

**IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH**

CWP No. 10597 of 2012 (O&M)

Date of decision : 13.1.2016

State Bank of Patiala

.... Petitioner

VS

Ferozepur Foods Private Limited and another

... Respondents

Coram: Hon'ble Mr. Justice Rajesh Bindal

Present: Mr. Vikas Chatrath, Advocate, for the petitioner
in CWP No. 10597 of 2012 and for respondent no.2
in CWP No. 13698 of 2012.

Mr. Parvez Chugh, Advocate, for the petitioner
in CWP No.13698 of 2012 and for respondent no.1
in CWP No. 10597 of 2012.

Rajesh Bindal, J.

This order will dispose of CWP Nos. 10597 and 13698 of 2012, as common questions of law and facts are involved therein.

The petitioner State Bank of Patiala, Ferozepur Cantt. (for short, 'the petitioner-Bank') and Ferozepur Foods Private Limited (for short, 'the respondent-company') have challenged the order dated 25.4.2012 passed by the Permanent Lok Adalat (Public Utility Service), Ferozepur (hereinafter to be referred as 'the Lok Adalat').

The petitioner- Bank has challenged the order dated 25.4.2012 passed by the Lok Adalat accepting the claim of the respondent-company and awarding a sum of ₹ 9,24,611/-.

Learned counsel for the petitioner Bank submitted that in the case in hand the respondent-company filed an application for settlement of the claim before the Lok Adalat claiming a sum of ₹ 9,24,611, along with interest @ 12% per annum with effect from 12.10.2009 till realisation and further ₹ 2,00,000/- as damages for mental torture and ₹ 12,000/- as litigation expenses. As the claim made was more than rupees ten lacs, the Lok Adalat did not have the jurisdiction in terms of Section 22C of the Legal Services Authorities Act, 1987 (for short, 'the Act'), which confers jurisdiction on the Lok Adalat where the value of the dispute does not

exceed rupees ten lacs.

Learned counsel for the petitioner Bank further submitted that even though the Lok Adalat had granted ₹ 9,24,611/- to the respondent company, still being not satisfied, the award has been challenged by the respondent-company by filing CWP No. 13698 of 2012 claiming interest and damages, which were not granted. This further establishes the fact that the claim of the respondent company was more than rupees ten lacs. Hence, the impugned order passed by the Lok Adalat deserves to be set aside.

On the other hand, learned counsel for the respondent company submitted that the claim made by the respondent company was merely ₹ 9,24,611/-. The other amount was interest and damages. The principal amount claimed was less than rupees ten lacs. The petition was maintainable before the Lok Adalat. He further submitted that the respondent company can withdraw the petition in case that leads to a conclusion that the claim made by the respondent company was more than rupees ten lacs. The claim made by the respondent company was quite genuine, which was examined by the Lok Adalat in detail and thereafter compensation was awarded.

Heard learned counsel for the parties and perused the paper book.

In the case in hand, the respondent company filed application for settlement of its claim before the Lok Adalat. It was alleged that the respondent company had entered into an exchange contract with the petitioner Bank and on account of difference in the rate of the dollar, the company became entitled to certain profits, which were denied. Initially, a complaint was filed before the Consumer Disputes Redressal Forum, Ferozepur, which was dismissed vide order dated 30.11.2010. In appeal before the State Consumer Disputes Redressal Commission, Punjab, Chandigarh, the appeal was withdrawn with liberty to avail of any other appropriate remedy, however, the cost imposed by the District Forum was set aside vide order dated 19.4.2011. Thereafter, the application for settlement was filed before the Lok Adalat claiming ₹ 9,24,611/- on 1.6.2011, which was allowed on 25.4.2012, vide impugned award.

Section 22 C (1) of the Act, which is relevant, is reproduced hereunder:-

“22C. Cognizance of cases by Permanent Lok

Adalat.— (1) Any party to a dispute may, before the dispute is brought before any court, make an application to the Permanent Lok Adalat for the settlement of dispute:

Provided that the Permanent Lok Adalat shall not have jurisdiction in respect of any matter relating to an offence not compoundable under any law:

Provided further that the Permanent Lok Adalat shall also not have jurisdiction in the matter where the value of the property in dispute exceeds ten lakh rupees:

Provided also that the Central Government, may, by notification, increase the limit of ten lakh rupees specified in the second proviso in consultation with the Central Authority.”

A perusal of the aforesaid section shows that the Permanent Lok Adalat shall not have jurisdiction in the matter where the value of the property in dispute exceeds ten lakh rupees. In the case in hand, a perusal of the application filed by the respondent-company shows that the claim was more than rupees ten lacs. It is further fortified from the fact that though the Lok Adalat granted a sum of ₹ 9,24,611/-, however, claiming the balance amount of compensation, the respondent-company preferred a separate petition before this Court. Once in terms of the provisions of the Act, the petition before the Lok Adalat was not maintainable if the value of the property in dispute was more than rupees ten lacs, the impugned order passed by the Lok Adalat deserves to be set aside being without jurisdiction.

Ordered accordingly. However, this order shall not debar the respondent company from availing of any other appropriate remedy in accordance with law.

The writ petitions stand disposed of.

13.1.2016
vs

(Rajesh Bindal)
Judge