

Haribans Misra And Others vs Railway Board And Others on 11 January, 1989

Equivalent citations: 1989 AIR 696, 1989 SCR (1) 78, AIR 1989 SUPREME COURT 696, 1989 LAB. I. C. 999, (1989) 1 JT 50 (SC), 1989 (1) JT 50, 1989 SCC (L&S) 273, (1989) 1 SERVLR 546, (1989) 1 CURLR 263, (1989) 58 FACLR 321, (1989) 1 LAB LN 240, 1989 (2) SCC 84

Author: M.M. Dutt

Bench: M.M. Dutt

PETITIONER:
HARIBANS MISRA AND OTHERS

Vs.

RESPONDENT:
RAILWAY BOARD AND OTHERS

DATE OF JUDGMENT 11/01/1989

BENCH:
DUTT, M.M. (J)
BENCH:
DUTT, M.M. (J)
NATRAJAN, S. (J)

CITATION:
1989 AIR 696 1989 SCR (1) 78
1989 SCC (2) 84 JT 1989 (1) 50
1989 SCALE (1) 42

ACT:

Civil Services: Lien--Holding of--Person appointed on ad hoc basis cannot have lien on the post--Person can have lien on post and not lien on place.

Railway Establishment Code: Rules 157 and 324 to 328--D.L.W. Varanasi--Railway employees appointed on permanent basis--Later promoted--Insertion of Rule 328(2) by Correction Slip No. 70--Effect of rule--Wiping out promotions granted to employees and also length of service of nine years--Held rule 328(2) arbitrary and void--Not to be given effect to.

HEADNOTE:

The appellants in the appeal were appointed in or about January, 1959 as Trade Apprentices in Locomotive Component Works. In August, 1961 there was a merger of Locomotive Component Works with Diesel Locomotive Works, as a result of which all the members of the staff of LCW were taken over by DLW. The appellants were appointed skilled artisans on July 19, 1962 after successfully completing the training period of 3 1/2 years. The channel for promotion to higher posts was:

(1) Skilled Artisan, (2) Highly Skilled Grade-II, (3) Highly Skilled Grade-I, (4) Chargeman-C, (5) Chargeman-B, (6) Chargeman-A, (7) Assistant Foreman and (8) Foreman.

In September, 1963, the appellants were promoted to the post of Instructor-C which was equivalent to the post of Chargeman-C. The posts were inter-changeable. The appellants were further promoted on September 22, 1964 to the post of Chargeman-B. Some of the respondents in the appeal who were direct Recruits also competed with the appellants for the post of Chargeman-B, but could not qualify in the written test.

On August 11, 1966, the General Manager, DLW prepared and issued a seniority list of Chargeman-B. This list was challenged by certain direct recruits in a writ petition to the High Court. A Single

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Judge quashed the seniority list and also the guidelines/rules framed by the General Manager, DLW on the basis of which the seniority list was prepared, on the ground that the General Manager, DLW was not the General manager of the Railway, and as such he had no authority to frame the rules or the guidelines for the purpose of preparation of the seniority list. It was further held that the guidelines/rules were violative of Articles 14 and 16 of the Constitution.

Several appeals were preferred, one of them being by the Railway Administration. The Division Bench while upholding the finding of the Single Judge that the General Manager DLW was not competent to frame the rules/guidelines, disagreed with the finding that the rules/ guidelines were violative of Articles 14 and 16 of the Constitution.

Pursuant to the aforesaid judgment, the Railway Board issued an Advance Correction Slip No. 70 inserting Rules 324 to 328 in the Railway Establishment Manual after rule 323 in Chapter III. Rule 328(2) provided that: 'selections and promotions made in the Diesel Locomotive Works from August 1, 1961 upto the date of the notification of the rules shall not be invalid'. The amended rules came into effect from March 11, 1973.

The resultant situation was that Rule 328(2) vitally affected the appellants by making invalid all the promotions given to them during the period August 1, 1961 to March 11, 1973 and the appellants were reverted back as Skilled Artisans.

