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P. TULSI DAS AND ORS.

v.

GOVERNMENT OF A.P. AND ORS.

OCTOBER 24, 2002

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[DORAISWAMY RAJU AND H.K. SEMA, JJ.]

Service Law:

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Andhra Pradesh Educational Service Untrained Teachers (Regulation of Services and Fixation of Pay) Act, 1991 (Act No. 14 of 1991); Sections 2 and 3—Retrospective Operation—Depriving the benefits already accrued and acquired by certain categories of teachers—Constitutional validity of—Held, Orders passed by the Government to meet exigencies and in public interest provides sufficient legal basis for acquisition of rights/benefits accrued by teachers—Legislature could not have validly denied these rights retrospectively—However, it could have prospective operation—Constitution of India—Articles 14, 16, 162 and 309—Andhra Pradesh Educational Rules, 1966.

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Automatic advancement Scheme—Scope and ambit of—An incumbent before ascertaining a claim for the benefits under the Scheme will have to strictly comply with the conditions stipulated therefor in the Scheme—Such benefits cannot be claimed by virtue of service rendered on a post pursuant to the concession in appointment to that post.

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Andhra Pradesh Educational Rules, 1966 were framed by the State Government. Under these rules, Schools were classified into different categories along with pay scale to trained Teachers (SGBT Teachers). However, in Telangana area pay scales of trained Teachers were lower, but scale of pay for Graduate B.Ed. School Assistant was on the higher side. Subsequently, there was upward revision in the pay scales of both

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SGBT Teachers and School Assistants. In the meanwhile, due to non-availability of trained Graduate Teachers in Science and Mathematics, State Government passed orders whereby untrained Graduate Teachers could be appointed in the scale of pay of trained Graduate Teachers for a period of 2 years. However, untrained Graduate teachers in Humanities

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were continuously paid in the lower scale of pay, and they filed writ

petitions before the High Court which granted them scale of pay at par with untrained graduate teachers in Science and Mathematics. The decision of High Court was not challenged by the State Government. Thereafter, SGBT Teachers and School Assistants teaching in Humanities in other Schools also filed writ petition for grant of same scale of pay, the petition was transferred to Administrative Tribunal constituted in the State; the Tribunal allowed the Petition.

State Governments created supernumerary posts of teachers to comply with the directions/orders issued by Tribunal/High Courts. Due to such financial commitment, State Government became heavily burdened and promulgated the Andhra Pradesh Educational Service Untrained Teachers (Regulation of Service and Fixation of Pay) Ordinance, 1991. It was replaced by the Act and was made effective retrospectively. The Act purports to withdraw benefits already accrued and acquired by untrained graduate teachers. Sections 2 and 3 of the Act were unsuccessfully challenged by the aggrieved teachers before the State Administrative Tribunal. Hence these appeals.

It was contended for the appellants that provisions of the enactment which was brought into force with retrospective effect took away their vested rights, suffers the vice of hostile discrimination, arbitrariness and expropriation of vested rights, and liable to be struck down as violative of Articles 14 and 16 of the Constitution of India.

On behalf of the State, it was submitted that the Act purported to deny and discontinue ill-gotten rights and benefits which was undeservably obtained by the teachers.

Partly allowing the appeals, the Court

HELD: 1.1. It is well settled that in the absence of Rules under Article 309 of the Constitution in respect of a particular area, aspect or subject, it was permissible for the State to make provisions in exercise of its executive powers under Article 162 which is co-extensive with its Legislative powers laying conditions of service and rights accrued to or acquired by a citizen would be as much rights acquired under law and protected to that extent. The orders passed by the Government, from time to time and at any rate upto the passing of the Andhra Pradesh Educational Services Untrained Teachers (Regulation of Service and Fixation of Pay) Act, to meet the administrative exigencies and cater to

A the needs of public interest really and effectively provided sufficient legal basis for the acquisition of rights during the period when they were in full force and effect. The orders of the High Court as well as the Tribunal also recognized and upheld such rights and those orders attained finality without being further challenged by the Government, in the manner known to law. Such rights, benefits and perquisites acquired by the Teachers concerned cannot be said to be rights acquired otherwise than in accordance with law or brushed aside and trampled at the sweet will and pleasure of the Government, with impunity. Legislature could not have validly denied those rights acquired by the appellants retrospectively not only depriving them of such rights but also enact a provision to repay and restore the amounts paid to them to the State. The provisions of the Act, though can be valid in its operation 'in futuro' can not be held valid in so far as it purports to restore status *quo ante* for the past period taking away the benefits already available, accrued and acquired by them.

