

IN THE HIGH COURT OF KERALA AT ERNAKULAM

PRESENT:

**THE HONOURABLE THE CHIEF JUSTICE MR.ASHOK BHUSHAN
&
THE HONOURABLE MR.JUSTICE A.M.SHAFFIQUE**

MONDAY, THE 22ND DAY OF JUNE 2015/1ST ASHADHA, 1937

WA.No. 1138 of 2015 ()

(AGAINST THE ORDER IN WP(C).NO. 14448/2015 DATED 12-05-2015)

APPELLANT(S)/RESPONDENTS:

- 1. STATE BANK OF INDIA,
REGIONAL BUSINESS OFFICE, ROBINSON ROAD,
PALAKKAD - 679 503,
REPRESENTED BY ITS REGIONAL MANAGER.**
- 2. THE AUTHORIZED OFFICER,
STATE BANK OF INDIA, REGIONAL BUSINESS OFFICE,
ROBINSON ROAD, PALAKKAD - 679 503.**

BY ADV. SRI.S.EASWARAN

RESPONDENT/PETITIONER:

**T.AZEEZ,S/O.ALI, AGED 47 YEARS,
RESIDING AT THOTTOLI HOUSE, J.N.ROAD,
PERINTHALMANNA P.O., MALAPPURAM DISTRICT-679 322.**

BY ADV. SRI.U.K.DEVIDAS

**THIS WRIT APPEAL HAVING COME UP FOR ADMISSION
ON 22-06-2015, ALONG WITH WPC.NO. 14448/2015, THE COURT
ON THE SAME DAY DELIVERED THE FOLLOWING:**

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ASHOK BHUSHAN, CJ

&

A.M. SHAFFIQUE, J.

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W.P (C) No. 14448 of 2015

&

W.A. No.1138 of 2015

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Dated this, the 22nd day of June, 2015

J U D G M E N T

Ashok Bhushan, CJ

Writ appeal has been filed against the interim order dated 12th of May, 2015 passed in W.P (C) No.14448/2015. The interim order passed by the learned Single Judge is to the following effect;

“Admit. Standing Counsel takes notice.

If the petitioner pays Rs.1,58,35,000/-, as ordered in Ext.P3, on or before 15.6.2015, all coercive steps against the petitioner shall be kept in abeyance.”

2. The writ petition was filed by the petitioner challenging Ext.P5 notice which was issued by Advocate Commissioner informing inspection of the scheduled property in pursuance of the proceedings before the Chief Judicial Magistrate under Section 14 of the SARFAESI Act, 2002. Petitioner had committed default. Consequently, proceedings under SARFAESI Act, 2002 were issued. Petitioner challenged the proceeding before the Debts

W.P(C) No.14448/2015

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Recovery Tribunal by filing SA No.196/2014. In the National Lok Adalath, a compromise was entered into between the Bank and the petitioner and consequently award was passed on 6/12/2014 laying down the terms and conditions under which the petitioner shall pay the amount. Admittedly, default was committed by the petitioner in not complying with the terms of the compromise. Proceedings which were pending before the Chief Judicial Magistrate Court under Section 14 were kept in abeyance in view of the terms of compromise. However, when default was committed, proceedings were again pursued by issuing a notice by Advocate Commissioner to inspect the scheduled property. At that juncture, the writ petition was filed in which prayer was made to quash Ext.P5 notice.

3. Learned counsel for the Bank submits that the settlement being not under challenge, there was no occasion to grant any interim order. He submits that petitioner was bound by the compromise which could not have been challenged by him. He submits that the Apex Court in ***P.T.Thomas v. Thomas Job*** [(2005) 6 SCC 478] has laid down the following in para 23;

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"23. The High Court of Andhra Pradesh held that, in Board of Trustees of the Port of Visakhapatnam v. Presiding Officer, Permanent, Lok Adalat-cum-Secy., District Legal Services Authority the award is enforceable as a decree and it is final. On all fours, the endeavour is only to see that the disputes are narrowed down and make the final settlement so that the parties are not again driven to further litigation or any dispute. Though the award of a Lok Adalat is not a result of a contest on merits just as a regular suit by a court in a regular trial is, however, it is as equal and on a par with a decree on compromise and will have the same binding effect and be conclusive. Just as the decree passed on compromise cannot be challenged in a regular appeal, the award of the Lok Adalat, being akin to the same, cannot be challenged by any of the regular remedies available under law, including by invoking Article 226 of the Constitution and challenging the correctness of the award, on any ground. Judicial review cannot be invoked in such awards, especially on the grounds as were raised in the revision petition."

4. After having heard the learned counsel for the parties, we are of the view that there being a settlement in the Lok Adalath, petitioner was bound to follow the terms and conditions of the settlement. Petitioner could not maintain a writ petition

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challenging the consequential action, that is, notice issued by the Advocate Commissioner for inspecting the scheduled property. The settlement having not been honoured, it was open for the Bank to proceed further with Section 14 proceedings. We are thus of the view that the interim order deserves to be set aside and the writ petition filed by the petitioner be dismissed.

In the result, writ appeal is allowed and interim order dated 12th of May, 2015 is set aside. Writ petition is dismissed. We, however, make it clear that the dismissal of the writ petition shall not preclude the petitioner to approach the Bank for any relief.

Sd/-

ASHOK BHUSHAN, CHIEF JUSTICE

Sd/-

A.M. SHAFFIQUE, JUDGE

Rp

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PS to Judge