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

No. F(E)III/2008/PN1/13

New Delhi, dated: 16.10.2019

The GMs/PFAs,
All Zonal Railways/Production Units.

Sub: Payment of DR to re-employed pensioners-reg.

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In terms of DOP&PW’s O.M. No. 45/73/97-P&PW(G) dated 02.07.1999, circulated to Railways vide Board’s letter No. F(E)III/99/PN1/21 dated 05.08.1999, re-employed pensioners who held Group ‘A’ post or posts of the ranks of Commissioned Officers, at the time of their retirement, are not entitled for any dearness relief on their pension during the period a pensioner is re-employed under the Central or State Government or in a Statutory Corporation/Company/Body/Bank under them in India or abroad.

2. Instances have come to the notice of Board seeking clarification on how to regulate the dearness relief in cases where Group ‘A’ Railway Officers re-employed in Joint Ventures and companies registered as the private under the Ministry of Corporate Affairs (MCA) in which government shareholding was below 50% at the time of their joining and subsequently the shareholding of Government has gone more than 50%. The issue was examined in consultation with Department of Pension & Pensioners’ Welfare (DOP&PW), nodal department of Government on pensionary matters. The clarification received from DOP&PW vide their O.M. dated 22.02.2018 has been considered by Board.

3. DOP&PW vide their O.M. dated 22.02.2018 has clarified that the pensioner whose last pay drawn is protected and is not fixed at the minimum in the re-employed post in a Government or Corporation/Company/Body/Bank under the Government, he would not be entitled to dearness relief on pension while working in the re-employed post. For this purpose all Corporations/Companies which are owned by the Government are to be treated as Corporations/Companies under the Government. Further, such Corporations/Companies, though not directly owned by the Government but more than 50% of their shareholding lies with the Government and/or Government Companies are also required to be treated as Corporations/Companies under the Government for the purpose of regulating Dearness Relief on pension (copy enclosed).

4. Strict compliance of the aforesaid instructions may be ensured while deciding the cases of Dearness Relief on pension on re-employment.

D.A.: As above.

G. Priya Sudarsani
Director Finance (Estt.),
Railway Board.
Subject: Payment of DR to re-employed pensioners-reg

The undersigned is directed to refer to Ministry of Railways DO No. F(E)III/2008/PN1/13 dated 09.11.2017 on the subject cited above and to say that matter has been examined.

2. The intention of Rule 55-A of CCS(Pension) Rules, 1972 is that the pensioner whose last pay drawn is protected and is not fixed at the minimum in the re-employed post in a Government or Corporation/Company/Body/Bank under the Government, he would not be entitled to dearness relief on pension while working in the re-employed post. For this purpose all Corporations/Companies which are owned by the Government are to be treated as Corporations/Companies under the Government. Further, such Corporations/Companies, though not directly owned by the Government but more than 50% of their shareholding lies with the Government and/or Government Companies are also required to be treated as Corporations/Companies under the Government for the purpose of regulating Dearness Relief on pension. Companies like Angul Sukinda Railway Ltd. and the Haridaspur Paradip Railway Company Ltd, which are otherwise not Government companies as per the definition of 'Government Company' under the Companies Act, would also be treated as Corporations/Companies under the Government because bulk of their shareholding lies with the Government/Government Companies.

3. In view of this Dearness Relief on the pension granted for the service rendered in the Central Government is not admissible in the present case.

4. This issues with the approval of competent authority.

(Charanjit Tanija)
Under Secretary to the Govt. of India

Principal Executive Director(Fin)
[Kind Attn: Sh. Naresh Salecha]
Railway Board
Ministry of Railways
Rail Bhawan, New Delhi