

IN THE HIGH COURT OF JUDICATURE AT HYDERABAD  
FOR THE STATE OF TELANGANA AND THE STATE OF ANDHRA PRADESH

\* \* \* \*

CIVIL REVISION PETITION No.437 OF 2015

Between:  
Mohd. Aasham Pasha and 3 others

....Petitioners

And

E. Srihar Chary

....Respondents

JUDGMENT PRONOUNCED ON: 28.12.2015

THE HON'BLE SRI JUSTICE A.RAMALINGESWARA RAO

- 1. Whether Reporters of Local newspapers  
may be allowed to see the Judgments? :
- 2. Whether the copies of judgment may be  
Marked to Law Reporters/Journals? :
- 3. Whether His Lordship wishes to  
see the fair copy of the Judgment? :

\* THE HON'BLE SRI JUSTICE A.RAMALINGESWARA RAO

-

+ CIVIL REVISION PETITION No.437 OF 2015

% 28.12.2015

# Mohd. Aasham Pasha and 3 others

...Petitioners

vs.

\$ E. Srihar Chary

... Respondents

!Counsel for the Petitioner : Sri Y. Ashok Raj

^Counsel for the Respondents : Sri L. Sridhar

<Gist :

>Head Note :

? Cases referred

2011 (2) ALT 111 (DB)

2013 (2) ALT 10 (DB)

**HON'BLE SRI JUSTICE A. RAMALINGESWARA RAO**

**Civil Revision Petition No.437 of 2015**

**Date: 28-12-2015**

Between:

Mohd. Aasham Pasha and 3 others

.... Petitioners

AND

E. Srihari Chary

.... Respondent

**HON'BLE SRI JUSTICE A. RAMALINGESWARA RAO**

**Civil Revision Petition No.437 of 2015**

**ORDER:**

-

The respondent herein filed an application on 19-04-2012 before the Mandal Legal Services Committee, Balanagar Mandal, Ranga Reddy District at Miyapur under Section 19 of the Legal Services Authorities Act, 1987 showing the petitioners herein as Opposite Parties, seeking to issue a notice to opposite parties for mediation, reconciliation and settlement of the matter. The main grievance in the application is that the opposite parties are the regular customers of the applicant as they have been purchasing raw material of fiber under credit bills and having running account with the applicant as he has been running the business under the name and style of M/s. Sri Laxmi Fiber Industries. The opposite parties are due of an amount of Rs.45,00,000/-. Even though the opposite parties assured that they will clear total dues by 31-03-2012, they failed to keep up their promise. A statement of the credit account with the applicant dated 31-03-2012 verified and accepted by the opposite parties was filed. The said petition was registered as P.L.C.No.5 of 2012 by the Legal Services Authority. The Mandal Legal Services Authority, Kukatpally at Miyapur issued notices to the opposite parties asking them to appear before it on 29-04-2012 at 10.30 a.m. for reconciliation and the said notices were received on 28-04-2012. After receipt of notices in the said

petition, the petitioners herein/opposite parties engaged an advocate. Both parties filed a petition on 29-04-2012 to advance the date of hearing from 15-06-2012 to 29-04-2012 along with the petition filed under Section 320 (8) of Cr.P.C. seeking permission to compromise the case. The parties also filed a petition to pass an award in terms of the compromise. Accordingly, an award was passed under Section 21 of the Legal Services Authorities Act, 1987 on 29-04-2012. The terms of the compromise read as follows:

