

Eastern Railway
(Personnel Department)
17 N. S. Road, Kolkata - 700 001

Serial Circular No. 202/2019

No. E.740/0/Misc.(Policy)/Pt.I

Kolkata, Dated: 11/10/2019

All Concerned

(as per standard list)

Sub: Master Circular on Arrear Claims and Investigation.

A copy of Master Circular No. 36 on "Arrear Claims and Investigation", circulated through Ministry of Railways (Railway Board)'s letter No. E(G)2019/AL 1-5 (Master Circular) dated 11/09/2019 (RBE No. 150/2019), is forwarded herewith for information, guidance and necessary action.

DA: As above.

Ar.
(Anjan Ray)
Dy. Chief Personnel Officer/Gaz.
For Pr. Chief Personnel Officer
Phone No.:24104 (Rly.)

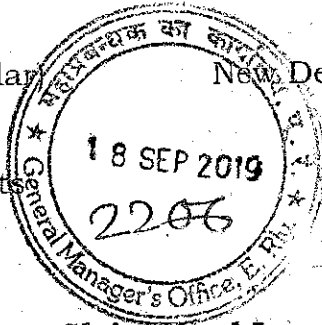
Done
11/10/19

OS (22) 1831
Central Registry / E. Ry.
Date of Receipt
Serial No. 8/1719
भारत सरकार/GOVERNMENT OF INDIA
रेल मंत्रालय / MINISTRY OF RAILWAYS
रेलवे बोर्ड / RAILWAY BOARD

No. E(G) 2019/AL1-5 (Master Circular)

New Delhi, dated 11.09.2019

ERL
The General Managers
All Indian Railways/Production Units
(as per standard mailing list)



Sub: Master Circular on Arrear Claims and Investigation.

PCPO

Please find enclosed a copy of Master Circular No. 36 (RBE No. 150/2019) regarding Arrear Claims and Investigation for information and necessary action

Please acknowledge receipt.

17/09/19

11/9/19

(Anita Gautam)
Director Estt.(Genl.)
Railway Board.

DA: As above

No. E(G) 2019/AL1-5 (Master Circular)

New Delhi, dated 11.09.2019

18 SEP 2019

Copy to:

1. General Secretary, IRCA, New Delhi.
2. Director General, Railway Staff College, Vadodara.
3. The Director, IRICEN/Pune, IRIEN/Nasik, IRIMEE/Jamalpur, IRSET/Secunderabad.
4. The General Secretary, AIRF, 4, State Entry Road, New Delhi (with 35 spares).
5. The General Secretary, NFIR, 3, Chelmsford Road, New Delhi (with 35 spares).
6. The Secretary General, IRPOF (with 5 spares).
7. CPO(G) All members of the National Council/Department Council and Secretary, Staff Side, 13-C, Ferozeshah Road, New Delhi (with 90 spares).
8. The Secretary General, FROA, New Delhi (with 5 spares).
9. The General Secretary, RPF Association, Room No. 256 D, Rail Bhavan, New Delhi (with 5 spares).
10. The Secretary, RBSS, Group 'A' Officers' Association (with 5 spares).
11. The President, RBSS Group 'B' Officers' Association (with 5 spares).
12. The President, Indian Railways Group 'B' Officers' Association (with 5 spares).
13. The Secretary, Railway Board Ministerial Staff Association (with 5 spares).
14. The Secretary, Railway Board Non-Ministerial Staff Association (with 5 spares).
15. The Secretary, Staff Side, National Council (JCM), 13-C, Ferozeshah Road, New Delhi-110001.
16. The Secretary General, National Federation of Railway Pensioners' Organization, 825, Supertech Residency, Sector 5, Plot No. 6A, Ghaziabad-201010.

Dr. CPO(G)

18/9/19

23/09/19

18/9/19

PCPO



सत्यमेव जयते

भारत सरकार (Government of India)

रेल मंत्रालय (Ministry of Railways)

रेलवे बोर्ड (Railway Board)

बकाया दावे और जांच

पर

मास्टर परिपत्र सं. 36

(सितंबर, 2019 में अपडेटेड)

Master Circular No. 36

(Updated in September, 2019)

On

Arrear Claims and Investigations

**Government of India/Bharat Sarkar
Ministry of Railways/Rail Mantralaya
(Railway Board)**

RBE NO 150/2019

No.E(G) 2019 AL1-5 (Master Circular)

New Delhi, dated 11.09.2019

**The General Managers,
All Indian Railway,
Production Units & others.**

Sub:-Arrear claims and investigations thereof.

