

No.G.12011/1/2010/F3  
GOVERNMENT OF PUDUCHERRY  
FINANCE DEPARTMENT

-oOo-

Puducherry, dt, 22.03.2016

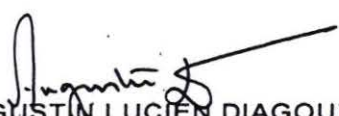
**I.D.NOTE / OFFICE MEMORANDUM**

Sub: Finance Department – Casual Labourers with temporary status-clarification regarding contribution to GPF and Pension under the old pension scheme, CGEGIS Scheme-1980 – Tables of Benefits for the savings fund for the period 01.01.2016 to 31.12.2016 and Recovery of wrongful/excess payments made to Government servants - Orders of Government of India - Communicated.

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A Copy of each of the Office Memorandum on the subjects indicated below is communicated for information and necessary action.

Sl. No	Reference: No. & Date	Issued by	Subject
1	O.M.No.49014/2/2014-E stt(C), dated 26 <sup>th</sup> February, 2016	Government of India Ministry of Personnel, Public Grievances and PG, Department of Personnel & Training, Establishment Division, New Delhi.	Casual Labourers with temporary status-clarification regarding contribution to GPF and Pension under the old pension scheme.
2	O.M.No.7(1)/EV/2014 dated 26 <sup>th</sup> February, 2014.	Government of India, Ministry of Finance, Department of Expenditure	CGEGIS Scheme-1980 – Tables of Benefits for the savings fund for the period 01.01.2016 to 31.12.2016 .
3	O.M.F.No.18/03/2015 -Estt.(Pay-I), dated 2 <sup>nd</sup> March, 2016	Government of India, Ministry of Personnel, Public Grievances & Pensions, Department of Personnel & Training	Recovery of wrongful/excess payments made to Government servants.

  
(P. AUGUSTIN LUCIEN DIAGOU)  
UNDER SECRETARY TO GOVT. (FINANCE)

To  
All Secretaries to Government/All Secretariat Departments/  
All Heads of Departments/Offices.

**Copy to:**

1. The Director of Accounts and Treasuries, Puducherry
2. The Dy. Director of Accounts and Treasuries, Karaikal/Mahe/Yanam.
3. The Director, Information & Technology Department,  
Puducherry - to be hosted in State Web Site.
4. The Web Site of Finance Department – to be hosted in the official Web Site.

No.49014/2/2014-Estt (C)  
Government of India  
Ministry of Personnel, Public Grievances and PG  
Department of Personnel and Training  
Establishment Division

New Delhi, North Block,  
February 26<sup>th</sup>, 2016

OFFICE MEMORANDUM

Subject: Casual Labourers with temporary status-clarification regarding contribution to GPF and Pension under the old pension scheme

Undersigned is directed to refer to this Department's OM No. 51016/2/90-Estt (C) dated the 10<sup>th</sup> September, 1993 vide which a scheme for grant of temporary status to the casual employees was framed. The scheme applied to those casual labourers who were in employment on the date of the issue of the OM and had rendered one year of continued service in Central Government offices, which meant that they must have been engaged for a period of at least 240 days (206 days in the case of offices observing 5 days week). The scheme did not apply to Departments of Telecom & Posts and Ministry of Railways.

2. As per the scheme, after rendering three years' continuous service after conferment of temporary status, the casual labourers were to be treated at par with temporary Group 'D' employees for the purpose of contribution to the General Provident Fund. Further, after their regularisation, 50% of the service rendered under temporary status would be counted for the purpose of retirement benefits.

3. As per para 8 of the scheme, two out of every three vacancies in Group 'D' cadres in respective offices where the casual labourers have been working would be filled up as per extant recruitment rules and in accordance with the instructions issued by Department of Personnel and Training from amongst casual workers with temporary status. However, regular Group 'D' staff rendered surplus for any reason will have prior claim for absorption against existing/future vacancies. In case of illiterate casual labourers or those who fail to fulfill the minimum qualification prescribed for post, regularisation will be considered only against those posts in respect of which literacy or lack of minimum qualification will not be a requisite qualification. They would be allowed age relaxation equivalent to the period for which they have worked continuously as casual labourer.