[319-E, F, G, H; 320-A]

D *State of Gujarat and Anr. v. Raman lal Keshav Lal Soni and Ors.*, [1983] 2 SCC 33 and *Chairman, Railway Board and Ors. v. C.R. Rangadhamaiah and Ors.*, [1997] SCC 623, followed.

Ex.-Capt. K.C. Arora and Anr. v. State of Haryana and Ors., [1984] 3 SCC 281, relied on.

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F 1.2. No exception could be taken to the prospective exercise of powers thereunder without infringing the rights already acquired by the appellants and the category of the persons similarly situated whether approached courts or not seeking relief individually. The provisions contained in Section 2 have to be read down so as to make it only prospective. [320-B-C]

1.3. The provisions contained in Section 3 also justify only prospective application and accordingly read down, as in the case of Section 2 of the Act. [321-A]

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H 2.1. It is well settled that a person holding a lesser grade of post can be made to be incharge of a higher post and be paid also the scales of pay permissible for the higher grade or category of post but that will not make the said person entitled to claim to be a regular member or incumbent of the post to claim consequential benefits for any advanced career or promotion as if he is a regular incumbent to the said post. Even any one

of the appellant or the class of persons similarly situated when assert a claim for the benefits of the automatic advanced scheme they will have to strictly comply with the requirement of the conditions stipulated therefor in the scheme and cannot by virtue of the services rendered in a post pursuant to the concession shown to appoint them in the higher category of posts with a limited purpose and object as the aim automatically become entitled to count such service for claiming the benefits under the special scheme. [320-E-F-G]

2.2. In view of the conclusions arrived at on the eligibility or otherwise to claim the benefit of the automatic advancement scheme there is no need or warrant to interfere with the stipulations contained in Section 3 (c) and (d). Section 3(e) also cannot have any such force and effect to deprive the rights accrued to and acquired by the appellants and persons similarly placed. It is also made clear that the claim of the respondents is sustained only to the extent of availing the monetary benefits and not for any substantive appointment to these posts, as such. [321-B; 322-A]

CIVIL APPELLATE JURISDICTION : Civil Appeal No. 2652-2654 of 1995.

From the Judgment and Order dated 10.10.1994 of the Andhra Pradesh Administrative Tribunal at Hyderabad in O.A. Nos. 271, 272, 306/94 and O.A.S.R. No. 5613 with M.A. Nos. 1712 and 1713 of 1993.

WITH

C.A. Nos. 2655, 4680, 5318-5319, 5208/2000, 6963-6974, 7023 and 6975-7022 of 2002.

L. Nageshwar Rao and Mrs. K. Amareshwari, Anil Kumar, R. Santhana Krishna, Mrs. K. Sarada Devi, Manoj Saxena, D. Ramakrishna Reddy for Mrs. D. Bharathi Reddy, G. Prabhakar and Ms. T. Anamika, for the appearing parties.

The Judgment of the Court was delivered

Leave granted in special leave petition (C) Nos. 3699-3710, 7808 and 21533-21580 of 1995.

The above appeals have been filed against the common order of the

- A Larger Bench of the Andhra Pradesh Administrative Tribunal at Hyderabad dated 27th April, 1994 in O.A. Nos. 50430-50441 of 1991 etc., whereunder by a majority, with the dissenting opinion recorded by the Chairman, the challenge to the constitutional validity of Sections 2 and 3 of the Andhra Pradesh Educational Service Untrained Teachers (Regulation of Services and Fixation of Pay) Act, 1991 (Act No. 14 of 1991) (hereinafter referred to as 'the Act') came to be rejected.