Master Circular no 36 on "Arrear claim and investigations thereof", a compilation of instructions on the subject was last brought out and circulated vide Railway Board's letter no **E(G) 2001 AL1-19 (Master Circular)** dated 14.12.2001. Since then some provisions have undergone some change and some new ones have been introduced. With the objective to bring about all the current basic instructions at one place, the Master Circular has been updated by incorporating the modifications/additions to the instructions in the revised Master Circular as under:

2. The scope of the instructions consolidated into this circular is confined to claims for payment of arrears on account of Pay and Allowances, leave salary, increments etc. and do not cover payment of gratuity, Government contribution to PF, Special Contribution to PF and Group Insurance.

3. Delays in timely payment of dues are opposed to all Rules and are highly objectionable and if not satisfactorily explained should be brought to the notice of the Head of the Department by the Accounts Officer.

(Ref.: Para 1022 – Indian Railway Administration and Finance Code)

4. Reasons for preferring claims for arrear payment:

4.1 Such claims are preferred mostly due to:

- (a) Monetary entitlement of a Railway servant not being drawn correctly in time;

- (b) Upward revision in entitlement retrospectively like revision of pay scale, increase in the amount of Dearness Allowance, benefit of fixation of pay with back effect;
- (c) Period of absence of a Railway servant originally treated as leave without pay, later regularized by the grant of leave; and
- (d) Treatment of the period of suspension as duty.

4.2 Claims arising due to the reasons quoted in para 4.1 (b) above are mostly based on general orders of the competent authority and no specific orders would be necessary for the drawl of arrears. Similarly, claims relating to para 4.1 (c) and 4.1(d) would also carry the approval of the competent authority, who had decided on the regularization after prior consultation with the Associate Finance where necessary.

4.3 In regard to claims falling in para 4.1 (a) above, which are preferred after one year, approval of the competent authority is necessary for investigation and payment.

5. Power of General Manager or any other authority so authorised:

5.1 "The General Manager or any other authority to whom the power may be delegated by the President are authorized to sanction an investigation of arrear claims of persons appointed by him in the following cases, i.e.

- (a) When the claim is not over three years old from the date it becomes due(*clarification on this may be seen in sub para (d) below*), irrespective of the amount involved, and
- (b) When the claims is over three years old reckoned as above, but the amount of the claim pertaining to the period beyond three years does not exceed Rs.10,000/-.
- (c) In cases where the amount of the claim for the period beyond three years exceeds Rs.10,000/- investigation of the portion within the three years' limit may be sanctioned by the General Manager and the question of sanction of the balance only, i.e. portion beyond three years should be referred to the Railway Board for orders".

(The earlier limit of Rs 1000/ in respect of investigation of arrear claims, was changed to Rs 5000/- vide vide amendment to **Para 1004, 1005 of IREM Vol 1, 1989** edition brought out by Railway Board's letter no **E(G) 99 AL 1/20** dated. **07.04.2000**, ACS no. 97 (RBE NO.44/2000).

This limit of Rs 5000/ was changed to Rs 10,000 vide amendment to **Para 1004, 1005 of IREM Vol 1, 1989** edition brought out by Railway Board's letter no **E(G) 2009 AL 1/16** dated. **06.01.2010**, ACS no. 213 (RBE NO.03/2010) and amendment to **Para 1021 of Indian Railway Administration and Finance, 1991** edition brought out by Railway Board's letter no **E(G)2009 AL 1/16** dated **4.3.2010**.)

(Ref: **Para 1021 of Indian Railway Administration and Finance code, 1991** edition; **Para 1004, 1005 of IREM 1989, Vol 1**; and **Railway Boards letter(s) No(s); E(G)AL1-31** dated **19-1-1993**); **E(G)2002 AL1/5** dated **15/1/2003**);

- (d) "from the date it becomes due" shall be construed as: "The date of administrative orders issued pursuant to the directions/orders of the Court, Tribunal etc. or the date of administrative orders issued pursuant to the decision of the competent authority on a representation received from the affected employee or his/her representative etc., as the case may be, leading to arising of arrears claim."