The General Manager, DLW a Circular dated 7/8th December, 1973 directed appellants to appear at the Trade test and further informed that failure to do so would result in being passed over for fixation of seniority in the Highly Skilled Grade-II. The representation against this Circular was turned down.

Aggrieved by the introduction of Rule 328(2) and also the issuance of Circular by the General Manager DLW the appellants filed a writ petition in the High Court. The High Court overruled the contention that the new rules inserted in the Railway Establishment Manual by the Advance Correction Slip No. 70, were invalid, and held that the rules were quite valid and were not arbitrary or discriminatory. As regards promotion of the appellants, the High court took the view that they were only interim and professional and not regular and as such no right was confirmed on appellants to hold the posts to which they were promoted. The high court accordingly dismissed the writ petition.

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On behalf of the appellants in the appeal by special leave it was contended that Rule 328(2) as inserted in the Railway Establishment Manual by the Advance Correction Slip No. 70 was invalid, that the promotions of appellants up to the position of Chargeman-A could not be set aside and appellants reverted back to their original position of Skilled Artisans, and that the length of service of the appellants for a period of about 9 years has been completely wiped out by the said Rule 328(2).

Allowing the appeal and setting aside the judgment of the High Court,

HELD:1. By virtue of Rule 157 of the Railway Establishment Code, the Railway Board has the power to frame rules, but such rules must be framed with certain objects in view and must not be arbitrary. [90E]

2. The Court is always entitled to examine whether a particular rule which takes away the vested right of a railway employee or seriously affects him with retrospective effect, has been made to meet the exigencies of circumstances or has been made arbitrarily without any real objective behind it. [90E-F]

3. The Railway Administration was to comply with the order of the High Court and in compliance with the order, it should have prepared the seniority lists in accordance with the existing rules. [90C-D]

4. It is curious, that instead of preparing the seniority list in accordance with the existing statutory rules, as directed by the High Court, the Railway Board amended the rules and inserted by the Advance Correction Slip No. 70, among others, Rule 328(2). That rule wipes out not only the promotions granted to the appellants up to the post of Chargeman Grade-B, but also the length of service of the appellants for about nine years. [89F-G]

5. This Court does not find any objective or purpose

behind the framing of Rule 328(2) to the serious prejudice of the appellants. The said Rule is arbitrary and therefore, cannot be allowed to be operative to the detriment of the appellants. [90F]

6. The appellants were regularly promoted to the post of Chargeman-C and thereafter to Chargeman-B. In these circumstances, no justification is found for the Railway Board to incor-

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porate a new rule viz., Rule 328(2) to the serious prejudice of the appellants. [90C]

7. A person can have lien on a post and not a lien on a place. There can be no doubt that a person appointed to a post on ad hoc basis cannot have any lien on the post. It is only when a person is appointed on a permanent basis, he can claim lien on the post to which he is so appointed. [87F-G]

8. It is not correct to say that the appellants were appointed or promoted to the post of Instructor-C or Chargeman-C on an ad hoc basis or by way of an interim measure, as held by the High Court. If they were appointed on ad hoc or purely temporary basis they could not have been promoted to the post of Chargeman-B and Office Order No. 25 dated January 22, 1966 would have been quite inconsistent with such ad hoc or temporary appointments. [87G-H]

9. Directed that Respondent Nos. 1 and 2 shall not give effect to Rule 328(2) as inserted in the Railway Establishment Manual by the Advance Correction Slip No. 70 in the case of appellants and Respondent Nos. 3 to 6. Orders dated December 7/8th, 1973 and January 7, 1974 are quashed. Further directed that Respondent Nos. 1 and 2 fix the seniority of appellants and respondents 3 to 6 on the basis of their promotions to posts of Instructor/Chargeman-C and Chargeman-B. [91B-C]

JUDGMENT:

CIVIL APPELLATE JURISDICTION: Civil Appeal No. 1643 of 1984.

