



WA NO. 1636 OF 2025

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2025:KER:60445

C.R.

IN THE HIGH COURT OF KERALA AT ERNAKULAM

PRESENT

THE HONOURABLE MR.JUSTICE SUSHRUT ARVIND DHARMADHIKARI

&

THE HONOURABLE MR. JUSTICE SYAM KUMAR V.M.

THURSDAY, THE 14TH DAY OF AUGUST 2025 / 23RD SRAVANA, 1947

WA NO. 1636 OF 2025

AGAINST THE JUDGMENT DATED 05.09.2024 IN WP(C) NO.23639 OF 2017 OF HIGH
COURT OF KERALA

APPELLANT/S:

- 1 UNION OF INDIA
REPRESENTED BY THE SECRETARY, MINISTRY OF COMMUNICATIONS AND
INFORMATION TECHNOLOGY, LODHI ROAD, NEW DELHI, PIN - 110003
- 2 THE SENIOR POST MASTER
ERNAKULAM HEAD POST OFFICE, HOSPITAL ROAD, ERNAKULAM, PIN - 682011
- 3 THE POST MASTER GENERAL
OFFICE OF THE POST MASTER GENERAL, ERNAKULAM NORTH, ERNAKULAM,
PIN - 682018

BY ADV SHRI.JAISHANKAR V.NAIR, SENIOR PANEL COUNSEL
ADV MS CHRISTY THERESA SURESH

RESPONDENT/S:

- 1 MRS. FAREEDA SUKHA RAFIQ
W/O. FAHD KORAMBAYIL, AGED 29 YEARS, RESIDING AT KORAMBAYIL HOUSE,
HILLTOP, PANDIKKAD ROAD, MANJERI, PIN - 676122
- 2 DR. SHABNAM JAMEELA RAFIQ
W/O.DR.ARAFATH MUHAMMED HARIS, RESIDING AT 40/1140, T.D.ROAD,
ERNAKULAM, PIN - 682011



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3 MRS. AMEENA RAFIQ
 W/O.DR.RAFIQ MOHAMED, AGED 53 YEARS, RESIDING AT 40/1140 T.D.ROAD,
 ERNAKULAM, COCHIN, PIN - 682011

 BY ADVS. MR SIDDARTH
 SMT.LATHA ANAND
 SRI.M.N.RADHAKRISHNA MENON
 SRI.S.VISHNU (ARIKKATTIL)

 THIS WRIT APPEAL HAVING RESERVED ON 05.08.2025, THE COURT ON 14.08.2025
DELIVERED THE FOLLOWING:



JUDGMENT

“C.R.”

Sushrut Arvind Dharmadhikari, J.

Heard C.M. Appln No.1 of 2025 for condonation of delay. The appeal has been filed with a delay of 271 days. Having perused the reasons stated in the affidavit filed in support of the application to condone the delay, we are satisfied that sufficient cause has been made out to condone the delay. Hence, delay is condoned and the appeal is heard finally.

2. The present intra-Court Appeal under Section 5 of the Kerala High Court Act 1958 assails the judgment dated 05.09.2024 passed in W.P.(C) No.23639/2017 whereby the learned Single Judge allowed the writ petition by quashing the proceedings at Ext.P4 and directing the appellants herein to credit the amount of Rs.6,87,021/- to the accounts of the respondents herein with interest, as applicable under the Public Provident Fund Act 1968 (for short, 'Act 1968').



Facts:

3. The appellant Nos. 1 to 3 are the respondent Nos. 1 to 3 in the writ petition, whereas the respondent Nos. 1 to 3 are the petitioners in the writ petition.

4. The brief facts of the case are that the third respondent is the mother of the first and second respondents herein. The third respondent had opened a PPF Account No.821 with the second appellant Post Office. Separate accounts were also opened in the names of the first and second respondents, being minors, which were numbered as PPF Account Nos. 822 and 823. Remittances were made in the afore-mentioned PPF Accounts. The first respondent attained the age of majority on 24.12.2005, whereas the second respondent attained the age of majority on 26.09.2007.

4.1 Thereafter, the amounts lying in the PPF Accounts were not withdrawn even after the first and second respondents attained the age of majority, but continued to deposit the amount from time to



time. It is only in the year 2017, when the second appellant issued a communication dated 29.06.2017 addressed to the third respondent informing that the amounts deposited in the afore three accounts, taken together, would exceed the limit prescribed under the Public Provident Fund Scheme 1968 (for short, 'Scheme 1968') since the first and second respondents were minor. On this ground, an amount of Rs. 6,87,021/- towards accrued interest credit in the three PPF Accounts put together was appropriated by the second appellant.

4.2 Being aggrieved with such appropriation, the respondents herein filed the Writ Petition seeking the following reliefs:

- "i) Issue appropriate writ, order or direction calling for the records relating to the PPF Account of the petitioners;
- ii) Direct the respondents to credit an amount of Rs. 6,87,021/- to the accounts of the petitioners with interest from the date of debit till the date of credit;
- iii) Direct the respondents to credit the amount of Rs. 6,87,021/- to the accounts of the petitioners forthwith, pending disposal of this writ petition.



iv) To grant such other reliefs that may be sought for and deemed just and fit in view of the facts and circumstances of this case."