4. Vide the O.M. No.49014/1/2004 -Estt (C) dated the 26<sup>th</sup> April, 2004, the above scheme was reviewed in the light of introduction of New Pension Scheme in respect of persons appointed to the Central Government service on or after 1.1.2004 as under:

- (i) As the new pension scheme is based on defined contributions, the length of qualifying service for the purpose of retirement benefits has lost its relevance, no credit of casual service, as specified in para 5 (v), shall be available to the casual labourers on their regularisation against Group 'D' posts on or after 1.1.2004.



(ii) As there is no provision of General Provident Fund in the new pension scheme, it will not serve any useful purpose to continue deductions towards GPF from the existing casual employees, in terms of para 5 (vi) of the scheme for grant of temporary status. It is, therefore, requested that no further deduction towards General Provident Fund shall be effected from the casual labourers w. e. f. 1.1.2004 onwards and the amount lying in their General Provident Fund accounts, including deductions made after 1.1.2004, shall be paid to them.

2. The existing guidelines contained in this Department's OM No. 49014/2/86-Estt.(C) dated 7.6.88 may continue to be followed in the matter of engagement of casual workers in the Central Government Offices.

5. The OM dated 26<sup>th</sup> April, 2004 has been quashed by various benches of CAT/High Courts who have decided that the scheme could not be modified retrospectively. The SLPs filed in the Hon'ble Supreme Court have been dismissed by the Apex Court in *UOI & Ors v Rameshwar Singh*, CC 1829/2014, *UOI & Ors v Ramsaran & Ors*, SLP (C) No. 25360-25362 of 2008, SLP 17358/2008, SLP 25360-62/09, *Union of India etc v Ajay Kumar & Ors*, SLP No.19673-19678/2009.

6. The position has been reviewed in the light of the Court judgements in consultation with the Department of Expenditure. It has now been decided that the casual labourers who had been granted temporary status under the scheme, and have completed 3 years of continuous service after that, are entitled to contribute to the General Provident Fund.

7. 50% of the service rendered under temporary status would be counted for the purpose of retirement benefits in respect of those casual labourers who have been regularised in terms of para 8 of the OM dated 10.09.1993.

8. It is emphasised that the benefit of temporary status is available only to those casual labourers who were in employment on the date of the issue of the OM dated 10<sup>th</sup> September, 1993 and were otherwise eligible for it. No grant of temporary status is permissible after that date. The employees erroneously granted temporary status between 10.09.1993 and the date of Hon'ble Supreme Court judgement in *Union Of India And Anr vs Mohan Pal*, 2002 (3) SCR 613, delivered on 29 April, 2002, will however be deemed to have been covered under the scheme of 10.09.93.

9. Ministries/Departments are also requested to identify cases where temporary status has been granted wrongly to those not covered under the OM dated 10.09.1993 and fix responsibility for the same.

  
(Mukesh Chaturvedi)  
Director (E)

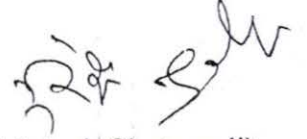
To,  
All Secretaries of Ministries/ Departments.

