

**Central Administrative Tribunal
Principal Bench**

OA No.3431/2013

Reserved On:21.11.2017
Pronounced on:22.01.2018

**Hon'ble Mr. V. Ajay Kumar, Member (J)
Hon'ble Ms. Nita Chowdhury, Member (A)**

1. Shri Virpal Singh
S/o Late Shri Mahabir Singh
Loco Pilot (Goods)
Ghaziabad.
2. Satish Chand Verma
Late Raja Ram Verma
Loco Pilot
R/o C-68, New Panwati G.T. Road,
Ghaziabad. ... Applicants

(By Advocate: Mrs. Meenu Mainee)

Versus

Union of India Through

1. Secretary
Railway Board,
Rail Bhawan
New Delhi.
2. General Manager,
Northern Railway,
Baroda House,
New Delhi.
3. Divisional Railway Manager,
Northern Railway,
State Entry Road,
New Delhi.
4. Shri Ram Lal
S/o Shri Ram Singh,
Northern Railway,

Loco Pilot Goods Jind
Haryana,

5. Shri Roop Chand Meena
S/o Shri Kanhai Ram Meena,
N.G. Tughlakabad, New Delhi.

Respondents

(By Advocate: Shri V.S.R. Krishna with Shri Shilendra Tiwary for official respondents and Shri Gaya Prasad for private respondents)

ORDER

Mr. V. Ajay Kumar, Member (J) :-

The applicants, 2 in number and belongs to General Category and working as Loco Pilot (Goods) in the respondent-Northern Railway, filed the OA aggrieved by the action of the respondent-Railways in promoting the juniors to the applicants as Loco Pilot (Passenger) by following the rule of reservation in promotions.

2. Heard Mrs. Meenu Mainee, learned counsel for the applicants, Shri V.S.R. Krishna with Shri Shailendra Tiwary for official respondents, Shri Gaya Prasad for private respondents and perused the pleadings on record.

3. The respondent-Railways by their counter have admitted that they have followed the rule of reservation in effecting the impugned promotions to the post of Loco Pilot (Passenger).

4. This Tribunal, on 27.09.2013, while issuing notices in the OA, has observed that promotions, if any made, shall be subject to the outcome of the OA.

5. In ***M. Nagaraj & Ors. Vs. Union of India & Others***, (2006) SCC 212 (supra), the Constitution Bench of the Hon'ble Apex Court observed as under :-

“2. The facts in the above writ petition, which is the lead petition, are as follows.

Petitioners have invoked [Article 32](#) of the Constitution for a writ in the nature of certiorari to quash the Constitution (Eighty-Fifth Amendment] Act, 2001 inserting [Article 16\(4A\)](#) of the Constitution retrospectively from 17.6.1995 providing reservation in promotion with consequential seniority as being unconstitutional and violative of the basic structure. According to the petitioners, the impugned amendment reverses the decisions of this Court in the case of [Union of India and others v. Virpal Singh Chauhan](#) and others , [Ajit Singh Januja and others v. State of Punjab and others \(Ajit Singh-I\)](#), [Ajit Singh and others \(II\) v. State of Punjab and others](#) , [Ajit Singh and others \(III\) v. State of Punjab and others](#) , [Indra Sawhney and others v. Union of India](#) , and [M. G.](#)

[Badappanavar and another v. State of Karnataka and others](#) . Petitioners say that the Parliament has appropriated the judicial power to itself and has acted as an appellate authority by reversing the judicial pronouncements of this Court by the use of power of amendment as done by the impugned amendment and is, therefore, violative of the basic structure of the Constitution. The said amendment is, therefore, constitutionally invalid and is liable to be set aside. Petitioners have further pleaded that the amendment also seeks to alter the fundamental right of equality which is part of the basic structure of the Constitution. Petitioners say that the equality in the context of [Article 16\(1\)](#) connotes "accelerated promotion" so as not to include consequential

