

**In the High Court of Judicature at Hyderabad
for the State of Telangana and the State of Andhra
Pradesh**

Writ Petition No.1280 of 2011

Between:

M/s.Sri Sai Poultry & Feed Mixing Plant,
rep. by its Sole Proprietor
N.Sudhakar

... Petitioner

and

–
Andhra Pradesh State Financial Corporation,
rep. by its Managing Director,
Hyderabad and 2 others.

...Respondents

Date of Judgment Pronounced: 10-09-2015

Submitted for Approval:

The Hon'ble Sri Justice C.V.Nagarjuna Reddy

1. Whether Reporters of Local newspapers
Yes/No
may be allowed to see the judgments ?
2. Whether the copies of judgment may be
Yes/No
marked to Law Reporters/Journals
3. Whether Their Ladyship/Lordship wish to
Yes/No
see the fair copy of the Judgment ?

*** The Hon'ble Sri Justice C.V.Nagarjuna Reddy**

+ Writ Petition No.1280 of 2011

% Dated 10.09.2015

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**! Counsel for the Petitioner: Mr.Ram Mohan Reddy for
Mr.S.Satyam Reddy**

**^ Counsel for the respondents:Mr.Y.N.Vivekananda for
Mr.Y.N.Lohitha**

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**? Cases cited:
NIL**

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**Counsel for the Petitioner: Mr.Ram Mohan Reddy for
Mr.S.Satyam Reddy**

**Counsel for the respondents:Mr.Y.N.Vivekananda for
Mr.Y.N.Lohitha**

The Court made the following:

Order:

This Writ Petition is filed for a Mandamus to set aside award, dated 23-12-2010, in Permanent Lok Adalat Case No.5 of 2009 on the file of the Permanent Lok Adalat, Karimnagar.

The petitioner has obtained loan from respondent No.1 for a sum of Rs.4,24,000/- in the year 2006 for starting the poultry business. As the petitioner, allegedly, failed to repay a part of the loan amount, respondent Nos.1 and 2 started demanding payment. The petitioner has approached the Permanent Lok Adalat, Karimnagar, for settlement of the dispute. After inviting counter-affidavit, the Permanent Lok Adalat

has suggested to the petitioner to pay Rs.4 lakhs in one lumpsum and respondent Nos.1 and 2 to waive the balance amount. After the case was adjourned by the Permanent Lok Adalat, the petitioner approached respondent Nos.1 and 2 with a request to receive a sum of Rs.1,42,000/- as full and final settlement of the loan amount. While declining the said request, respondent No.1 has resolved *vide* its minutes, dated 15-09-2010, that the petitioner shall pay a sum of Rs.4 lakhs towards full and final settlement of the dispute within one month. On 26-10-2010, the petitioner appeared before the Permanent Lok Adalat and expressed its readiness to pay a sum of Rs.2 lakhs towards full and final settlement. As the petitioner was not ready to pay even the said amount, the Permanent Lok Adalat has dismissed the PLA Case with liberty to the petitioner to approach the competent Court of law for appropriate reliefs and with the direction to respondent No.1 not to finalise the sale till 31.01.2011.

Thereafter, the petitioner has filed this Writ Petition and this Court, *vide* interim order, dated

28-01-2011, restrained respondent Nos.1 and 2 from initiating steps for recovery of loan arrears from the petitioner subject to its depositing a sum of Rs.2,50,000/- within four weeks.

At the hearing, Mr.Ram Mohan Reddy, learned Counsel representing Mr.S.Satyam Reddy, learned Counsel for the petitioner, submitted that there is a serious dispute regarding the quantum of the outstanding loan amount payable by the petitioner.

Mr.Y.Vivekananda, learned Counsel representing Mr.Y.N.Lohitha, learned Standing Counsel for the Andhra Pradesh State Financial Corporation, submitted that as on today, the petitioner is liable to pay a sum of Rs.7 lakhs.

The scope of this Writ Petition is confined to the legality or otherwise of award, dated 23-12-2010, in PLA Case No.5 of 2009. In the counter-affidavit, respondent Nos.1 and 2 have pleaded that the petitioner filed the PLA Case under Section 22B of the Legal Services Authorities Act, 1987 (for short 'the Act'), to settle the dispute between itself

and respondent Nos.1 and 2; that they are not covered by the definition of 'Public Utility Service' under Section 22A (b) of the Act, and that therefore, the Permanent Lok Adalat, Karimnagar, has no jurisdiction to entertain the dispute. No reply-affidavit is filed controverting this plea taken in the counter-affidavit.

Section 22 A (b) of the Act defined 'Public Utility Service' as under:

“(b) "public utility service" means any—
 (i) transport service for the carriage of passengers or goods by air, road or water; or
 (ii) postal, telegraph or telephone service; or
 (iii) supply of power, light or water to the public by any establishment; or
 (iv) system of public conservancy or sanitation; or
 (v) service in hospital or dispensary; or
 (vi) insurance service, and includes any service which the Central Government or the State Government, as the case may be, may, in the public interest, by notification, declare to be a public utility service for the purposes of this Chapter.”

From the above-reproduced definition, it is

clear that respondent No.1, which is the State Financial Corporation, is not included in sub-clauses (i) to (vi) of Clause (b). Unless the Central Government or the State Government as the case may be, issues a notification by declaring that the State Financial Corporation is brought under the definition of Public Utility Service, it is not amenable to the jurisdiction of the Permanent Lok Adalat. Therefore, I find merit in the plea taken by respondent No.1 that the Permanent Lok Adalat ought not to have entertained the petition filed by the petitioner. At any rate, the Permanent Lok Adalat has not committed any jurisdictional error in relegating the petitioner to the common law remedies as it could not succeed in convincing both the parties to arrive at the settlement. As the dispute between the parties is confined only to the quantum and not to the liability of the petitioner to repay the loan amount, it is a fit case for the petitioner to approach the competent civil Court for adjudication of the same.

Subject to the observations made herein before, the Writ Petition is dismissed.

As a sequel to dismissal of the Writ Petition,
interim order, dated 28-01-2011, is vacated and
WVMP.No.579 of 2012 in/& WPMP.No.1563 of
2011 are disposed of as infructuous.

(C.V.Nagarjuna Reddy, J)

Dt: 10th September, 2015

**Note:
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