

## **Jute Corporation Of India ... vs Jute Corporation Of India Ltd. And Anr. ... on 3 May, 1990**

**Equivalent citations: 1990 SCR (2)1006, 1990 SCC (3) 436, AIRONLINE 1990 SC 57, 1990 (3) SCC 436, 1991 SCC (L&S) 58, (1990) 61 FAC LR 21, (1990) 1 LAB LN 1023, (1991) 3 SERV LR 6, (1990) 2 JT 255, 1990 UJ(SC) 2 139, (1990) 2 JT 255 (SC), 1990 UJ(SC) 139**

**Author: P.B. Sawant**

**Bench: P.B. Sawant, Misra Rangnath**

PETITIONER:

JUTE CORPORATION OF INDIA OFFICERS' ASSOCIATION ETC.

Vs.

RESPONDENT:

JUTE CORPORATION OF INDIA LTD. AND ANR. ETC.

DATE OF JUDGMENT 03/05/1990

BENCH:

SAWANT, P.B.

BENCH:

SAWANT, P.B.

MISRA RANGNATH

CITATION:

1990 SCR (2)1006

1990 SCC (3) 436

JT 1990 (2) 255

1990 SCALE (1)1

ACT:

Labour and Services: Public Sector Enterprises--Class I  
& H Officers--High Power Pay Committee  
recommendations--implementation of.

HEADNOTE:

The High Power Pay Committee appointed under the directions of this Court in respect of the emoluments to be paid to the officers belonging to Class I and Class II Service employed in different public sector enterprises governed by the Central Government pattern of pay scales and dearness allowance, submitted its report on November 2, 1988. When the Central Government did not act expeditiously on that report the petitioners filed writs for a direction to implement the recommendations.

Disposing of the writ petitions, the Court directed:

1. The scales of pay and dearness allowance as recommended in the report would be extended to those employees who have been appointed with specific terms and conditions for grant of Central D.A. and those who were already being paid Central dearness allowance. [1009G]

2. The employees appointed on or after January 1, 1989 would be governed by such pay-scales and allowances as might be decided by the Government in its discretion. Those appointed earlier with IDA pattern would continue to be governed in accordance with the terms and conditions of their appointment. [1009H]

3. The pay revision for those employees in respect of whom the recommendations were being directed to be implemented would take place only as and when similar changes were affected for the Central Government employees. These employees would, however, continue to enjoy the option to switch over to the IDA pattern of the scales of pay etc. on a voluntary basis. [1010B]

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4. The various recommendations made in the report would be implemented with effect from the dates indicated. [1010C]

5. The arrears arising on account of pay, DA and other allowances etc.. would be adjustable against ad hoc payments made from time to time. [1011C]

JUDGMENT:

ORIGINAL JURISDICTION: Civil Miscellaneous Petition No. 10864 of 1989.

IN Writ Petition No. 13044 of 1984 Etc. Etc. (Under Article 32 of the Constitution of India). Kapil Sibal, Additional Solicitor General, Dr. L.M. Singhvi, Gobinda Mukhoty, K.K. Venugopal, Ms. Mridula Ray, C.V. Subba Rao, P.R. Seetharaman, Ranjit Kumar, Asru Bose, Gulab Chandra, Sarva Mitter, R. Venkataramani, C. Ramesh, Ms. Urmila Sirur, M.N. Krishnamani, Sunder Rao, K.R. Nagara-ja, V.N. Ganpule, J.D. Jain and Chandran--Petitioner in person for the appearing parties.

The Judgment of the Court was delivered by SAWANT, J. In all these cases the relief claimed is the implementation of the recommendations of the High Power Pay Committee in respect of the emoluments to be paid to the officers belonging to Class-I and Class-II service employed in different public sector enterprises.

2. Earlier, these employees had approached various High Courts and this Court against the decision of the Central Government to switch them over to the Industrial Dearness Allowance pattern and the incidental steps taken to enforce the said decision. The main reliefs claimed in those petitions were that (i) the employees should be permitted to continue to draw the salary in the scales of pay applicable to them along with the Central Dearness Allowance, (ii) they should be granted all the benefits of pay revision and revision of other allowances which may be announced from time to time by the Central Government for its employees, and (iii) there should be no discrimination between them and those directly-employed by the Central Government and that they should get the same

scales of pay and allowances for the same types of jobs in accordance with the principle of "equal pay for equal work".

During the course of the hearing, on August 24, 1984, this Court ordered the payment of three additional dearness allowance instalments from August 1, 1983, October 1, 1983 and November 1, 1983 to those employees who were on Central pattern of pay-scales and dearness allowance subject to an individual undertaking by each employee that in case such payment resulted in the employee receiving an excess, such excess would be recovered from him from future payments, if the petitions failed.