- The facts which lead to the passing of the said enactment, resulting in the order under challenge may briefly be stated for a proper appreciation of the contentions of the parties on either side. After the formation of the State of Andhra Pradesh the State Government framed a composite set of rules called Andhra Pradesh Educational Rules, 1966 in exercise of the executive powers available for the State. The Schools in the State for the purpose of those Rules were classified into three categories: Elementary Schools for classes 1st to 5th; Upper-Primary Schools for classes 6th and 7th and Secondary Schools for classes 8th, 9th and 10th. In several schools there were combined classes from elementary stage to secondary stage also, though in some schools classes upto upper-primary alone were conducted. For SSLC trained teachers (in short SGBT Teacher) the scale of pay at the time of introduction of 1966 Rules was Rs. 80-150. In the Telangana area earlier the scales were lower and classification was also said to be different. The scale of pay for a Graduate B.Ed. known as School Assistant was Rs. 130-250. In addition to the other academic qualification, the teachers' training certificate or B.Ed. degree, was also an eligibility criteria for appointment as SGBT teacher or School Assistant, as the case may be, respectively.

- F In G.O.M.S. No. 910, Education dated 27th April, 1970, Statutory Rules were said to have been framed revising the scale of pay with effect from 19-3-1969 and the scale of pay of SGBT teacher were said to have been revised to Rs. 96-200. Likewise the scale of pay of a School Assistant was also revised to Rs. 150-300. But during the relevant point of time in the year 1967, the scale of pay of SGBT with Matriculation and Teachers Training Certificate was Rs. 80-150 and of the School Assistant with Graduation and B.Ed. degree was Rs. 150-250. Due to dearth of trained graduates in Science and Mathematics with Mulki qualification for appointment as teachers in Telangana area the Government in G.O. No 257 Education dated 10-2-1967 accepting the proposals of the Director of Schools, Education, passed orders that untrained graduates in those subjects may also be appointed

in the minimum pay of Rs. 130 in the scale of pay of Rs. 130-250 with usual allowances admissible for a trained graduate teacher for a period of two years from the date of the said order. Keeping in view the fact that previously and at the time of issuance of the said Government Order such untrained graduates, untrained intermediates and matriculates who were being appointed only on a pay of Rs. 100 in the scale of pay of Rs. 80-150, the Government issued G.O. 2069 Education dated 9-10-1967 that untrained teachers in any part of the State may be appointed at the minimum of the scale applicable and they will not be eligible to draw any increments in the scale till they acquire the necessary qualification prescribed for the post. Since the Government Order dated 10-2-1967 was with reference to the appointment of untrained graduates at the minimum scale of pay of Rs. 130-250 with usual allowances in respect of Science and Mathematics subjects only the untrained graduates appointed to teach the subject of Humanity were not paid at the same scale but were being paid at Rs. 100 which was being paid to such untrained teachers prior to 10-2-1967. After the Revision of scales of pay in the year 1970, noticed (supra) some of the untrained graduates appointed as School Assistants to teach subjects in Humanities filed W.P. No. 2295 of 1973 before the High Court of Andhra Pradesh and by a judgment dated 23rd June, 1975 the High Court held that the untrained graduate teachers in Humanities were also entitled to get minimum scale of pay of Rs. 130 in the time scale of Rs. 130-250 as in the case of untrained graduates appointed to teach Science and Mathematics. This decision was not challenged further by the authorities of the State Government. By the time the High Court rendered the judgment the scale of pay then in force at Rs. 130-250 was further said to have been revised as Rs. 150-300 w.e.f. 19-3-1970 and the High Court, therefore sustained the claim for the revised scale of pay.

While matters stood thus a group of teachers belonging to both SGBT and School Assistant categories teaching the subject in Humanities working in Zilla Praja Parishad Schools in Nalagonda approached the High Court with a grievance that they were being denied the benefit on the ground that they were not graduates in Science and Mathematics, by filing W.P. No. 6387 of 1976. With the constitution of the erstwhile Administrative Tribunal in the State in exercise of the powers under Article 371-D of the Constitution of India, the said writ petition stood transferred to the Tribunal as Tr. W.P. No. 1361 of 1976. When the matters came up before the Tribunal for hearing it was disposed of by an order dated 15-9-1977 stating that it was not disputed that the facts of that case and those

