BEFORE THE CENTRAL ADMINISTRATIVE TRIBUNAL BANGALORE BENCH, BANGALORE

DATED THIS THE 24TH DAY OF FEBRUARY, 1987.

Hon' ble Shri Justice K.S. Puttaswamy, Vice-Chairman

Present: Hon'ble Shri P. Srinivasan, Member (A)

APPLICATION NO. 1301/1986.

Shri H.V. Bhat,
Aged 59 years,
Retired Director of TeleCommunications R/o Door No.26,
7th Cross, 9th Main,
Saraswathipuram,
Mysore-9.

. Applicant.

(Shri S. Ranganatha Jois, Advocate)

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- The Union of India represented by its Secretary, Ministry of Communications (P&T Board), New Delhi-1.
- The Director General (Vig), Ministry of Communications, (P&T Board) Government of India, New Delhi-1.
- 3. Shri Lachhaman Singh, Major, CDI, EVC, Jamnagar House, Hutments, Akbar Road, New Delhi.

... Respondents.

(Shri M.S. Padmarajaiah, SCGSG)

This application having come up for hearing to-day Hon' ble Shri P. Srinivasan, Member (A) made the following.

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This is a transferred application received from the High Court of Karnataka.

2. The applicant who was working as Director of Tele-Communications, Karnataka Circle, Mangalore, retired from

service on 30.6.1983. After his retirement the pension and gratuity due to him were duly computed. But, in the order dated 30.6.1983 permitting him to retire from service, a note was appended to the effect that "he may not be granted gratuity and final pension" and that "he may be granted only provisional pension." By an order dated 4.9.1984 (Annexure-L) the department of posts and Telegraphs conveyed the sanction of the President in exercise of the powers conferred under Rule 9(2)(b)(i) of the Civil Services (Pension) Rules, 1972 (the Rules) to initiate departmental proceedings against the applicant. It was also stated therein that the proceedings would be conducted in accordance with the procedure laid down in Rules 14 and 15 of the Central Civil Services (Classification, Control and Appeal) Rules, 1965 ('CCA Rules'). Along with this order, the memorandum of articles of charge and statement of imputations of misconduct were also sent to the applicant. The applicant wants us to strike down Rule 9 of the Rules as unconstitutional and violative of Articles 14, 19(1) and 311 of the Constitution and to quash the order dated 4.9.1984 (Annexure-L) by which disciplinary proceedings were initiated against him. There are other incidental prayers to restrain the respondents from proceeding with the inquiry and to release the gratuity, final final pension and other financial benefits due to

P. J. 189

the applicant on his retirement.

- 3. We will first consider the legality of the order dated 4.9.1984 in terms of Rule 9 of the Rules as it stands. The material portion of the said rule relevant for deciding the present controversy is extracted below:
 - "9. Right of President to withhold or withdraw pension:
 - (1) The President reserves to himselfthe right to withholding or withdrawing a
 pension or part thereof, whether permanently or for a specified period, and of ordering recovery from a pension of the whole or
 part of any pecuniary loss caused to the
 Government, if, in any departmental or
 judicial proceedings, the pensioner is
 found guilty of grave misconduct or
 negligence during the period of his service
 including service rendered upon re-employment after retirement:

Provided that the Union Public Service Commission shall be consulted before any final orders are passed:

Provided further that where a part of pension is withheld or withdrawn, the amount of such pension shall not be reduced below the amount of rupees sixty per mensem.

2(a) The departmental proceedings referred to sub-rule (1), if instituted while the Government servant was in service whether before his retirment or during his re-employment, shall, after the final retirement of the Government servant, be deemed to be proceedings under this rule and shall be continued and concluded by the authority by which they were commenced in the same manner as if the Government servant had continued in service.



Provided that where the departmental proceedings are instituted by an authority subordinate to the President, that authority shall submit a report recording its findings to the President.

- (b) The departmental proceedings, if not instituted while the Government servant was in service, whether before his retirement or during his re-employment,
 - (i) shall not be instituted save with the sanction of the President,
 - (ii) shall not be in respect of any event which took place more than four years before such institution, and
 - (iii) shall be conducted by such authority and in such place as the President may direct and in accordance with the procedure applicable to the departmental proceedings in which an order of dismissal from service could be made in relation to the Government servant during his service."