seniority. Petitioners say that by attaching consequential seniority to the accelerated promotion, the impugned amendment violates equality in [Article 14](#) read with [Article 16\(1\)](#). Petitioners further say that by providing reservation in the matter of promotion with consequential seniority, there is impairment of efficiency. Petitioners say that in the case of *Indra Sawhney*⁵ decided on 16.11.1992, this Court has held that under [Article 16\(4\)](#), reservation to the backward classes is permissible only at the time of initial recruitment and not in promotion. Petitioners say that contrary to the said judgment delivered on 16.11.1992, the Parliament enacted the Constitution (Seventy- Seventh Amendment) Act, 1995. By the said amendment, [Article 16\(4A\)](#) was inserted, which reintroduced reservation in promotion. The Constitution (Seventy-Seventh Amendment) Act, 1995 is also challenged by some of the petitioners. Petitioners say that if accelerated seniority is given to the roster-point promotees, the consequences would be disastrous....”

After referring to a series of authorities, the Court concluded as follows :

“121. The impugned constitutional amendments by which Articles 16(4A) and 16(4B) have been inserted flow from [Article 16\(4\)](#). They do not alter the structure of [Article 16\(4\)](#). They retain the controlling factors or the compelling reasons, namely, backwardness and inadequacy of representation which enables the States to provide for reservation keeping in mind the overall efficiency of the State administration under [Article 335](#). These impugned amendments are confined only to SCs and STs. They do not obliterate any of the constitutional requirements, namely, ceiling-limit of 50% (quantitative limitation), the concept of creamy layer (qualitative exclusion), the sub-classification between OBC on one hand and SCs and STs on the other hand as held in *Indra Sawhney*⁵

, the concept of post-based Roster with in-built concept of replacement as held in R.K. Sabharwal⁸.

122. We reiterate that the ceiling-limit of 50%, the concept of creamy layer and the compelling reasons, namely, backwardness, inadequacy of representation and overall administrative efficiency are all constitutional requirements without which the structure of equality of opportunity in [Article 16](#) would collapse.

123. However, in this case, as stated, the main issue concerns the "extent of reservation". In this regard the concerned State will have to show in each case the existence of the compelling reasons, namely, backwardness, inadequacy of representation and overall administrative efficiency before making provision for reservation. As stated above, the impugned provision is an enabling provision. The State is not bound to make reservation for SC/ST in matter of promotions. However if they wish to exercise their discretion and make such provision, the State has to collect quantifiable data showing backwardness of the class and inadequacy of representation of that class in public employment in addition to compliance of [Article 335](#). It is made clear that even if the State has compelling reasons, as stated above, the State will have to see that its reservation provision does not lead to excessiveness so as to breach the ceiling-limit of 50% or obliterate the creamy layer or extend the reservation indefinitely.

124. Subject to above, we uphold the constitutional validity of the Constitution (Seventy-Seventh Amendment) Act, 1995, the Constitution (Eighty-First Amendment) Act, 2000, the Constitution (Eighty-Second Amendment) Act, 2000 and the Constitution (Eighty-Fifth Amendment) Act, 2001.

125. We have not examined the validity of individual enactments of appropriate States and that question will be gone into in individual writ petition by the

appropriate bench in accordance with law laid down by us in the present case.

6. It is not in dispute that the respondents have not conducted the exercise as mandated by the Constitution Bench in **M. Nagaraj** (supra) and without conducting the same, no State/Authority can apply the rule of reservation in promotion. It is also not in dispute that the decision in **M. Nagaraj** (supra) is not reversed/modified/stayed in any other subsequent decision of the Hon'ble Apex Court till date. The learned counsel for respondents submits that since the issue of "whether the judgment of **M. Nagaraj** needs to be revisited or not" was referred to a Constitution Bench in the matter of **The State of Tripura & Others Vs. Jayanta Chakraborty & Ors.** in Civil Appeal Nos.4562-4564 of 2017 & batch dated 14.11.2017, the OA may be adjourned *sine die* till the Hon'ble Apex Court decides the said issue.

