IN THE HIGH COURT OF PUNJAB AND HARYANA AT

CHANDIGARH.

CWP 5074 of 2017

Date of Decision: March 14, 2017

Kotak Mahindra Bank

…..Petitioner

Vs.

Salinder Singh and another

…..Respondents

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

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Present:- Mr.Paras Money Goyal, Advocate
for the petitioner.

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M.M.S. BEDI, J.

The present writ petition has been filed by Kotak Mahindra Bank seeking quashing of order annexure P-2 dated March 14, 2016 passed by Permanent Lok Adalat for Public Utility Services directing the petitioner Bank to issue No Objection Certificate to the respondent within a period of one month pertaining to the loan agreement No.TFE269776 besides imposing a cost of Rs.5000/- as compensation for harassment.

Respondent No.1 had filed a complaint pleading that he intended to purchase a Tractor as such the petitioner Bank had offered to finance the same. Respondent No.1 took a loan of Rs.3,32,181/- for purchase of Tractor from petitioner Bank on instalments after completion of all the formalities and documents. Respondent No.1 claimed that he paid all the instalments as per the schedule. Though admittedly there were certain delays in some instalments but the petitioner and respondent No.1 sat across the table for one time settlement. Overdue interest was calculated by the petitioner Bank and full and final payment of Rs.105000/- was paid towards all the dues and a receipt was issued on March 14, 2013. Respondent No.1 was asked to collect the NOC after a week which was promised to be issued by the petitioner bank after it is issued by the Headquarter but when respondent No.1 approached the petitioner to collect the NOC for getting the entry of hypothecation removed from the registration certificate, petitioner Bank put off the matter on one pretext or another and ultimately instead of issuing the NOC, asked respondent No.1 to deposit another sum of Rs.50000/-.

The petitioner Bank contested the application under Section 22-C of the Legal Services Authority Act. The execution of the hire-purchase agreement was admitted. The factum of receipt of Rs.105000/- has also been admitted but it has been claimed that on account of the interest due, the amount demanded by the Bank was payable being outstanding. Since no conciliation could be arrived at, the Permanent Lok Adalat seems to have exercised the powers under Section 22-C (8) of the Legal Services Authority Act and passed the following order:-

"The dispute revolves around the facts as to whether the applicant had cleared all the dues by way of one time settlement on 14.03.2013 by paying a sum of Rs.105000/- as loan amount and Rs.16230/- as overdue charges and Rs.3770/- as legal charges. Now this fact that this amount was paid to the bank is established on the file by receipt Mark A issued by the respondent Bank. The respondent has also admitted this deposit in their written statement, though they have denied the factum of one time settlement. However, now this fact that the applicant had cleared the loan amount by way of one time settlement stands proved on the file. Now the respondent bank is not able to explain as to why when there was no one time settlement, the applicant paid a sum of Rs.105000/- as loan amount and Rs.16230/- as overdue charges and Rs.3770/- as legal charges. It is also pertinent to mention here that the legal charges paid by the applicant are Rs.3770/- and if one peruses the statement of accounts of the applicant, the total legal charges comes out to Rs.2570/- which shows that the future legal charges were also charged on account of final settlement. This fact that the respondent Bank had settled the account of the applicant after arriving at one

> time settlement is also established on the file by the fact that the applicant had served a notice Ex.P4 upon the respondent bank for issuance of no objection certificate with regard to loan agreement No. TFE-269776 allegedly cleared on 14.3.2013 vide receipt No. 000748 dated 14.3.2013. Now no reply has been sent to the applicant of this notice by the respondent bank which impliedly proves this fact that the respondent bank admitted that the loan of the applicant stood cleared on 14.3.2013 vide receipt No. 00748 dated 14.03.2013 Mark A (not disputed)."

Counsel for the petitioner has contended that the Permanent Lok Adalat has got no jurisdiction to decide the case in case the settlement is not arrived at and that as per the statement of account maintained by the petitioner Bank, the loan was to end after 5 years i.e. in the year 2013. Respondent No.1 had made payment of two instalments in March 2013 but one more instalment was due towards the principal amount.

I have heard learned counsel for the petitioner and gone through the plea taken by the petitioner Bank in the written statement as well as the statement of account. It is settled principle of law that liability cannot be imposed merely on the basis of the entries of the bank accounts but these are required to be corroborated. The factum of matter having been compromised is apparent on the record when respondent No.1 had paid sum of Rs.105000/- as full and final payment on March 14, 2013.

No ground is made out for interference in the well reasoned order passed by the Permanent Lok Adalat which is competent to adjudicate the matter under Section 22-C (8) of the Legal Services Authority Act.

Dismissed.

March 14, 2017 (M.M.S.BEDI)
sanjay JUDGE

Whether speaking/ reasoned:	Yes/ No.
Whether reportable:	Yes/No.