The charges in respect of which disciplinary proceedings were initiated against the applicant are reproduced below:

Article-I: That the said Sri H.V. Bhat while functioning as Director Telecom, Mangalore, during the period from 20.11.1982 to 30.6.1983 placed two orders dated 11.1.1983 and 2.3.1983 on M/s Trace Company, Cochin, for supply of 20 km. of 10 pair trace cable (10 km. on each order) without following the prescribed procedure and thus violated rule 60 of P & T Financial Hand Book Vol.I, Rules 264, 203 and 325 of P & T Manual, Vol.X, of and 9(a) and condition (v) funder (a) of Schedule II & IIA of Schedule of Financial powers of P&T Officers.

Thus, by his above acts, the said Shri H.V. Bhat committed grave misconduct, exhibited lack of absolute integrity, failed to maintain devotion to duty, and acted in a manner unbecoming of a Government servant, thereby contravening the provisions of Rule 3(1) (i) (ii) (iii) (Conduct) Rules, 1964.

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That during the aforesaid period and while functioning in the aforesaid office, the said Shri H.V. Bhat placed eleven orders for supply of 23 power plants each of 50V/5Amps and 50V/12Amps with M/s Electro Sales Associates Bangalore and purchased a few numbers without assessing the actual requirement and without following the prescribed procedure in violation of Rule 60 of P&T Financial Hand Book Vol.I, Rules, 264, 203 & 325 of P&T Manual, Vol.X and instructions contained in D.G. P&T letter No.29/1/82-MMD dated 26.5.82.

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Thus, by his above acts, the said Shri H.V. Bhat committed grave misconduct, exhibited lack of absolute integrity, failed to maintain devotion to duty, and acted in a manner unbecoming of a Government servant, thereby contravening the provisions of Rule 3(1) (i), (ii) & (iii) of CCS(Conduct) Rules, 1964.

4. Sri Ranganath Jois, learned counsel for the petitioner pointed out that normally no disciplinary proceeding can be initiated against a Government servant after his retirement. But,

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an exception to this rule provided in the aforesaid Rule 9(1) and any proceeding initiated thereunder has to be limited to achieve the object of that Rule. The purpose of Rule 9 is to empower the Government to withhold or withdraw any part of the pension of a retired Government servant in order to recover any pecuniary loss that may have been caused to Government by his grave misconduct or negligence during the period of his service. In order to enable this power to be exercised, the rule provides for initiation of departmental proceedings against a retired Government servant. Such departmental proceedings have, therefore, to be confined to cases where it appears prima facie that Government has been put to pecuniary loss by his misconduct. It is not as if disciplinary proceedings can be initiated for any misconduct whatsoever, irrespective of whether it could have caused pecuniary loss to the Government or not.

5. In the present case all the articles of charge were concerned with certain orders placed by the applicant while in service either without proper authority or in excess of requirements. By doing so, the applicant is alleged to have exhibited lack of absolute integrity, failed to maintain devotion to duty and acted in a manner

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unbecoming of a Government servant. There is no, allegation anywhere that any pecuniary loss to the Government was occasioned by such misconduct. Therefore, according to Sri Jois, initiation of disciplinary proceedings in this case was violative of Rule 9 of the Rules and the object for which that rule has been framed.

Sri. D.V. Shylendra Kumar, learned Central Government Additional Standing Counsel appearing for the respondents strongly refuted the contention of Sri Jois. According to him it was not necessary that the articles of charge should specifically allege that any pecuniary loss had been caused to the Government before disciplinary proceeding could be initiated in terms of Rule 9. Whether any pecuniary loss had occured could be ascertained only during the inquiry and it could not be anticipated at the beginning of the inquiry itself. What the rule requires is that if there is a prima facie case of grave misconduct or negligence on the part of the Government servant while in service, that would be sufficient to initiate disciplinary proceedings against him. The charges in this case were that the applicant had not followed the proper procedure in placing orders for various articles and that he had effected purchases when there was no need for them. These involve violation of the financial

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Rules and an inference could well be drawn that such violation, if proved, would have resulted in pecuniary loss to the Government. That was all that the rule requires and, therefore, the initiation of the proceedings was in order.