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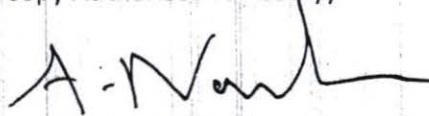
F. No. 49014/2/2014-Estt (C) dated 26.02.2016

Copy to:

1. President's Secretariat, New Delhi
2. Vice-President's Secretariat, New Delhi
3. The Prime Minister's Office, New Delhi
4. Cabinet Secretariat, New Delhi
5. Rajya Sabha Secretariat/ Lok Sabha Secretariat, New Delhi
6. The Registrar General, the Supreme Court of India, New Delhi
7. The Registrar, Central Administrative Tribunal, Principal Bench, New Delhi
8. Comptroller and Auditor General of India, New Delhi.
9. The Secretary, Union Public Service Commission, New Delhi.
10. Central Vigilance Commission, New Delhi
11. Central Bureau of Investigation, New Delhi.
12. All Union Territory Administrations
13. Secretary, Staff Side, National Council (JCM), 13-C, Ferozeshah Road, New Delhi
14. ADG (M&C), Press Information Bureau, DoP&T.
- ✓ 15. NIC cell with request to upload it under OM's and Orders, Establishment, Daily Wage Casual Labour, and also 'What is new'.

  
(Mukesh Chaturvedi)  
Director (E)

//Copy Authorised for issue//

  
(A. NARENDIRAN)  
Superintendent  
Finance Department  
Puducherry



No.7(1)/EV/2014  
Government of India  
Ministry of Finance  
Department of Expenditure

New Delhi, Dated the 26<sup>th</sup> February, 2016

OFFICE MEMORANDUM

Sub: Central Government Employees Group Insurance Scheme-1980 – Tables of Benefits for the savings fund for the period from 01.01.2016 to 31.12.2016.

Every year two Tables of Benefits are issued by the Ministry of Finance on calendar year basis for the savings fund to the beneficiaries under Central Government Employees Group Insurance Scheme (CGEGIS)-1980. While one Table of Benefits for the savings fund of the Scheme is based on a subscription of Rs.10 per month per unit from 1.1.1982 to 31.12.1989 and Rs.15 per month per unit w.e.f. 1.1.1990 onwards, the other Table of Benefits for the savings fund is based on a subscription of Rs.10 per month in respect of the employees who had opted out of the revised rates of subscription w.e.f. 1.1.1990.

2. The two Tables of Benefits under CGEGIS-80 for the calendar year 2016, prepared by IRDA, are enclosed. The benefits in the Tables have been worked out on the basis of interest @ 8.7% per annum (compounded quarterly), as notified by Department of Economic Affairs.

3. While calculating the amount it has been assumed that the subscription has been recovered or will be recovered from the salary of the month in which a member ceases to be in service failing which it should be deducted from accumulated amounts payable.

4. In its application to the employees of Indian Audit and Accounts Department this Office Memorandum issues in consultation with the Comptroller and Auditor General of India.



(Amar Nath Singh)  
Deputy Secretary to the Government of India  
Tel: 23093811

1. All Ministries/Departments of the Central Government as per standard list.
2. Copy with spare copies for information and necessary action to C&AG, UPSC, all State Governments etc. as per standard list.
3. NIC, D/o Expenditure for uploading the same on the website of M/o Finance.

## CENTRAL GOVERNMENT EMPLOYEES GROUP INSURANCE SCHEME 1980

Contribution @ Rs. 10/- throughout

Accumulated value of contribution from 1st January of year of Entry to the month and year of cessation