(Ref: **Railway Board's letter no. E(G)2014 AL 1-20** dated. **19.06.2018**,
Advance Correction Slip (IREM Vol 1 1989 edition) No.255)

5.2 Relaxation granted by Railway Board earlier:

Keeping in view the difficulty faced by the Railways, Railway Board vide **letter No. E(G)2004 AL 1/39** dated **18.02.2005** had earlier decided that in cases of arrear claims arising out of antedating of the instructions (letter No. **F(E) II/99/FR1/1** dated. **27.09.1999** & **26.05.2000**) granting minimum benefit of Rs 100/- on promotion, where the amount of the claim for the period beyond 3 years exceeds Rs.5,000/-, sanction for.

investigation of the entire claim may be done at the General Manager's level, as a onetime exception, in relaxation of para 1005 of IREM Vol.I, 1989 edition.

(It may be noted that such cases would not be there anymore and further the limit of Rs 5000/ has also been revised upwards to Rs 10000 as mentioned in sub para (b) and (c) above.)

5.3 Delegation by the General Manager:

- (a) Subject to the conditions stated in para1004 of IREM Vol 1, 1989 edition, (as given in sub para above) and to any further conditions which he may consider necessary, the General Manager may delegate his powers to authorities subordinate to him in respect of claims which are not more than three years old.

(Ref : Para 1004, 1005 of IREM 1989, Vol 1)

- (b) The restrictions/conditions mentioned in Chapter X of IREM Vol1, 1989 edition, specially para 1004 & 1005 and Para 1021 of Indian Railway Administration and Finance, 1991 edition; do not apply to cases of
 - (i) gratuity/special contribution to provident fund, provided satisfactory evidence exists that payment of the amount admissible had not been made previously and
 - (ii) claims for the payment of amounts placed under the head "Deposit Unpaid Wages".

(Ref : Para 1007 of IREM 1989, Vol 1 and Para 1021 of Indian Railway Administration and Finance, 1991 edition;)

5.4 The powers to sanction the investigation and payment of arrear claims vested in the General Manager or in the lower authorities to whom powers may have been delegated should be exercised in consultation with the Finance Officer concerned.

(Ref: Para 1008 of IREM 1989, Vol 1)

6. To enable the competent authority to decide whether investigation and payment of the arrears claimed should be sanctioned, the total amount of the arrear claim, together with the salary of the Railway servant concerned, should be indicated in each individual case, to assess if the claim is to be treated as petty or otherwise. Every claim for payment of arrears should be supported by the reasons for the delay involved, to enable the sanctioning authority to decide if the reasons are satisfactory.

(Ref: Para 1002 of IREM Vol I 1989 edition)

7. Rejection of certain petty arrear claims:

7.1 All petty arrears claims other than those which affect railway servant's pension gratuity or special contribution to Provident Fund, all claims for whose delayed submission an adequate explanation is not forthcoming and all claims preferred after the expiry of the period prescribed for the preservation of records for their verification, should be rejected.

(Ref: Para 1001 of IREM Vol I 1989 edition)

7.2 There is no yardstick as to what should be regarded as a petty claim, but as a general rule, if a claim amounts to less than Rs. 10 and relates to a period earlier than one year from the date it is submitted to the proper authority, or comes to notice, it should be regarded as petty and no action should ordinarily be taken regarding the payment of the arrears. From the date the discrepancy has been brought to notice, or has come to light, the correct amounts should, however, be drawn where due.

(Ref: Para 1003 of IREM Vol I 1989 edition)

(Ref.; Para 1021 of the Indian Railway Administration and Finance,

Para 1003 of the Indian Railway Estt. Manual)

7.3 While rejecting petty claims of Railway servants, the provisions of section 15(2) of the Payment of Wages Act, reproduced below, should be kept in view, in the case of Railway servants governed by the Payment of Wages Act, 1936.

"15(2) Where contrary to the provisions of this Act any deduction has been made from the wages of an employed person, or any payment of wages has been delayed, such person himself or any legal practitioner or any official of a registered trade union authorized to act on his behalf or any Inspector under this Act or any other person acting with the permission of the authority appointed under sub-section (1) may apply to such authority for direction under sub-section (3).

Provided that every such application shall be presented within Twelve months from the date on which the deduction from wages was made or from the date on which the payment of wages was due to be made, as the case may be.

Provided further that any application may be admitted after the said period of twelve months when the applicant satisfies the authority that he had sufficient cause for not making the application within such period."

(Ref : Para 1010 of IREM Vol 1, 1989 edition)

7.4 The authority concerned, after hearing the applicant and the employer or other persons responsible for the payment of wages under Section (3) of the Act and after such further inquiry (if any) as may be necessary, may, without prejudice to any other penalty to which such employer or other person is liable under the Act, direct payment of the delayed wages together with the payment of such compensation as the authority may think fit.

