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IN THE CENTRAL ADMINISTRATIVE TRIBUNAL HYDERABAD BENCH
AT HYDERABAD.

O.A NO.1454 of =993.

Between

Dated: 29.9.1995.

S.M.Subhani & 1017 Others

...

Applicants

And

1. The Railway Board represented by its Chairman, Rail Bhavan New Delhi.
2. General Manager, South Central Railway, Railnilayam.
3. Financial Advisor & Chief Accounts Officer, South Central Railway, Railnilayam, Secunderabad.
4. Dy. Chief Mechanical Engineer, Wagon Workshop, S. Railway, Guntupalli, Krishna District.

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Respondents

Counsel for the Applicants : Sri. P.Krishna Reddy

Counsel for the Respondents : Sri. N.R.Devaraj, SC for R

CORAM:

Hon'ble Mr. A.B.Gorthi, Administrative Member

Contd: ...2/-

O.A.1454/93

Judgement on the above OA as prepared by HM(A)
is putup duly typed.

HM(A)

[Handwritten signature]

JUDGEMENT

As per Hon'ble Shri A.B.Gorthi, Member(Admn)

The applicants, numbering 1018, are employees of Guntupalli Wagon Workshop, South Central Railway, and they are residing in Railway Quarters situated at Guntupalli. Several other employees, for want of reasons, are staying in the nearby city of Vijayawada. The applicants are denied Compensatory (City) Allowance (C.C.A. for short) whereas, the same is being paid to the employees staying in Vijayawada. The claim of the applicants is for a direction to the respondents to pay C.C.A. to the applicants on the basis that Vijayawada Municipal Corporation was classified as B.2 city upto 14.5.93 and as B.1 city, thereafter.

2. Admittedly, Guntupalli Wagon Workshop is situated within 8 kms of Vijayawada Municipal Corporation. Applicants have annexed a copy of the certificate issued by the Collector of Krishna District, which is as under:

"It is hereby certified that-

1. Guntupalli is a Village Panchayat Area.
2. The Wagon Project, Guntupalli, is within a distance of eight kilometres from the periphery of the Municipal limits of Vijayawada.
3. This Village, Guntupalli is generally dependent for the essential supplies i.e. foodgrains, vegetables, milk, fuel, etc. on Vijayawada only.
4. This certificate is valid with effect from 1.8.1989 to 31.7.1992 for three years."

3. It is stated that a similar certificate valid for three years was again issued on 1.8.1992.

4. The Rules governing the grant of C.C.A. to Railway Employees are embodied in Rule 1705 of the Indian Railway Establishment Code, Volume II, 1987 Edition. Accordingly, a Railway employee, whose place of duty falls within the qualifying limits of a city, shall be eligible for both the C.C.A. and H.R.A., irrespective of the place of residence. Even if the place of duty is in the proximity of a qualified city, but the employee, of necessity, resides within the city, he too is eligible for both C.C.A. and H.R.A. There is no rule, providing for the grant of C.C.A. to such of the employees, whose place of duty and place of residence ~~is~~ both are outside the limits of qualified city, but within the proximity of such city.

5. In view of the above, the applicants, in support of their claim for C.C.A. rely on Railway Board's letter No.E(P&A)II/89/CCA/38 dated 7.12.1989. Keeping in view the importance of the letter for determining the claim of the applicants, the same is reproduced below in toto.

" Sub:Admissibility of Compensatory (City) allowance
--- on the basis of Dependency certificate

Reference para 2 of Board's letter No.PC/65/HRA-1/3 dated 22.July,1965, as amended/modified from time to time, the matter regarding grant of Compensatory (City) allowance to railway employees working at places within 8 kilometers of the periphery of a qualified city at the rates admissible in that city even though they may not be residing within the municipal limits of that city, has been under consideration of the Ministry of Railways for some time past. In consultation with the staffside of the National Council (JCM), the President is pl

to decide that Railway employees working at places within 8 kilometres of a qualified city which is not an urban agglomeration town/city may be granted Compensatory (City) Allowance admissible in that qualified city provided that:

- (i) there is no other suburban municipality notified area or contonment within 8 kilometers limits of the place; and,
 - (ii) it is certified by the Collector/Deputy Commissioner having jurisdiction over the area, that the place is generally dependent for its essential supplies, ~~xxxx~~, e.g., food grains, milk, vegetables, fuel, etc. on the qualified city.
2. Certificates at (i) and (ii) above, will remain valid for a period of three years after which a fresh certificate will be required for continuance of the allowance.
3. It is clarified that the above concession is admissible irrespective of the fact whether the qualified city has been classified for the purpose of Compensatory (City) allowance, on the basis of its population under general orders or special orders. Extension of existing concessions to a particular city shall not be construed as classification made under general or special orders. It is further clarified that this concession will not be admissible in respect of places, which are within 8 kilometres of a qualified city/town which has been given the status of Urban Agglomeration town/city.
4. These orders take effect from 22nd September.
5. This issues with the concurrence of the Finance Directorate of the Ministry of Railways." (underlined for emphasis)

6. A careful examination of the Railway Board's letter referred to above, will show that employees working at places within 8 kilometres of the periphery of a qualified city, would be entitled to claim C.C.A. provided, necessary certificate is rendered by the Competent Authority, and when ----- city is not an urban agglomeration town/city. There is no doubt that Vijayawada has been notified as an urban agglomeration.