From the Judgment and Order dated 6.7. 1982 of the Allahabad High Court in Writ Petition No. 1499 of 1974 G.L. Sanghi, Mrs. S. Dixit and Pradeep Misra for the Appellants.

Kuldip Singh, Additional Solicitor General, Ashok K. Srivastava, C.V. Subba Rao, Mrs. Sushma Suri and A. Subba Rao for the Respondents.

The Judgment of the Court was delivered by DUTT, J. This appeal by special leave is directed against the judgment of the Allahabad High Court dismissing the writ petition of the appellants whereby they challenged inter alia the validity of rule 328(2) of the Railway Establishment Code as amended by the Railway Board by Advance Correction Slip No. 70.

The appellants were appointed Trade Apprentices in Locomotive Component Works (for short 'LCW') in or about January, 1959. There was a merger of LCW with Diesel Locomotive Works, Varanasi, (for short 'DLW') on August 1, 1961, as a result of which, all the members of the staff of LCW were taken over by DLW. On July 19, 1962, the appellants were appointed Skilled Artisans after successfully completing a training for three years and a half. The regular channel of promotion to higher posts from the post of Skilled Artisan is in the following order:-

1. Skilled Artisan.
2. Highly Skilled Grade-II.
3. Highly Skilled Grade-I.
4. Chargeman-C.
5. Chargeman-B.
6. Chargeman-A.
7. Assistant Foreman.
8. Foreman.

It is apparent from the above channel of promotion that the next higher post to which the appellants could be promoted was the post of Highly Skilled Grade-II. In September, 1963, the appellants were, however, promoted to the post of Instructor-C which is equivalent to the post of Chargeman-C. There is a controversy between the parties as to whether the post of Instructor-C was an ex cadre post or not. According to the appellants, it was an interchangeable post with Chargeman-C. We shall have occasion to consider the question later in this judgment. It may be stated, however, that there is no dispute that the post of Instructor-C is a selection post and the appellants were selected and promoted to existing vacancies in that post. The next post to which the appellants were promoted on September 22, 1964 is the post of Chargeman-B upon their selection by a constituted Selection Board on a regular basis. Some of the respondents, who are direct recruits, also competed with the appellants for the post of Chargeman-

B, but they could not qualify themselves in the written test. To complete the narrative, it may be stated that the appellants have now been promoted to the post of Chargeman-A. On August 11, 1966, the General Manager of DLW prepared certain seniority lists including a seniority list of Chargeman-B on the basis of the rules or guidelines framed by him. The said seniority list was challenged by certain direct recruits by filing writ petitions before a learned Single Judge of the Allahabad High Court. The learned Single Judge quashed the seniority list and also the guidelines or rules framed by the General Manager, DLW, on the basis of which the seniority list was prepared. The principal ground on which the seniority list and the rules or guidelines framed by the General Meeting, DLW, were quashed by the learned Single Judge was that the General Manager, DLW, was

not the General Manager of the Railway and, as such, he had no authority to frame rules or guidelines for the purpose of preparation of the seniority list. Further, the learned Judge held that the said rules or guidelines dated August 11, 1966 were violative of Articles 14 and 16 of the Constitution of India.

Several appeals were preferred against the judgment of the learned Single Judge including one preferred by the Railway Administration before the Division Bench of the High Court. While upholding the finding of the learned Single Judge that the General Manager, DLW, was not competent to frame rules or guidelines, the Division Bench could not agree with the finding of the learned Single Judge that the said rules or guidelines were violative of Articles 14 and 16 of the Constitution. It was observed that there would have been no objection if the General Manager, DLW, had utilised the relevant statutory rules in drawing up the seniority list but, admittedly, the rules in question were ignored. Further, the Division Bench pointed out that all the concerned employees in the writ petition agreed before the learned Single Judge that the seniority list might be prepared on the basis of the relevant rules contained in the Railway Establishment Code and the Railway Establishment Manual. The Division Bench also found that the DLW project was not a temporary project, but appeared to be a permanent project. Upon the above findings, the Division Bench upheld the quashing of the seniority list and directed the General Manager, DLW, to prepare a fresh seniority list in the light of the statutory provisions contained in the Railway Establishment Code and the Railway Establishment Manual. After the aforesaid judgment of the Division Bench of the High Court, what the Railway Board did before preparation of any seniority list by the General Manager, DLW, was to issue Advance Correction Slip No. 70 inserting rules 324 to 328 in the Railway Establishment Manual after rule 323 in Chapter III. Of the rules, so inserted, that which vitally affected the appellants is rule 328(2) which provides as follows:--

