

NOTE ON THE BASIS OF ADMISSION OF ARREAR CLAIMS ON ACCOUNT OF PAY REVISIONS SUBMITTED EMPLOYEES/WORKERS & EX-EMPLOYEES/ EX-WORKERS.

1. The payment of arrear for 1992 pay revision of the Officers and non-unionised Supervisors has been indicated in the administrative order dated 12/05/2000 issued by the Corporate Debtor. The said order was also confirmed by the directives from the Govt. of India dated 06/08/2010 on financial restructuring of the Corporate Debtor.

As per the aforesaid administrative order as well as the Govt. of India's directives, the arrears for 1992 pay revision will be paid from the company's improved operational performance and adequate internal generation to meet the payment of such arrear.

Such arrear amount had been provided by the Corporate Debtor in its audited books of accounts as a contingent liability for earlier years.

**The Employee wise list for 1992 Pay revision Arrear as provided by the corporate debtor is appended in Enclosure-I.

2. As per the aforesaid financial restructuring directives dated 06/08/2010, issued by the Govt. of India, the permission to implement the 1997 pay scales of Department of Public Enterprises (DPE) in the case of the employees of the Corporate Debtor was given prospectively.

Accordingly, Ministry of Railways, Govt. of India, issued on 20/06/2011 the directives for the implementation of 1997 pay scales for the Officers and non-unionized Supervisors prospectively with effect from 01/10/2010.

As such no liability had been booked by the Corporate Debtor in its audited books of accounts for earlier years.

In view of the above, the claims received from the Officers and non-unionized Supervisors (present and past) on account of arrears for 1997 pay revision are not considered in the admitted column of the 'Claim Statement'.

3. For the workmen category the pay revision was implemented by way of bi-partite settlement and agreement. Also the workmen category of employees (staff) are wholly covered by the terms and conditions of such bi-partite settlement and agreement.

The Memorandum of Settlement (bi-partite agreement) signed between the Management representative of the Corporate Debtor and the Union representatives on 10/01/2010.

It shows that the effective date for the revision of pay scales for the workmen will be from 01/10/2010.

It is seen from the said settlement that both the parties (Management & Workers representatives) agreed to settle all the demands by signing the document.

It is further seen that it is mentioned in the document that the settlement and implementation thereof is subjected to the approval of the Board of Directors of the company (Corporate Debtor).

4. The Corporate Debtor issued the Office Order dated 12/07/2011, as per the approval dated 21/02/2011 of their Board of Directors, revising the scale of pay for the workers with effect from 01/10/2010.

No liability had been booked by the Corporate Debtor in its audited books of accounts for earlier years.

5. There is no direction seen from any proceedings of the Hon'ble Board of Industrial and Financial Reconstruction (BIFR) which asked for payment of the arrear dues on account of 1997 pay revision. It is rather seen that in the proceeding dated 26/10/2010 the Hon'ble BIFR Bench has put in the direction part the following:-

“ The Board has no objections if the workers are granted pay revision in terms with DHE guidelines 1997 as per CCEA **prospectively**. “ [Emphasis made].

6. In view of the above, the claims received from the workmen and staffs (both present and past) on account of arrear payments for wage revisions are not taken in the admitted column of the 'Claim Statement'.

7. It is in the records of the Corporate Debtor that the Order No. 875-IR/IOL-35/2004 dated 27/07/2005 of the Labour Department, Govt. of West Bengal in the objection application has been challenged by the corporate debtor before the Hon'ble Calcutta High Court in Writ Petition no. W.P. No. 17986(W) of 2005 and the implementation of the of labour department stayed by the Hon'ble High Court on 04/10/2005 as interim stay and finally stayed on 12/01/2006. The status-quo is maintained.
