

THE HON'BLE SRI JUSTICE M.SEETHARAMA MURTI

WRIT PETITION No.10215 of 2018

ORDER:

This Writ Petition, under Article 226 of the Constitution of India, is filed by the petitioners seeking verbatim the following relief/s:

“For the reasons stated in the accompanying affidavit, it is hereby prayed that this Hon’ble Court may be pleased to issue Writ, order or direction more particularly one in the nature of Writ of Mandamus declaring the action of the 3rd and 4th respondents in rejecting the claim of the petitioner for discharge of the National Saving Certificates and premature encashment of the NSC vide proceedings No.L/CC/Genl, at proddatur - 516360 dated 14.03.2018 is illegal, arbitrary and in violation of Articles 14 and 21 of the Constitution of India and consequently direct the respondents 3rd and 4th to pay the value of the National Saving Certificates vide postal N.S.C Bonds 49EF 215093 to 49 EF 215100 (08 Nos X Rs.10,000=Rs. 80,000/-), 49EF 216101 to 49EF 216162 (62 Nos X Rs.10,000 = Rs. 6,20,000/-) in favour of the Petitioner with interest, and pass such other order or orders as this Hon’ble Court may deem fit and proper in the interest of justice.”

2. I have heard the submissions of Sri *J.M.Naidu*, learned counsel appearing for the petitioner, and of Sri *K.Lakshman*, learned Assistant Solicitor General, appearing for the respondents 1, 3 & 4, and of the learned Government Pleader for Mines and Geology (A.P.), appearing for the 2nd respondent. I have perused the material record.

3. The facts discernible from the pleadings and submissions made by both sides, in brief, are as follows: The 2nd respondent granted a quarry lease for Marble and Road Metal to the petitioner. The petitioner was required to make a security deposit. She obtained National Saving Certificate (NSC) bonds (subject bonds)

from the 4th respondent Post Office and pledged them. Subsequently, after the quarry lease is over, the bonds were released from pledge. Therefore, she was permitted to encash the NSC bonds. Therefore, a request was made for discharge of the NSC bonds prematurely. Pursuant to the said request, the Superintendent of Post Offices, Prodtur, Kadapa District/3rd respondent herein, addressed a letter to the Sub-Post Master, Moddunur Sub Office, Kadapa District/4th respondent herein, stating that the request cannot be considered, as NSC bonds cannot be discharged prematurely though there is a direction to release the pledge as per the orders contained in letter No.110/GOL/2013, dated 28.02.2018, of the Assistant Director of Mines & Geology, Yerraguntla, Kadapa District. Therefore, the present writ petition is filed.'

4. The only question, therefore, is whether a direction can be given for premature discharge of the NSC bonds.

5. Learned counsel for the petitioner draws the attention of this Court to Rule 19, which deals with encashment of NSC bonds. The said Rule reads as under:

"RULE 19. WHEN ENCASHABLE

- 1) **Except as provided in sub-rule (2), a National Saving Certificate, 1965, (First Issue) may be encashed at any time after the expiry of the period of two years from the date of issue.**
- 2) **A Certificate may be encashed before its period of non-encashability under a circumstances, namely:-**
 - a) **On the death of the holder or both the holders in the case of a joint holding;**

- b) **On forfeiture by a pledge being a gazette Government officer, where the pledge is in provision of these rule;**
- c) **When the certificate has been issued in contravention of these rules; and**
- d) **When ordered by a court of law.”**

6. As per the Rule, a certificate may be encashed before its period of non-encashability under certain circumstances including the present circumstance, in the considered view of this Court.

7. However, learned Assistant Solicitor General appearing for the respondents 1, 3 & 4 opposed for granting a direction for premature encashment. However, in view of the earlier facts and Rule position, in the considered view of this Court, the petitioner is entitled to the relief claimed.

8. Having regard to the facts and submissions and on the above analysis, the Writ Petition is allowed, as prayed for. There shall be no order as to costs.

Miscellaneous Petitions, if any, pending in this Writ Petition shall stand closed.

M.SEETHARAMA MURTI, J

Date: 26th April, 2018

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