Year of cessation of membership - 2016

Month of cessation of membership

Year of Entry	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1982	23468.96	23644.74	23816.66	23998.18	24181.33	24361.70	24547.83	24733.91	24920.29	25108.77	25295.57	25473.98
1983	20964.00	21127.94	21278.91	21442.34	21602.83	21769.08	21932.39	22098.03	22264.52	22435.11	22606.73	22765.83
1984	18703.42	18848.37	18987.56	19136.72	19278.91	19425.56	19575.19	19724.29	19873.61	20027.87	20177.63	20323.06
1985	16681.41	16809.41	16932.63	17066.60	17196.01	17327.92	17461.04	17594.92	17727.52	17864.69	18000.57	18131.18
1986	14863.06	14979.86	15093.71	15207.45	15324.93	15443.41	15563.19	15682.62	15803.35	15924.20	16047.47	16167.96
1987	13233.81	13335.37	13439.24	13543.81	13648.02	13755.40	13860.27	13969.04	14078.81	14186.06	14294.45	14399.10
1988	11779.13	11869.37	11961.81	12057.23	12151.16	12245.07	12342.74	12438.05	12536.54	12632.22	12731.97	12825.59
1989	10464.10	10545.36	10630.02	10710.94	10795.51	10883.31	10967.31	11054.54	11139.81	11227.73	11315.57	11402.74
1990	9294.53	9366.88	9443.58	9516.01	9592.28	9668.48	9747.33	9823.85	9904.16	9981.53	10061.14	10135.38
1991	8255.89	8319.74	8386.93	8457.59	8525.50	8592.69	8663.20	8732.92	8802.45	8873.38	8943.77	9009.18
1992	7333.62	7391.12	7451.58	7513.80	7576.58	7637.68	7699.34	7760.81	7823.70	7888.09	7949.25	8009.87
1993	6513.18	6564.29	6618.97	6675.61	6732.09	6786.20	6841.69	6897.14	6956.32	7011.07	7069.56	7124.77
1994	5782.93	5831.45	5879.30	5929.38	5980.12	6030.27	6081.18	6130.47	6183.13	6232.57	6285.14	6334.84
1995	5137.05	5178.80	5223.03	5268.02	5312.60	5359.39	5402.96	5449.69	5496.38	5543.03	5589.65	5633.74
1996	4560.99	4599.73	4641.98	4680.78	4721.91	4763.83	4804.25	4846.31	4885.93	4929.76	4970.37	5011.94
1997	4048.95	4087.01	4121.16	4159.37	4194.08	4233.47	4269.81	4309.06	4345.43	4383.21	4420.97	4459.95
1998	3597.99	3627.30	3660.57	3694.21	3728.83	3760.60	3795.54	3831.51	3865.35	3901.44	3935.07	3968.22
1999	3191.76	3222.48	3253.13	3283.96	3314.92	3343.39	3372.19	3404.17	3436.13	3468.07	3499.99	3530.43
2000	2836.13	2860.42	2890.00	2916.14	2944.03	2975.39	3003.17	3030.90	3062.08	3089.70	3118.90	3146.99
2001	2516.07	2540.95	2567.78	2590.77	2616.69	2644.13	2668.99	2697.31	2723.94	2750.30	2775.91	2803.95
2002	2231.69	2254.76	2277.99	2301.55	2325.28	2349.19	2373.26	2397.52	2421.95	2446.56	2471.35	2495.35
2003	1974.57	1995.78	2017.15	2038.81	2060.63	2082.61	2104.74	2127.04	2149.51	2172.13	2194.97	2217.05
2004	1739.87	1759.40	1779.06	1798.99	1819.06	1839.28	1859.65	1880.16	1900.83	1921.64	1942.61	1963.03
2005	1524.04	1542.01	1560.11	1578.44	1596.91	1615.51	1634.25	1653.12	1672.13	1691.28	1710.57	1729.42
2006	1324.64	1341.17	1357.83	1374.69	1391.67	1408.78	1426.01	1443.37	1460.86	1478.47	1496.21	1513.60
2007	1140.42	1155.63	1170.95	1186.45	1202.07	1217.79	1233.64	1249.59	1265.67	1281.86	1298.17	1314.21
2008	970.24	984.22	998.31	1012.55	1026.90	1041.35	1055.91	1070.57	1085.34	1100.22	1115.21	1130.01
2009	813.01	825.86	838.81	851.89	865.07	878.35	891.72	905.18	918.75	932.42	946.18	959.84
2010	667.76	679.57	691.46	703.47	715.57	727.75	740.03	752.39	764.85	777.39	790.03	802.62
2011	533.57	544.41	555.33	566.35	577.45	588.63	599.89	611.24	622.66	634.17	645.76	657.38
2012	409.57	419.55	429.57	439.67	449.84	460.09	470.40	480.79	491.25	501.79	512.41	523.09
2013	295.56	304.69	313.88	323.14	332.47	341.87	351.33	360.87	370.47	380.14	389.89	399.70
2014	190.98	199.36	207.79	216.29	224.85	233.46	242.15	250.89	259.69	268.56	277.50	286.49
2015	95.04	102.72	110.46	118.25	126.11	134.01	141.98	150.00	158.08	166.22	174.41	182.67
2016	7.00	14.05	21.15	28.30	35.51	42.76	50.07	57.43	64.84	72.31	79.83	87.41

