

CENTRAL ADMINISTRATIVE TRIBUNAL PRINCIPAL BENCH

O.A.No.753/2002 WITH O.A.NO.160 2/2002 & O.A.NO.1183/2002

New Delhi, this the 28th day of April, 2003

Hon'ble Shri Govindan S. Tampi, Member (A) Hon'ble Shri Shanker Raju, Member (J)

Y.B.L.Mathur & Others

..Applicants

4130

(By Advocate: Shri B.S.Mainee)

Versus

Union of India & Ors. (By Advocate: Shri V.S.R.Krishna) ...Respondents

Corum:-

Hon'ble Shri Govindan S. Tampi, Member (A) Hon'ble Shri Shanker Raju, Member (J)

To be referred to the reporter or nbt? YES 1.

Whether it needs to be circulated 2. Benches of the Tribunal?

NO

Govindan S. Tampi)

Member (A)



CENTRAL ADMINISTRATIVE TRIBUNAL PRINCIPAL BENCH

0.A. NO.753/2002 WITH 0.A. NO.1602/2002 & 0.A. NO.1183/2002

New Delhi, this the 38 ... day of April, 2003

HON'BLE MR. GOVINDAN S. TAMPI, MEMBER (A) HON'BLE MR. SHANKER RAJU, MEMBER (J)

© No	Name	Age	<u>Designation</u>
S.No.		w	
1	Y.B~.L.Mathur S/o B.B.Lal	73	Retired G.Ms from N.E.Railway, Gorakhpur
2	Ramesh Chand Sethi S/o J.R.Sethi	69	D.L.W.Varanasi
3.,	Kuldip Narain S/o Dr.Prahlad Nara	72 ub	I.C.F., Chennai
4	Vijay Singh S/o Ripu Sudan Sing	71. yh	Central Railway,Mumbai.
5	Gauri Shankar S/o Harsumaran Lal	70	N.E.Rly.Gorakhpur
6	A.S.Agarwal S/o J.P.Agarwal	7.1.	Metro Railway
7	Raj Kumar Vir S/o Ish Kumar	72	C.L.W.,Chittaranjan
. 8	Mahesh Kumar Modwel S/o K.P.Modwel	1 75	D.G., RDSO, Lucknow
9.	Lajpat Rai Gosain S/o Bhagwan Dass Go	80 Sain	I.C.F.Chennai
10.	. R.C.Tondon S/o R.R.M.Tondon	74	I.C.F.Chennai
11.	. Pramod Kumar S/o R.R.M.Tondon	66	O.LW.Varanasi
12.	. Amar Nath Wanchoo S/o Kailash Nath W	72 anchoo	Northern Railway, N.Delhi
13.	. Satish Behl S/o Mohan Lal Behl	70	G.M., I.C.F.Chennai
1.4.	. S.K.Datta .S/o Dr.G.L.Datta	73	Northern Railway, N.Delhi
1.5	. Dilraj Singh S/o Shri Tajinder :	76 Singh	D.L.W.Varanasi
16.	. Hrusgugusg Bandopa S/o Vishnu Bandopa		Eastern Rly.Kolkata



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1.7 "	C.M.Malik S/o Bodh Raj Malik	75	S.C.Rly. Secunderabad
18.	Naubat Lal S/o Bishamber Dayal	65	G.M.,W.A.P., Bangalore
19.,	Himangsu S.Sinha S/o Late Haridhan Sin	74 ha	Metro Railway Kolkata
20.	Jawahar Lal Kaul S/o L Prem Lal Kaul	66	Metro Railway Kolkata
21	O.N.Singh S/o Late Kalp Nath Si	69 ngh	D.G., RDSO, Lucknow
22.	M.S.D.Jetly S/o S.R.Jetley	77	G.M.W.A.P., Bangalore
23.	K.Vishwanathan S/o Late R.Krishnamur	73 thi Iyer	Southern Rly.Chennai
24.	A.Ramji S/o J.Amrithalingam	74	S.E.Rly. Kolkata
25.	P.V.Narayana Swamy S/o Late Or.P.N.V.Iye	78	Metro Railway Kolkata
26.	K.N.Das Gupta S/o Late Ram Narayan (75 Pas Gupta	Metro Railway Kolkata a
27.	Kameshwaran Ramkrishna S/o Suryamoorthy Kames		N.E.F.Guwahati
28.	S.M.Vaish S/o Mitthan Lal Vaish	69	Northern Railway, N.Delhi
29.	A.L.Kochhar S/o Late K.R.Kochhar	85	G.M.C.L.W.,Chittaranjan
30.	Madan Mohan Lal Sharma S/o Late Kundan Lal Sh		S.C.Rly. Secunderabad
31.	R.Srinivasan S/o N.Raghavachari	77	Northern Railway, N.Delhi
32.	P.V.Vaitheeswaran S/o P.V.Vishwnathan	66	Western Railway Mumbai
33.	Parandur Kadambi Srini S/o Parandurr Bhashyam	vasan 72 1	2 S.C.Rly. Secunderabad
34.	R.Balasubramanian S/o V.Ragunatha Iyer	68	Metro Railway Kolkata
35.,	M.C.Das S/o Sri MM.Parankusa D	68 Jas	G.M.W.A.P., Bangalore
36.	S.H.Babu S/o S.Venkata Subbayya	67	Southern Railway Chennai
37.	Ishwarbhai Amin S/o D.T.Amin	68	G.M.I.C.F.Chennai

