

GOVERNMENT OF INDIA/BHARAT SARKAR
MINISTRY OF RAILWAYS/RAIL MANTRALAYA
(RAILWAY BOARD)

Machine No. PC-III/92/09/01

S.No. 004/97
RBE No. 135/97
MOST IMMEDIATE
COURT CASE

No. PC-III/92/CTC-I/2

New Delhi, dated 14.10.97

The General Managers,
All Indian Railways.

(Attn : CPOs and FACAOs)

Sub: Civil Appeal Nos. 4174-82 of 1995 (Chairman
Railway Board and others Vs. C. R.
Rangadhamaiah and others) and other tagged SLPs.

Hon'ble Supreme Court vide their judgement dated 25.7.97 has dismissed the above cited Civil Appeals together with other tagged SLPs which related to the issue of computation of certain percentages of Running Allowance for pension and retiral benefits of running staff. Relevant extracts of Hon'ble Supreme Court's above judgement are as follows :

"...Once it is held that pension payable to such employees had to be computed in accordance with Rule 2544 as it stood on the date of their retirement, it is obvious that as a result of the amendments which have been introduced in Rule 2544 by the impugned notifications dated Dec 5, 1988 the pension that would be payable would be less than the amount that would have been payable as per Rule 2544 as it stood on the date of retirement. The Full Bench of the Tribunal has, in our opinion, rightly taken the view that the amendments that were made in Rule 2544 by the impugned notifications dated Dec 5, 1988 to the extent the said amendments have been given retrospective effect so as to reduce the maximum limit from 75% to 45% in respect of the period from Jan 1, 1973 to Mar 31, 1979 and reduce it to 55% in respect of the period from April 1, 1979, are unreasonable and arbitrary and are violative of the rights guaranteed under Articles 14 and 16 of the Constitution.

contd...2/-

For the reasons mentioned, the appeals as well as Special Leave Petition filed by the Union of India and Railway Admn. are dismissed. But in the circumstances, there will be no order as to costs."

2. Accordingly Ministry of Railways (Railway Board) have decided that :-
 - (i) The pension and other retiral benefits of the running staff who retired between 1.1.73 to 4.12.88 and were involved in above cited Civil Appeals/SLPs as well as other similarly situated employees may be recomputed in accordance with Rule 2544 R-II as was in force before it was amended by notification dated 5.12.88.
 - (ii) The arrears on account of recomputation of pension and other retiral benefits as abovesaid may be calculated and paid to these employees/their legal heirs.
3. Above instructions may be implemented immediately and compliance reported to Board's office.
4. The receipt of this letter may be acknowledged.

Pt. Issue

O/C

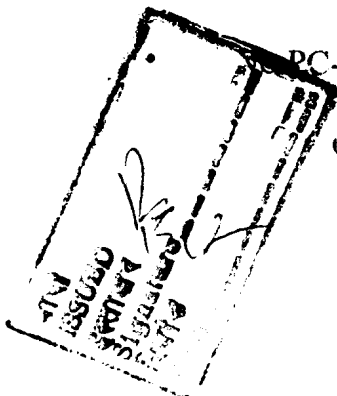
Rahul Jha

(Rahul Jha)
Executive Director Pay Commission-II
Railway Board

New Delhi, dated 14.10.97

PC-II/92/CTC-I/2

Copy (with 40 spares) forwarded to A.D.A.I (Railways). New Delhi.



[Signature]
for Financial Commissioner, Railways

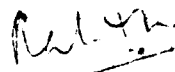
contd...3/-

No.PC-III/92/CTC-I/2

New Delhi, dated 14.10.97

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1. The FA & CAO, Metro Railway, Calcutta.
2. The General Secretary, IRCA, New Delhi, for information.



(Rahul Jha)

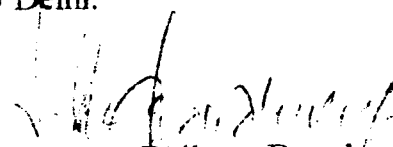
Executive Director Pay Commission-II
Railway Board

No.PC III/92/CTC-I/2

New Delhi, dated 14.10.97

Copy to :

- 14/10*
- (1) The General Secretaries (a) AIRF, 4, State Entry Road, New Delhi and (b) NFIR, 3, Chelmsford Road, New Delhi (with 35 spares each).
 - (2) All Members of the National Council, Deptt. Council and Secretary, Staff Side, National Council, 13-C, Ferozshah Road, New Delhi.


for Secretary Railway Board

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