A earlier decided by the High Court were identical and that the learned Government Pleader appearing also conceded the position that the case was covered by the earlier decision of the High Court. Consequently, the Tribunal directed that even the untrained graduates in Humanities appointed in the Secondary Grade posts in the scale of pay of Rs. 80-150 should be allowed the minimum of Rs. 130 in the scale of pay of Rs. 130-250, B admissible to trained graduates appointed as B.Ed. School Assistants posts with effect from 10-2-1967 as a result said to have been not intended by the Government. Subsequently, several other judgments came to be rendered following the said decision, as and when claims were made before the Tribunal. Consequential benefits including the fixation of seniority on the C said position was also granted. The Government without challenging such orders took up the matter for consideration in the light of the decision of the Tribunal and by orders dated 12-1-1982 and 20-2-1984 resolved to implement the judgment of the Tribunal individually and to facilitate the same also created supernumerary posts of B.Ed. Assistants with retrospective effect to carry out the directions issued by the Tribunal. Even during D January 1976, thousands of posts of B.Ed. Assistants and SGBT teachers were created. The resultant position was that even SGBT Teachers who were appointed in the scale of pay of Rs. 80-150 became entitled to the scale of pay attached to the post of School Assistants on the plea raised that they have also possessed the same qualification prescribed for the E post of School Assistant. Subsequent to this several other judgments also seems to have been rendered following the order dated 15-9-1977 in Tr. W.P. No. 1361 of 1976 and all those petitioners also were able to get payments in the scale of pay attached to the post of School Assistants inspite of the fact that some of them were appointed against the post of SGBT Teachers only. It appears that all orders were not expeditiously or F effectively implemented and thought in the large majority of the cases they were implemented, some such orders remained unimplemented also.

The decision rendered in Tr. W.P. No. 1361 of 1976 has become final in the sense that no challenge was pursued thereafter to the said judgment as also to the other judgments rendered subsequently following G this judgment. With the constitution of the State Administrative Tribunal under the provisions and the Administrative Tribunals Act, 1985 w.e.f. 1-11-1989, not only some of the cases pending on the file of the erstwhile Tribunal stood transferred to the new Tribunal, but several cases were also seem to have been filed afresh. It was at this stage that the Government H suddenly became alive, though in a belated manner to the possible heavy

financial commitments and serious implications flowing from the various judgments considered to be detrimental to the public interest and promulgated the Andhra Pradesh Educational Service Untrained Teachers (Regulation of Services and Fixation of Pay) Ordinance, 1991 subsequently replaced by the Act under challenge. The Preamble to the Act set out in detail the development of relevant events, from time to time and the passing of the various Orders by the Government as well as by the Court and the Tribunals, and reasons which necessitated the promulgation of the Ordinance as well as the enactment of the law in question. A B

The Ordinance as well as the Act referred to above was brought into force w.e.f. 10-2-1967. Sections 2 and 3 which are relevant for our consideration reads as under: C

2. Notwithstanding anything contained in any rule or order of the Government or any judgment of any Court, Tribunal or other authority, the untrained graduate teachers in the subjects of Science and Mathematics appointed in pursuance of G.O. Ms. No. 257 Education Department, dated the 10th February, 1967 and the untrained graduate teachers in the subjects of Humanities appointed in pursuance of orders of Tribunal in Transferred writ petition No. 1361/76 dated the 15th September, 1977 who actually handled eight, ninth and tenth classes in the Secondary Schools of Government Zilla Praja Parishads or as the case may be, aided managements in the Telangana area of the State of Andhra Pradesh shall be entitled to the minimum of Rs. 130 in the time scale of Rs. 130-250 admissible to trained graduate teachers if they are appointed to posts carrying that scale with effect from the 10th February, 1967 to 31st December, 1973 and thereafter, their pay shall be regulated as per their eligibility as untrained graduate teachers in accordance with the rules and orders in forces. D E F

3. Notwithstanding any Government order, judgment, decree or order of any court, Tribunal or other authority, the supernumerary posts created in the B.Ed., scale of Rs. 130-250 in accordance with the orders issued by the Government in Memos, No. 1630/H-1/81-3, dated the 12th January, 1982 and also on the 20th February, 1984 in place of the Secondary Grade posts of teachers in the time scale of Rs. 80-150 shall and shall be deemed always to have been secondary grade posts in the time scale of Rs. 80-150 with subsequent increases due to revision of pay scales from time to time and accordingly; G H

