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IN THE CENTRAL ADMINISTRATIVE TRIBUNAL
HYDERABAD BENCH : AT HYDERABAD

OA 1082/93.

Dt. of Order: 8-3-94.

Y.C.Ramasubbanna

...Applicant

Vs.

1. Union of India rep. by
Secretary to Govt., &
Director General, Dept., of
Posts, New Delhi.
2. The Chief Post Master General,
AP Circle, Hyd.
3. The Post Master General, A.P.,
Southern Region, Kurnool-518 005.
4. The Supdt., of Post Offices,
Kurnool-I.

...Respondents

Counsel for the Applicant : Shri K.S.R.Anjaneyulu

Counsel for the Respondents : Shri N.R.Devraj, Sr.CGSC

CORAM:

THE HON'BLE SHRI T.CHANDRASEKHAR REDDY : MEMBER (J)

....2.

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JUDGEMENT

(As per Hon'ble Sri T. Chandrasekhara Reddy, Member(J))

This is an application filed under Section 19 of the Administrative Tribunals Act, to direct the respondents to restrict the recovery of the amount from the applicant given to him towards House Building Advance at Rs.800/- per month and further to direct the respondents not to charge penal interest and to pass such other order or orders as may deem fit and proper in the circumstances of the case.

2. The applicant is working as HSG II Sub Postmaster, Yammiganur Postoffice, Kurnool District. He was granted House Building Advance of Rs.80,000/- at the rate of 10.5% interest per annum on the condition that the house should be completed within 18 months from the date of drawal of the first advance and the completion report should be submitted and recovery of the advance at the rate of Rs.800/- per month to commence immediately thereafter and if the applicant failed to construct the house before the stipulated date, the applicant was liable to pay penal interest of 2%.

3. The first instalment of Rs.40,000/- was drawn by the applicant on 24.3.1988 and the second instalment of Rs.40,000/- was drawn in March, 1989. The construction of the house was to commence from October, 1989 and recovery was to commence from October, 1989. Anyhow, the applicant could not complete the construction within the stipulated period i.e. 30.9.1989. As the applicant could not complete the construction of the house within the stipulated time, i.e. 30.9.1989, under the terms and conditions of the agreement entered with the respondents, he is liable to repay the entire outstanding advance with penal interest.

(27)

in one lumpsum. Accordingly, the applicant was directed to pay in one lumpsum Rs.82,717 representing Rs.45,600/- as the outstanding advance and Rs.37,117 towards interest and penal interest. However, the Superintendent of Postoffices Kurnool ordered recovery of outstanding amount in 51 instalments of Rs.1600/- each commencing from April,1993. It is the contention of the applicant that recovery of Rs.1600/- per month from his salary will cause hardship to him. According to the applicant, recovery of Rs.800/- p.m. as usual would be reasonable. The respondents have charged the penal interest for the amount advanced to the applicant for the construction of the house. According to the respondents, the collection of penal interest is illegal. So, the applicant has filed the present OA for the relief as already indicated above.

3. Counter is filed by the respondents opposing the OA.

4. Interest is collected from the applicant on the terms and conditions entered into by the applicant with the respondents at the time he borrowed HBA. It is not open to the applicant to rescind from the terms and conditions of the agreement with regard to payment of interest/penal interest. It is not in dispute that the applicant becomes liable to pay penal interest within the stipulated date. The stipulated date for construction of the house, as already pointed out, is 30.9.1989. So, as the construction is not completed by 30.9.1989, the respondents are justified in charging penal interest on the applicant as per the agreed terms and conditions. The applicant borrowed the said house building advance. So, the contention of the applicant that collection of penal interest from the applicant is illegal cannot be accepted. Hence, the prayer of the applicant for a direction to the

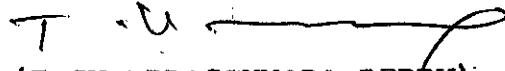
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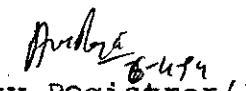
respondents not to charge penal interest cannot be granted. Hence, this prayer is liable to be rejected.

5. Mr KSR Anjaneyulu, Counsel for the applicant during the course of arguments submitted that the basic pay of the applicant is Rs.2000/- and collection of Rs.1600/- from the monthly salary of the applicant each month until the amount due to the respondents is discharged would cause hardship to the applicant. The applicant, who earns a basic pay of Rs.2000/- should be getting atleast Rs.2000/- towards DA. But the respondents in this case, have restricted the recovery of the amount at the rate of Rs.1600/- p.m. with effect from April 1993. It cannot be said that, recovery of the amount at the rate of Rs.1600/- p.m. in monthly instalments till the entire loan is discharged would workout any hardship to the applicant. The applicant is likely to retire on 30.6.1998. So, we see no basis in the applicant's prayer to restrict the recovery at Rs.800/- p.m.. Hence, this prayer of the applicant also is liable to be rejected.

6. For the above reasons, we see no merits in this OA and hence, this OA is dismissed. No costs.


(T.CHANDRASEKHARA REDDY)
Member (Judl.)

Dated: March 8, 1994


Deputy Registrar (J) CC

Dictated in the Open Court

To the Secretary to Govt. & Director General,
Dept. of Posts, New Delhi.

sk/mvl

2. The Chief Postmaster General, A.P.Circle, Hyd.
3. The Postmaster General, A.P.Southern Region, Kurnool.
4. The Superintendent of Post Offices, Kurnool-1.
5. One copy to Mr.K.S.R.Anjaneyulu, Advocate, CAT.Hyd.
6. One copy to Mr.N.R.Devraj, Sr.CGSC.CAT.Hyd.
7. One copy to Library, CAT.Hyd.
8. One spare copy.

pvm

TYPED BY

COMPARED BY

CHECKED BY

APPROVED BY

IN THE CENTRAL ADMINISTRATIVE TRIBUNAL
HYDERABAD BENCH AT HYDERABAD

THE HON'BLE MR. CHIEF JUDGE V. NEELADRI RAO
VICE CHAIRMAN

AND

THE HON'BLE MR. A. B. GORTHI : MEMBER(AD)

AND

THE HON'BLE MR. T. C. CHANDRASEKHAR REDDY
MEMBER(JUDL)

AND

THE HON'BLE MR. R. RANGARAJAN : M(ADMN)

Dated: 8-3-1994

~~ORDER~~ JUDGMENT

M.A/R.A./C.A/No.

in

O.A.No. 1082/93

T.A.No. (w.p.)

Admitted and Interim Directions
Issued.

Allowed.

Disposed of with ~~directions~~

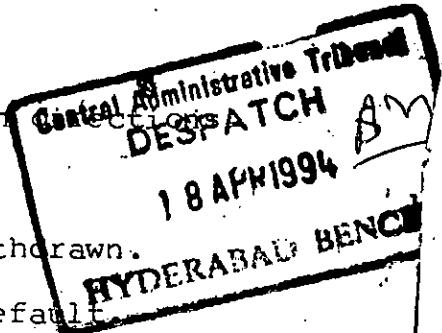
Dismissed.

Dismissed as withdrawn.

Dismissed for Default.

Rejected/Ordered.

No order as to costs.



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