The 2nd Pay Revision Committee recommendations resulted in revised pay scales effective from 01.01.2007.
- The benefit of 78.2% IDA merger was subsequently allowed for pay fixation.
- However, actual monetary benefits were restricted to 10.06.2013.
- Pensioners who retired between 01.01.2007 and 09.06.2013 were denied corresponding revised retirement benefits.

The applicants approached CAT seeking:

1. Revised Death-cum-Retirement Gratuity (DCRG).
2. Revised Commuted Value of Pension (CVP).
3. Revised Leave Encashment.
4. Consequential pensionary arrears.

2. Earlier CAT judgment dated 23.01.2019:

The CAT Chandigarh Bench allowed the original application.

It held that once the pay of the applicants had been revised, they were entitled to consequential retirement benefits calculated on the basis of such revised pay.

The Tribunal rejected the artificial distinction between pension and other retirement benefits.

The respondents were directed to extend the consequential benefits within three months from receipt of the certified copy of the judgment.

3. BSNL and DoT failed to implement the judgment:

Despite the 2019 judgment, BSNL and DoT did not release the benefits.

Their principal argument was:

- Serving BSNL employees had not received actual arrears for 01.01.2007 to 09.06.2013.
- Therefore, retired employees were also not entitled to corresponding benefits.
- BSNL claimed that its communication dated 14.03.2019 constituted compliance with the CAT judgment.

The pensioners challenged this position through contempt proceedings.

4. Respondents' defense based on the Pension Rules Validation Act, 2025:

Particularly important for BDPA (INDIA)

This is one of the most important aspects of the judgment.

The respondents relied upon Sections 149 and 150 of the Finance Act, 2025, and the subsequent Pension Rules Validation Act, 2025.

Their argument was that:

- The Government could classify pensioners according to their dates of retirement.
- Different treatment could be given to different categories of pensioners.
- The legislation operated retrospectively from 01.06.1972.
- The subsequent legislation altered the legal position and justified withholding the retirement benefits.

In other words, the Government attempted to use the 2025 legislation as a defence against implementing the earlier CAT judgment.

5. Applicants strongly opposed the Validation Act:

The applicants' counsel advanced an important argument.

Their case was that the applicants were BSNL pensioners whose pay revision arose from the recommendations of the **2nd Pay Revision Committee (PRC)** applicable to CPSEs.

Their entitlement arose from:

- DPE Office Memorandum dated 26.11.2008.
- DoT instructions.
- Presidential Directives applicable to BSNL.

They argued that their claim did not arise from recommendations of the Central Pay Commission.

Therefore, the respondents could not use the Validation Act to defeat the rights already adjudicated in their favour.

They also relied upon the Supreme Court judgment in *Madan Mohan Pathak v. Union of India (1978)*.

This distinction between the Central Pay Commission regime and the CPSE Pay Revision Committee regime is particularly noteworthy.

6. CAT rejected the Government's defense:

This is the strongest portion of the judgment.

The Tribunal made the following important observations:

A. Mere issuance of a speaking order is not compliance.:

Paragraph 24:

The Tribunal held that merely issuing a speaking order declining the benefits cannot be treated as compliance with judicial directions.

The requirement is actual implementation, not merely communicating reasons for withholding benefits.

B. Earlier judicial directions remain binding.:

Paragraph 25:

The original judgment had not been stayed, modified or set aside by any superior judicial forum.

Therefore, the respondents could not disregard the subsisting directions.

C. Validation Act cannot automatically defeat the adjudicated rights.:

Paragraph 26:

The Tribunal held that the respondents could not unilaterally treat the judicial directions as inoperative merely by relying upon subsequent legislation.

They must obtain an appropriate judicial determination regarding the applicability and effect of the legislation on rights already adjudicated in favour of the applicants.

D. Repeated affidavits and apologies are insufficient.:

Paragraph 28:

The Tribunal observed that unconditional apologies cannot substitute for actual compliance with judicial directions.

