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

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**CWP-5466-2015 (O&M).
Date of Decision: 24.07.2024.**

THE CHAIRMAN, STATE BANK OF INDIA AND OTHERS

... Petitioners

Versus

**THE PERMANENT LOK ADALAT (PUBLIC UTILITY SERVICES),
AND ANOTHER**

... Respondents

CORAM: HON'BLE MR. JUSTICE VINOD S. BHARDWAJ.

Present: Mr. Vikas Chatrath, Advocate, and
Ms. Priya Kaushik, Advocate,
for the petitioner.

Mrs. Ritam Aggarwal, Advocate (Legal-aid-counsel),
for respondent No.2.

VINOD S. BHARDWAJ, J. (ORAL)

Challenge in the present writ petition is to the award dated
24.12.2014, passed by the Permanent Lok Adalat (Public Utility Services),
S.A.S. Nagar, Mohali, whereby it issued generalized directions to the
petitioner-bank to honor cheques upto the value of Rs.10 Lakhs, whether
presented in the Home or non-home Branch, till the cheque books are made

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in consonance with the instructions issued by them. The operative part of the aforesaid award which has given rise to the filing of the present writ petition reads thus:-

“They are also directed to instruct all the branches of State Bank of India to honor such cheques upto the value of Rs.10 lacs whether presented in the Home or Non-home branch till the cheque books are made in consonance with the instructions issued by them.”

When the matter came up for hearing on 30.04.2015, the following order was passed by this Court:-

“On hearing the learned counsel for the petitioners, this Court is not inclined to interfere with regard to the amount of compensation and the litigation expenses granted to respondent No.2 and the award qua this aspect is upheld. However, the questions with regard to the generalized directions, which have been issued by the Permanent Lok Adalat apart from the other aspects, which are raised by the petitioners with regard to the procedure, which the Permanent Lok Adalat need to follow requires consideration, let notice be issued to the respondents for 20.10.2015.

Direction issued by the Permanent Lok Adalat vide award dated 24.12.2014 to instruct all the branches of State Bank of India to honour outstation cheques up to the value of `10,00,000/- whether presented in the home or non-home branch till the cheque books are made in consonance with the instructions issued by them, is stayed till the next date of hearing.”

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Since the merits of the award in relation to compensation as directed to be paid to the respondent No.2-applicant are not under any further challenge, hence the factual aspect involved in the present case is not being gone into. The challenge being limited and confined, the issue as to whether the Permanent Lok Adalat (Public Utility Services) would have any jurisdiction or not to issue generalized directions is being examined.

Since no one had appeared on behalf of the respondent No.2-applicant, Mrs. Ritam Aggarwal, Advocate, was appointed as legal-aid-counsel to assist this Court on the issue raised herein.

Learned counsel for the petitioner-bank has argued that the Permanent Lok Adalat (Public Utility Services) is not authorized under the Legal Services Authorities Act, 1987 to issue any generalized directions as the Hon'ble Supreme Court has specifically directed that the adjudicatory powers under Section 22 - C (8) of the Legal Services Authorities Act, 1987 has to be exercised as per the procedure prescribed under Section 22-C (1) to (7). The mandatory conciliation proceedings as contemplated under Section 22-C (4) to 22-C (7) of the Legal Services Authorities Act, 1987 has to be exhausted before adjudication of the application under Section 22-C (8) of the Legal Services Authorities Act, 1987 could be initiated. Invariably issuance of any such generalized directions would amount to an overreach of the powers without following the mandatory procedure. He further argues that award, to the said extent, would thus be bad and is liable to be set aside as it transgresses beyond the powers conferred on the

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Permanent Lok Adalat (Public Utility Services), by issuing such generalized directions.

It is further argued that where the law prescribes a procedure for doing of a thing, the same has to be done in the manner so prescribed and that the issuance of a generalized directions giving, rise to an executable order in such a manner, would amount to passing of an award even in favour of a claimant for whom mandatory conciliation proceedings had not been initiated.

He places reliance on the judgment of the Hon'ble Supreme Court the matter of *Canara Bank Vs. G.S. Jayaram, reported as 2022 (7) SCC 776* which mandates the conciliation as a pre-requisite for exercising the jurisdiction under Section 22-C (8) of the Legal Services Authorities Act, 1987.

Controverting the same, learned legal-aid-counsel for the respondent No.2-applicant contends that the Permanent Lok Adalat (Public Utility Services), is guided by the principles as provided under Section 22-D of the Legal Services Authorities Act, 1987 and as it is supposed to adjudicate the dispute being guided by the principles of natural justice, objectivity, fair play, equity and other principles of justice. Hence, such generalized directions could be issued and the same would be within the competence of the Permanent Lok Adalat (Public Utility Services).

I have heard learned counsel appearing for the respective parties and have also gone through the documents appended along with the present petition with their able assistance.

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I fail to find myself in agreement with the argument advanced by the legal-aid-counsel appearing on behalf of the respondent No.2-applicant. The guiding principles set out under Section 22-D of the Legal Services Authorities Act, 1987 are required to be adopted and/or followed by the Permanent Lok Adalat (Public Utility Services), only in relation to adjudication of a specific dispute that has been brought before it. For issuance of any generalized directions, the specific authority/powers is required to be conferred upon the Permanent Lok Adalat (Public Utility Services). Having not been conferred with such powers, any exercise thereof would clearly be exercising a jurisdiction even beyond the territorial boundaries and the pecuniary jurisdiction conferred upon it.

I find myself in agreement with the objections raised by the counsel for the petitioner-bank with respect to the said extent of the award passed by the Permanent Lok Adalat (Public Utility Services).

Accordingly, the present writ petition is partly allowed. The award dated 24.12.2014, passed by the Permanent Lok Adalat (Public Utility Services), S.A.S. Nagar, Mohali, to the extent of issuing generalized directions to the petitioner-bank ‘to honor such cheques upto the value of Rs.10 Lakhs whether presented in the Home or non-home Branch till the cheque books are made in consonance with the instructions issued by them’, is set aside.

It has also been informed that the rest of the directions issued in relation to the payment of compensation have already been complied

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with and the compensation amount stands paid. The award to the above extent is affirmed.

July 24, 2024
raj arora

(VINOD S. BHARDWAJ
JUDGE

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