"328(2). Selection and promotions made in the Diesel Locomotive works from 1.8.1961 up to the date of notification of these rules shall not be valid."

The Rules were amended by the Board by virtue of its power under rule 157 which provides that the Railway Board have full powers to make rules of general application to non-gazetted railway servants under their control. The date of notification of the amended Rules is March 11, 1973. In view of rule 328(2), the promotions which were granted to the appellants from August 1, 1961 up to March 11, 1973 shall not be valid. Needless to say, rule 328(2) has vitally affected the appellants by making invalid all the promotions given to them between the said period. As a result, the appellants were reverted back to the position of Skilled Artisans.

The General Manager, DLW, by his circular dated December 7/8, 1973 directed the appellants to appear at the trade test. It was further directed that if the staff concerned would fail to appear in the trade test, they would be passed over for fixation of seniority in the Highly Skilled Grade-II, although the appellants had in 1962 crossed the position of Highly Skilled Grade-II. The appellants made a representation against the said circular to the General Manager, DLW, on December 12, 1973. That representation was turned down by the General Manager on the ground that in view of the said rule 328(2), the claim for either higher positions or exemption from passing any trade test was not tenable. It was also stated that if the appellants would fail to appear in the trade test, they

would be passed over for fixation of seniority in the Highly Skilled Grade-II.

Being aggrieved by the introduction of the said rule 328(2) directly affecting the appellants and also the said circular of the General Manager, DLW, requiring the appellants to appear at the trade test for the purpose of preparation of the seniority list in Highly Skilled Grade-II, the appellants filed a writ petition before the High Court. The High Court overruled the contention of the appellants that the new rules, which have been inserted in the Railway Establish-

ment Manual including rule 328(2) by the Advance Correction Slip No. 70 by the Railway Board by virtue of its power under rule 157 of the Railway Establishment Code, were invalid. The High Court held that the said rules were quite valid and were not arbitrary or discriminatory as contended on behalf of the appellants. In regard to the promotions of the appellants. The High Court took the view that they were only interim and provisional and not regular promotions under the normal rules, and that such provisional selection and promotions conferred no rights on the appellants to hold the posts to which they were promoted. Upon the above findings, the High Court dismissed the writ petition. Hence this appeal by special leave.

Mr. Sanghi, learned Counsel appearing on behalf of the appellants, has challenged before us the validity of rule 328(2) as inserted in the Railway Establishment Manual by the Advance Correction Slip No. 70. It has been already noticed that in view of the said rules, the promotions of the appellants up to the position of Chargeman-A stand set aside and the appellants are reverted back to their original position of Skilled Artisan. In other words, the length of service of the appellants for a period of about nine years has been completely wiped out by rule 328(2). The High Court took the view that the promotions which were granted to the appellants were by way of interim measure and did not confer on them any title to the posts to which they were promoted. In support of that view, the High Court has referred to the order of the General Manager, DLW, dated May 14/16, 1962 which reads as follows:--

"As an interim measure, all supervisory technical posts in the Mechanical Department will be treated as ex cadre posts and promotions will be regulated by selection."

