**CWP-15371-2022 (O&M)****-1-****IN THE HIGH COURT OF PUNJAB AND HARYANA AT
CHANDIGARH****226****CWP-15371-2022 (O&M)**
Date of Decision: 02.09.2025

CANARA BANK

... Petitioner

V/S

PERMANENT LOK ADALAT AND ANOTHER

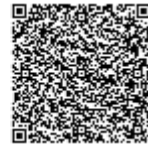
... Respondents

CORAM: HON'BLE MR. JUSTICE SUVIR SEHGALPresent: Mr. Rakesh Gupta, Advocate
Ms. Manvi Arora, Advocate for the petitioner.Mr. Saurav Arora, Advocate
for respondent No.2.

SUVIR SEHGAL, J. (ORAL)

1. This petition has been filed under Article 226/227 of the Constitution of India for issuance of a writ in the nature of certiorari for quashing order dated 21.03.2022, Annexure P-4, passed by a Permanent Lok Adalat (Public Utility Services), Rohtak (for short 'Lok Adalat').

2. Factual matrix leading to the filing of the petition is that respondent No.2 applied for housing loan of Rs. 20 Lacs for purchase of a flat at Gurugram. The loan was granted and disbursed by petitioner vide demand draft dated 12.05.2009 drawn in the name of Adarsh Cooperative Society. Respondent No.2 sent the demand draft by registered post to the society, but the draft was misplaced by the postal department. On account



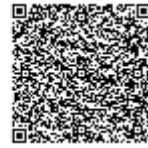
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of non-payment, the society cancelled the allotment of the flat. On a request made by respondent No.2, petitioner cancelled the demand draft and upon completion of the requisite formalities, amount was credited to his loan account, which was settled. The charges for the loan account and the interest for the interregnum was deposited by respondent No.2 and the loan account was cleared on 28.01.2010. Respondent No.2 claims that he requested for the waiving off the interest and when the request was not accepted, an application, Annexure P-2 under Section 22-C of the Legal Service Authorities Act, 1987 (for short 'the Act of 1987'), was filed before the Lok Adalat in March, 2021, which has been accepted vide the impugned order.

3. Counsel for the petitioner contends that loan account was settled in 2010 and limitation for invoking the jurisdiction of the Lok Adalat expired in 2013. It has been urged that respondent No.2 initiated the proceeding under the Act of 1987 after 11 years, which is hopelessly time barred and despite an objection having been raised, Lok Adalat did not advert to the question of limitation.

4. Per contra, counsel for respondent No.2 has supported the impugned award. He submit that a request for waiving off interest was sent to petitioner, which was followed by repeated requests, but it was turned down by the petitioner in December, 2019. He asserts that application, Annexure P-2, was within the prescribed period of limitation.



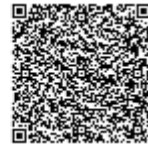
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5. I have heard counsel for the parties and considered their respective submissions besides examining the documents appended with the paper book.

6. There is no dispute about sanction of loan and settlement of loan account. A stand has been taken by respondent No.2 that request for waiving off the interest was negated by the petitioner in December, 2019 however, respondent No.2 could not produce any document to show that request was ever given for the waiving off the interest or that it was ever rejected by the petitioner. Petitioner has specifically stated that such a request was never given. The cause of action arose to respondent No.2 on 28.01.2010, when the loan was re-paid. Respondent No.2, if so advised, could have approached the Lok Adalat within a period of three years from the date of accrual of the cause of action. Strength can be drawn from Division Bench judgment of this Court in **Hind Motors India Ltd. Versus Permanent Lok Adalat, Public Utility Services and others, 2008(2) PLR 91**. The judgment passed by this Court is reproduced hereunder:-

“The instant petition filed under Article 226 of the Constitution is directed against order dated 21.5.2007 (P-1), passed by the Permanent Lok Adalat, Public Utility Services, Chandigarh, on the ground that the claims made by the petitioner under the insurance policy were stale. The Permanent Lok Adalat has pointed out that 9 claims have emerged under the policy dated 21.12.1998, the next 43 claims were based on the policy dated 21.12.2000 and the last 14 claims were

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covered by the policy of the year 2001. The claim application before the Permanent Lok Adalat was filed on 30.8.2006. The Lok Adalat after quoting Article 44(b) of the Schedule of the Limitation Act, 1963, has concluded that the period of three years has to be taken from the date of occurrence causing the loss or where the claim on the policy is denied either partly or wholly, then from the date of such denial. The occurrence causing the loss to the vehicles in transit took place in the years 1998, 2000 and 2001 and, therefore, the claims have been held to be totally time barred.

2. Having heard learned Counsel, we are of the considered view that there is no room to interfere in the impugned order. Once the Permanent Lok Adalat was called upon to adjudicate on the issue by invoking the provisions of Section 22-C(8) of the Legal Services Authorities Act, 1987, then the period of limitation provided by the Limitation Act, 1963, was applicable, which has rightly been applied. It could not be successfully contested by the petitioner that occurrence causing loss to the vehicles in transit took place in the years 1998, 2000 and 2001. The claim was made on 30.8.2006 much after the period of three years. It is, thus, obvious that the claims are hopelessly time barred. There is, thus, no merit in the instant petition.

3. Dismissed.”

7. In view of the dictum of the Division Bench reproduced above, which is squarely applicable to the facts of the present case, application filed by respondent No.2 under the Act of 1987 is held to be hopelessly barred by limitation and the impugned order passed by the Lok Adalat cannot be sustained.



8. As a result of the above discussion, writ petition is allowed. Impugned order dated 21.03.2022, Annexure P-4, is set aside and application, Annexure P-2 filed by respondent No.2 before the Lok Adalat is dismissed with no order as to costs.

02.09.2025
pooja saini

(SUVIR SEHGAL)
JUDGE

Whether Speaking/Reasoned	Yes/No
Whether Reportable	Yes/No