

IN THE HIGH COURT OF PUNJAB AND HARYANA AT
CHANDIGARH

CWP No. 14453 of 2019

Date of Decision:15.01.2020

Allahabad Bank

.....Petitioner

Versus

The Chairman, Permanent Lok Adalat and others

..... Respondents

CORAM:- HON'BLE MRS.JUSTICE LISA GILL

Present: Mr.Rajiv Joshi, Advocate
for the petitioner.

LISA GILL, J(Oral).

This writ petition has been filed by the petitioner-Allahabad Bank, seeking quashing of award dated 28.03.2019, whereby the petitioner has been directed to pay a sum of ₹25,000/- as compensation to respondent no.3-applicant, before the Permanent Lok Adalat, as well as a sum of ₹21,000/- as litigation expenses, the liability of which is joint of the petitioner with respondent no.2.

It is noticed that applicant-respondent no.3, filed an application under Section 22-C of the Legal Services Authority Act, 1987. He claimed to be a senior citizen and pleaded that Punjab Agro Farming-respondent no.2 had approached him for installation of a Poly House, in his fields. Applicant-respondent no.3, was assured that the loan will be sanctioned in favour of applicant-respondent no.3 with 85% subsidy. He deposited certain sums of money as mentioned in the application. Details thereof are not being narrated as the same are not relevant for adjudication of the controversy in the present writ petition.

Shorn of unnecessary details, the basic case put up by the applicant was that the Poly House, was in-fact not set up by the respondents, though, loan in question was taken by respondent no.3. The loan was

secured for respondent no.3-Jagir Singh, on the assurance given by respondents no.2 and 4 for installation of a Poly House, but the project was not carried out. Legal notice was served by applicant upon the said respondents, to repay the loan amount in question and to deposit the damages on account of harassment and financial loss cause to the applicant.

Permanent Lok Adalat, concluded that breach of agreement had been committed by the Punjab Agro Farming-respondent no.2 (in this petition), which failed to install Poly House in the fields of applicant-Jagir Singh, despite having received an amount of ₹18,00,000/-. Therefore, respondent no.2-Punjab Agro Farming, was held liable to return the said amount to applicant-Jagir Singh along with interest. It is further observed that the present petitioner had failed to properly discharge its duties to monitor the proper utilization of the loan amount for the purpose, for which was sanctioned. Laxity in this respect is observed to have compounded the issue and the petitioner has been burdened accordingly. Respondent no.2-Punjab Agro Farming, was directed to pay a sum of ₹18,00,000/-, deposited with it, along with interest, as well as ₹50,000/- as compensation, besides ₹21,000/- litigation expenses (the latter being joint with the present petitioner).

Learned counsel for the petitioner in compliance with order dated 25.07.2019 in this petition, has placed on record certain documents which indicate that there is a specific provision of Unit Visit Reports etc., by the bank officers and functionaries for verification of the loan assets and recording of their observations. Such exercise being carried out with due diligence is not reflected from the record. Moreover, keeping in view the amount in question, the liability of which has been fastened upon the petitioner, I do not find any ground whatsoever to interfere in the impugned

order at the instance of the present petitioner.

Writ petition is accordingly, dismissed with no order as to cost.

15.01.2020

s.khan

Whether speaking/reasoned : Yes/No.

Whether reportable : Yes/No.

[LISA GILL]

Judge