We have considered the rival contentions very carefully. It must be remembered at the outset that Rule 9 of the Rules is not directly concerned with initiation of disciplinary proceedings against a Government servant. The CCS (CCA) Rules deal with that subject. As one of the Pension Rules, it seeks to indemnify the Government against any losses caused to it by the misconduct of its officials while in service by empowering Government to recover such loss, from the pension payable to such officials after their retirement. However, before this power can be exercised, it becomes necessary to initiate disciplinary proceedings in respect of the misconduct in order to establish that pecuniary loss had actually taken place thereby which had to be recovered from pension. It is in this indirect manner that the question of initiating disciplinary proceedings arises. Some safeguards have been provided xxxxxxxxx in sub-rule 2(b) of Rule 9 extracted above against the misuse of this provision against a retired Government servant. These safe P. L.

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loss to Government might eventually turn out to be one that has resulted in such loss when the inquiry is completed will do. We are concerned here only with the position as it stood when the inquiry was initiated and charges framed. We have extracted the articles of charge above. In none of these is there even a remote suggestion that the conduct of the applicant had resulted in loss to the Government. We have gone through the statement of imputations of misconduct attached to the articles of charge and we do not find any such suggestion there also. Sri Shylendra Kumar, contended that since the charges relate to violations of financial regulations, the question of pecuniary loss to Government cannot be ruled out: in fact such loss can be inferred from the nature of the misconduct. To our mind, no such inference can be drawn. The charge alleges only irregularity of procedure and nothing more ef the Rules. As we have mentioned earlier we do not notice any reference in the charges or in the statement of imputations to possible pecuniary loss to Government. We, therefore hold that the inquiry contemplated against the applicant was not justified in terms of Rule 9 of the Rules.

8. We are fortified in our conclusion by the decision of a Division Bench of the High Court of Karnataka in the unreported case of C. KRISHNAPPA V., STATE OF MYSORE AND 2 OTHERS (Writ Petition No.5040/69 decided on 2.4.1971) interpreting an

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analogous provision, viz., Rule 214 of the Karnataka Civil Services Rules. The decision of a Full Bench of the Kerala High Court in R.P. NAIR V., KERALA STATE ELECTRICITY BOARD (1979 (1) SLR 384) interpreting a similar rule in the Kerala Service Rules also supports the view we have taken.

- In the view we have taken above, it is not 9. necessary for us to examine the applicant's challenge to the constitutional validity of Rule 9 of the Pension Rules.
- application In the result, the applicant is allowed and the order dated 4.9.1984 (Anhexure-L and M) initiating disciplinary proceedings against the applicant are is quashed. Respondents will also settle forthwith all the retirement benefits to which the applicant is entitled under the rules. Parties will bear their own costs.

Wice-Chairman 24/2/1987.) A Venber (A) 24/2/87

From: The Sul



D.No. 4186/87/ivA SUPREME COURT OF INDIA NEW DELHI.

5.8.88

Dated

From: The Additional Registrar, Supreme Court of India.

To

The Registrar, Central Administrative Tribunal Bangalore-5600028

PETITION FOR SPECIAL LEAVE TO APPEAL (CIVIL)NO.

Petition under Article 136 of the Constitution of India for Special Leave to Appeal to the Supreme Court from the Jacobert Central Administrative Tribunal, Bangalore Bench, Bangalore in Appln. No. 1301/1986)

Union of India & Ors

....Petitioner s

H. V.Bhat

Vs.

... Respondent

Sir.

Yours faithfully,

for Addl. Registrar.

