

**HON'BLE SRI JUSTICE R.SUBHASH REDDY
AND
HON'BLE SRI JUSTICE A.SHANKAR NARAYANA**

WRIT PETITION No.36985 of 2013

ORDER : *(Per Hon'ble Sri Justice R.Subhash Reddy)*

In this writ petition, the petitioner has questioned the award dated 20.03.2013 in LAC.No.128 of 2013 passed by the Legal Services Authority.

The 1st respondent herein is the plaintiff and the petitioner herein, which is a Company registered under the Companies Act, is arrayed as defendant No.2 in the suit in O.S.No.334 of 2011 on the file of XX Junior Civil Judge, City Civil Court, Hyderabad. In the said suit, the 1st respondent/plaintiff prayed the following reliefs:

“1. Perpetually restraining the Defendant No.1, his agents, legal heirs, attorneys, administrators, or anybody acting for them or on their behalf from anyway allotting or releasing the 9,622 shares, debentures, dividends and any other benefits, profits arising out of from the defendant No.2 company as shown in the schedule in the interest of justice.

2. The cost of the suit be awarded.

3. Pass any other relief or reliefs as may deem fit and proper in the circumstances of the case.”

During pendency of the proceedings, defendant No.1 died and his legal heir was impleaded as defendant No.3. In

view of the compromise memo filed by the plaintiff and defendant No.3, the impugned award dated 20.03.2013 was passed by the Lok Adalat.

Heard Sri D. Prakash Reddy, learned Senior Counsel appearing for the petitioner-Company, Sri S.Satyam Reddy, learned counsel appearing for respondent No.3/defendant No.3, and Sri J. Anil Kumar, learned Standing Counsel appearing for the 4th respondent authority.

It is the case of the petitioner that the impugned award passed by the Lok Adalat is not in conformity with Regulation 39 (2) of the Andhra Pradesh State Legal Services Authority Regulations, 1996, framed under the Legal Services Authorities Act, 1987 (for short, 'the Act'). It is contended that though the petitioner is not a signatory to the award, it will adversely affect its interests. On the other hand, it is submitted by Sri S. Satyam Reddy, learned counsel appearing for respondent No.3, that there is a bank guarantee equivalent to the shares, given by the plaintiff to the petitioner-company about one and half years back and, in view of the same, there is no illegality in disposing of the suit in terms of the award passed by the Lok Adalat.

Regulation 39 of the Andhra Pradesh State Legal Services Authority Regulations, 1996, reads as under:

“39. Award to be Categorical and Lucid: (1)
Every Award of the Lok Adalat shall be categorical and lucid and shall be written in the language used in the local courts. The Award may be drawn up in English or in the Regional

language.

2. The parties to the dispute shall be required to affix their signatures or, as the case may be, thumb impression on the Award of the Lok Adalat.”

From a perusal of the aforesaid Regulation, it is clear that every award of the Lok Adalat shall be signed by the parties to the dispute and if a party cannot sign, thumb impression is to be obtained by the Lok Adalat. In the present case, undisputedly neither the petitioner nor any representative of the petitioner has signed or affixed the thumb impression consenting for the award to be passed. In that view of the matter, we are of the view that the impugned order is contrary to Regulation 39 (2) of the Regulations framed under the Act and is therefore liable to be set aside.

Accordingly, the impugned award is set aside and the matter is remitted back for fresh consideration by the Lok Adalat. If the parties and their counsel comply with necessary requirements, Lok Adalat shall pass award in accordance with law.

The writ petition is accordingly allowed. No order as to costs.

As a sequel, pending miscellaneous petitions, if any, shall stand closed.

JUSTICE R. SUBHASH REDDY

26.10.2015
v v

JUSTICE A.SHANKAR NARAYANA