Before considering the question of the validity of rule 328(2), we may first of all examine whether the promotions of the appellants up to the post of Chargeman-B were by way of interim measures, as found by the High Court, and/or whether such promotions are permissible by the Rules or not. In this connection, we may refer to the circular of the Railway Board dated May 27, 1963 regarding the procedure to be followed for filling up selection posts (non-gazetted). The Board directed that if the requisite number of staff was not available in the grade next to the grade for which the selection was being held, the administration could go to the lower grade in order to make up four times the number required to be called up for selection but, in no case, can the eligibility be extended to staff in the grade lower than three times. This circular of the Board is quite consistent with rule 216 of the Railway Establishment Manual. Rule 216 also provides for a similar procedure. The direction of the Board read with the provision of rule 216 clearly empowers the administration to select persons from two grades lower than the post to which promotion was to be made.

The next circular dated November 2, 1963 of the General Manager, DLW, regarding the formation of panel for promotion of mechanical supervisors and instructors is significant. The said circular clearly provided that all staff in Mechanical Department including instructoral staff under the Principal Technical Training School in two grades below the grade for which selection was going to be held, were eligible. The Skilled Artisans having not less than one year's service were permitted to apply for the post of Instructor in the grade of Rs.205-280 (AS) which is equivalent to that of Chargeman-C. In the channel of promotion, which has already been noticed above, the feeder post for promotion to the post of Chargeman-C is Highly Skilled Grade-I but, in view of the said circular dated May 27, 1963 of the Board read with rule 2 16 of the Railway Establishment Manual, persons holding posts two grades below the post to which the promotion was to be made, that is, the post of Instructor which is equivalent to the post of Chargeman-C, were allowed to apply for the same. The reason for the said circular or the said rule is that at all times suitable candidates might not be available and just to avoid administrative inconvenience, the promotions are given from posts below the feeder post. The said circular of the General Manager, DLW, dated November 2, 1963 does not show that the promotion to the posts of selection and/or promotion to the posts of Instructors would be by way of interim measure or ad hoc arrangement. In the absence of any such indication, it will not be unreasonable to presume that such promotions were anything other than by way of interim measure or ad hoc arrangement, as contended on behalf of the respondents. In view of the said circular dated November 2, 1963, the appellants applied for the posts of Instructors and they were selected after the requisite tests. In the office order No. 3421 dated December 30, 1963, appointing the appellants to the post of Instructor (Machinist Gr.-C), it is clearly stated that they are appointed to the post of Instructor (Machinist Gr.-C) against existing vacancies.

Again, a similar circular dated July 18, 1964 was issued from the office of the General Manager, DLW, with regard to the filling up of the posts of Chargeman-B in the scale of Rs.250-380 (AS). It was clearly stated in the circular that the staff in the Mechanical Department in two grades below the grades for which the selections would be held, were eligible to apply. The appellants applied for the post and had to appear at the written and viva voce examinations. Some of the private respondents also appeared in the said examinations along with the appellants but they failed, while the appellants succeeded and were empanelled for appointment to the post of Chargeman (Machinist)-B. In view of such an empanelment, the appellants were appointed Chagemen-B in the grade of Rs. 250-380 against existing vacancies sometime in February, 1965.

We may now refer to a very significant document which is office order No. 25 dated January 22, 1966. In that order, it is stated that the staff mentioned therein will have their paper lien maintained in the Shops/Division as mentioned against each and will seek their promotions in their respective Division/Shops. In the list annexed to the said order, the present designation of the first appellant has been mentioned as "Instructor-B" and his revised position or designation as "Chargeman-B". In the last column under the heading "placed where lien is kept", it is stated that his lien is kept under the production Engineer (PE). The present and revised designation of the appellant Nos. 2 and 3 have been shown as Chargeman-B. The place of lien of the appellant No. 2 has been stated to be under the Production Engineer, while that of the third appellant has been stated to be under the Works Manager (B). It is urged on behalf of the respondents that the said officer order No. 25 does not show that the appellants have any lien on the posts of Chargeman-B. It only mentions that they