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38,	K.Subramahmanyan S/o K.S.Krishnamurthy	69 Iyer	Western Railway Mumbai
39.	R.Narasimhan S/o Late Justice N.R.A	68 Ayyangar	Southern Railway Chennai
40.	M.H.Balakrishnan S/o M.K.Hariharan	64	G.M.I.C.F.Chennai
41.	Raj Kumar Shukla S/o L.B.L.Shukla	64	Southern Rly Chennai
42.	V.Ramaswamy S/o R.Venkateswar	70	CORE, Allahabad U.P.
43.	Tej Singh Vardya S/o B.K.Vardya	74	D.G., RDSO, Lucknow
44.	Satyendra Nath Mahan S/o J.N.Mahant	it 69	G.M.,I.C.F.Chennai
45.	Balkrishna Trimbak B S/o Trimbak Hari Bhi		G.M.,I.C.F.Chennai
46.	B.V.Rama Rao S/o B.V.Narasimhan	69	Principal Rly College Vadodata
47.	Satya Mitra Bhargava S/o L.Dr.Ram Chandra	71 Bhargav	G.M.,D.L.W.Varanasi a
48.	Gopal Keshav Limaye S/o Keshav Ganesh Li	73 maye	Western Rly Mumbai
49,	Dattaraya Purushotta S/o L.Purushottam Di	m Joshi (nkar Josl	66 CORE, Allahabad U.P. ni
50,	Jagdish Chandra S/o J.P.Bhatnagar	69	CORE, Allahabad U.P.
51.	T.M.Thomas S/o L.K.U.Mathew	78	Souther Rly Chennai
52.	M.A.Cherian S/o Late M.C.Abraham	70	S.C.Rly. Secunderabad
53.	H.S. Kapoor S/o Late Mahabir Pr	76 asad Kapo	GM, WAP, Bangalore or
54.	H.P. Mittal S/o Late B.P. Mittal	65	D.G., RDSO, Lucknow
55,	Anant Annaji Hattang: S/o Annaji Mangesh Bl	adi 74 hatt	GM, CLW, Chittaranjan
56,	Govind Narayan Phadke S/o Narayan Hari Phad	e 67 dke	G.M., N.E.F. Rly. Guwahati
57,	D.P.S. Ahuja S/o Late B.S. Ahuja	68	G.M., N.F. Fly, Gwahati
58.	N.A.P.S. Rao S/o Late Sh. N.S. Ar	69 nantha Ra	G.M., W.A.P., Bangalore o



- 59. Lalji Singh S/o Sh. Sinhasan Singh
- 80 G.M., North Eastern Rly. Gorakhpur
- 60. D.C. Misra S/o Sh. D.C. Misra
- 66 G.M., S.C. Railways, Secunderabad
- 61. O.P. Jain S/o Sh. Laxmi Chand Jain
- 67 Director General, R.D.S.O., Lucknow
- 62. R.K. Sharma S/o Late Sh. H.L. Sharma
- GM, C.L.W., Chittaranjan
- 63. Mrs. Kaushalya Singh W/o Late Shri R.P. Singh
 - 71 G.M., S.E. Rly., Kolkata
- 64. Mrs. Teena Khosla W/o Late M.K. Khosla
- 69 G.M.,. Northern Rly. N. Delhi
- 65. Mrs. Sheila Singh W/o Late B.P. Singh
- 62 Principal Rly. Staff
 College, Vadodra
 Applicants

(By Advocate : Shri B.S. Mainee)

Versus

Union of India : Through

- 1.. The Secretary, Railway Board, Ministry of Railway, Rail Bhawan, New Delhi - 110 001
- 2. The Secretary, Ministry of Personnel, Public Grievances, And Pensions, Deptt. of Pension & Pensioners' Welfare, North Block, New Delhi

Respondents

(By Advocate : Shri V.S.R. Krishna)

O.A.1602/2002 :

- 11. Dr. B.N. Sinha, 64 Yrs.
 S/o Late Sh. Brajendra Prasad
 Retd. Director General, Railway Health
 Services, Min. of Railways,
 R/o 205 Anupam Aprts.
 East Arjun Nagar, Delhi
- 3. Or. M.C. Khorwal, 73 years, S/o Late Shri Nandi Lal, Retd. D.G., R.H.S. Ministry of Railways, 157/1, Basant Lane, New Delhi - 55
- Or. V.D. Mathur, 65 years.,
 S/o Late Shri Ratan Chand Mathur,

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D.G. (Retd), R.H.S. Min. of Railways, Ankur B-1008, Link Road, Mumbai

Applicants

(By Advocate : Shri B.S. Mainee)

Versus

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Union of India: Through

- 1. The Secretary,
 Railway Board,
 Ministry of Railway,
 Rail Bhawan, New Delhi 110 001
- The Secretary,
 Ministry of Personnel, Public Grievances,
 And Pensions,
 Deptt. of Pension & Pensioners' Welfare,
 North Block, New Delhi

Respondents

(By Advocate : Shri V.S.R. Krishna)

O.A.1183/2002 :

Dr. J.K. Chaudhry,
Retd. Director General,
Railway Health Services,
Ministry of Railways,
R/o A-23, Hill View Apartment,
Vasant Vihar, New Delhi - 110 057

Applicant

(By Applicant in person)

Versus

Union of India: Through

The Secretary,
 Railway Board,
 Ministry of Railway,
 Rail Bhawan, New Delhi - 110 001

Respondent

(By Advocate : Shri V.S.R. Krishna)

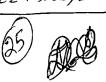
ORDER

By Govindan S. Tampi, Member (A):

This order seeks to dispose of three OAs seeking identical reliefs. They were also argued together.

2. Heard Shri B.S. Mainee, learned counsel for the applicants in OA 753/2002 and OA 1602/2002. Applicant, Dr. J.K. Chaudhary, appeared in person in OA No.1183/2002.





Shri V.S.R. Krishna, learned counsel appeared on behalf of respondents in all the OAs.

- 3. For the sake of convenience, only the facts and pleas raised in OA No. 753/2002 filed by Shri Y.B.L. Mathur and 64 others are enumerated blow as they represent the relative positions in all the OAs.
- Sixty two of the applicants in this OA are those 4, had retired as General Managers of Railways or who had held equivalent posts at the time of their superannuation while three are widows of such officers. The pay scale of General Managers before the acceptance of the Fifth Central Pay Commission's recommendations stood at Rs. 7.300-8000/and all of them were drawing pay and allowances in the said scale, at the time of retirement. All the applicants also retired prior to 1.1.1996. According to the accepted recommendations of the Fifth Central Pay Commission, consolidated pension of Officers who had retired prior 1.1.1996 was to be stepped up to 50%/: 6 of the minimum of the Revised Pay Scale of the Post which were held by pensioners the time oftheir retirement The superannuation. Nodal Organisation, Department and Pénsioners Welfare (DOP&PW) had vide their Pensions communication the above and had further held that if pension worked out was less than 50% of the minimum of revised scale it had to be stepped up to the said levels. Following the above, Railway Board issued Notification No. F(E)III/98/PNI/99 dated 15.1.1999 prescribing that 1.1.1996 pension of all pensioners, irrespective of their ofretirement shall not be less than 50% of



