

THE HON'BLE SRI JUSTICE ABHINAND KUMAR SHAVILI

WRIT PETITION No. 27742 of 2005

ORDER:

This writ petition is filed seeking Writ of *Mandamus* declaring the action of the first and second respondents in imposing penal interest @ 24% P.A., against the petitioner and consequently to declare the Order No.P1/8 (SHBA)/(1)/05-KR-II, dated 01-09-2005, as illegal and arbitrary and to set aside the same with all consequential benefits.

Heard Sri P.Govinda Rajulu, learned counsel for the petitioner, Sri A. Ravi Babu, learned Standing Counsel for the respondents 2 and 3 and Sri G.Praveen, learned Standing Counsel for the first respondent.

It is contended by the petitioner that he is an employee of APSRTC and he had availed the housing loan from the second respondent and the third respondent, who is the Deputy Executive Engineer of the respondent-Corporation recommended his case for granting of housing loan. Accordingly, the second respondent had sanctioned a loan of Rs.1,50,000/- for construction of the house. He had constructed the house by availing the loan. He is paying the loan amount from the date of sanction. However, a complaint of misuse of housing loan had been received by the second respondent and the second respondent had entrusted the same to the Vigilance Wing of the respondent-Corporation and after submission of the report from the Vigilance Department, the

second respondent had issued a charge sheet on 13.5.2005 and after conducting detailed enquiry, the 2nd respondent had issued orders dated 1.9.2005 imposing the penal interest @ 24% per annum as a measure of punishment. Challenging the same, this writ petition is filed.

Learned counsel for the petitioner would contend that the second respondent cannot impose any punishment which is not specified in the Regulations of the Corporation. Admittedly, imposition of 24% P.A., penal interest on the housing loan is not one of the specified punishments in the Regulations.

Learned Standing Counsel appearing for the second respondent would contend that the second respondent is the disbursing officer of the housing loan and he has got every power to impose any punishment in default of loan amount and no interference is called for with the impugned orders.

This Court, having considered the rival submissions of both the parties, is of the considered view that this Court in W.P.No.25328 of 1997, dated 27.2.2007 had held that the respondents cannot impose any punishment which has not been specified in the Regulations. Admittedly, the imposition of penal interest at the rate of 24% P.A., on the housing loan has not been specified as one of the punishments in the Regulations. Since the punishment of imposition of 24% penal interest on the housing loan is not one of the punishments specified in the Regulations, the 2nd respondent ought not to have imposed such punishment as a measure of disciplinary proceedings *vide* impugned orders dated 1-9-2005. Therefore, the impugned orders dated 1.9.2005 are liable to be set aside and the same are set aside.

The writ petition is allowed accordingly.

Miscellaneous petitions pending if any, shall stand closed.

No order as to costs.

ABHINAND KUMAR SHAVILI

Date:12/09/2018

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