- 1) *The parties hereto agreed and admit that they had business transactions;*
- 2) *The opposite parties herein hereby admit that they are due and liable to pay a sum of Rs.45.00 lakhs towards credit purchases from the petitioner;*
- 3) *The opposite parties herein agreed to repay the said outstanding amount within 5 years and offered to pay nominal interest thereon;*
- 4) *The applicant herein in order to secure his debt from the opposite parties requested them to submit any security till the payment of due amount;*
- 5) *The opposite parties herein accepted the said proposal and informed that the opposite parties owned some agricultural land in Survey No.109, 134 and 135 total admeasuring Acres 5.11 guntas of Mukal Kalva village, Miryalguda Mandal, Nalgonda District. Further the respondent No.1 owned as residential property bearing H.No.4-2/2, on Plot No.7 part and 8 part in Survey Nos.168/4, 168/5 and 168/9 admeasuring 200 square yards, situated at Domarra Pochampally village, Qutubullapur Mandal, R.R. District is consisting of 1600 square feet built up area in ground and first floors each. The opposite parties herein on this day deposited the pattedar pass book of agricultural land along with pahani papers and title deeds i.e. sale deed bearing document No.391 of 2009 dated 20-01-2009 registered with JSRO-I, office of the District Registrar, RR District along with sanctioned plan, property tax receipts with the applicant towards security;*
- 6) *The opposite parties herein agreed to repay the outstanding payment of Rs.45.00 lakhs along with interest thereon @ 12% p.a. and the said amount will be paid every year Rs.10,00,000/- and completed on or before 31-03-2017. If the opposite parties failed to pay amount agreed as stated above, the applicant is at liberty to recover the total amount with interest by filing EP before competent court by selling the schedule hereunder properties in order to recover the due amount by executing this award."*

Thereafter, the respondent herein filed an Execution Petition on 22-07-2013 for execution of the award before the Mandal Legal Services Authority. It was adjourned from time to time, from 30-07-2013 to 24-05-2014.

Now the petitioners herein filed the present Civil Revision Petition on 26-12-2014 on several grounds touching the merits of the compromise including the pecuniary jurisdiction of the authority to decide the dispute under Section 22 of the Legal Services Authorities Act, 1987. Curiously, though ground No.4 is raised as "the learned judge should have seen under Section 22 (c) of the Legal Services Authorities Act, 1987, the pecuniary jurisdiction of the authority to decide dispute was limited to Rs.25/- and hence deciding the dispute pertaining to the pecuniary jurisdiction over Rs.45/- is totally *void ab-initio* since the LSA lacks pecuniary jurisdiction", the learned Counsel for the petitioners submits that the Mandal Legal Services Committee has no jurisdiction to

decide the dispute, which is beyond Rs.25.00 lakhs.

There is no dispute that the petition was filed for recovery of an amount of Rs.45,00,000/- along with interest at 12% p.a. and all the parties including their Counsel signed the terms of compromise and the same was endorsed by the Chairman and two Members of the Legal Services Authority.

Now the point for consideration is whether an award passed by the Lok Adalat beyond its pecuniary jurisdiction can be enforced or not?

The Legal Services Authorities Act, 1987 was enacted to provide free and competent legal service to the weaker sections of the society and to ensure that opportunities for securing justice are not denied to any citizen by reason of economic or other disabilities.

Section 2 (a) defines "case" as including a suit or any proceeding before a Court. Section 2 (aaa) defines "court" means a civil, criminal or revenue court including any tribunal or any other authority constituted under any law for the time being in force to exercise judicial or a quasi-judicial functions. Section 2 (k) defines "Taluk Legal Services Committee", which is constituted under Section 11A. The constitution of Taluk Legal Services Committee and its functions are defined in Sections 11A and 11B as follows:

**"11A- Taluk Legal Services Committee:** (1) *The State Authority may constitute a Committee, to be called the Taluk Legal Services Committee, for each taluk or mandal or for group of taluks or mandals.*

(2) *The Committee shall consist of ---*

(a) *the [Senior Most Judicial Officer] operating within the jurisdiction of the Committee who shall be the ex-officio Chairman; and*

(b) *such number of other members, possessing such experience and qualifications, as may be prescribed by the State Government, to be nominated by that Government in consultation with the Chief Justice of the High Court.*

(3) *The Committee may appoint such number of officers and other employees as may be prescribed by the State Government in consultation with the Chief Justice of the High Court for the efficient discharge of its functions.*

(4) *The officers and other employees of the Committee shall be entitled to such salary and allowances and shall be subject to such other conditions of service as may be prescribed by the State Government in consultation with Chief Justice of the High Court,*

(5) *The administrative expenses of the Committee shall be defrayed out of the District Legal Aid Fund by the District Authority*

**11B: Functions of Taluk Legal Services Committee-** *The Taluk Legal Services Committee may perform all or any of the following functions, namely:--*

(a) *coordinate the activities of legal services in the taluk;*

(b) *organize Lok Adalats within the taluk; and*

(c) *perform such other functions as the District Authority may assign to it.]*

Chapter IV deals with the persons entitled to legal services. Lok Adalats are provided under Chapter-VI. Section 19 provides for organization of Lok Adalats and

sub-section (5) of the said Section is relevant for the purpose of this case and it reads as follows:

