BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED : 15.07.2024

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THE HON'BLE MR. JUSTICE D.BHARATHA CHAKRAVARTHY

C.R.P. (MD) No. 456 of 2022

The Manager,
Indian Overseas Bank,
Sakkarakottai. ... Petitioner/
Respondent

-vs-

Sankaranarayanan ... Respondent/
Petitioner

PRAYER: Civil Revision Petition filed under Article 225 of the Constitution of India, to call for the records related to the impugned order dated 02.02.2022 passed by the Permanent Lok Adalat, Chairman/District Judge, Ramanathapuram in P.L.A.No.02 of 2022 and set aside the same.

For Petitioner : Mr.N.Dilip Kumar

For Respondent : Mr.H.Lakshmi Shankar

ORDER

This Civil Revision Petition is filed to call for the records relating to the impugned order dated 02.02.2022 passed by the Permanent Lok Adalat in P.L.A.No.02 of 2022.

2. The respondent herein approached the Legal Services Authority by way of the present proceedings with reference to his grievance that even though he was ready to pay the entire amount of jewel loan, the petitioner/bank namely, Indian Overseas Bank, is not accepting the same and allowing the respondent to redeem the jewels. In the wake of the said claim, notice was issued to the petitioner/bank and that the petitioner/bank appeared, even thoug there was no settlement, the Court treated the petition as one under the Permanent Lok Adalat and passed the award dated 02.02.2022 on merits and not based on consent.

3. The learned Counsel for the petitioner submits that even though a Permanent Lok Adalat is entitled to pass an order on merits, even in the absence of the consent, still the same can be done only under Section 22A of the Legal Services Authorities Act, 1987 ('the Act' in short), in respect of a Public Utility Service. The term 'Public Utility Service' is defined in the Act itself under Section 22A(b) to include transport service for carriage of passengers or goods or by air or road or water, postal telegraph or telephone service, supply of power, light or water to the public by any establishment, system of public conservancy and sanitation, service in hospital or dispensary or insurance or includes any service which the Central Government or State

Government as the case may be in public interest by notification declared to be a public utility service for the purpose of this chapter.

4. The present dispute relating to the banking services of advancing the gold jewel loan, the same is not notified by the Central or State Government under the Act as a public utility service. Therefore, he would submit that the award which is passed is completely without jurisdiction.

5. Mr.H.Lakhsmi Shankar, learned Counsel appearing on behalf of the respondent would submit that the award was passed because the petitioner was ready to pay entire jewel loan amount. The same was declined only because the educational loan is pending. Subsequently, even in respect of the educational loan, the bank itself has now approached the Lok Adalat.

6. That may be so. Even in this matter or the educational loan can be settled in Lok Adalat by way of consent of parties. However, when it comes to passing an order on merits as Permanent Lok Adalat, then the same can only be as per Section 22A and 22B of the Act. Under Section 22A & 22B of the Act, the Permanent Lok Adalat could not have taken up the issue for disposal in

respect of the matter concerning the Bank which is not a public utility service and therein no other notification bringing banking service within the purview of Permanent Lok Adalat, as such, I am of the view that the award dated 02.02.2022 is without jurisdication and therefore, this Court has to interfere with the same.

7. Accordingly, the Civil Revision Petition is allowed and the impugned award dated 02.02.2022 passed by the Permanent Lok Adalat, Chairman/District Judge, Ramanathapuram, shall stand set aside. It would be open for the parties to approach the Lok Adalat even with reference to the educational loan as well as the jewel loan to endeavour the matter to be settled by way of consent. As and when such an effort is made, needless to mention that the petitioner/bank shall also consider the scope for settlement given the fact that the respondent is willing to pay the entire jewel loan. No Costs.

15.07.2024

NCC : Yes
PKN

To

1. The Permanent Lok Adalat, Chairman/District Judge,
   Ramanathapuram.

2.The Section Officer,
   Vernacular Records,
   Madurai Bench of Madras High Court,
   Madurai.

D.BHARATHA CHAKRAVARTHY, J.

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