Judicial orders demand faithful and timely implementation.

7. Final operative directions of CAT:

Contempt petition allowed

The Tribunal allowed the contempt petition.

The operative directions in paragraphs 29–32 are extremely important.

Paragraph	Direction:
29	Release revised DCRG/Gratuity, CVP and Leave Encashment based on revised pay fixation.
29	Calculate and release consequential arrears wherever payable under the original judgment.

29	In respect of deceased applicants, release admissible dues to lawful heirs/nominees.
30	Complete calculation and actual disbursement within four weeks of receipt of certified copy.
31	Failure to comply may invite further proceedings for willful disobedience.
32	Next hearing fixed for 23.12.2026 to report compliance.

A particularly important instruction in Paragraph 30:

The respondents cannot restrict compliance to issuing another communication or speaking order. They must ensure actual release of admissible monetary benefits. This is a very strong direction.

8. Important historical and legal developments recorded in the judgment

The judgment also records the following developments:

Date	Development
23.01.2019	Original CAT judgment allowing the applicants' claim.
06.07.2023	Himachal Pradesh High Court dismissed the Government's challenge due to delay.
27.09.2023	Supreme Court disposed of the SLP proceedings without interfering with the CAT judgment.
18.12.2024	Review petition dismissed on merits.
25.07.2025	CAT again directed release of outstanding retirement benefits.
11.09.2025	Curative petition dismissed.
16.11.2026	CAT allowed the contempt petition and ordered actual disbursement.
23.12.2026	Next date for reporting compliance.

One further unfortunate fact: the judgment records that six out of the 29 applicants died during the pendency of the proceedings without receiving their lawful retirement benefits.

This highlights the hardship caused by prolonged litigation involving elderly pensioners.

9. Relevance of this judgment to BSNL pensioners generally:

In my assessment, this judgment deserves serious attention from BDPA (INDIA) and Bharat Pensioner Samaj.

There are four particularly important takeaways.

1. The Validation Act is not an automatic answer to every pending pension dispute.:

The CAT has clearly stated that subsequent legislation cannot simply be invoked by the authorities to disregard a subsisting judicial direction in favour of identified applicants.

2. The distinction between CPSE pensioners and Central Government pensioners deserves attention.:

The applicants specifically argued that their pay revision arose from the 2nd PRC applicable to CPSEs, not from the Central Pay Commission.

This argument may be relevant when examining the applicability of the Validation Act to BSNL pensioners.

3. Actual implementation is essential.:

The Government cannot claim compliance merely by issuing an order explaining why benefits are not being released.

4. Judicial remedies exhausted by the Government do not permit administrative non-compliance.:

Once the judgment remains undisturbed, the authorities are required to implement it.

10. Our Recommendations for All Pensioners' Associations:

In view of the importance of this judgment, I suggest that all Pensioners' Associations study it carefully and examine its possible implications, particularly in the following areas:

1. **For our ongoing pension-related representations:** The observations made by CAT in paragraphs 24 to 28, particularly regarding the applicability of the Validation Act, 2025 and the binding nature of judicial directions, deserve careful consideration while responding to DoT's reliance upon the said Act.
2. **For our future legal strategy:** The distinction between entitlements arising from the 2nd Pay Revision Committee (PRC) applicable to CPSEs and pension revision based on Central Pay Commission recommendations deserves detailed examination by our legal advisers, particularly in determining the applicability and implications of the Validation Act, 2025 for BSNL pensioners.
3. **For collective consideration by BPS and all affiliated Associations:** The judgment may be examined as an important legal reference in our continuing efforts to safeguard the legitimate pensionary rights of BSNL pensioners. The views and suggestions of all Associations would be valuable in deciding the appropriate future course of action.

I would particularly request all Associations to study the judgment and share their considered views and suggestions so that we may collectively assess its implications and explore the way forward.

D. D. MISTRY
GS BDPA (INDIA)
20.11.2026
AHMEDABAD.