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minimum pay in the Revised Scale of Pay introduced w.e.f. 1.1.1996 of the post last held by the pensioner/deceased Govt. servant. Similarly, family pension of the deceased servant shall not be less than 30% of the minimum of Govt. pay in the revised pay scale w.e.f. the date the post held. Accordingly, pension of applicants was worked out at of Rs.22,400-26,000/- which was the replacement scale Rs.7300-8000/-. In fact, the Fifth Central Pay Commission had recommended the upgradation of the pay of scale of General Managers to Rs.7600-8000/- in present terms, which was accepted by the Government and the General Managers were placed in the higher scale which was revised to Rs, 24,050-26,000/-, the relevant replacement scale w.e.f. 1.1.1996. All the General Managers were given the upgraded scale of Rs.7600-8000/- and were granted the higher scale w.e.f. 1.1.1996. Following this, (General Manager) pensioners were granted pension/family pension corresponding to the scale of Rs.24,050-26,000/- in terms of Notification No. F(E)III/99/PNI/20 dated 9.9.1999. 1.10.2001 the However, onRailway Board issued clarificatory Circular No.F(E)III/99 /PNI/20, in terms which a clarification was issued on the actual connotation the word "post" held by the Railway servants. this clarification, pension/family pension as 1.1.1996 of pre-1996 retired/deceased Railway servants shall not be less than 50%/30% of the minimum of corresponding scale of pay introduced w.e.f. 1.1.1996 for scale of pay held by railway servants at the time ofretirement/death while in service. Suo moto revision ofpension/family pension was also directed, advising the pensioners to refund the amounts received by in



The aforesaid circular letter of the Railway Board was illegal, arbitrary and discriminatory and was in direct violation of the recommendations of the Fifth Central Commission duly accepted by the Govt. Not only was the said decision bad on merits, but it was also perverse being in violation of the principles of natural justice as concerned staff has not been put on notice. This meant that pensions/family pensions were being sought to drastically reduced in an arbitrary fashion, leading to the filing of a few OAs whereunder the recovery of alleged excess amount was held back. The OAs were disposed with direction to the respondents to consider and decide upon the representations which were filed by the applicants. were rejected on accordingly filed, Representations, 21.2.2002. No reply has been filed by respondents (DP&PW), but the Railway Ministry has explained that they had acted in terms of the rules correctly and nothing much remained to be done.

- 5. Grounds raised in this OA are as below:
 - (i) The orders are in direct violation of Rule 90 of Railway Servants (Pension) Rules, 1993 which provides that "pension once sanctioned after the final assessment shall not be revised to the dis-advantage of the railway servant unless such revision becomes necessary on account of detection of a clerical error", which is not the case in the present scenario.
 - (ii) That Railway Board's Circular dated 1.10.2001 was a clarification on the earlier

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Notification of 15.1.1999 was incorrect as Notification of 15.1.1999 was issued by the President which in unambiguous terms refers to the 'POST' last held by the pensioner. The term 'post' cannot, even by stretch of imagination, be interpreted as is being sought to be done by the respondents. 'POST' and 'replacement scale of pay' are two distinct concepts and they cannot be mixed up.

- (iii) The respondents have failed to appreciate that the Fifth Pay Commission had decided to upgrade the pay scale of General Managers from Rs.7300-8000/- in 'present terms' and therefore, the pay scale was revised to Rs.24,050-26000/- and the pension to be worked out accordingly.
- The basic rule was that pension of (iv) pensioners on the date of their retirement shall not be less than 50% of the minimum of the revised pay of the 'POST' held by Whenever any scale pensioners. is introduced that follows the post. A11 the applicants were General Managers at the time of their retirement and therefore with the upgradation, replacement scale changed.
- (v) Rule cannot be dislodged by way of misplaced clarification.
- (vi) The Notification dated 15.1.1999 issued by the President was being sought to be revised



and that too without any logic by an administrative order.

- (vii) The new formula which is being sought to be introduced by the respondent cannot adversely affect the pensioners whose pensions have been sanctioned after final assessment.
- (viii) The respondents' action was deliberately intended to bring in disparity between the retirees prior to 1.1.1996 and those who have retired after 1.1.1996, thus discriminating the earlier retirees.
- (ix) The interpretation sought to be placed on record by the respondents is detrimental to the cause of the applicants.
- And cannot be reduced giving rise to unnecessary suffering and to fall in the standards of living to those in the evening of their lives. It also goes against the principle of legitimate expectations. The OA in the circumstances should succeed with full relief to them is their plea.
- 6. Recovery of the excess payment ordered has been kept in abeyance by the interim order of 20.3.2002.
- 7.1 OA No.1183/2002 is filed by Dr. J.K. Chaudhary, who had retired as Director General, Railway Health Services, in a rank equivalent to General Managers in whose case the scale of pay of Rs.7300-8000/- was upgraded to

Rs.8000/- fixed, before the 5th CPC recommendations were adopted, but after his retirement. Pleas raised by him are similar to what has been raised in OA 753/2002.

- 7.2. OA 1602/2002 is filed by four Doctors, who had also retired as Directors General, Railway Health Services, like Dr. Chaudhary above. Needless to say, the pleas raised by them follow the pattern of pleas in OAs 753/2002 and 1183/2002.
- 8. In the detailed counter affidavit filed by the respondents, the pleas raised by the applicants strongly rebutted. Ιt is pointed out that in terms of India (Allocation of Business) Rules, Department of Pension & Pensioners' Welfare (DOP&PW) in the Ministry of Personnel, Public Grievances and Pensions the nodal Organisation responsible for formulation policy and coordination of matters relating to retirement benefits to all Central Govt. employees including Railway During the course of implementation of the employees. recommendations of the Fifth Pay Commission, DOP&PW issued OM No.45/10/98- P&PW (A) dated 17.12.1998, authorising stepping up of pension/family pension of all the pensioners irrespective of the date of retirement to 50%/30% of the minimum pay in the revised scale of pay introduced w.e.f. 1.1.1996 for the 'POST' last held by the pensioner/deceased Railway servant. Railway Board's Circular F(E)III/98/PNI/29 dated 15.1.1999 was accordingly issued.d Keeping in mind the above, the officers of the rank of General Manager of the Zonal Railways, Production Units etc. were given the higher scale of Rs.7300-8000/- and the