Note:

Basis Used

From	To	Interest*	From	To	Interest*	Savings Fund :	68.75% from 1.1.82 to 31.12.87
1.1.82	31.12.82	0.1	1.1.03	31.12.03	0.09		70% from 1.1.88 and onwards
1.1.83	31.12.86	0.11	1.1.04	30.11.11	0.08		
1.1.87	31.12.00	0.12	1.12.11	31.03.12	0.086	Insurance Fund :	31.25% from 1.1.82 to 31.12.87
1.1.01	31.12.01	0.11	01.04.2012	31.03.2013	0.088		30% from 1.1.88 and onwards
1.1.02	31.12.02	0.095	1.4.2013		0.087		

\* Interest p.a compounded quarterly

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Handwritten signature: A. Narendiran

**A. NARENDIRAN**  
**SUPERINTENDENT**  
**FINANCE DEPARTMENT**  
**CHIEF SECRETARIAT**  
**PUDUCHERRY.**



CENTRAL GOVERNMENT EMPLOYEES GROUP INSURANCE SCHEME 1980

Contribution @ Rs. 10/- P.M upto 31.12.89 and Rs. 15 throughout after 1.1.90

Accumulated value of contribution from 1st January of year of Entry to the month and year of cessation

Year of cessation of membership - 2016

Month of cessation of membership

Year of Entry	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1982	28108.96	28324.91	28538.17	28753.05	28973.99	29194.87	29421.50	29642.26	29871.68	30098.14	30330.34	30545.01
1983	25603.99	25803.11	25995.51	26197.39	26398.39	26599.34	26806.06	27012.72	27219.33	27425.88	27635.29	27834.40
1984	23349.23	23528.54	23708.07	23891.76	24075.70	24262.50	24449.25	24635.96	24825.52	25017.95	25210.32	25403.50
1985	21324.31	21489.58	21653.52	21821.65	21991.39	22161.09	22333.65	22506.17	22681.56	22856.90	23035.11	23199.40
1986	19505.96	19660.03	19812.72	19966.68	20122.19	20277.66	20438.91	20594.31	20755.48	20919.52	21080.62	21237.47
1987	17876.72	18019.55	18156.95	18300.70	18444.85	18591.88	18735.96	18880.02	19029.85	19179.65	19329.41	19472.90
1988	16424.94	16553.59	16683.04	16814.99	16947.75	17080.49	17216.10	17354.59	17490.15	17625.67	17766.98	17896.97
1989	15107.00	15230.15	15349.49	15471.73	15593.09	15717.33	15841.54	15965.73	16095.70	16222.74	16352.66	16471.96
1990	13937.43	14052.15	14162.70	14276.76	14392.50	14505.31	14621.00	14739.58	14858.13	14976.65	15095.16	15209.48
1991	12380.92	12481.47	12580.31	12683.47	12784.93	12889.28	12993.62	13100.83	13205.13	13312.30	13422.37	13520.37
1992	10996.07	11088.23	11176.58	11267.53	11360.51	11456.37	11549.31	11642.23	11738.05	11833.85	11932.54	12025.71
1993	9765.40	9849.14	9929.18	10011.51	10095.96	10180.41	10264.84	10349.25	10436.57	10520.96	10611.15	10690.67
1994	8674.39	8749.67	8822.15	8897.95	8970.96	9046.86	9122.76	9201.55	9277.43	9356.20	9434.96	9509.45