A (a) at excess amount already sanctioned and paid to the incumbents by creating supernumerary posts as aforesaid shall be recovered in such manner and in such number of instalments as the Director of School Education may, by order, direct;

B (b) the teachers working in such supernumerary posts shall not be entitled for counting their service in the B.Ed., scale for the automatic advancement scheme formulated in G.O.Ms. No. 164, Finance dated, the 1st June, 1982;

C (c) any benefit given to the teachers referred to in clause (b) in accordance with the said Government order shall stand cancelled from the date of extending such benefit and any amount drawn in pursuance of such benefit shall be recoverable in the manner specified in clause (a);

D (d) no suit or other proceedings shall be maintained or continued in any Court, Tribunal or other authority against the Government or any person or the authority whatsoever for creation of supernumerary posts for the teachers referred to in clause (b) and also such pending proceedings shall abate forthwith and

E (e) no court shall enforce any decree or other directing the pay fixation on par with the posts of teachers created for the subjects of Mathematics and Science in accordance with G.O.Ms. No. 257 Education Department, dated the 10th February, 1967.”

F Since the provisions of the Act not only purported to disturb the state of affairs prevailing as on the date of the Act but proceeded to deprive the benefits already accrued and acquired by the class of petitioners by giving retrospective effect to the Act w.e.f. 10-2-1967 and further by providing also for the recovery of the amounts already paid otherwise than in terms of the Act and in the manner specified therein. Hence, the petitioners approached the Tribunal seeking for striking down the provisions contained in Sections 2 and 3 of the Act. As noticed earlier the Chairman of the Tribunal who was G in the minority sustained the challenge made by the appellants to provisions contained in Section 2, Section 3(a) and (e). Though Section 3(b) was held to be valid, in view of Sections 2 and 3 held to be bad, sub-section (b) to (d) was considered not capable of surviving in isolation. Section 3(b) related to the grant of benefit of automatic advancement scheme, in special grade H Posts. So far as the remaining two Members who constituted the Bench are

concerned, they rendered separate opinions upholding the validity of the Act. One Member while dissenting from the view expressed by the Chairman was of the view that discriminatory and offending part of the enactment can be set right if the words "the Telangana Area of" occurring in Section 2 of the Act is alone struck down to make it applicable uniformly to the entire State. The other Member who also expressed his dissent with the opinion of the Chairman but purported to agree with the Member who upheld the validity subject to the modification in Section 2 noticed above, assigned further reasons high-lighting certain anomalies, lapses and mistakes which according to him crept into the matter resulting in the passing of indiscriminatory orders not really justified on the facts of the cases which were brought before the Tribunal from time to time. Hence these appeals.

Mr. L. Nageshwar Rao, learned senior counsel for the appellants urged that the enactments in question brought into force with retrospective effect from 10-2-1967 takes away the vested rights of the appellants and consequently suffers the vice of hostile discrimination, arbitrariness and expropriation of vested rights and, therefore, are liable to be struck down as violative of Articles 14 and 16 of the Constitution of India. It was also urged by the learned senior counsel that insofar as the Act purports to destroy the rights acquired under the orders of the High Court as also the judicial orders passed by the statutory Tribunals, it tends to encroach into the judicial sphere and consequently is liable to be struck down. A new point, not raised before the Tribunal based on alleged violation of Articles 202 and 203 of the Constitution, though was sought to be urged, was not permitted to be raised at this stage. Per contra Mrs. K. Amareshwari, learned senior counsel appearing for the respondent-State with equal vehemence tried to justify the decision of the majority view of the Tribunal below and urged that the indisputable factual details indicated in the Preamble to the Act and noticed by the Tribunals also warranted the interference of the Legislature to set right the anomalies said to have resulted in the matter. According to the learned senior counsel serious mistakes, lapses and errors have been committed having grave consequences both in the matter of enforcement of law as also the effective administration and control of the schools resulting in serious financial problems and, therefore, no exception could be taken to the provisions of the Act which were meant to set right the whole matter. In substance the submission was that there was no deprivation of any of the legally acquired or vested rights, but the Act purported to really deny and discontinue ill-gotton rights and benefits undeservably obtained.