4.3 The learned Single Judge allowed the Writ Petition. The operative portion of the judgment reads as follows:

"15. However, it is to be noticed that the 2nd respondent has taken steps against the petitioners only in the year 2017. As already noticed, the petitioners 1 and 2 have already attained majority during 2005 and 2007. They were continuing with the PPF accounts and making periodical deposits, as afore noticed. So much so, in my considered opinion, the reference to the provisions under Rule 3(1) of the Scheme, relied on by the learned counsel for the respondents, would not be apposite.

16. On the other hand, the provisions of the Post Office Savings Accounts Rules, 1981, speak about starting a "savings account". Even as regards a savings account, the same can be started on behalf of a major as well as on behalf of a minor. It is true that the said Rules only apply as regards the savings account. However, a reference to the said Rules also gives an idea as regards the nature of opening an account with the Post Offices.

17. Furthermore, it is to be noticed that the Central Government had been promoting the starting of various accounts in the name of minors, and that is why such beneficial schemes were being introduced by the



Central Government like the PPF Scheme, wherein separate accounts can be opened by a major in the name of his/her minor children. In such circumstances, the restrictive interpretation being adopted to the application of the limit prescribed with reference to yearly deposits by clubbing the accounts together is incorrect, especially when it is admitted that the children have already attained majority at least a decade earlier to the issue of Ext.P4.

In such circumstances, I find no reason to sustain the proceedings at Ext.P4. The same is hereby quashed. There will be a direction to the respondents herein to credit the amount of Rs. 6,87,021/- (Rupees Six lakhs eighty seven thousand and twenty one only) to the accounts of the petitioners herein with interest, as applicable under the PPF Act."

Appellants' submission:

5. Ms Cristy, learned Counsel appearing on behalf of the appellants, contended that the learned Single Judge was wrong in allowing the writ petition, overlooking the fact that the amount appropriated is for the period up to 2005 and 2007, when the first and the second respondents attained the age of majority, respectively. Thereafter, the interest on deposits has been credited to their respective accounts and has not been forfeited. Allowing the Writ



Petition would set a dangerous precedent, encouraging other depositors to open multiple accounts and bypass statutory limits and later claim interest, despite the breach. This would lead to systematic abuse of the provisions of Scheme 1968, endangering financial discipline, since the amount paid towards interest is, after all, public money and such unjust enrichment, *de hors* the Rules, cannot be permitted.

5.1 Further, it is argued that it was the duty of the respondents to inform the Postal Department of the minors attaining the age of majority, since, as per the Rules, the accounts are to be converted into individual accounts from the guardianship account. The prolonged operation of the accounts in violation of the statutory ceiling does not create any vested right or equity in favour of the respondents. It is a settled principle that there can be no estoppel against a Statute. Having willfully violated the prescribed ceiling, the respondents cannot now be permitted to reap the benefits of such



violation. In view of the aforementioned as well as the provisions of the Act and the Rules, the direction to re-credit the amount to the accounts of the respondents with interest needs to be set aside.

Respondents' submission:

6. *Per contra*, the learned Counsel appearing for the respondents herein opposed the prayers and submitted that the deposits were made by the respondents with specific reference to the provisions of the Scheme 1968, referring to Rule 2(a) of the Scheme to point out that the PPF Account is covered by the said Scheme.

6.1 It is further submitted that as per Rule 3(1) of Scheme 1968, an individual is permitted to operate or start an account in his/her name as well as in the name of his/her minor children in the status of '*guardian*'. Section 4 of the Act 1968 also recognises the right of an individual to start an individual account as well as a representative account in the name of the minor children.

6.2 Furthermore, it is pointed out that the respondents have



not withdrawn the deposits or closed the accounts till 2017, when action for appropriation was taken by the appellants. It is the mistake of the appellants not to correct the accounts in time, and as such, there is a huge delay of about ten years. Therefore, the appellants could not have appropriated the account at such a later stage. The judgment passed by the learned Single Judge needs no interference, and the Writ Appeal deserves to be dismissed.

Discussion and Analysis:

7. Heard Ms Christy Theresa Suresh, learned Counsel holding for Mr Jaishankar V Nair, learned Central Government Counsel for the appellants, and Mr Siddarth, learned Counsel holding for Ms Latha Anand, learned Counsel appearing for Respondent Nos. 1 to 3, and perused the records.

8. It is an admitted position that the third respondent opened three PPF Accounts, one in her name and the other two in the names of the first and the second respondents, respectively, on 22.03.1999. Rule 3



of Scheme 1968 provides the limit of deposit of Rs. 1 lakh in a year by an individual in his/her self-account and accounts opened by him/her on behalf of minor(s) of whom he/she is the guardian, is combined under Rule 3(1) of the Scheme. The limit has been enhanced from time to time. Thus, as per Rule 3, the excess deposits made into these minor accounts, during the period till the minors attained the age of majority, will be taken as the deposits made by the third respondent, which violates the limit prescribed under Rule 3 of the Scheme 1968.