1995	7702.66	7769.45	7836.34	7903.59	7970.95	8038.30	8111.46	8178.79	8249.03	8319.25	8389.47	8458.83
1996	6841.49	6899.77	6962.20	7022.63	7084.32	7146.00	7210.58	7272.25	7333.92	7398.48	7463.07	7527.71
1997	6073.42	6126.06	6183.77	6240.52	6293.61	6352.52	6408.51	6464.50	6523.40	6582.28	6641.17	6694.26
1998	5392.63	5445.44	5491.48	5542.73	5593.03	5643.33	5699.44	5749.73	5802.93	5853.22	5906.42	5959.99
1999	4790.39	4834.62	4878.94	4923.44	4970.93	5015.52	5065.92	5113.41	5160.90	5208.40	5255.89	5301.18
2000	4249.25	4290.70	4333.40	4376.83	4418.60	4460.37	4505.05	4546.82	4591.50	4633.28	4677.96	4720.72
2001	3775.02	3810.78	3848.48	3888.38	3927.32	3966.26	4005.21	4044.16	4086.02	4124.97	4166.83	4204.12
2002	3350.25	3383.20	3417.79	3448.50	3484.24	3521.57	3557.68	3593.80	3635.73	3671.85	3707.98	3745.57
2003	2961.85	2993.65	3025.64	3058.06	3090.69	3123.53	3156.58	3189.84	3223.33	3259.39	3292.68	3323.85
2004	2609.81	2639.09	2668.59	2698.48	2728.59	2758.92	2789.47	2820.25	2851.24	2882.47	2913.91	2944.54
2005	2286.05	2313.01	2340.16	2367.66	2395.36	2423.27	2451.37	2479.68	2508.20	2536.93	2565.86	2594.13
2006	1986.96	2011.76	2036.74	2062.03	2087.51	2113.17	2139.02	2165.06	2191.28	2217.70	2244.31	2270.39
2007	1710.63	1733.45	1756.43	1779.68	1803.10	1826.69	1850.45	1874.39	1898.50	1922.79	1947.25	1971.32
2008	1455.36	1476.33	1497.46	1518.83	1540.35	1562.03	1583.86	1605.86	1628.01	1650.33	1672.81	1695.02
2009	1219.52	1238.80	1258.21	1277.84	1297.61	1317.52	1337.57	1357.78	1378.13	1398.62	1419.27	1439.76
2010	1001.64	1019.35	1037.19	1055.20	1073.35	1091.63	1110.04	1128.59	1147.27	1166.09	1185.04	1203.93
2011	800.36	816.62	833.00	849.52	866.17	882.94	899.84	916.85	933.99	951.26	968.65	986.07
2012	614.36	629.33	644.36	659.51	674.76	690.13	705.60	721.19	736.88	752.69	768.61	784.64
2013	443.34	457.03	470.82	484.71	498.70	512.80	527.00	541.30	555.70	570.22	584.83	599.55
2014	286.48	299.04	311.69	324.43	337.27	350.20	363.22	376.33	389.54	402.85	416.25	429.74
2015	142.55	154.08	165.69	177.38	189.16	201.02	212.97	225.00	237.12	249.33	261.62	274.00
2016	10.50	21.08	31.73	42.46	53.26	64.14	75.11	86.15	97.27	108.47	119.75	131.11

Note:

Basis Used

From	To	Interest*	From	To	Interest*	Savings Fund:	68.75% from 1.1.82 to 31.12.87 70% from 1.1.88 and onwards
1.1.82	31.12.82	0.1	1.1.03	31.12.03	0.09		
1.1.83	31.12.86	0.11	1.1.04	30.11.11	0.08		
1.1.87	31.12.00	0.12	1.12.11	31.03.12	0.086	Insurance Fund:	31.25% from 1.1.82 to 31.12.87 30% from 1.1.88 and onwards
1.1.01	31.12.01	0.11	01.04.2012	31.03.2013	0.088		
1.1.02	31.12.02	0.095	1.4.2013		0.087		

