

HON'BLE SRI JUSTICE ABHINAND KUMAR SHAVILI

WRIT PETITION No. 17473 of 2004

ORDER:

The petitioner was appointed in the respondents-corporation on 02.06.1975 as a cleaner. In the year, 1977, he was promoted as Helper and later as Painter in the month of October, 1977. In the year 1982, he was posted as Driver as he possessed driving licence. While so, in the month of March, 1995, the petitioner was terminated from service. Thereafter, the petitioner preferred a review petition and respondent No.2 allowed the same reinstating him with continuity of service. However, while the petitioner was working in respondent No.3 depot, he was referred to Medical Board on 05.11.2003 and the Board, declared him as unfit to the post of A-1 category. Accordingly, on 06.11.2003 the petitioner retired from service on medical grounds. The petitioner while in service obtained house building advance to a sum of Rs.87,500/- vide agreement dated 18.11.1989. According to the petitioner, the petitioner has to pay the principal amount of Rs.35,500/- and the interest accrued as on the date of medical retirement i.e., on 05.12.2003 is Rs.40,000/-. The total amount to be deducted is Rs.75,500/-. But the respondents corporation contrary to the terms and conditions of the agreement, erroneously deducted Rs.1,57,000/- from the petitioner's terminal benefits. Further, the respondents-corporation is liable to pay the terminal benefits to the retired employee within two months from the date of retirement. But, the respondents-corporation paid the terminal benefits to the petitioner on 23.07.2004 i.e., beyond two months from the date of his retirement on 05.11.2003.

2. The grievance of the petitioner is that the respondents-corporation arbitrarily and erroneously calculated the house loan advance interest till 23.07.2004 instead of 06.11.2003 and recovered excess amount of Rs.69,000/- and hence, he filed the present writ petition seeking a *Mandamus* declaring the said action of the respondents as illegal and arbitrary and to direct the respondents to refund the excess interest amount to him.

3. Heard Sri G.Ravi Mohan, learned counsel for the petitioner and Sri A.Ravi Babu, learned Standing Counsel for respondents-corporation.

4. The learned counsel for the petitioner submitted that the petitioner while in service, obtained house building advance amount of Rs.87,500/- and he repaid the total principal loan amount and he paid the interest on the loan amount regularly without any default. The petitioner retired from service on 05.11.2003. The corporation settled the retiral benefits beyond two months of his retirement and deducted exorbitant amount of Rs.69,000/- by calculating the interest on house loan advance till 23.07.2004 instead of 06.11.2003 which is illegal and arbitrary. Therefore, the petitioner is entitled for refund of the excess amount of Rs.69,000/-.

5. The learned Standing Counsel for respondents-corporation contended that the petitioner committed default in paying the house loan instalments from 1995 till February, 2005 and accordingly, penal interest was levied on the loan amount and that the corporation authorities have rightly calculated the interest amount and deducted the outstanding amount of Rs.69,000/- from the retiral benefits of the petitioner and that there is no illegality committed by the corporation calling interference of this court under Article 226 of the Constitution of India.

6. Perused the material on record.

7. There is no dispute that while the petitioner was in service, he paid the principal amount of house building advance of Rs.87,500/- which was sanctioned on 07.11.1988 and that after payment of the principal amount, the petitioner also paid some part of the interest amount. Now the dispute is with regard to calculation of interest on the loan amount for the period beyond his retirement. Obviously, the respondents-corporation has to settle all the retiral benefits within two months from the date of retirement of the petitioner, but, they paid the same on 23.07.2004 instead of 06.11.2003. Till payment of retiral benefits, the corporation calculated and deducted the interest amount from the petitioner, which is not justified on the part of the respondents corporation. Hence, this court is of the opinion that ends of justice would be met if the respondents are directed to calculate the interest till 05.11.2003 and pay the balance amount to the petitioner after calculating the terminal benefits due and payable to him, within four (04) months from the date of receipt of a copy of the order.

8. With the above observations, the writ petition is disposed of. No costs.

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

10<sup>th</sup> September, 2018  
MjI/\*

ABHINAND KUMAR SHAVILI, J