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900.	1 1/9/8	NEW DELHI.
\	S.M.	5.8.88 Dated
	From: The Additional Registrar, Supreme Court of India.	
	To	
	The Registrar, Central Administrative Trib Bangalore-5600028	ounal
	PETITION FOR SPECIAL LEAVE TO APP	EAL (CIVIL)NO. 11041 /1987
	Petition under Article 136 of th	the part of the property of the property of the part o
	Special Leave to Appeal to the Superior Control 24.2.1987	
Central Administrative Tribunal, Bangalore Bench, Bangalore		
in Appln. No. 1301/1986)		
Union of India & Crs		
		Petitioner s
8 8	H. V.Bhat Vs.	
85		Respondent
2 8	Sir,	
	I am to inform you that the	petition above -mentioned
	for Special Leave to Appeal to this	is Court was filed on behalf
Sk was proportion	of the Petitioner above-named from the tragger and Order Central Admn. Tribunal, Bangalore	
SKELPISE !	of the might coars noted above and	
51. NO.55	dismissed by this Court on the	day of May,
BLP Registro.	•	
Ci	rentated for kind	
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CENTRAL ADMINISTRATIBE TRIBUNAL BANGALORE BENCH

Commercial Complex(BDA), Indiranagar, Bangalore-560 038.

Dated: 19-3-87

130 / 186(T) Application No. W.P. No. 17219 84 Applicant W. BRat W. UOI, The senstary, M' communications & others 1. SR. H. V. BRat, 5. Sh. S. Ranganatha Tois Atd. Director of Tele communications, Advorate ! 150/36, volinal Highschool Rlo Dierno 26, 1th cross. 9th Rain, Sarasviethi puram, Lord Visvesvara puram, Rys 82e -9 bangalore - 4. 2. The sevetary, u.o.I. 6 "SR. M.S. Padmarapaion, M/ communications, (PST Booted), New seller. somior extral Prart Standing 3. The winerat Greneral (vig) Counsel, High court Building, MI communications, Bangalore -1. (PST) Board, new selli 1. A. Sh. Lackhaman Singh, CDI CUC, Tammagar House, Hatments, Alebon Pord New Delhi:

Subject: SENDING COPIES OF ORDER PASSED BY THE BENCH IN APPLICATION NO. 1301/86(T)

Please find enclosed herewith the copy of the Order/

Interior Order passed by this Tribunal in the above said

Application on 24/8/87.

Encl: As above.

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Doputy Registrar
(Judicial)

BEFORE THE CENTRAL ADMINISTRATIVE TRIBUNAL BANGALORE BENCH, BANGALORE

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... Applicant.

(Shri S. Ranganatha Jois, Advocate)

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- The Union of India represented by its Secretary, Ministry of Communications (P&T Board), New Delhi-1.
- The Director General (Vig), Ministry of Communications, (P&T Board) Government of India, New Delhi-1.
- Shri Lachhaman Singh, Major, CDI, CVC, Jamnagar House, Hutments, Akbar Road, New Delhi.

... Respondents.

(Shri M.S. Padmarajaiah, SCGSG)

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We have considered the rival contentions very carefully. It must be remembered at the outset that Rule 9 of the Rules is not directly concerned with initiation of disciplinary proceedings against a Government servant. The CCS (CCA) Rules deal with that subject. As one of the Pension Rules, it seeks to indemnify the Government against any losses caused to it by the misconduct of its officials while in service by empowering Government to recover such loss, from the pension payable to such officials after their retirement. However, before this power can be exercised, it becomes necessary to initiate disciplinary proceedings in respect of the misconduct in order to establish that pecuniary loss had actually taken place thereby which had to be recovered from pension. It is in this indirect manner that the question of initiating disciplinary proceedings arises. Some safeguards have been provided axaxkdad in sub-rule 2(b) of Rule 9 extracted above against the misuse of this provision against a retired Government servant. These safe

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8. We are fortified in our conclusion by the decision of a Division Bench of the High Court of Karnataka in the unreported case of C. KRISHNAPPA V., STATE OF MYSORE AND 2 OTHERS (Writ Petition No.5040/69 decided on 2.4.1971) interpreting an

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application

10. In the result, the is allowed and the order dated 4.9.1984 (Anhexure-L and M) initiating disciplinary proceedings against the applicant are is quashed. Respondents will also settle forthwith all the retirement benefits to which the applicant is entitled under the rules. Parties will bear their own costs.

Vice-Chairman 24/

BETUTY REGISTRAR

GENTHAL ADMINISTRATIVE TRIBUNAL (93)

ADDITIONAL BENCH

BANGALORE

np/Mrv.