\* Interest p.a compounded quarterly

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*A. Narendiran*

(A. NARENDIRAN)

Superintendent

Finance Department

Puducherry

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Office of the  
Development Commissioner  
No. 388/2015-16  
Received on 17 MAR 2016  
Despatched on: 18/3/16

F.No.18/03/2015-Estt. (Pay-I)  
Government of India

Ministry of Personnel, Public Grievances & Pensions  
Department of Personnel & Training

New Delhi, the 2<sup>nd</sup> March, 2016

OFFICE OF THE CHIEF SECRETARY  
PUDUCHERRY.  
No. 933/2/2016/G  
Received on 14/3/2016  
Despatched on 17 MAR 2016

**OFFICE MEMORANDUM**

**Sub: Recovery of wrongful / excess payments made to Government servants.**

The undersigned is directed to refer to this Department's OM No.18/26/2011-Estt (Pay-I) dated 6<sup>th</sup> February, 2014 wherein certain instructions have been issued to deal with the issue of recovery of wrongful / excess payments made to Government servants in view of the law declared by Courts, particularly, in the case of *Chandi Prasad Uniyal And Ors. vs. State of Uttarakhand And Ors.*, 2012 AIR SCW 4742, (2012) 6 SCC 417. Para 3(iv) of the OM *inter-alia* provides that recovery should be made in all cases of overpayment barring few exceptions of extreme hardships.

2. The issue has subsequently come up for consideration before the Hon'ble Supreme Court in the case of *State of Punjab & Ors vs Rafiq Masih (White Washer) etc in CA No.11527 of 2014 (Arising out of SLP(C) No.11684 of 2012)* wherein Hon'ble Court on 18.12.2014 decided a bunch of cases in which monetary benefits were given to employees in excess of their entitlement due to unintentional mistakes committed by the concerned competent authorities, in determining the emoluments payable to them, and the employees were not guilty of furnishing any incorrect information / misrepresentation / fraud, which had led the concerned competent authorities to commit the mistake of making the higher payment to the employees. The employees were as innocent as their employers in the wrongful determination of their inflated emoluments. The Hon'ble Supreme Court in its judgment dated 18<sup>th</sup> December, 2014 *ibid* has, *inter-alia*, observed as under:

"7. Having examined a number of judgments rendered by this Court, we are of the view, that orders passed by the employer seeking recovery of monetary benefits wrongly extended to employees, can only be interfered with, in cases where such recovery would result in a hardship of a nature, which would far outweigh, the equitable balance of the employer's right to recover. In other words, interference would be called for, only in such cases where, it would be iniquitous to recover the payment made. In order to ascertain the parameters of the above consideration, and the test to be applied, reference needs to be made to situations when this Court exempted employees from such recovery, even in exercise of its jurisdiction under Article 142 of the Constitution of India. Repeated exercise of such power, "for doing complete justice in any cause" would establish that the recovery being effected was iniquitous, and therefore, arbitrary. And accordingly, the interference at the hands of this Court."

"10. In view of the afore-stated constitutional mandate, equity and good conscience, in the matter of livelihood of the people of this country, has to be the

**FINANCE DEPARTMENT**  
**CHIEF SECRETARIAT, PUDUCHERRY.**  
U.O.No: 2783  
Received on: 18/3/16  
Despatched on: \_\_\_\_\_

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*basis of all governmental actions. An action of the State, ordering a recovery from an employee, would be in order, so long as it is not rendered iniquitous to the extent, that the action of recovery would be more unfair, more wrongful, more improper, and more unwarranted, than the corresponding right of the employer, to recover the amount. Or in other words, till such time as the recovery would have a harsh and arbitrary effect on the employee, it would be permissible in law. Orders passed in given situations repeatedly, even in exercise of the power vested in this Court under Article 142 of the Constitution of India, will disclose the parameters of the realm of an action of recovery (of an excess amount paid to an employee) which would breach the obligations of the State, to citizens of this country, and render the action arbitrary, and therefore, violative of the mandate contained in Article 14 of the Constitution of India."*

