

IN THE CENTRAL ADMINISTRATIVE TRIBUNAL HYDERABAD BENCH AT HYDERABAD

FRI DAY THE THIRTIETH DAY OF JUNE  
ONE THOUSAND NINE HUNDRED AND EIGHTY NINE

: PRESENT :

THE HONOURABLE MR. B. N. JAYA SIMHA : VICE-CHAIRMAN ✓  
~~AND~~  
~~THE HONOURABLE MR. D. SURYA RAO : MEMBER (JUDL)~~  
~~AND~~  
~~THE HONOURABLE MR. D. K. CHAKRAVARTY : MEMBER (ADMN)~~  
~~AND~~  
THE HONOURABLE MR. J. NARASIMHA MURTHY : MEMBER (JUDL) ✓

ORIGINAL APPLICATION. 331 OF 1989 ✓

BETWEEN:-

- 1) Mohd. Nazeeuddin ✓
  - 2) Mohd Shamsuddin ✓
  - 3) Mohd. Rabeeruddin ✓
- AND Rafeequddin ✓
- ... Applicants

- 1) Union of India, represented by the post. master general, Andhra circle, Alid Road, Hyderabad ✓
- 2) The senior superintendent of post offices, R.M.S. Sorting Division, Hyderabad ✓

... Respondents ✓

1989  
[Signature]

CENTRAL ADMINISTRATIVE TRIBUNAL, HYDERABAD

Application No. 331/89 OF 198

42

Transfer Application No.

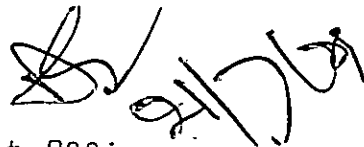
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CERTIFICATE

Certified that no further action is required to be taken and the case is fit for consignment to the Record Room (Decided).

Dated: 21/7/89.

Countersigned:



Y L K Reddy.  
Signature of the  
Dealing Assistant.

Section Officer/Court Officer.

PSR

(U)

Application under section 19(1) of the Administrative Tribunal Act, 1985 (~~transferred from the High Court of Andhra Pradesh~~ <sup>praying</sup>) that in the circumstances stated therein the Tribunal will be pleased to

declaring that the recovery of Rs. 2.88/- or any part of it from the salary of the applicant is illegal and arbitrary and is opposed to Sec. 2.2.2 and to direct refund of the amount collected from June 1988 to the applicants.

this application coming on for <sup>final hearing</sup> ~~order~~, upon resuming the application and upon hearing the arguments of Mr. G. S. Dwarakapurama Rao, Advocate for the applicants and of Mr. P. Rama Krishna Raju, Sr. C.A.S.C. on behalf of the respondents.

FOR THE APPLICANTS: MR.

FOR THE RESPONDENTS: MR.

The Tribunal ~~delivered~~/made the following Order/Judgment:-

(separate sheet attached)

20/11/88  
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ORIGINAL APPLICATION NO. 331/1989.

(ORDERS OF THE TRIBUNAL DELIVERED BY HON'BLE VICE CHAIRMAN  
SHRI B.N. JAYASIMHA)

The applicants herein are Postal Employees working in Hyderabad Sorting Division, Hyderabad. They filed this application seeking a direction to declare that the recovery of Rs.288/- or any part of it from the salary of the applicants is illegal and opposed to Section 222 of P&T Financial Hand Book Volume I.

2. The applicants state that they enrolled themselves as members of RMS 'Z' Division Employees Co-Operative Credit Society, Hyderabad (Regn.No.TA-46). The office-bearers of the Society represented that lands are available for the purpose of providing house-sites in Korremula village in Ghatkesar Mandal, Ranga Reddy District and that they were negotiating with the owners of the land for purchasing the land. The office-bearers collected share-capital from the applicants and their signatures on some printed forms and white-papers without disclosing the nature of the documents. The office-bearers never informed the applicants as to what they were doing with the documents so taken. From June, 1988, heavy amounts were deducted from the salaries of the applicants for payment to Vijaya Bank. The applicants approached the office-bearers and

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questioned them why heavy amounts were being deducted from the applicant's salaries. They did not give any satisfactory answer. Thereupon, the applicants approached the Vijaya Bank and found that pronotes for heavy amounts were taken from the applicants and for payment of instalments due to the Vijaya Bank, amounts were being deducted from their respective salaries. The applicants suspected some fraud and reported <sup>the matter</sup> to the Commissioner of Police, Hyderabad on 16-11-1988 and ~~on 16-11-1988~~ also wrote to the Postmaster-General, Andhra Circle. They also sent a registered notice dated 28-11-1988 through their lawyer to Shri D.K.B. Subrahmanyam, Secretary of the Co-Operative Credit Society to which they were replied that plots are being distributed. On 4-12-1988, the applicants collected sale deeds in their favour. They found that the sale-deeds were executed by one M. Narasaiah Goud and four others and their ~~own~~ general power of attorney, N.Prabhakar Reddy to the first applicant on 21-6-1988 conveying plot no.1914, admeasuring 200 Sq.Yards in S.No.744 of Kurremula village for Rs.2000/-. Similar documents were received by other applicants also. The applicants state that they suspect fraud by the said Shri D.K.B. Subrahmanyam. They have, therefore,

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filed this application seeking direction for stoppage of recovery on the following grounds :-

- (1) deduction is not permissible under Rule 232 of C.T.R.,
- (2) ~~xx~~ Under R.222 of C.T.R., whatever amounts can be recovered in any case cannot exceed the amount allowed by the provisions of Sec.60(i) of CPC-and-
- (3) Under Article 39-A of the Constitution of India, a citizen has a right to an adequate means to livelihood.