A We have carefully considered the submissions on behalf of both parties.

B In *State of Gujarat and Anr. v. Raman Lal Keshav Lal Soni and Ors.*, [1983] 2 SCC 33 a Constitution Bench of this Court had an occasion to deal with the situation arising out of a retrospective legislation by the Gujarat State enacting Gujarat Panchayats (Third Amendment) Act, 1978 depriving the Secretaries, officers and servants of old village Panchayats the status as members of the State service. It was observed therein, while sustaining the challenge to the constitutionality of the Act on the ground of unjust deprivation of vested or acquired rights as follows:

C “48. From the summary of the provisions of the Amending Act that has been set out above it requires no perception to recognise the principal target of the amending legislation as the category of ‘ex-municipal employees’, who are, so to say, pushed out of the panchayat service and are to be denied the status of government servants and the consequential benefits. The ex-municipal employees are virtually the “poor relations”, the castle, the panchayat service, is not for them nor the attendant advantages, privileges and perquisites, which are all for the “pedigree descendants” only. For them, only the outhouses. As a result of the amendments they cease to be government servants with retrospective effect. Their earlier allocation to the panchayat service is cancelled with retrospective effect. They become servants of Gram and Nagar Panchayats with retrospective effect. They are treated differently from those working in Taluqa and District Panchayats as well as from the Talatis and Kotwals working in Gram and Nagar Panchayats. Their conditions of service are to be prescribed by Panchayats, by resolution, whereas the conditions of service of other are to be prescribed by the Government. Their promotional prospects are completely wiped out and all advantages which they would derive as a result of the judgments of the courts are taken away.

G 51. Now, in 1978 before the Amending Act was passed, thanks to the provisions of the principal Act of 1961, the ex-municipal employees who had been allocated to the Panchayats service as Secretaries, Officers and servants of Gram and Nagar Panchayats, had achieved the status of government servants. Their status as government servants could not be extinguished, so long as the posts were not abolished and their services were not terminated in accordance with the provisions of

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Article 311 of the Constitution. Nor was it permissible to single them out for differential treatment. That would offend Article 14 of the Constitution. An attempt was made to justify the purported differentiation on the basis of history and ancestry, as it were. It was said that Talatis and Kotwals who became Secretaries, Officers and servants of Gram and Nagar Panchayats were government servants, even to start with, while municipal employees who became such Secretaries, Officers and servants of Gram and Nagar Panchayats were not. Each carried the mark or the 'brand' of his origin and a classification on the basis of the source from which they came into the service, it was claimed, was permissible. We are clear that it is not. Once they had joined the common stream of service to perform the same duties, it is clearly not permissible to make any classification on the basis of their origin. Such a classification would be unreasonable and entirely irrelevant to the object sought to be achieved. It is to navigate around these two obstacles of Article 311 and Article 14 that the Amending Act is sought to be made retrospective, to bring about an artificial situation as if the erstwhile municipal employees never became members of a service under the State. Can a law be made to destroy today's accrued constitutional rights by artificially reverting to a situation which existed 17 years ago? No.

52. The legislation is pure and simple, self-deceptive, if we may use such an expression with reference to a legislature-made law. The legislature is undoubtedly competent to legislate with retrospective effect to take away or impair any vested right acquired under existing laws but since the laws are made under a written Constitution, and have to conform to the dos and don'ts of the Constitution, neither prospective nor retrospective laws can be made so as to contravene fundamental rights. The law must satisfy the requirements of the Constitution today taking into account the accrued or acquired rights of the parties today. The law cannot say, 20 years ago the parties had no rights, therefore, the requirements of the constitution will be satisfied if the law is dated back by 20 years. We are concerned with today's rights and not yesterday's. A legislature cannot legislate today with reference to a situation that obtained 20 years ago and ignore the march of events and the constitutional rights accrued in the course of the 20 years. That would be most arbitrary, unreasonable and a negation of history. It was pointed out by a Constitution Bench of this Court in *B.S. Yadav v. State of Haryana, Chandrachud, CJ*,

A speaking for the Court held: (SCC head-note)

B Since the Governor exercises the legislative power under the proviso to Article 309 of the Constitution, it is open to him to give retrospective operation to the rules made under that provision. But the date from which the rules are made to operate must be shown to bear either from the face of the rules or by extrinsic evidence, reasonable nexus with the provisions contained in the rules, especially when the retrospective effect extends over a long period as in this case.