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relevant replacement scale of Rs.24,050-26,000/- w.e.f. 1.1.1996. Accordingly, pensions were increased under Railway Board's letter No.F(E)III/99/PNI/20 dated 9.9.1999. Following this a confusion arose in the interpretation of the term "post last held". A clarificatory OM No. 45/86/97-P&PW(A) (Pt.) dated 11.5.2001 was issued showing actual connotation of the "post last held" as to that stepping up of pension/family pension upto 50%/30% of the minimum of the corresponding scale of pay with reference to the scale of pay of the post held by pensioner at the time of retirement. Therefore, the corresponding scale of pay introduced w.e.f. 1.1.1996 of the post last held by the pensioner appearing in para 1 of the OM dated 17.12.1998 shall mean the scale of pay held by the pensioner at the time of retirement/ death while in service. Interms of the Railway Board's letter No.PC-V/97/I/RSRP/7 dated 16.10.1997 General Manager level officers were given the higher scale of Rs.7300-8000/-, and revised scale of Rs.24,050-26,000/-. Accordingly, pensions Following DOP&PW's OM dated 11.5,2001, were re-worked. clarificatory instructions were issued by the Railway Board vide their letter No. F(E)III/99/PNI/20 dated 20.8,2001 whereunder enhanced pension granted in terms of letter dated 9.9.1999 was ordered to be withdrawn which has led the applicants to come to the Tribunal. Respondents point out that steps were also taken to revise the scale of pay and to recover the amount paid in excess. This recovery not attract provisions of Rule 90 of Railway Services (Pension) Rules, 1993 as the basic pension/family pension sanctioned at the time of retirement and subsequently consolidated w.e.f. 1.1.1986 and 1.1.1996 did not at

get reduced. They were originally granted pension at scale of pay of Rs.22400-26000/- which was stepped up interpretation of DOP&PW's OM dated 17.12.1998. same had to be corrected. This correction would apply not only to General Managers but to various classwof people have all been given higher pensions in the The Railway Board had issued a speaking order 21.02.2002 to all the Railway Pensioners after consulting the DOP&PW and, therefore, no separate order from DOP&PW higher replacement scale called for. The was Rs.22400-26000/- was applicable only to those who were in position or retired thereafter. Since complete party pensioners as on 1.1.1996 was not envisaged by Fifth Central Pay Commission who decided to bring in parity of pre-1996 pensioners and modifiedpensioners by stepping up the consolidated pension/family pension to 50% and 30% respectively of the replacement pay of the scale held by the retiree time of retirement/death while in service. This was only proper step to have been taken. The Railway Board's earlier letter dated 9.9.1999 was issued on the erroneous interpretation of DOP&PW's OM dated 17.12.1998 and the same had to be rectified. DOP&PW's OM dated 11.5.2001 clarified the actual connotation of the word 'POST' to mean that it shall relate to the corresponding scale of pay held the persons concerned at the time of retirement. Therefore, General Managers who had retired were entitled for pension worked out at Rs.22,400-26,000/-. This is the only correct interpretation which could have been adopted

and the applicants cannot have any grievance on that.

directions were neither discriminatory nor in violation of





the principles of natural justice. These apply not only to General Manager level officers but to all others across the board who have been given the higher scale/pension wrongly. Speaking order dated 21.2.2002 has been passed by the Secretary, Railway Board, after consulting DOP&PW, the Nodal Organisation, and in terms of the Tribunal's Recovery of over payment did not attract provisions of Rule 90 of Railway Service Pension Rules as the amounts 1.1.1986 and 1.1.1996 have not been sanctioned w.e.f. The recommendations of the Fifth Central Pay reduced. Commission were to bring about complete parity between the pensioners of pre and post-1986 post-1986 and to extend modified parity with pre-1996 pensioners. This has been The applicants achieved by the DOP&PW's instructions. seek that they should be granted a higher cannot replacement scale of Rs.24050-26000/- as the same was available only for those who were in service and retired on after 1.1.1996. As the pre-1996 pensioners had drawn the scale and allowances only in pay Rs.7300-8000/- they could seek pension only in a level corresponding to the said scale. With regard to the applicants' charge that the amount of pension/family pension finally assessed and sanctioned at the time of retirement had been reduced to their dis-advantage inspite it not being due to any clerical error, the respondents pointed out that the same was not being reduced but only excess amount of pension which was paid as a result of stepping up was ordered to be recovered. This has been confirmed by the Tribunal also in OA No.1647/2000. being the case, the applicants are entitled to have heir pension/family pension fixed at 50%/30% of the minimum



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pay in the corresponding replacement scales of pay. Any amount received in excess was liable to be refunded and corrected too. OA, therefore, deserves to be dismissed, argue the respondents.

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During the oral submissions, Shri B.S. 9. learned counsel appearing on behalf of applicants pointed that DOP&PW's OM dated 17.12.1998 had held that pension/family pension shall not be less than 50%/30% the minimum of the scale of pay of the Post last held by It is in terms of this the Railway Board the pensioner. had issued a Presidential order on 9.9.1999 revising pension of the Officers including the applicants. pay of the General Manager level officers stood upgraded to Rs.7600-8000/the replacement scale proper Rs.24,050-26,000/pension case to and the be recalculated/refixed accordingly. This was the proper and correct step to have been taken. Once this has been done, the final assessment of pension had come into force and no reduction therein could have been made except on a clerical error noticed subsequently. In the present case there was no clerical error. According to Shri B.S. Mainee, the word "post" cannot in any way be interpreted as scale pay as the respondents appear to think. What the applicants were entitled to as pension/family pension was 50%/30% of the minimum of the scale of the higher pay scale given to those holding the post as on 1,1,1996 i.e. Rs.24,050-26,000/-. The clarification issued by the DOP&PW on 11.5.2001 and adopted by the Railway Board was a order and could be only prospective in nature if at all and therefore, the respondents have acted in correctly while



reducing the pension retrospectively. Even if the clarification was legal the same could not have been adopted in the present set of cases and, therefore, the action of the respondents called for interference. Shri Mainee also referred to the decision of the Hon'ble Supreme Court in the case of <u>Shri R.K. Sabharwal</u> (1995 (3) SCC 227) in support of his contentions.