3. The issue that was required to be adjudicated by the Hon'ble Supreme Court was whether all the private respondents, against whom an order of recovery (of the excess amount) has been made, should be exempted in law, from the reimbursement of the same to the employer. For the applicability of the instant order, and the conclusions recorded by them thereafter, the ingredients depicted in paras 2&3 of the judgment are essentially indispensable.

4. The Hon'ble Supreme Court while observing that it is not possible to postulate all situations of hardship which would govern employees on the issue of recovery, where payments have mistakenly been made by the employer, in excess of their entitlement has summarized the following few situations, wherein recoveries by the employers would be impermissible in law:-

- (i) *Recovery from employees belonging to Class-III and Class-IV service (or Group 'C' and Group 'D' service).*
- (ii) *Recovery from retired employees, or employees who are due to retire within one year, of the order of recovery.*
- (iii) *Recovery from employees, when the excess payment has been made for a period in excess of five years, before the order of recovery is issued.*
- (iv) *Recovery in cases where an employee has wrongfully been required to discharge duties of a higher post, and has been paid accordingly, even though he should have rightfully been required to work against an inferior post.*
- (v) *In any other case, where the Court arrives at the conclusion, that recovery if made from the employee, would be iniquitous or harsh or arbitrary to such an extent, as would far outweigh the equitable balance of the employer's right to recover.*

5. The matter has, consequently, been examined in consultation with the Department of Expenditure and the Department of Legal Affairs. The Ministries / Departments are advised to deal with the issue of wrongful / excess payments made to Government servants in accordance with above decision of the Hon'ble Supreme Court in *CA No.11527 of 2014 (arising out of SLP (C) No.11684 of 2012) in State of Punjab and others etc vs Rafiq Masih (White Washer) etc.* However, wherever the waiver of recovery in the above-mentioned situations is considered, the same may be allowed with the

express approval of Department of Expenditure in terms of this Department's OM No.18/26/2011-Estt (Pay-I) dated 6<sup>th</sup> February, 2014.

6. In so far as persons serving in the Indian Audit and Accounts Department are concerned, these orders are issued with the concurrence of the Comptroller and Auditor General of India.

7. Hindi version will follow.



(A.K. Jain)

Deputy Secretary to the Government of India

1. All Ministries / Departments of Government of India
2. NIC, DOP&T – with a request to upload this OM on the Department's website under OMs & Orders (Establishment → Pay Rules) and also under "What is New".

Copy also forwarded to:

1. The Comptroller & Auditor General of India.
2. Secretary General, Supreme Court of India.
3. Controller General of Accounts / Controller of Accounts, Ministry of Finance.
4. Union Public Service Commission / Lok Sabha Sectt. / Rajya Sabha Sectt. / Cabinet Sectt. / Central Vigilance Commission / President's Sectt. / Vice-President's Sectt. / Prime Minister's Office / Niti Aayog.
5. Governments of all States and Union Territories.
6. Department of Personnel and Training (AIS Division) / JCA / Admn. Section.
7. Secretary, National Council of JCM (Staff Side), 13-C, Feroz Shah Road, New Delhi.
8. All Members of Staff Side of the National Council of JCM / Departmental Council.
9. All Officers / Sections of Department of Personnel and Training / Department of Administrative Reforms & Public Grievances / Department of Pensions & Pensioners' Welfare / PESB.
10. Joint Secretary (Pers), Department of Expenditure, Ministry of Finance.
11. Additional Secretary (Union Territories), Ministry of Home Affairs.

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(A. NARENDIRAN) 21/3/16  
Superintendent

Finance Department  
Puducherry