have a lien on certain places. We are unable to accept this contention. A person may have lien on a post and not a lien on a place. And all that the said order means that they have lien on the post of Chargman-B, but in certain places under either the Production Engineer or the Works Manager. There can be no doubt that a person appointed to a post on an ad hoc basis cannot have any lien on the post. It is only when a person appointed on a permanent basis, he can claim lien on the post to which he is so appointed. It is, therefore, not correct to say that the appellants were appointed or promoted to the post of Instructor-C or Chargeman-C on an ad hoc basis or by way of an interim measure, as held by the High Court in the impugned judgment. If they were appointed on ad hoc or purely temporary basis, they could not have been promoted to the post of Chargeman-B and the said order No. 25 dated January 22, 1966 would have been quite inconsistent with such ad hoc or temporary appointments.

At this stage, it will be pertinent to refer to the counter affidavit of the Railway Administration in the previous writ proceedings. In paragraph 15 of the counter affidavit, it has been stated inter alia that the post of Junior Instructor carries the same scale of pay as Charge- man-'C' and that the two posts being of the same rank and scale, staff of the one post could be transferred to the other post and vice versa. This statement in the counter affidavit of the Railway Administration clearly indicates that the post of Instructor-C and Chargeman-C are inter- changeable posts. Further, it is stated as follows:--

"Respondent Nos. 8 to 11 (which include the three appellants herein) in the first instance offered for the post of Instructors in grade Rs.205-280 (equivalent to Chargeman'C' grade) and they were selected by duly constituted Selection Board. Subsequently they offered for the post of Chargeman-B grade Rs.250-280 (AS) and were promoted as such after having been selected by a Selection Committee. Respondents Nos. 8 to 11 were appointed to grade Rs.205- 280 and subsequently to grade Rs.250-280 after having been selected by a duly constituted Selection Board'"

In the circumstances, we are of the view that the appel- lants were not appointed on an ad hoc or a purely temporary basis by way of interim measure as held by the High Court, but they were appointed on a permanent basis in the post of Instructor or Chargeman Grade-C, which are interchangeable posts and, thereafter, promoted to the post of Chargeman Grade-B. The appointment or promotion of the appellants to the post of Chargeman-C from the post of Skilled Artisan or to Chargeman-B were made in accordance with the circular of the Railway Board and/or in accordance with rules 216 of the Railway Establishment Manual. It cannot, therefore, be said that the appellants were promoted to the post of Chargeman-C illegally or in violation of any rule. There is a controver- sy between the parties as to whether the post of Instructor-C is an ex cadre post or not. It is submitted on behalf of the respondents that the post of Instructor-C being an ex cadre post, the appellants could not be appoint- ed or promoted to the post of Chargeman-C. This contention is unsound and is fit to be rejected. It is the clear case of the Railway Administration, as pointed out above, that the posts of Instructor-C and Chargeman-C are interchange- able posts. Even assuming that the post of Instructor-C is an ex cadre post, nothing turns out on that inasmuch as according to the Railway Administration itself, the two posts being of the same rank and scale, the staff of one

post could be transferred to the other post and vice versa. The appellants might have been appointed to the post of Instructor-C, but they were transferred to the post of Chargeman-C and, therefore, there was no difficulty in promoting them to the post of Chargeman-B. Now, we may consider the question as to the propriety otherwise of rule 328(2) as inserted in the Railway Establishment Manual by the Railway Board in exercise of its power under rule 157 of the Railway Establishment Code. It has already been noticed that in the previous writ proceedings the Division Bench of the High Court quashed the seniority list and directed the General Manager, DLW, to prepare a fresh seniority list in the light of statutory provisions contained in the Railway Establishment Code and the Railway Establishment Manual. The Principal ground for quashing the seniority list was that the General Manager, DLW, had no authority to frame guidelines or rules for the purpose of preparing the seniority list. It has also been noticed that while the learned Single Judge took the view that the guidelines or rules framed by the General Manager were violative of Articles 14 and 16 of the Constitution, the Division Bench took a contrary view and after considering the rules or guidelines in detail came to the finding that none of the guidelines or rules framed by the General Manager was contrary to the provisions of Articles 14 and 16 of the Constitution. Indeed, the Division Bench was of the view that no objection could be taken to the said rules or guidelines, but it had to quash the seniority list framed on the basis of such guidelines or rules inasmuch as the General Manager had no authority to frame such rules or guidelines. Accordingly, the Division Bench directed the General Manager to prepare the seniority list in accordance with the existing statutory rules.