C Today's equals cannot be made unequal by saying that they were unequal 20 years ago and we will restore that position by making a law today and making it retrospective. Constitutional rights, constitutional obligations and constitutional consequences cannot be tampered with that way. A law which if made today would be plainly invalid as offending constitutional provisions in the context of the existing situation cannot become valid by being made retrospective, Past virtue (constitutional) cannot be made to wipe out present vice (constitutional) by making retrospective laws. We are, therefore, firmly of the view that the Gujarat Panchayats (Third Amendment) Act, 1978 is unconstitutional, as it offends Articles 311 and 14 and is arbitrary and unreasonable. We have considered the question whether any provision of the Gujarat Panchayats (Third Amendment) Act, 1978 might be salvaged. We are afraid that the provisions are so intertwined with one another that it is well nigh impossible to consider any life-saving surgery. The whole of the Third Amendment Act must go.....”

F In Ex-Capt. *K.C. Arora and Anr. v. State of Haryana and Ors.*, [1984] 3 SCC 281 the principles laid down by the above Constitution Bench were followed, while striking down an amendment to the Punjab Government National Emergency (Concession) Rules taking away acquired or accrued fundamental rights with retrospective effect, as offending Article 14 and 16 of the Constitution of India. The retrospective amendment of the Rules in the said case had the effect of depriving the benefit of military service beyond a particular date with retrospective effect thereby taking away the vested rights which accrued to the petitioner and this was declared to be *ultra vires* the Constitution and struck down.

H In *Chairman, Railway Board and Ors. v. C.R. Rangadhamaiah and*

Ors., [1997] 6 SCC 623 yet another Constitution Bench of this Court had an occasion to deal with the validity of a retrospective amendment to the service rules adversely affecting the pension of the employees who already stood retired on the date of the notification issued by way of an amendment, on the view that the pension admissible was under the Rules in force at the time of retirement, and that reduction of the pension as admissible with retrospective effect was held to be arbitrary and unreasonable, after an exhaustive review of case law of the subject.

On a careful consideration of the principles laid down in the above decisions in the light of the fact situation in these appeals we are of the view that they squarely apply on all fours to the cases on hand in favour of the appellants. The submissions on behalf of the respondent-State that the rights derived and claimed by the appellants must be under any statutory enactment or rules made under Article 309 of the Constitution of India and that in other respects there could not be any acquisition of rights validly, so as to disentitle the State to enact the law of the nature under challenge to set right serious anomalies which crept in and deserved to be undone, does not merit our acceptance. It is by now well settled that in the absence of Rules under Article 309 of the Constitution in respect of a particular area, aspect or subject, it was permissible for the State to make provisions in exercise of its executive powers under Article 162 which is co-extensive with its Legislative powers laying conditions of service and rights accrued to or acquired by a citizen would be as much rights acquired under law and protected to that extent. The orders passed by the Government, from time to time beginning from February 1967 till 1985 and at any rate upto the passing of the Act, to meet the administrative exigencies and cater to the needs of public interest really and effectively provided sufficient legal basis for the acquisition of rights during the period when they were in full force and effect. The orders of the High Court as well as the Tribunal also recognised and upheld such rights and those orders attained finality without being further challenged by the Government, in the manner known to law. Such rights, benefits and perquisites acquired by the Teachers concerned cannot be said to be rights acquired otherwise than in accordance with law or brushed aside and trampled at the sweet will and pleasure of the Government, with impunity. Consequently we are unable to agree that the Legislature could have validly denied those rights acquired by the appellants retrospectively, not only depriving them of such rights but also enact a provision to repay and restore the amounts paid to them to State. The provisions of the Act, though can be valid in its operation

- A 'in future' can not be held valid in so far as it purports to restore status quo ante for the past period taking away the benefits already available, accrued and acquired by them. For all the reasons stated above the reasons assigned by the majority opinion of the Tribunal could not be approved in our hands. The provisions of Section 2 and 3(a) insofar as they purport to take away the rights from 10-2-1967 and obligates those who had them to repay or restore it back to the State is hereby struck down as arbitrary, unreasonable and expropriatory and as such is violative of Articles 14 and 16 of the Constitution of India. No exception could be taken, in our view, to the prospective exercise of powers thereunder without infringing the rights already acquired by the appellants and the category of the persons similarly situated whether approached courts or not seeking relief individually. The provisions contained in Section 2 have to be read down so as to make it only prospective, to save the same from the unconstitutionality arising out of its retrospective application.