Respondents produced a copy of the Office of the Director of ~~Census~~ (Operations), AP, letter No.7382/Census/91 dated 18.8.92. It reads as under:

" With reference to your letter cited, I have to state that Vijayawada Urban Agglomeration consists of the following units as per the 1971 and 1981 records.

Vijayawada U.A. at 1971

- | | | |
|----|------------|-----|
| 1. | Vijayawada | (M) |
| 2. | Patamata | (P) |
| 3. | Gunadala | (P) |

Vijayawada U.A. at 1981

- | | | |
|----|------------------|------|
| 1. | Vijayawada | (M) |
| | a) Bhavanipuram | (CG) |
| 2. | Patamata | (P) |
| | a) Kanuru | (CG) |
| 3. | Gunadala | (P) |
| | a) Ramavarappadu | (CG) |

You are requested to contact the Local authorities for further information."

7. From the above, it would be evident that Vijayawada was an urban agglomeration even in 1971 and its limits were extended in 1981. Further, Railway Board issued letter No.PC(3)73/HRA dated 26.12.77 on "Payment of House Rent Allowance to Railway Employees within the Areas of Urban Agglomeration - question regarding". Annexure thereto also indicates that Vijayawada is one of the Urban Agglomerations in Andhra Pradesh.

8. Thus, so long Vijayawada remains an Urban Agglomeration and so long Guntupalli is outside of it, the employees working and residing at Guntupalli, will not be eligible for Compensatory (City) Allowance.

9. Shri F. Krishna Reddy, learned counsel for the applicants argued that the applicants are being denied C.C.A. unjustly and for no fault of theirs. Had Vijayawada been notified as an Urban Agglomeration without being notified as an Urban Agglomeration, the applicants would be entitled to C.C.A. in terms of the Railway Board's letter dated 7.12.1989 (supra) as the place of their work is within 8 kilometres of the Municipal limits of Vijayawada. The said benefit is being denied to the applicants for the reason that Vijayawada is an Urban Agglomeration and that, Guntupalli is not included in it. The argument thus advanced by the learned counsel for the applicants is ~~in fact~~ indeed plausible, but it is clearly for the executive to examine this aspect and decide whether Guntupalli deserves to be brought within the limits of the Vijayawada Urban Agglomeration.

10. Another plea put forward for the applicants is that to deny the benefit of C.C.A. to those whose place of duty is within 8 kilometres of an urban agglomeration, but to give it to those working at places within 8 kilometres of a qualified city (other than an Urban Agglomeration), as laid down in the Railway Board's letter dated 7.12.1989, is arbitrary.

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and discriminatory, and violative of Article 14 of the Constitution and hence, liable to be struck down. This plea cannot be accepted. There can be no dispute that the territory covering an urban agglomeration is larger than a Municipal Corporation. In respect of a Municipality which is "qualified City", the benefit of C.C.A. is extended to places within 8 kilometres of the periphery of the municipal limits of the qualified city, if the place is certified to be generally dependent for its essential supplies on the qualified city. In respect of an urban agglomeration, it is usual that all satellite sub-urban villages and towns dependent on the city are brought within its territorial limits. So, what is applicable to a qualified city when it is only a municipal corporation need not necessarily apply when it is notified to be an urban agglomeration. The Railway Board's letter dated 7.12.1989 cannot therefore be said to be discriminatory, nor does it ~~suffer~~ suffer from the vice of arbitrariness.

11. It is stated for the applicants that the Central Government employees working in Central Warehousing Corporation at Rayanpadu (in the vicinity of Guntupalli Wagon Workshop) are receiving C.C.A. Similarly, it is agitated that though Guntupalli is kept out of Vijayawada urban agglomeration limits, a place like Mangalagiri, which is nearly 32 kilometers away from Vijayawada was included in the urban agglomeration. In the absence of complete details, I am not inclined to comment, much less decide, on these two issues. These are however matters which require an indepth examination by the Government.

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12. Lastly, it is contended that some of the employees were actually paid C.C.A. in the year 1981, but, it was stopped in December, 1981. Again some of the employees were paid C.C.A. which was recovered on 22.9.1989. The respondents clarified that when it was realised that C.C.A. was paid erroneously to some of the employees, it was ^{so} recovered. I do not see anything significant in this as would help the case of the applicants.

13. In the result, this OA is dismissed.
No costs.

(Signature)
(A.B. GORTAI)
Member(Admn)

Dated: 29 Sept 1995

mvl

(Signature)
Deputy Registrar(Judl.)

Copy to:-

1. The Chairman, Railway Board, Rail Bhavan, New Delhi.
2. General Manager, South Central Railway, Rail Nilayam, Secunderabad.
3. Financial Adviser & Chief Accounts Officer, South Central Railway, Rail Nilayam, Secunderabad.
4. Dy. Chief Mechanical Engineer, Wagon Workshop, S.C. Railway, Guntupalli, Krishna District.
5. One copy to Sri. P.Krishna Reddy, advocate, CAT, Hyd.
6. One copy to Sri. N.R.Devaraj, SC for Rlys, CAT, Hyd.
7. One copy to Library, CAT, Hyd.
8. One spare copy.

Rsm/-