It is curious that instead of preparing the seniority list in accordance with the existing statutory rules, as directed by the High Court, the Railway Board amended the rules and inserted by the Advance Correction Slip No. 70, among others, rule 328(2) which has been extracted above. That rule wipes out not only the promotion granted to the appellants up to the post of Chargeman Grade-B, but also the length of service of the appellants for about nine years. The appellants have been directed by the order dated December 7/8, 1973 of the General Manager to appear in a trade test in respect of the post of Highly Skilled Artisan Grade-II, otherwise their seniority in the said post will be passed over. In other words, the appellants are in a way reverted to the post of Skilled Artisan which they were holding before their promotion to the post of Instructor/Chargeman-C. No reason appears to have been given for the introduction of rule 328(2) by the Advance Correction Slip No. 70. It was not the case of the Railway Administration in the previous writ proceedings that the promotions that were given to the appellants were purely on an ad hoc basis. The High Court in the previous writ proceedings did not also find that the appellants' promotion to the post of Instructor/Chargeman-C or to the post of Chargeman-B were on ad hoc basis. We have, after considering the relevant facts, come to the finding that the appellants were regularly promoted to the post of Chargeman-C and, thereafter, to Chargeman-B. In the circumstances, we do not find any justification for the Railway Board to incorporate a new rule, that is, rule 328(2) to the serious prejudice of the appellants.

The Railway Administration was to comply with the order of the High Court and in compliance with the order, it should have prepared the seniority lists in accordance with the existing rules. It is not the case of the Railway Administration that under the existing rules the seniority list could not be prepared. There is, therefore, no reasonable justification for the Railway Board to insert in the Railway Establishment Manual rule 328(2). There can be no doubt that by virtue of rule 157 of the

Railway Establishment Code, the Railway Board has the power to frame rules, but such rules must be framed with certain objects in view and must not be arbitrary. The Court is always entitled to examine whether a particular rule which takes away the vested right of a railway employee or seriously affects him with retrospective effect, has been made to meet the exigencies of circumstances or has been made arbitrarily without any real objective behind it. In the instant case, we do not find any objective or purpose behind the framing of rule 328(2) to the serious prejudice of the appellants. In other words, rule 328(2) is arbitrary and, therefore, cannot be allowed to be operative to the detriment of the appellants. The only justification for rule 328(2) as advanced by the learned Counsel for the respondents is that as the appellants were promoted on ad hoc basis to the posts of Chargeman-C and Chargeman-B, they had no right to hold these posts and, accordingly, they were to be reverted to the post of Skilled Artisan. This contention of the respondents does not find support from the counter affidavit filed by the Railway Administration in the previous writ petition nor does it appear from any order or circular of the Railway Board or the Railway Administration in support of the same. Moreover, we have on a conspectus of the facts and circumstances and the circulars of the Railway Administration come to the finding that the appellants were not promoted on an ad hoc basis. For the reasons aforesaid, the appeal is allowed and the judgment of the High Court is set aside. It is directed that the respondents Nos. 1 and 2 shall not give effect to rule 328(2) as inserted in the Railway Establishment Manual by the Advance Correction Slip No. 70 in the cases of the appellants and the respondents Nos. 3 to 6. The impugned orders dated December 7/8, 1973 and January 7, 1974 are quashed. The respondents Nos. 1 and 2 are further directed to fix the seniority of the appellants and the said respondents Nos. 3 to 6 on the basis of their promotions to the posts of Instructor/Chargeman-C and Chargeman-B. There will be no order as to costs.

N.V.K.

Appeal allowed.