9. Rule 3 of Scheme 1968 and its Clarification are reproduced below:

"3. Limit of subscription:-

(1) Any individual may, on his own behalf or on behalf of a minor of whom he is the guardian, subscribe to the Public Provident Fund (thereafter referred to as the fund) any amount not less than Rs. 500/- and not more than Rs. 1,50,000/- in a year.

.....

Clarifications

(1)

(2)



(3) The limit of deposit of 1,00,000 in a year by an individual in his self-account and accounts opened by him on behalf of his minor(s) of whom he is the guardian is combined under rule 3 (1) of the Scheme. This limit is separate for accounts opened by the HUF or an association of persons or body of individuals vide rule 3 (2) of the scheme."

9.1 Sections 3 and 4 of the Public Provident Fund Act 1968 read as follows:

"3. Public Provident Fund Scheme.-

(1) The Central Government may, by notification in the Official Gazette, frame a scheme to be called the Public Provident Fund Scheme for the establishment of a provident fund for the general public and there shall be established, as soon as may be after the framing of the Scheme, a Fund in accordance with the provisions of this Act and the Scheme.

(2) Subject to the provisions of this Act, the Scheme may provide for all or any of the matters specified in the Schedule.

(3) The Scheme shall have effect notwithstanding anything contained in any law for the time being in force other than this Act or in any instrument having effect by virtue of any law other than this Act.

(4) The Central Government may, from time to time, by notification in the Official Gazette, add to, amend or vary the Scheme.

4. Subscriptions to Fund.-

Any individual may, on his own behalf or on behalf of a minor, of whom he is the guardian, subscribe to the Fund in such manner and subject to



such maximum and minimum limits as may be specified in the Scheme."

10. The detailed tabulation of the calculation of the excess deposits and interest, as was shown in the Statement in W.P.(C) No.23639/2017, is extracted below:

PPF A/c No.0652568019 (old A/c No.822) Minor attained majority on 24.12.2005 [the first respondent]			
Sl. No.	Date	Deposits	Interest Paid
1	20.03.2002	60000	
2	25.03.2003	70000	
3	23.03.2004	70000	
4	15.03.2005	50000	
5	16.03.2005	20000	
Total		270000	296915

PPF A/c No.0652568028 (old A/c No.823) Minor attained majority on 26.09.2007 [the second respondent]			
Sl. No.	Date	Deposits	Interest Paid
1	20.03.2002	60000	
2	25.03.2003	70000	
3	23.03.2004	70000	
4	15.03.2005	50000	
5	16.03.2005	20000	
6	22.03.2006	50000	
7	23.06.2006	20000	
8	23.03.2007	40000	



9	24.03.2007	30000	
Total		410000	390106

11. Thus, from the above, it is seen that the total interest accrued in the minor accounts till the respective dates as shown above, *i.e.*, till the date of attaining majority, is the only amount that is forfeited, *viz.* Rs.6,87,021/-. Thereafter, the accounts continued to be operated, and contributions were made for which interest had already been paid regularly to the respondents by the appellants. The appellants have no objection to the interest paid after attaining the age of majority, and there is no dispute. The period for which interest is forfeited, in respect of the first respondent, is with effect from 20.03.2002 to 16.03.2005, whereas in respect of the second respondent, it is with effect from 20.03.2002 to 24.03.2007.

12. As per Scheme 1968, if the mother operates the account of minor children and deposits the amount, the amount deposited in all three accounts taken together will be clubbed for the limit prescribed



under the Scheme from time to time.

12.1 From the above charts, it can be seen that every year, certain limits have been crossed. However, the said discrepancy could not be noticed by the appellants herein till it was pointed out in the internal audit in the year 2017. Such payment of excess interest would amount to unjust enrichment, and the same would be a burden on the public exchequer.

Conclusion:

13. The learned Single Judge has not considered the facts that the appellants have appropriated the interest amount only for the period till the first and the second respondents attained majority as per the Act as well as the Rules; the amount deposited is to be clubbed together; and the excess contribution cannot be deposited beyond the prescribed limits. Hence, the appellants have rightly appropriated the amount of Rs. 6,87,021/- from the accounts concerned. The learned



Single Judge failed to consider these aspects and allowed the writ petition. Accordingly, the judgment passed by the learned Single Judge cannot be countenanced.

Result:

As a result, the judgment dated 05.09.2024 in W.P.(C) No. 23639/2017 is hereby set aside. The appellants herein are free to recover the excess amount of interest paid, *i.e.*, Rs. 6,87,021/-, from the accounts of the respondents if not already recovered or appropriated.

Writ Appeal is allowed. No order as to costs.

Sd/-

SUSHRUT ARVIND DHARMADHIKARI

JUDGE

Sd/-

SYAM KUMAR V.M.

JUDGE