

**IN THE CENTRAL ADMINISTRATIVE TRIBUNAL
HYDERABAD BENCH: HYDERABAD**

OA/021/1020/2018

**Reserved on: 01.04.2019
Order pronounced on: 02.04.2019**

Between:

K. Thirumala Rao,
S/o. K. Sitaramaiah,
Aged about 60 years,
Occ: Retd. Mail Express Guard,
South Central Railway,
Secunderabad Division,
R/o. Plot No.66, Dommaguda,
Hyderabad.

...Applicant

And

1. Union of India rep. by
General Manager,
South Central Railway,
Rail Nilayam,
Secunderabad.
2. The Divisional Railway Manager,
Personnel Branch,
Sanchalan Bhavan,
Secunderabad.
3. The Senior Divisional Operations Manager,
South Central Railway,
Secunderabad.
4. The Senior Divisional Personnel Officer,
South Central Railway,
Secunderabad.

...Respondents

Counsel for the Applicant ...
Counsel for the Respondents ...

Dr. A. Raghu Kumar
Mr. N. Srinivasa Rao, SC for Rlys.

CORAM:

Hon'ble Mr. B.V. Sudhakar

... Member (Admn.)

ORDER

{As per Hon'ble Mr. B.V. Sudhakar, Member (Admn.)}

2. The O.A. is filed challenging the action of the respondents in recovering the amount of Rs.2,97,000/- from the DCRG of the applicant.
3. The brief facts of the case are that the applicant retired from the respondent organization in the grade of Mail Express Guard on 30.04.2018. At the time of his retirement, a sum of Rs.2,97,000/- was recovered from his DCRG since he gave a surety to one of his colleague employees by name O.N. Raju, who has taken a loan from the Railway Employees' Cooperative Credit Society Limited. The said Sri O.N. Raju was compulsorily retired from service and he did not pay the loan taken from the said Society. Therefore, the Society has advised the respondent organization to recover an amount of Rs.1,62,000/- from the DCRG of the applicant. The respondents have recovered the said amount under Rule 15 of the Railway Services (Pension) Rules 1993. The applicant's version is that such a recovery under Rule 15 is not permitted. The applicant has made a representation to the respondents on 5.6.2018 but there has been no relief. Hence, the O.A.
4. The contentions of the applicant are that the recovery made from him under Rule 15 of the Railway Services (Pension) Rules is incorrect. The Hon'ble Ernakulam Bench of this Tribunal has in a similar case, rejected the recovery

under Rule 15 of Railway Services (Pension) Rules in order to recoup the amount of loan taken from the Railway Employees' Cooperative Credit Society.

5. The respondents per contra state that the Railway Employees' Cooperative Credit Society, Chennai vide its letter dated 6.3.2018 has advised the respondent Railway administration to recover an amount of Rs.1,62,000/- from the DCRG of the applicant towards surety liability. The advice was received ten days after the retirement of the applicant. However, his last salary was due to be paid and as such the said amount was recovered from the last salary. The respondents contend that the amount was Rs.1,62,000/- but not Rs.2,97,000/- as alleged by the applicant. The applicant has given an undertaking for recovery of the said amount to the Railway Employees' Cooperative Credit Society. Besides the respondents took the stand that the Railway Employees' Cooperative Credit Society has not been made a party to the O.A. and, therefore, the O.A. needs to be dismissed for not impleading the necessary parties.

6. Heard Sri B. Pavan Kumar, learned counsel for the applicant and Sri N. Srinivasa Rao, learned Standing Counsel for the respondents. Perused the documents submitted as well as the material papers placed on record.

7. It is seen from the record submitted that the applicant has submitted a promissory note as well as an undertaking while standing surety to Sri O.N. Raj for the loan he has taken from the Railway Employees' Cooperative Credit Society. In this regard Rule 15 (4)(c) permits recovery of non-Government dues. Besides Rule 15(4)(ii) clause reads as under:

“15(4)(i) A claim against the railway servant may be on account of all or any of the following:

- a. Losses (including short collection in freight charges, shortage in stores caused to the Government or the railway as a result of negligence or fraud on the part of the railway servant while he was in service);
- b. Other Government dues such as over-payment on account of pay and allowances or other dues such as house rent, Post Office or Life Insurance Premia, or outstanding advance,
- c. Non-Government dues.

(ii) Recovery of losses specified in sub-clause (a) of clause (i) of this sub-rule shall be made subject to the conditions laid down in rule 8 being satisfied from recurring pensions and also commuted value thereof, which are governed by the Pension Act, 1871 (23 of 1871). A recovery on account of item (a) of sub-para (1) which cannot be made in terms of rule 8, and any recovery on account of sub-clauses items (b) and (c) of clause (i) that cannot be made from these even with the consent of the railway servant, the same shall be recovered from retirement, death, terminal or service gratuity which are not subject to the Pensions Act, 1871 (23 of 1871). It is permissible to make recovery of Government dues from the retirement, death, terminal or service gratuity even without obtaining his consent, or without obtaining the consent of the member of his family in the case of a deceased railway servant."

8. As per the stated clause, the respondents are entitled to recover the amount due to the Society on two main grounds – (1) he has given a promissory note and (2) he has also given an undertaking that the amount can be recovered from the benefits he gets from the respondent organization. Having given an undertaking and a promissory note, the applicant approaching this Tribunal claiming that the said amount cannot be recovered, does not stand to reason. The respondents have recovered as per the relevant rule cited. Besides, the applicant has also quoted the judgement of the Hon'ble Ernakulam Bench of this Tribunal to support his case. However, in the cited case, it is seen that the applicant therein has not given any undertaking to the amount taken from the Railway Employees' Cooperative Credit Society. Therefore, in the said judgement of the Ernakulam Bench it was held that no such recovery can be made in the absence of any undertaking. However, in the present case, the applicant has given undertaking and also promissory note for recovery of any dues to the

Society. Therefore, the Ernakulam Bench judgement does not apply in the present case.

9. In view of the foregoing discussion, the Tribunal do not find any merit to intervene in the case as the action of the respondents is as per the rules. Therefore, the O.A. is dismissed. There shall be no order as to costs.

(B.V. SUDHAKAR)
MEMBER (ADMN.)

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