IN THE HIGH COURT OF PUNJAB & HARYANA AT CHANDIGARH

213

CWP-25471-2018 (O&M)
Date of decision: 14.02.2024

M/s Brothers Rice Mill, village Chhiniwal Kalan, Barnala

...Petitioner

VERSUS

Permanent Lok Adalat, Public Utility Services, Barnala and another

...Respondents

CWP-24980-2018 (O&M)
Date of decision: 14.02.2024

M/s Bala Ji Foods, Mehal Kalan, Tehsil and District Barnala

...Petitioner

VERSUS

Permanent Lok Adalat, Public Utility Services, Barnala and another

...Respondents

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

Present :- Mr. Preetwinder Singh Dhaliwal, Advocate for the petitioner(s).

Mr. Vikas Chatrath, Advocate and
Ms. Tanya Sehgal, Advocate;
Ms. Riti Gupta, Advocate;
Mr. Sachit Katoch, Advocate for respondent No.2.

*****

VINOD S. BHARDWAJ, J. (Oral)

1. Both these writ petitions involving identical disputes are being decided by this common order. Facts are however, being extracted from **CWP-25471-2018** titled as '**M/s Brothers Rice Mill, village Chhiniwal**

Kalan, Barnala Vs. **Permanent Lok Adalat, Public Utility Services, Barnala and another**'.

2. Challenge in the instant writ petition is to the award dated 16.04.2018 passed by respondent No.1-Permanent Lok Adalat (Public Utility Services), Barnala whereby the application preferred by the petitioner under Section 22-C of the Legal Services Authorities Act, 1987 for refunding the interest charged by respondent No.2, in the limit account No.30784939250, has been dismissed.

3. Learned counsel for the petitioner(s) contends that the petitioner had obtained a limit from respondent No.2-State Bank of India, Main Branch, Barnala, for a sum of Rs. 22 lakhs and had entered into an agreement as per which respondent No.2 was entitled to claim interest @ 10.25% annually. The said account was closed by the petitioner in the year 2013, by making the complete payment, and a no objection certificate was given by respondent No.2. It is contended that the petitioner-firm later came to know that the bank had overcharged the rate of interest from it @14.25% annually instead of the agreed rate of 10.25%. Hence, the bank abused its position as a lender and claimed more interest than it was contractually entitled to. A claim in this regard was raised by the petitioner with respondent No.2-Bank on 12.08.2015 by submitting a representation. An application was also forwarded to the Regional Manager for claiming refund of the excess interest charged. A legal notice was thereafter sent on 23.09.2016. However, no reply was received on the same. Aggrieved thereof, the application was filed by the petitioner before the Permanent Lok

Adalat (Public Utility Services), Barnala under Section 22-C the Legal Services Authorities Act, 1987. The said application has been dismissed by the Permanent Lok Adalat (Public Utility Services) on the ground that the claim is barred by limitation.

4. Counsel appearing on behalf of respondent No.2 on the other hand refers to the reply filed and submits that the loan account in question was closed in the month of May-2013 and as such, the entire account statement, including the interest so charged by the bank, was fully known to the petitioner as on the date when the account was closed. The present application was instituted before the Permanent Lok Adalat (Public Utility Services) on 21.08.2017. The said application was thus filed after a period of more than 04 years from the date of closure of the loan account.

5. He further contends that in view of the law laid down by the Division Bench of this Court in the matter of '**Hind Motors India Ltd. Vs. Permanent Lok Adalat (Public Utility Services) and others',** reported as **2008 (2) PLR 91,** the law of limitation being fully applicable, the application was rightly rejected. The limitation for seeking refund of any excess interest, that may have been charged as alleged, cannot be extended as it is not a recurring cause of action and the cause of action would start from May, 2013. The right to raise any dispute against an amount demanded/deducted by respondent No.2 fructified on the date of closure of the loan account and the limitation would commence from the said date. A mere sending of any subsequent representation cannot extend the limitation. Reference is also made to the judgment of Constitutional Bench in the

matter of '**S.S. Rathore V**s. **State of Madhya Pradesh**', reported as **1990 AIR (SC) 10,** wherein it was held that submission of continuous representations do not give rise to any renewed cause of action.

6. I have heard the learned counsel for the parties and have gone through the documents appended with the present petition.

7. The order passed by the Permanent Lok Adalat (Public Utility Services), Barnala, 16.04.2018 is extracted as under:

> "xxx
>
> **Present: Sh. Dhiraj Kumar Adv., counsel for applicants.**
>
> **Sh. Vinod Kumar Goyal, Adv., counsel for respondent.**
>
> **This order will decide question of limitation. Applicant has filed the present application for refunding interest charged by respondent in limit account no.30784939250. It is pleaded that the applicant firm has taken a limit of Rs.22,00,000/- vide above said account number. The respondent had agreed to charge 10.25% per annum as interest. The applicant closed the account in April, 2013 after entire payment and received NOC. Thereafter the applicant checked the amount and found that the respondent has wrongly charged 14.25% annual interest.**
>
> **The application was opposed by respondent. It is pleaded that applicant had availed CC Limit of**

Rs.15,00,000/- and closed the said account in May 2013. The interest was applied as per documents and bank norms and prayed for dismissal of the application.

During conciliation proceedings, ld. Counsel for respondent has drawn our attention that the present application is beyond limitation. It is a specific case of applicant that the account was closed in April 2013. Applicant should have challenged, in case any excess amount has been claimed by respondent, within limitation of three years but the present application has been filed on 21.8.2017 which is clearly time barred. Therefore, the objection of respondent is accepted and the application stands dismissed being beyond limitation. File be consigned.

xxx ".

8. It is not in dispute that account in question was closed in the month of April/May-2013 and the proceedings before Permanent Lok Adalat (Public Utility Services), Barnala was instituted on 21.08.2017, which is after a period of more than 04 years of settlement of account. Section 19 of the Limitation Act, 1963 deals with the limitation for the purposes of institution of claim and the effect of payment on account of debt or of interest on legacy. The period of limitation is completed when payment is made. Hence, limitation prescribed for seeking recovery/refund of the interest fructified as on the date of closure of the loan account and the limitation shall commence with effect from the date when the loan account

was closed wherein a period of 03 years has been prescribed. The petitioner had thus not instituted the said application within the limitation prescribed under the Limitation Act, 1963.

9. Further, the ratio in the judgments passed in **Hind Motors India Ltd.** (supra) as well as in **S.S. Rathore** are fully applicable insofar as the law of limitation as a bar against entertaining time barred claims by the Permanent Lok Adalat (Public Utility Services) under the Legal Services Authorities Act, 1987, are concerned would be applicable in the present cases as well.

10. In view of the above, there is no illegality or perversity in the order passed by the Permanent Lok Adalat (Public Utility Services), Barnala. Both the writ petitions are dismissed at this stage and the award passed by the Permanent Lok Adalat (Public Utility Services), Barnala, are affirmed.

(VINOD S. BHARDWAJ)
JUDGE

14.02.2024
Mangal Singh

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