Shri B.S. Mainee's submissions were adopted 10. J.K. Chaudhary, applicant OA endorsed by Dr, No.1183/2002, who stated that the order/opinion of Hon'ble Prime Minister cannot be taken as sufficient enough to warrant a change in the law, which had the effect of adversely affecting the financial interests of staff. Shri Mainee's attention was specifically drawn to decisions of this Bench of the Tribunal in OAs 480/2001 Parashar and OA 2012/2001 filed by A.S. filed by S.C. Rao, he pointed out that the said decision would not in the way of his clients as the Tribunal had held the clarifications to be only prospective which was the basis of his arguments as well. He has stated that the modification/reduction ordered in the pension of the officers on a later date retrospectively has no sanction in law and should be set aside.

11. Shri B.S. Mainee also pointed out that decision of the Tribunal denying the benefit of inclusion allowance after non-practicing the Fifth Pay Commission's recommendations were adopted, had been aside by the Hon'ble High Court of Delhi on 15.5.2002 in 7322 of 2001 and connection matters. CWP No. The same



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also should come in favour of the present applicants, he pleads.

On behalf of the respondents Shri V.S.R. Krishna, 12. learned counsel, pointed out that while adopting the recommendations of the Fifth Pay Commission, the Government brought about total parity in respect of the retirees who had superannuated before 1.1.1986 and modified parity ensured that all the retirees, thereafter. This superannuation, became irrespective of their date ofentitled to grant of pension/family pension worked at the rates of 50%/30% of the minimum of the scale of pay of the post last held. It was also decided that while arriving at the consolidated pension, if the said pension was less than the above 50%/30%, it should be stepped up to that level. Accordingly, all the applicants who were working as General Manager level officers at the time of their retirement or in harness and drawing the scale of pay of Rs.7300-8000/- were granted pension keeping in mind the replacement scale of Rs.22,400-26,000/-. It was only thereafter the Fifth Pay Commission's recommendations contained in Para 83.71 of the report came to be adopted and those working as General Managers were given the pay scale of Rs.7600-8000/- "in the present terms". This expression "present terms" correctly meant that only those who were working as General Managers on the date were entitled to the same. And only this actually interpretation was possible. However, on the basis of a wrong interpretation adopted by the Railway Board of DOP&PW's OM dated 17.12.1998, in their letter 9.9.1999, those who had retired without drawing pay in the

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scale of Rs.7600-8000/- like the applicants were also given the benefit of pension worked followed by the Railways. This cannot be disturbed pleads Shri Krishna. Shri Krishna relied upon the decisions of this Tribunal in OAs Nos.480/2001 and 2012/2001 referred to above. He also informed us that the UOI had filed SLP against the decisiop of the Hon'ble Delhi High Court allowing the SLP in the case of Doctors, claiming non-practicing allowance and, therefore, no law can be described as settled in the matter.

We have carefully deliberated upon the rival contentions and perused the documents brought on Facts are not under dispute. All the applicants before us~ i.e., 65 persons in O Α 753/2002, one person in OA 1183/2002 and four persons in OA 1602/2002 are officers who have retired from Indian Railways before 1-1-96, the day the accepted recommendations of the 5th Central Pay Commission were made effective from. All those in OA 753/2002 were holding General Manager level posts while those in OA 1183/2002 as well as OA 1602/2002 were functioning as Director General, Railway Health Services. them were drawing their pay and allowances in the pre-revised scale of pay of Rs. 7300-8000/- (revised 22,400-26,000). Department of Pension & Pensioners' Welfare letter F.No.45/10/98-P&PW (A) dated 17-12-98, conveyed President's decision "that w.e.f.1-1-96, pension of all pensioners irrespective of their date of retirement shall not be less than 50% of the minimum pay in the revised scale of pay

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<u>pensioner</u>". "Similar was the direction with regard to family pension <u>except that the quantum was fixed at 30</u>

<u>%</u>. The above had been duly adopted in Railway Board's letter No. F (E)III/98/PNI/29 dated 15-1-99. Relevant portion of the said letter, as far as they relate to this OA are reproduced as below:-

Further to implementation "1.0 Government's decision on the recommendations of Vth Central Pay Commission relating to pensionary matters, as circulated vide Board's letter No.F(E)III/97/PN1/22 dt. 5.11.1997, F (E)III/97/PN1/23 dated 7.11.1997, F(E)III/98 PN1/2 dated 10.3.98 and F(E)III/98/PN1/11 dt. 5.6.98, the President is now pleased to decide that w.e.f. 1.1.1996, pension of pensioners irrespective of their dat date of retirement shall not be less than 50% of the minimum pay in the revised scale of introduced w.e.f. 1.1.96 of the post as pay tel by the pensioner/deceased Railway servant. However, the existing provisions in the Railway Services (Pension) Rules, 1993 as modified vide Board's letter No.F(E)III/97/ PN1/22 dt. 5.11.97 and 23.10.98 governing qualifying service and minimum pension shall continue to be operative. Similarly, w.e.f. 1.1.1996 family pension shall not be less than 30% of the minimum pay in the revised scale of pay introduced w.e.f. 1.1.1996 of the post as held by the pensioner/ deceased Railway Accordingly, the pensionery benefits servant. of all the Railway servants who were in service on 1.1.96 and retired/died on or after those Railway servants to 1996 shall be further 1.1.1996 and all retired/died prior regulated as per the procedures indicated below.

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- 3.0. Revision of Pension/Family Pension of Railway servants who were in service on 1.1.1986 and retired/died during the period from 1.1.1986 to 31.12.1995.
- 3.1. If the basic pension of a Railway servant who retired from service during the period from 1.1.1986 to 31.12.1995 with the maximum qualifying service of 33 years, when consolidated as on 1.1.1996 in terms of para 4.1 of DOP&PW's O.M. No.45/86/97-P&PW (A) Pt.II dated 27.10.1997 circulated on the Railways vide Board's letter



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No.F(E)III/97/ PN1/23 dt. 7.11.1997, works to be less than 50% of the minimum pay of the revised scale of pay introduced w.e.f. 1.1.1996 for the post last held by the Railway servant as on the date of retirement, his/her basic pension should be raised to 50% of minimum pay of the revised scale of pay.; had the retired Railway servant less than the maximum qualifying service of the basic pension so revised should be years. suitably reduced pro-rata subject to a minimum of Rs.1275/-. The pension thus revised should be treated as the basic pension 1.1.1996.