7. The Hon'ble Apex Court in its order dated 14.11.2017 in **The State of Tripura & Ors. Vs. Jayanta Chakraborty & Ors.** observed as under :-

"The questions posed in these cases involve the interpretation of Articles 16(4), 16(4A) and 16(4B) of the Constitution of India in the backdrop of mainly three Constitution Bench decisions – (1) [Indra Sawhney and others v. Union of India](#) and others 1992 Supp. (3) SCC 217, (2) [E.V Chinniah v. State of A.P. and others](#) (2005) 1 SCC 394 and (3) [M. Nagaraj and others v. Union of India](#) and others

(2006) 8 SCC 212. One crucially relevant aspect brought to our notice is that Nagaraj (supra) and Chinnaiah (supra) deal with the disputed subject namely backwardness of the SC/ST but Chinnaiah (supra) which came earlier in time has not been referred to in Nagaraj (supra). The question of further and finer interpretation on the application of [Article 16\(4A\)](#) has also arisen in this case. Extensive arguments have been advanced from both sides. The petitioners have argued for a re-look of Nagaraj (supra) specifically on the ground that test of backwardness ought not to be applied to SC/ST in view of Indra Sawhney (supra) and Chinnaiah (supra). On the other hand, the counsel for the respondents have referred to the cases of (4) [Suraj Bhan Meena and Another v. State of Rajasthan and others](#) (2011) 1 SCC 467; (5) [Uttar Pradesh Power Corporation Limited v. Rajesh Kumar and others](#) (2012) 7 SCC 1; (6) [S. Panneer Selvam and others v. State of Tamil Nadu and others](#) (2015) 10 SCC 292; (7) [Chairman and Managing Director, Central Bank of India and others v. Central Bank of India SC/ST Employees Welfare Association and others](#) (2015) 12 SCC 308; and (8) [Suresh Chand Gautam v. State of Uttar Pradesh and others](#) (2016) 11 SCC 113 to contend that the request for a revisit cannot be entertained ad nauseam. However, apart from the clamour for revisit, further questions were also raised about application of the principle of creamy layer in situations of competing claims within the same races, communities, groups or parts thereof of SC/ST notified by the President under Articles 341 and 342 of the Constitution of India.”

2. Having regard to the questions involved in this case, we are of the opinion that this is a case to be heard by a Bench as per the constitutional mandate under [Article 145\(3\)](#) of the Constitution of India. Ordered accordingly. Place the files before the Hon'ble Chief Justice of India immediately.

3. Though the learned counsel have pressed for interim relief, we are of the view that even that stage needs to be considered by the Constitution Bench. The parties are free to mention the urgency before the Hon'ble Chief Justice of India."

8. In **Ashok Sadarangani & Another Vs. Union of India** (2012) 11 SCC 321, Hon'ble Apex Court held as under :-

"19. As was indicated in Harbhajan Singh's case (supra), the pendency of a reference to a larger Bench, does not mean that all other proceedings involving the same issue would remain stayed till a decision was rendered in the reference. The reference made in Gian Singh's case (supra) need not, therefore, detain us. Till such time as the decisions cited at the Bar are not modified or altered in any way, they continue to hold the field."

9. As held in **Ashok Sadarangani** (supra), once the legal principle was decided by Hon'ble Apex Court and as long as the same is neither reversed nor modified by any other decision, the said settled principle has to be followed, irrespective of the fact that the same is pending before any higher forum or before a Larger Bench or before a Constitution Bench.

10. It is also the settled principle of law that once the principle is declared by the Hon'ble Apex Court in a particular manner with retrospective implication, any contrary circulars/ Orders/Memorandums issued prior to or subsequent to the said declaration, are *non-est* and cannot be followed.

11. In the circumstances and for the aforesaid reasons, the OA is allowed and the respondents are directed to redraw the impugned

Annexure A-1 dated 24.09.2013, in terms of **M. Nagaraj** (supra), i.e., without reference to the rule of reservation, with all consequential benefits, except back wages, if any. This exercise shall be completed by the respondents within a period of 3 months from the date of receipt of a copy of this order. Further, in the peculiar circumstances of the case, this exercise shall be completed without any adverse orders of reversion or recovery from any person. No costs.

(Nita Chowdhury)
Member (A)

(V. Ajay Kumar)
Member (J)

Rakesh