(Ref.: Section 15(3) of the Payment of Wages Act, 1936.Revised edition, 2017)

8. Procedure for internal Check in Accounts office:

Substantial amount is paid as arrears on certain occasions as for instance: consequent on revision of pay scales with retrospective effect; revision in the rates of Dearness Allowance etc. When such arrears are paid, an entry may be made in the service books of the non-gazetted Railway servants. But the absence of an entry in the Service book will not make any difference as far as the procedure of preparation and internal check in the Accounts Office is concerned i.e., the procedure for internal check of supplementary bills will not undergo any change and an entry in the original paid

vouchers will have to be made in accordance with the orders in force before the claims are passed by the Accounts Office.

(Ref.: Board's letter No.E(G)77 AL1/6 dated 19/6/77)

(Para 1413 of Indian Railways code for the Accounts Department deals with the precautions to be taken in passing Supplementary Bills. The same is quoted for ready reference as under:

At time of checking any supplementary bill, Memoranda of Differences and Absentee Statement (Annexure II-IV Chapter XII) of the regular bills for the months to which the supplementary claim relates should be consulted to see that it has not already been passed for payment. In cases where reference to those forms does not serve the purpose or, where those forms are not submitted with the bills, the regular pay bills of the months affected should be consulted. When passing the supplementary claims for payment, full particulars of the claim and reference to the supplementary bill should be entered prominently on the Memoranda of Differences and Absentee Statement (Annexure II-IV Chapter XII) or, on the regular bills, for the months affected, against the names of the individuals concerned. A counter remark that this has been done should be given on the Memoranda of Differences and Absentee Statement Forms (Annexure II-IV Chapter XII) of the supplementary bill or on the supplementary bill itself. All the entries and remarks made in connection with the passing of a supplementary claim should be checked and attested by the sub-head in-charge or Section Officer (Accounts) if he is directly incharge.)

9. Preservation of Records by Accounts office:

9.1 In cases where, due to factors such as protracted correspondence between the executive and the Accounts and the like, delay is apprehended in finalizing arrear claims within the period prescribed for preservation of the relevant records in the Accounts

Office, a specific request should be made to the Accounts Office concerned for preservation of the records.

**(Ref.: Board's letters No.E(5)58 CPC/PA/5 dated 19/7/69 and
E(G)83/LG1/49 dated 3.8.84)**

9.2. A proper record of all Court cases should be maintained and necessary advice sent to the Accounts Department in time for preservation of the paid vouchers.

**{Ref.: Board's letter Nos.E(G)93 AL1-14 dated 16/10/95,E(G)98 AL1/9 Pt. dated.
27.01.1999**

10. Time limit for submission of claims for Travelling Allowances:

- (a) Consequent upon issue of GFR 2017 (Rule 290), the claim of a Railway servant to Travelling Allowance/Daily Allowance on Tour/Transfer/Training/Journey on retirement is forfeited or deemed to have been relinquished if the claim for it is not preferred within 60 days succeeding the date of completion of journey;
- (b) In respect of journey performed separately by the officer & member of his family, the date should be reckoned separately for each journey and the claim shall be submitted within 60 days succeeding the date of completion of each individual journey. Similarly in respect of transportation of personal effects and conveyance, the claim shall be submitted within 60 days succeeding the date on which these are actually delivered to the Railway servant at the new station.
- (c) **The date of submission of claim**
 - (i) in case of officers who are their own controlling officer, shall be the date of presentation of the claim at the Cash section; and
 - (ii) in case of claims of officers who are not their own controlling officer, shall be the date of submission of the claim to the Head of office/Controlling officer. In such a case, if the claim is presented to the Cash section after a period of 60 days succeeding the date of completion of journey, date of submission of the claim will counted from the date when it was submitted by the Railway servant to the Head of

Office/Controlling Officer with in prescribe time limit of 60 days

- (d) A claim for travelling allowance which has been allowed to remain in abeyance for a period exceeding one year should be investigated by the Head of the Department (HOC) concerned. If the HOD is satisfied about the genuineness of the claim on the basis of the supportive documents and there are valid reasons for the delay in preferring the claims, the claims should be paid by the Drawing & Disbursing Officer or the Account Officers, as the case may be, after usual checks.