- So far as the claim of benefits under the automatic advancement scheme formulated in GOMS No. 164, Finance and Planning Department, dated 1st June, 1982 is concerned we are unable to agree with the stand taken for the appellants that any service rendered could entitle the appellants or the class of persons similarly placed, to claim the benefit of the automatic advancement scheme. It is well settled that a person holding a lesser grade of post can be made to be incharge of a higher post and be paid also the scales of pay permissible for the higher grade or category of post but that will not make the said person entitled to claim to be a regular member or incumbent of the post to claim consequential benefits for any advanced career or promotion as if he is a regular incumbent to the said post. Even any one of the appellant or the class of persons similarly situated when assert a claim for the benefits of the said scheme they will have to strictly comply with the requirement of the conditions stipulated therefor in the scheme and cannot by virtue of the services rendered in a post pursuant to the concession shown to appoint them in the higher category of posts with a limited purpose and object as the aim automatically become entitled to count such service for claiming the benefits under the special scheme.

- The provisions contained in Section 3 mandates that the supernumerary posts created in the B.Ed. Grade of Rs. 130-250 pursuant to the orders noticed therein shall be deemed always to have been Secondary Grade Posts of teachers in the time scale of Rs. 80-150 with subsequent increases due to revision of pay scales from time to time, accordingly. The reasons assigned,

supra would apply with equal force to invalidate this retrospective reclassification by a fiction to nullify the lawful rights acquired during the past period and justify only prospective application and accordingly read down, as in the case of Section 2 of the Act. In view of the conclusions arrived at on the eligibility or otherwise to claim the benefit of the automatic advancement scheme there is no need or warrant to interfere with the stipulations contained in Section 3(c) and (d). In the light of and to the extent of relief granted to the appellants in this Judgment, Section 3(e) also cannot have any such force and effect to deprive the rights accrued to and acquired by the appellants and persons similarly placed.

The appeals are partly allowed, accordingly.

In the light of the above orders passed granting relief to all persons similarly placed as the appellants no further orders are necessary on the application for impleadment.

C.A. No. 5208 of 2000

The above appeal has been filed against the judgment of a Division Bench of the Andhra Pradesh High Court dated 9th September, 1997 in Writ Appeal No. 931 of 1997 whereunder the Court while allowing the appeal of the respondent directed the appellants to give the benefits of due scale of pay of Rs. 320-580 as revised from time to time with effect from due date. By a separate judgment in C.A. Nos. 2652-2654 of 1995 etc., we have dealt with the constitutional validity of the Andhra Pradesh Education Service Untrained Teachers (Regulation of Services and Fixation of Pay) Act, 1991 (A.P. Act No. 14 of 1991) and upheld the rights of teachers who were appointed as SGBT Teachers to be entitled to the pay scales of School Assistants for the period prior to the said Act. The Teacher/concerned in this appeal also would be entitled to the benefits, to the extent such benefits have been allowed in favour of the appellants in the other appeals, and nothing more. If the order of the High Court purports to give anything more than what was held permissible in respect of others, the order in W.A. No. 931 of 1997 shall stand modified to bring it in conformity with our decision in the connected appeals.

Consequently the appellants shall work out the monetary benefits as are due to the respondent in this appeal in the light of the Judgment rendered by us in the connected appeal i.e. CA Nos. 2652-54 of 1995 etc., it is also made

A clear that the claim of the respondents is sustained only to the extent of availing the monetary benefits and not for any substantive appointment to the post of school Assistants, as such. With this clarification of the correct position of law and modification in the light of the other judgment rendered by us, this appeal shall stand finally disposed of.

B S.K.S.

Appeals partly allowed.