3. The respondents state in their counter that what transpired between the applicants and Shri D.K.B. Subrahmanyam and others relating to land transaction is purely a private transaction and the department is not concerned with it. Nationalised Banks are advancing loans to Government employees for purpose of purchase of plots after <sup>Satisfy</sup> about ~~the~~ <sup>their</sup> repaying capacity. The applicants along with some other employees approached the respondent no.2, viz., SSRM, Hyderabad Sorting Division to furnish an undertaking to recover the loan to be availed by them from the Banks in monthly instalments. They also gave written letters of consent authorising deduction from their salaries. On the basis of this undertaking given by the Respondent no.2, the Vijaya Bank sanctioned a loan of Rs.8,000/- to each individual, recoverable in 36/monthly instalments of Rs.288/-each. The recovery commenced from the month of June, 1988.

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It is stated that the recovery is not being affected from the pay bills, but outside the pay-bills against the demand note received every month from the Bank and the amounts thus recovered are remitted to the Bank on their own consent. It is stated Rule 559 of the P&T Financial Hand Book, Volume I, provides for recoveries from the salary of Government Servants amounts due to Co-operative Societies by the drawing and disbursing officers. Under the same provisions, recoveries are being made in respect of the loans advanced by the Nationalised Bank.

4. We have heard the learned counsel for the applicants and Shri P.Ramakrishna Raju, learned Senior Standing Counsel for the Central Government, for the Respondents.

The learned counsel for the applicants states that although <sup>shown as</sup> the plot-price is/Rs.2,000/- in the sale-deed, the applicants have been made liable to a loan of Rs.8,000/- for which they have executed ~~x~~ pro-notes in favour of Vijaya Bank and authorised the second respondent to recover the amounts. But finding that the plot-price is only Rs.2,000/- they have made complaints to the Commissioner of Police etc. against Shri D.K.B.Subrahmanyam and others. They have also written a letter to the Respondent no.1 for not effecting the recovery. The main contention of the

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applicants is that according to Rule 222 of the P&T Financial Hand Book, Volume I, when the pay of a Government servant is attached by any order of a Court of Law, it is the duty of the officer receiving the attachment order to see that proper deduction is made in satisfaction of such order from the pay of the Government servant concerned and he shall keep a record of such deductions in Form T.R.13A. He says that according to this rule, a deduction can be made only when there is an attachment and since there is no court attachment in this case, no recovery should be made. Shri Ramakrishna Raju, learned Senior Standing Counsel for the Respondents, says that the deduction is not being made under the provisions of the above rule, but is done under the provisions of Rule 559 of the same Manual which relates to Co-operative Credit Society's Dues. Learned Counsel for the applicant says that it is open to the applicants to revoke the authority given to the respondents at any time. *under the said rule.*

We have considered these arguments. Rule 559 of Chapter XVIII of P&T ~~Manual~~ Financial Hand Book Volume I reads as follows :-

"559. Recoveries from the salary of Government servants on account of dues of cooperative societies registered under various Co-operative Societies Act, where such Acts impose a statutory obligation on the Government to make such deductions, shall be made by the Drawing and Disbursing Officer in accordance with such procedure as may be laid down by the Government from time to time.

Note.--The detailed procedure is laid down in Appendix 29 of this Hand Book".

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It is not disputed that the applicants have given an undertaking in the following manner :

"LETTER OF UNDERTAKING CUM AUTHORITY

xxx

Dear Sir,

In consideration of granting me a pronote loan of Rs.8,000/- by Vijaya Bank, Hyderabad. I hereby authorise you to deduct a sum of Rs.282/- per month for 36 months from my monthly salary and remit the amount for credit of my pronote loan with Vijaya Bank Branch, Hyderabad.

Further, in case of my resignation, retirement, termination, death, the said bank, Vijaya Bank Branch, Hyderabad has absolute right on the financial benefits receivable by me or my legal heirs and you are at liberty to pay such financial benefits after adjusting the loan liabilities of the said bank, in full and final settlement.

This letter of undertaking-cum-authority is irrevocable till the closure of the loan referred above."

Recoveries are being made in pursuance to the above letters of undertaking-cum-authority. What the applicants are now constesting is that the price mentioned is different and, therefore, the office bearers have committed fraud. From a reading of Rule 559 of P&T FHB Vol.I (extracted above), it is seen that recovery \* which is being made by the department in pursuance of the letter of undertaking-cum-authority (extracted above)

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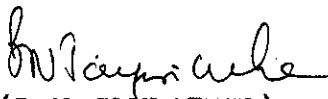
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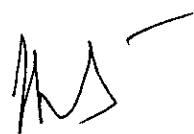
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is within the provisions of this rule. The contention in regard to revocation would not apply in this case. It only lays down that the authority concerned before ordering recovery must satisfy itself that the undertaking has not been revoked. At the time the authority gave the agreement to the bank to recover the instalments, the applicants had not revoked the Undertaking-cum-authority. We, therefore, find that recoveries being made are not in violation of the provisions contained in P & T Financial Hand Book Volume I. If the applicants are aggrieved with action of the Secretary, Cooperative Credit Society, they will have to seek the remedy from an appropriate forum.

5. In the result, the application fails and it is accordingly dismissed. There will be no order as to costs.

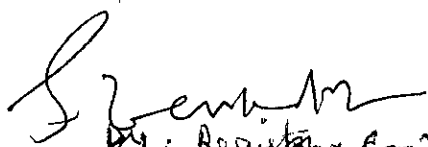
(Dictated in the open court)

  
(B.N. JAYASIMHA)  
Vice Chairman

  
(J. NARASIMHA MURTHY)  
Member (Judl.)

Dt. 30th June, 1989.

RSR

  
By: Registrar (S.J.)