(Ref.:Railway Board's letter no F(E)I/2018/AL-28/29 dated 23.03.2018,
RBE no 44/2018)

11. Procedure to be applied in respect of payment of arrears due to the deceased Railway servant:

11.1 Pay and allowances of all kinds claimed on **behalf of the deceased** Railway servant may be paid without the production of the usual legal authority, under the orders of the Head of Office in which the Railway servant was employed at the time of his death, provided the Head of the Office is otherwise satisfied about the right of the claimant and the amount is less than Rs. 10,000/- Where the gross amount of the claim exceeds Rs. 10,000/- payment will be made by the head of the Office only on execution of an indemnity bond on form 1665-A, duly stamped for the gross amount due for payment, with such sureties as may be deemed necessary. The Head of the office may also arrange anticipatory payment of an amount not exceeding Rs.10,000/- Normally, two sureties both of known financial stability, should be secured, unless the gross amount is less than Rs.10,000/-. The authority accepting the indemnity bond in form G 1665-A for and on behalf of the President should decide on the merits of each case, whether to accept only one surety instead of two. The obligor as well as the sureties should have attained the age of legal majority so that the bond may have legal effect or force. The bond should also be accepted on behalf of the President by an officer duly authorized to do so under Article 299(1) of the Constitution.

11.2 The arrears referred to in this para include not only the pay and allowances due to the deceased Railway servant but other legitimate dues such as reimbursement of medical charges, fees, honorarium, refund of water tax, rent etc.

11.3 In case of any doubt, payment should be made only to the person(s) producing the legal authority.

(Ref.: Para 1665-A General Code Vol.I and amended vide correction slip No.164 of 11.8.69 and Board's letter No.E(G)83 AL 1/13 dated 11.8.89)

12. Reference to Railway Board:

12.1 Drawal of arrear claims otherwise than as permissible under the above provisions or provisions of Indian Railway Codes/Indian Railway Establishment Manual and specific instructions of Railway Board shall be referred to Railway Board for sanction.

12.2 Proposal for waiver of internal check on arrear claims with reference to paid vouchers, as provided for in para 1413 A-1, should be sent to Board in the prescribed format as circulated vide Board's letter No.E(G)91 AL1/21 dated 31/10/91.

{Ref.: Board's letter No.E(G)91 AL1/21 dated 31/10/91}

Prescribed format for forwarding proposals to Railway Board for waiver of internal check

-----Railway Annexure to letter No.-----dated-----

S.No	Name(s) of employees	Period for which payment without verification of paid vouchers is proposed	Amount involved	Nature of payment due	Reference to orders/rule under which payment is considered due	How has it been verified that the payment was not actually drawn	Reasons why Accounts officer was not advised to preserve the paid vouchers	Whether admissibility vetted by PFA and his verbatim comments	Responsibility fixed for non drawal of the payment when it had actually become due	Responsibility fixed for failure to advise Accounts office to preserve the records	Remarks, if any

-----General Manager
-----Railway

12.3 While forwarding proposals for sanction of investigation of arrear claims (e.g in cases beyond three years and where the amount of the claim exceeds Rs 10,000/-) and for waiver of internal check on paid vouchers, to Railway Board, it should be ensured by the Railways that all the relevant instructions on the subject have been strictly complied with.

12.4 To deal with the cases where alleged arrears include difference in pay due to promotion made with retrospective effect, attention is invited to Hon'ble Supreme Court's ruling, circulated vide Board's letter No. E(NG)/2002/PM1/16 dated 2/7/2003) to the effect that no arrears are to be paid where higher responsibility was not actually shouldered.

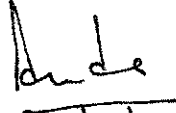
**(Authority: - Railway Board's letter No. E(G)2002 AL 1/5 dated 20.04.2004)
(E(G) 2009 AL1/16 dated. 06.01.2010)**

13. (i) While referring to this Master Circular, the original letters/references mentioned herein including the provisions in Chapter X of IREM should be read for a proper appreciation. This circular is only a consolidation of the existing instructions and should not be treated as a substitution of the original letters/references. In case of doubt, the original letters/references should be relied upon as authority;

(ii) The instructions contained in the original letters referred to, have only prospective effect unless indicated otherwise; and

(iii) If any letter having a bearing on the subject, which has not been superseded has been lost sight of in the preparation of the master circular, the said circular which has been missed through oversight, should not be ignored but should be treated as valid and operative.

Hindi version will follow..


11/9/19
(Anita Gautam)
Director Estt.(Genl)
Railway Board