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- 4.0 Revision of pension/family pension of Railway servants who were in service prior to 1.1.1986.
- 4.1 In respect of Railway servants who retired prior to 1.1.1986 with a maximum qualifying service of 33 years, if the pension revised as on 1.1.1986 and consolidated as on in terms of para 2 of DOP&PW's 1.1.1996 Ο.Μ. No.45/86/97-P&PW(A)Pt.III dt.10.2.1998, circulated on the Railways vide Board's letter No.F(E)III/98/PN1/2 dt. 10.3.1998, works out be less than 50% of the minimum pay of the pay introduced revised scale of w.e.f. applicable to the Railway servants 1.1.1996. as on the date of retirement, the amount of such pension should be raised to 50% of the minimum pay of the revised scale of pay where the Railway servants had retired with less than the maximum qualifying service of 33 years, the pension so revised should be suitably reduced pro-rata subject to a minimum of Rs.11275/. The pension thus revised shall admissible tothe pensioner 1.1.1996.

In view of the above, the pension/family pension in the case of the applicants were fixed at 50% / 30% of the minimum of the replacement scale of Rs. 22,400-26,000 (corresponding to Rs. 7300-8000 before revision) w.e.f. 1-1-96.

14. While examining the case of the Railway Ministry/Railway Board, 5th Central Pay Commission had recommended in para 83.71 as below :-

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We have considered the above "83.71 and are of the opinion that the problem facts of stagnation at senior managerial leve1s should be urgently addressed by the government by expediting the cadre review of Group 'A' Services which is reported to be pending since 1991. Likewise the suggestion made to us that each department in Zonal Railways should be headed by a Principal Head of the Department in the pay scale of Rs.7300-7600 should be examined at the time of the cadre review exercise. We feel convinced that the pay scale of General Manager needs to be improved.
We accordingly recommend that the pay scale of this post be revised to Rs.7600- 8000 present terms. We do not recommend any change pay scale of other posts mentioned in the above.

Following the above, Railway Board, its 15. 12-14 (85) dated 30-6-99 98E (G.C.) No. upgraded a number of posts including those of General 22,400-26,000/to from Rs. Managers Rs.24.050-26000/- and the post of Director General, Railway Health Services from Rs. 22,400-26,000/-26,000/- (fixed). Thereafter the Railway Board vide their letter instructions issued F(E)III/99/PNI/20 dated 9-9-1999, the relevant portion of which reads as below :-

> Prior to the issue of the above instructions as well as subsequently, various categories of posts on the Railways have been extended higher replacement scales w.e.f. 1.1.1996 instead of the earlier revised scales to them w.e.f. 1.1.1996 allotted implementation of the recommendations of Central Pay Commission. As a consequence of these decisions, the pension/family pension the retired officers/staff who held the of pay of the above mentioned scales categories of posts at the time of retirement, irrespective of the date of retirement, shall not be less than 50% and 30% respectively of the minimum paying the higher replacement scale of pay, and, therefore, the pension/family pension of such of the retired officers/staff already revised in terms of the provisions contained in Board's letter dt. 15.1.1999 referred to above, shall have to be further revised taking the minimum pay in the

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higher replacement scale of pay as on 1.1.1996".(emphasis supplied)

Accordingly the pension of the applicants in 16. OAs were re-worked on the basis of the scale the 24.050-26,000/- (OA 753/2002) and of pay of Rs. Rs.26,000/- (OA 1189/2002 & 1602/2002). This obviously done on the interpretation adopted by Railway Board, of the DP&PW's letter dated 17-12-98. A few other organisations also apparently adopted such interpretation, the correctness of which was doubtful. To deal with such situations, the nodal organisation - DP & PW - issued letter No. 45/06/97 P&PW (A) (Pt) dated 11-5-2001 which reads as under :-

"The undersigned is directed to refer to this Department's O.M. No.45/10/98 P&PW(A) dated 17th December, 1998 wherein the criteria to be adopted by the Pension Sanctioning authorities while stepping up of the consolidated pension of retirees have been detailed.

In the course of implementation of the above order, clarifications have been sought by Ministries/Departments of Government of India about the actual connotation of last held" by the pensioner at the time of his/her superannuation. ___The sentence of O.M. dated 17.12.1998, pension of all pensioners irrespective of their date of retirement shall not be less than 50% of the minimum pay in the revised scale of pay w.e.f. 1.1.96 of the post held by the pensioner", shall mean pension of all pensioners irrespective of date of retirement shall not be less 50% of the minimum of the corresponding scale as on 1.1.96, of the scale of pay held by the pensioner at the time of superannuation/ retirement.(emphasis supplied)

Other provisos contained in the O.M. of 17th December, 1998 will remain unchanged.

This clarification issues with the approval of the Ministry of Finance, Department of Expenditure."

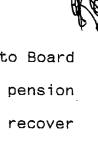
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17. Railway Board followed suit by issuance of letter No. F (E)III/99/PNI/20 dated 20-8-2001 and 1-10-2001, explaining the position. The portion of the letters read as under :-

The actual connotation of "2. "post last held" by the pensioner at the time f retirement/death while in service has now been clarified by the DOP&PW, which nodal department in all pensionary matters and empowered to give final interpretation to the rules and orders relating to such matters. Accordingly, it is hereby clarified that the sentence "pension of all pensioners irrespective of their date of retirement shall not be less than 50% of the minimum pay in the revised scale of pay w.e.f. 1.1.96 of the post last held by the pensioner" wherever used in Board's letters No. F(E)III/98/PN1/29 dt. 15.1.1999, shall mean that "pension of all irrespective of their date of pensioners retirement shall not be less than 50% of the minimum of the corresponding scale as on 1.1.96 of the scale of pay held by pensioner at the time of retirement/death while in service. Similarly, w.e.f. 1.1.96, family pension shall not be less than 30% of the minimum of the corresponding scale as on 1.1.96 of the <u>scale of pay held by th</u>e pensioner/deceased Railway servant." (Letter dated 20.8.2001 - Annexure R-VII)