On February 19, 1986, the Court further ordered that all employees of public sector enterprises following the Central dearness allowance pattern and drawing a basic pay of Rs. 1000 or less, will be entitled to interim reliefs on the same basis and scale as the Government of India employees w.e.f. January 1, 1986. This was also allowed subject to similar undertaking given by each employee. When the matters were posted for hearing on March 14, 1986, the Central Government expressed its willingness to refer to High Power Pay Committee the question regarding the revision of payscales, additional dearness allowance, compensatory and other allowances and such other incidental aspects relating to the employees governed by the Central pattern of pay-scales and dearness allowance. Accordingly, the Court directed the Central Government to constitute a High Power Pay Committee to go into various aspects relating to pay-scales and other incidental matters including interim relief to the said employees, viz., the employees governed by the Central Government pattern of pay-scales and dearness allowance. The terms of reference of the High Power Pay Committee were as follows:

"I. To examine the present structure of emoluments and conditions of service taking into account the total packet of benefits in cash and kind, available to the workers, clerical staff, supervisors and officers, below the Board level following the Central DA pattern and to suggest changes which may be desirable and feasible. II. To examine the variety of allowances and benefits in kind that are presently available to the above noted employees in addition to pay and DA and suggest rationalisation, simplification thereof with a view to promoting efficiency.

III. To examine matters relating to grant of interim relief to the employees of all such public enterprises (belonging to the Government of India and following the Central DA pattern) who are drawing basic pay above Rs. 1000 per month and grant necessary relief to them, if called for. IV. While making recommendations on the above points, the Committee would keep in view other related factors such as scales of pay, DA and allowances prevailing in other public sector undertakings on Industrial DA formula, economic conditions in the country, resources available at the disposal of these public enterprises".

3. The Committee submitted its recommendations by its Final Report of November 2, 1988. However, the Central Government did not act on the said report expeditiously and hence the present writ petitions were filed on various dates praying for relief in the form of a direction to the Central

Government to implement the recommendations made in the Report. The Government took several adjournments to disclose its stand on the Report and has now ultimately come out with proposals which are incorporated in the additional affidavit dated 17th April, 1990, filed on behalf of the Union of India by Shri Suresh Kumar, Additional Secretary in the Ministry of Industry, Bureau of Public Enterprises. The affidavit is taken on record.

We heard the parties on the proposals contained in the affidavit and found that there was not much controversy over the proposals except in regard to the date of the implementation of the House Rent Allowance. The employees insisted that the said allowance should be given from 1.1. 1986 whereas the Government contended that it can properly be implemented only w.e.f. January 1, 1989, since the Report was of 2nd November, 1988. We, however, direct as follows:

(i) The scales of pay and dearness allowance as recommended in the Report will be extended to those employees who have been appointed with specific terms and conditions for grant of Central D.A. This will be equally applicable to the employees who by rules laid down by the public sector enterprises are being paid Central dearness allowance.

(ii) The employees appointed on or after January 1, 1989, will be governed by such pay-scales and allowances as may be decided by the Government in its discretion. Those appointed earlier with IDA pattern will continue to be governed in accordance with the terms and conditions of their appointment.

(iii) The pay revision for those employees in respect of whom the recommendations are hereby being directed to be implemented hereafter, will take place only as and when similar changes are effected for the Central Government employees. These employees will, however, continue to enjoy the option to switch over to the IDA pattern of the scales of pay etc. on a voluntary basis.

(iv) The various recommendations made in the Report will be implemented with effect from the dates as follows. These dates are broadly in conformity with those specified in the Report:

Item	To be implemented w.e .f.
1. Revised pay-scales and revised D .A. formula	1.1.1986 (Para 16.1)
2. First instalment of Interim Relief	1.6.1983 (Para 16.3)
3. Second instalment of Interim Relief	1.3.1985 (Para 16.3)
4. CCA as per revised slabs	1.1.1989

(para 11.6 of Chapter 11 (From 1.1.1986 to 31.12.1988 CCA of the Report) will be paid at the existing rate at national pay in the revised pay-scales(para 11.7 of the report)

5. House Rent Allowance Ceiling on payment of HRA with percentage rates as per out production or rent receipt BPE's OM NO.1(3)/83 BPE to be revised from 1.12.1988.

(WC) dated 1.7.83, sub- The existing HRA structure to ject to overall ceiling be reviewed by BPE and revised of Rs.1250, 1000, 680, norms and rates fixed from a 340 and 310 for Delhi/ prospective date (Ref. Para Bombay, A,B1 and B2,C 11.15) and unclassified cities respectively.

6. Medical facilities in From prospective date to be terms of para 11.21 of decided by the Management of the Report the PSBs

7. Leave Travel Concession -do-

8. Other Allowances and per- The quantum of benefits to be quisites as per recommen- decided by the Management of dations contained in Cha- PSEs should be given effect pters 12 & 13 of the to prospectively in terms Report of para III. 7 part III of the Report

(v) The arrears arising on account of pay, DA and other allowances etc., would be adjustable against ad hoe payments made from time to time.

4. This judgment will govern all the petitions. The petitions, transferred cases and all interlocutory applica- tions, civil miscellaneous petitions and contempt petition are disposed of accordingly with no costs.

P.S.S.

Petitions disposed of.