IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

(108)

CM-14904-CWP-2025
IN/AND CWP-27510-2025

Date of decision:- 13.10.2025

Jatinder Singh **...Petitioner**

Versus

Permanent Lok Adalat (Public Utility Services), Patiala and others
...Respondents

CORAM: HON'BLE MR. JUSTICE SUVIR SEHGAL

Present:- Mr. Swarn Tiwana, Advocate, for the petitioner.

…

***SUVIR SEHGAL, J.* (Oral)**

CM-14904-CWP-2025

1. For the reasons given in the application, which is supported with an affidavit of the petitioner, it is allowed.

2. Documents appended with the application are taken on record as Annexure P-6, collectively.

3. As requested by counsel for the petitioner, main case is ordered to be taken on Board, today itself.

CWP-27510-2025

4. Challenging award dated 14.07.2025, Annexure P-4, petitioner has approached this Court by filing the instant petition seeking quashing of the aforesaid award passed by the Permanent Lok Adalat (Public Utility Services), Patiala (for short "the Lok Adalat").

5. Briefly stating, case of the petitioner is that in the year 2011, he intended to purchase a Maruti Swift VDI car and approached agency – respondent No.2. Petitioner expressed his willingness to get it financed through bank – respondent No.3, and necessary documents for the said purpose were prepared. However, petitioner changed his mind and requested respondent No.3, to cancel the entire loan process. In the year 2021, respondent No.3 approached the petitioner and informed him that an amount of Rs.10 lacs, approximately, is outstanding against the loan availed by him. Upon enquiry, petitioner came to know that a loan had been sanctioned on the basis of the hire purchase agreement in favour of one, Harjit Singh, respondent No.4. Petitioner claimed that a fraud has been committed with him and that he has no concern with hire purchase agreement, or with the delivery of the vehicle. He filed an application dated 15.04.2021, Annexure P-1, before the Lok Adalat under Section 22-C of the Legal Services Authority Act, 1987 (for short "1987 Act") for settlement of the dispute and for directing respondent No.3, to cancel the loan agreement. Respondents No.2 and 3 appeared and contested the proceedings by filing separate written statements. In its response, agency – respondent No.2 questioned the maintainability of the application before the Lok Adalat besides taking other preliminary objections. On merit, respondent No.2 stated that petitioner had booked a Maruti Swift VDI car by depositing an amount of Rs.10,000/-, on 10.08.2011, and a receipt was issued in his name. It was submitted that the petitioner was companied by a co-villager, Harjit Singh. In December 2011, both the petitioner and Harjit Singh purchased a vehicle in the name of Harjit Singh, after presenting a demand draft of Rs.5,82,433/-,

drawn in the name of the agency. Delivery of the vehicle was given on 26.12.2011, to the applicant and Harjit Singh after deposit of insurance premium etc., in cash. It has been categorically stated that the vehicle was billed in the name of Harjit Singh. In its short reply, bank – respondent No.3 stated that the petitioner had taken a loan of Rs.4 lacs for the purchase of vehicle. An amount of Rs.1,82,433/-, being the margin money, was deposited by the applicant at the time of purchase of vehicle. A quotation from the agency was produced on the basis of which the loan was sanctioned and a demand draft was issued in the name of respondent No.2. Respondent No.3 had specifically stated that despite repeated requests, petitioner neither deposited the ownership documents of the vehicle, nor the loan instalments. After attempts to settle the dispute by way of a conciliation did not yield result, Lok Adalat adjudicated the dispute and dismissed the application filed by the petitioner vide award impugned herein.

6. Mr. Swarn Tiwana, Advocate, counsel for the petitioner, has vehemently argued that a fraud has been committed with the petitioner and the documents signed by him, have been misused by bank – respondent No.3, for sanctioning loan in favour of Harjit Singh. He has contended that petitioner was not aware of any loan having been sanctioned in his name and it has been submitted that petitioner intends to initiate civil and criminal proceedings against respondent No.3, as well as Harjit Singh. It is his argument that the Lok Adalat has failed to appreciate the factual position and has erred in rejecting the application.

7. I have heard counsel for the petitioner and considered his submissions besides examining the material relied upon by him.

8. A perusal of the documents appended at Annexure P-6, show that the petitioner had moved an application for sanction of loan of Rs.4 lacs with the intention to purchase a vehicle. This application bears a photograph of the petitioner as well as his thumb application. Application was duly verified and the amount was sanctioned by the bank on 21.12.2011. Petitioner submitted the requisite documents and also executed an agreement for hypothecation of the vehicle besides a promissory note and a letter of lien. By a separate letter, he accepted the conditions of the loan and also extended the guarantee for its repayment. Two individuals, who were named by the applicant in his application, executed a letter of guarantee in favour of the bank. A minute scrutiny of all these documents clearly shows that the petitioner had applied for a loan for purchase of a vehicle, which was duly sanctioned. Not only this, bank – respondent No.3 has also led evidence to show that three instalments against the loan, which was repayable in seven years, have been deposited by the petitioner, but he defaulted thereafter. This evidence is sufficient to lead to the conclusion that petitioner had availed the loan and made a part repayment. Petitioner has failed to lead any evidence or to refer to any material to show that he had ever made any request for the cancellation of the loan process. Mere verbal assertion without any documents to support it, will not advance petitioner's case. In its stand, respondent No.2 has categorically stated that petitioner was accompanied by Harjit Singh and both of them had taken delivery of the vehicle, although it was billed in the name of the latter. For

reasons best known to him, petitioner has failed to implead Harjit Singh as a party before the Lok Adalat. Inter se arrangement between the two can only be determined after Harjit Singh gets an opportunity to present his stand before the Court. On the basis of the unimpeachable evidence led by respondents No.2 and 3, Lok Adalat has come to the conclusion that petitioner has instituted the application with the sole intent to escape the liability for repayment of loan. This Court does not find any ground to interfere in the award passed by the Lok Adalat.

9. There is no merit in the petition, which is dismissed, though with no order as to cost.

10. In case, petitioner initiates any criminal or civil proceedings against any respondent, including Harjit Singh, findings recorded by the Lok Adalat or this Court would not come in his way.

(SUVIR SEHGAL)
JUDGE

13.10.2025
Pardeep

Whether Speaking/Reasoned	Yes
Whether Reportable	Yes