IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

102 **CWP-25251-2017.**
Decided on: February 23, 2017.

Chief Manager, State Bank of Patiala
.. Petitioner(s)

VERSUS

Gaurav Handa and others
.. Respondent(s)

*** * ***

CORAM: HON'BLE MR.JUSTICE M.M.S.BEDI
*** * ***

PRESENT Mr.Vikas Chatrath, Advocate,
for the petitioner.

M.M.S. BEDI, J. (ORAL)

Respondents No.1 and 2 had secured a loan from the petitioner Bank for construction of house on a plot No.208, Sarojini Colony, Yamunanagar which had to be repaid in 222 equal monthly instalments of Rs.11116/- each. The said plot was mortgaged with the Bank and the loan agreement was executed on August 8, 2010. The entire amount having been paid along with sum of Rs.42865/- and an amount ofRs.26792/- having been debited from the account of the private respondents as premium of the State Bank of India Life Insurance policy, the private respondents had approached the Permanent Lok Adalat for Public Utility Services, claiming that they had never consented for providing insurance policy as such they are entitled to recover the amount of Rs.69657/-.

The Permanent Lok Adalat has allowed the claim of respondents No.1 and 2 observing that the insurance policy was not required

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to be obtained for the purpose of securing the loan amount. The obtaining of insurance policy was not compulsory as per the loan agreement. Taking the matter for adjudication, the claim of the private respondents was allowed along with compensation of Rs.5000/-.

The order has been challenged mainly on the ground that the Permanent Lok Adalat, did not have any jurisdiction and that amount of Rs.26791/- + Rs.30,380/- had been deposited by signing the deposit vouchers by the private respondents. A photocopy of the vouchers has been made available for perusal.

I have heard the learned counsel for the petitioner and carefully gone through the impugned order. The above said amount appears to have been deducted from the account of the private respondents by the petitioner-bank without having entered into any agreement of insurance. Till date, no document has been brought to the notice of the Court indicating that the amount which had been deducted from the account of the private respondents was pursuanht to a consent on the basis of an agreement of insurance. The existence of signatures on the deposit vouchers is not sufficient enough to foist the liability on the private respondents to pay the amount of Rs.69,657/- on account of insurance charges.

So far as the jurisdiction of the Permanent Lok Adalat is concerned, the provisions of Section 22-C (8) of the Legal Services Authority Act, indicate that the Permanent Lok Adalat can assume adjudicatory functions in case of any dispute.

Counsel for the petitioner-bank has referred to the provisions of the Limitation Act to contend that the claim for refund was not maintainable

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after expiry of period of three years.

I have considered the contention of the counsel for the petitioner-bank that the amount having been paid on 18.8.2010, the same should not be demanded back after the expiry of four years. It is an admitted fact that the private respondents had made the payment of the installments of the loan by 20.8.2014. It was only at the time of final settlement of the account that it came to notice of the private respondents that the above said amounts have been deducted from their account by the bank as premium of SBI Life Insurance Policy. Besides this, the petitioner-bank is an instrumentality of the State and the act of retention of any amount by a State agency without any reasonable cause is an action of discrimination, violating Article 14 of the Constitution of India and constitutional right under Article 300 of the Constitution of India. The objection of claim of private respondents being barred by time is thus, rejected.

Counsel for the petitioner submits that a sum of Rs.1,63,112/- is still to be recovered from the private respondents. No opinion is expressed regarding the said claim as it is extraneous to the points involved in the present petition.

No ground is made out for interference in the order.

The writ petition is dismissed.

(M.M.S. BEDI)
JUDGE

February 23, 2017.
rka Whether speaking / reasoned Yes / No
Whether reportable: Yes / No

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