"2. In view of the position emerging out of Board's letter dated 20..8.01, as enumerated in para 1 above, for stepping up of pension/family pension as on 1.1.1996 of the 1996 retired/deceased Railway servants, pre the scale of pay introduced w.e.f. 1.1.1996 should be the one that corresponds to the scale of pay held by the Railway servants at time of retirement/death while in service and not the higher replacement scale of pay introduced w.e.f. 1.1.1996 or thereafter. In all cases where the pension and family pension been stepped upto 50% and 30% have of the minimum pay in the higher respectively replacement scale of pay in terms of Board's letter dated 9.9.1999, immediate action should be taken to revise the same with reference to the minimum of the corresponding scale of pay on 1.1.1996, for the scale of pay held by the Railway servant at the time of retirement/death while in service." (Letter dated 1.10.2001 - Annexure A-1)(emphasis supplied)

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- Accordingly, Railway Board has moved to Board has moved to rectify their mistake in granting pension on the basis of higher replacement scale and recover the amount paid in excess, in the meanwhile. Speaking order No. F (E)III/2001/PNI/60 dt. 21-2-2002, passed by the Railway Board, represents the case of the respondents.
- The applicants have assailed the above stand 19. of the respondents on many grounds. foremost they plead that the downward revision of the pension (already granted to them was against the prescription under Rule 90 of the Railway Service (Pension) Rules, in terms of which, pension once finally assessed cannot be modified except detection of a clerical error which had not occurred in this case. As correctly pointed out by the learned counsel for the respondents, this plea has no basis, as the final assessment of the pension came into being only through the impugned communications of 20-8-2001 and 1-10-2001, whereunder the actual connotation of the expression 'post last held' came to be clarified. Once the said expression was clarified, the pension had to be reworked with reference to scale of pay of the post at the time of retirement of the pensioner or the death of the employee. This was the final assessment of the pension and it was not, therefore, hit by Rule 90 ibid.
- The next ground taken by the applicants 20. relates to the vires of the impugned letters. Railway

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Board's letter dated 21-2-2002 makes it clear that in accordance with the Govt. of India's allocation of Business Rules, 1961, DOP&PW, under the Ministry of Personnel, Public Grievances and Pension are the nodal Department, responsible for formulation of policy and of matters relating to retirement co-ordination benefits to all Central Govt. employees, including Railways are of Ministry Employees. Railway responsible only for administration of pension rules applicable to Railway employees. Whenever any doubt arises as to the interpretation of any of the Pension Rules/orders. the Ministry of Railways (Railway Board) has to take decision after consulting the Deptt. of P&PW. This is exactly what has happened in this case. Immediately after upgrading the posts of General Managers and Director General, Railway Health Services and placing them in the higher replacement scale, the Railway Board issued instructions on 9-9-99, directing enhancement of pensions/family pensions. However, certain doubts persisted on the interpretation of the expression 'post last held', which was clarified by 11-5-2001. letter dated by their DOP&PW the Subsequent actions of the Railway Board as shown in their letters dated 20-8-2001 and 1-10-2001 emanated directions of DOP&PW are the above. The from applicable across the board to all the Ministries & Deptt. under the Govt. of India in matters relating to pensions & pensioners. That being the case. Railway Board had properly & correctly fallen in with Their action, therefore, deserves to be fully endorsed.

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The applicants are aggrieved the clarification issued by the DOP&PW and Railway Board, to the connotation of expression 'post last held'. According to them, the explanation given by respondents that it referred to the scale of the of the post which existed at the time of retirement on superannuation or death in service of the employee was not correct, as 'post' and 'scale' are two different concepts and one cannot be substituted for the other. This opinion is based on fallacy in thinking that post and pay scale are totally unrelated matters. applicants have conveniently forgotten that the scale of pay goes with the post and the 'post' does not have any existence by itself without the scale of pay. instant case, while the post remained the same, the scale awd pay had undergone a change on account of adoption of the higher scale of pay for the post 'in the present terms'. It cannot be the case of the applicant that at the time of their retirement on superannuation, either in the General Manager level post or that of Director General, Railway Services, they were drawing the scale of pay higher than Rs.7300-8000/-. This scale of pay underwent a change and became Rs. 7600-8000/- (in the case of GMs) & Rs. 8,000/- (in the case of DGRHS) only much after their retirement. Therefore, the pension they could have been given is only relateable to the scale 7300-8000/- and not Rs. Rs. 7600-8000/- or Rs.8000/- fixed. Thus while the post remained the the scale of pay underwent a slight difference. That being the case, the Govt. (DOP&PW & Rly. Board)

(46) 753, 1602 + 1/83/200.

adopted the stand that the expression 'post last held' could only be taken as a scale of pay of the post last held at the time of retirement or death and not otherwise. This was the only interpretation which could have been adopted. Naturally, therefore, the interpretation adopted earlier by the Railway Board's letter dated 9-9-99, which was incorrect in law, had to be rectified and action was initiated to re-work the pension/family pension at 50% / 30% of the minimum of the scale of pay attached to the post at the time when the officers retired on superannuation or died while in service. The adoption of above procedure by the respondents gains full support in law.

The applicants' plea that the only replacement 22. for GM level officers w.e.f. 1-1-96 stood at scale 24,050-26000 is also misleading. The fact that this is the replacement scale of Rs. 7600-8000/-8000/- fixed, a scale of pay which they not at all enjoy, while in service. The scale of pay, the applicants were concerned, was only far as relevant the therefore, Rs.7,300-7600/and, was only Rs.22,400-26,000/-. Not replacement scale having worked in the pay scale of Rs. 7600-8000/- or Rs.8000/- fixed, the applicants cannot at all ask that pensions to be fixed with relation to pay scale of Rs. 24,050-26,000/-.

23. According to the applicants, the action of the respondents have discriminated them vis-a-vis the retirees of 1-1-96 and thereafter. This plea has no

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basis whatsoever. The decision of the Govt. has been to ensure complete parity as far as pre-1996 retirees are concerned, irrespective of the fact that they had before 1-1-1986 or thereafter upto 31-12-95. Pension in respect of all those retirees been refixed and consolidated to ensure that their pension/family pension did not fall below 50% / 30% of the minimum of the pay scale which they were drawing at the time of their retirement or death while in service. However, their only entitlement is only for modified parity vis-a-vis post-1996 retirees, who were drawing pay & allowances in the revised scale keeping in mind the instructions &f, computation of pension. The applicants cannot seek parity with post-1996 retirees and state that they have been discriminated. There is no discrimination whatsoever and no violation of Articles 14 & 16 of the Constitution is involved.

The learned counsel for the applicants 24. laid considerable stress on the expression "in the present terms" appearing in para 83.71 of the recommendations of the 5th Central Pay Commission, and argued that it meant the extension of revised higher pay for computation of pension for pensioners in GM level also. We are $\frac{M^2}{100}$ a loss to understand how such an interpretation is possible. The expression "in the present terms" can only refer to those existing at that time and not to past events and past individuals. The revision of scale of pay from Rs.7,300-8000/-Rs.7,600-8000/or Rs.8000/-(fixed) was only available to those in service. By no stretch of

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argument can it be explained to cover cases of those who were in service while the pre-revised scale of Rs.7.300-8000/- was in force.

The applicants have also assailed t.he behind the clarification issued t.he 13-5-2001, which has been adopted by DOP&PW on Railway Board in their letters dated 20-8-2001 and They allege that the earlier decision 1-10-2001. DOP&PW and Railway Board which were Presidential Notifications, were being sought to be replaced and supplemented by an administrative order. The Tribunal while examining the OA 480/2001 filed by had. Parashar, called for the relevant file from the DOP&PW and had recorded as below: - perused the relevant fine, in which the issue had been examined in detail and has recorded as below :-

> "7. We have carefully perused F.No.45/86/97-P&PW (A)/departmental the subject /Pt.II dealing with of Vth 'implementation of the decision of Pay Commission on pensionary benefits to Govt. Employees', and find that Central the clarificatory OM in question has been issued after a good deal of consideration at various levels in the department of P&PW & Expenditure and only receiving the approval of Finance the as well as the Prime Minister. conscious decision was taken on file to issue the aforesaid clarificatory OM without bothering the Union Cabinet in the matter as the said OM was proposed to issued only in order to clarify the position so as to remove the ambiguity.

26. The Transaction of Business Rules, 1961 provide for departure from Rule in the following term:-

"12. Departure from Rules. The Prime Minister may, in any case, or elapse of cases permit or condone a departure from these Rules to the extent he deems necessary."

Prime Minister's approval had been obtained after making it clear on file that it was not considered necessary to bother the Union Cabinet. The Prime Minister having exercised the authority vested in him in accordance with the aforesaid Rule, it cannot be argued that the clarificatory OM in question had been issued without obtaining appropriate authority."

- 27. The above view has been endorsed and adopted by the Division Bench comprising both of us while disposing of OA No. 2012/2001 filed by A.S.Rao. had also perused the relevant file. We are fully for issuing convinced that the decision t.he clarification has been taken at the highest level the Executive of the country keeping in mind all circumstances on the subject. The plea canvassed by J.K. Choudhary, applicant in OA 1183/2002 that the Prime Minister's decision does not amount to much mention only to be rejected. deserves clarification dated 10.5.2001 issued by DOP&PW in their capacity as the nodal Ministry has been adopted and given effect by the Railway Board, in letters dated 20.8.01 and 1.10.01, as already brought in their speaking order dated 21.2.2002. The applicants' plea on this ground also have to fail.
- Next point made by the applicants is that even if the clarification issued by the DOP&PW was legal, it could only have prospective effect and could not have been implemented retrospectively, just to deny the applicants, pension/family pension already granted

to them correctly. This again has no basis in law. D.O.P & PW's letter of 10.5.01 was indeed a clarification and not a modification or amendment. Therefore, it has to be read along with the letter dated 17.12.19987 it seeks to clarify and correctly dates from 17.12.1998 and not from 10.5.2001. The respondents have, therefore, correctly given effect to the clarification as it is a part of earlier letter itself. The said action was also fully protected in law.

We have already noted above the issue 29. of computation of pension has already been dealt with the two Courts in the Principal Bench while disposing of two OAs No.480/01 filed by S.C. Parasher decided on 20.9.02 and No.2012/01 filed by A.S. Rao, decided on In fact OA No.2012/2001 was decided by the 28.1.03. Division Bench in which both of us were Members. Ιt been held in both these cases that t.he clarification issued by DOP&PW was legal and binding on all Ministries and Departments of Govt.of India and that it had full sanction of the highest authority of the country. The circumstances being identical, the said findings would squarely cover these OA as well. Mainee, learned counsel for the applicants had Shri a feeble attempt to distinguish the facts of made these OAs from the fact of the two OAs He has even argued that the said decisions reference. would support his pleas. We do not know Ιf anything, they go against the pleas made on behalf of his clients. In the above circumstances, we reiterate

that the applicants were correctly entitled for grant of pension/family pension, worked out at 50%/30% of the minimum pay of the pay scale attached to the post, they, at the time of their retirement on superannuation/death during service and not otherwise. Therefore, they could have been aranted pensions/family pensions only at a level not less than 50%/30% of the pay scale of Rs.7300-8000/- which they retirement/death were holding at the time of the to Rs. 22,400-26,000/-) and not (Rs. 24050 to (revised Rs.26,000/-(fixed)) The Rs.26,000/or correction/rectification ordered by the respondents deserves full endorsement by the Tribunal. However, as the applicants are senior citizens who have retired quite some time ago and are in the evening of their the excess amount received by them even lives, mistake would have to be permitted to be retained them and should not to be recovered.

 $f_{\mathcal{M}^{e_{\lambda}}}$ applicants also pointed out that the decisions of Principal Bench of the Tribunal, denying the inclusion of NPA while computing pension have been set aside by the Hon'ble Delhi High Court. The same, however, does not at all come to the assistance of the applicants as the decision of Hon'ble Delhi High Court y + k x, has not attained finality as they have been challenged before the Hon'ble Supreme Court as pointed out by the learned counsel for the respondents. Even otherwise decided in issue those cases is totally different from the points for determination in the present OAs.

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In the above view of the matter, we find that none of the three OAs, OAs 753/2002, 1183/2002 and 160%/2002 has any merits They fail and are accordingly The respondents' action in refixing dismissed. pension/family pension of the applicants on the basis the pay of Rs.22,400 to Rs.26000/- (corresponding the pre-revised scale of Rs.7300-8000/-) is upheld to However, of valid. as a matter walled however, — module he is the application was the application of any paid the amounts, if any paid in excess, by the adoption of the inadmissible higher scale be not be recovered.

No costs.

(SHANKER RAJU) Member (J)

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GOVINDAN S. TAMPI)