*“(5) A Lok Adalat shall have jurisdiction to determine and to arrive at a compromise or settlement between the parties to a dispute in respect of—*

*(j) any case pending before; or*

*(ii) any matter which is falling within the jurisdiction of, and is not brought before, any court for which the Lok Adalat is organized:*

*Provided that the Lok Adalat shall have no jurisdiction in respect of any case or matter relating to an offence not compoundable under any law.”*

Section 20 provides for the cognizance of the cases by the Lok Adalats. Sub-sections (2) and (3) of Section 20 read as follows:

*(2) Notwithstanding anything contained in any other law for the time being in force, the Authority or Committee organizing the Lok Adalat under subsection (1) of section 19 may, on receipt of an application from any one of the parties to any matter referred to in clause (ii) of sub-section (5) of section 19 that such matter needs to be determined by a Lok Adalat, refer such matter to the Lok Adalat, for determination:*

*Provided that no matter shall be referred to the Lok Adalat except after giving a reasonable opportunity of being heard to the other party.*

*(3) Where any case is referred to a Lok Adalat under sub-section (1) or where a reference has been made to it under sub-section (2), the Lok Adalat shall proceed to dispose of the case or matter and arrive at a compromise or settlement between the parties.*

Section 21 provides that every award of the Lok Adalat shall be deemed to be a decree of a civil court or, as the case may be, an order of any other court and the said award shall be final and binding on all the parties to the disputes and no appeal shall lie to any court against the award. Chapter VI A of the Act provides for pre-litigation conciliation and settlement.

Section 7 (d) of the Act provides for performance of other functions by the State Authority in consultation with the Central Authority fixed by regulations. The State Authority is empowered to fix the functions of the District Authority by Regulations under Section 10(c). Similarly, the District Authority may assign other functions to the Taluk Legal Services Committee. Section 29 of the Act empowers the Central Authority to make Regulations not inconsistent with the provisions of the Act and the Rules made thereunder. Similarly, the State Authority is empowered to make Regulations under Section 29 A. In exercise of the said power, “The Andhra Pradesh State Legal Service Authority Regulations, 1996” were framed and they came into effect with effect from 16<sup>th</sup> August, 1996.

The Central Government framed Rules called “The National Legal Services Authority Rules, 1995” and the Central Authority framed the Regulations called “The Supreme Court Legal Services Committee Regulations, 1996”. There are also other Rules called “The Supreme Court Legal Services Committee Rules, 2000”. With regard to Lok Adalats, separate Rules called “The National Legal Services Authority (Lok

Adalats) Regulations, 2009” were framed. As per the said Lok Adalat Regulations, the Lok Adalats have to be organized at different levels at regular intervals. The composition of Lok Adalat at State Authority Level, at High Court Level, at District Level and at Taluk Level is provided in Regulation-6. The jurisdiction of Lok Adalat is provided under Regulation No.9 as follows:

*“Jurisdiction of Lok Adalats:- Lok Adalats shall have the power only to help the parties to arrive at a compromise or settlement between the parties to a dispute and, while so doing, it shall not issue any direction of order in respect of such dispute between the parties.”*

Regulation-10 specifically provides that the Lok Adalat shall get jurisdiction to deal with a case only when a court of competent jurisdiction orders the case to be referred in the manner prescribed in Section 20 of the Act or under Section 89 of the Code of Civil Procedure, 1908.

For the purpose of better clarity Regulation-10 is extract hereunder:

*“Reference of cases and matters: The Lok Adalat shall get jurisdiction to deal with a case only when a court of competent jurisdiction orders the case to be referred in the manner prescribed in Section 20 of the Act or under Section 89 of the Code of Civil Procedure, 1908.”*

In respect of pre-litigation matters, Regulation 12 provides as follows:

*“Pre-litigation matters- (1) In a pre-litigation matter it may be ensured that the court for which a Lok Adalat is organized has territorial jurisdiction to adjudicate in the matter.*

*(2) Before referring a pre-litigation matter to Lok Adalat the Authority concerned or Committee, as the case may be, shall give a reasonable hearing to the parties concerned:*

*Provided that the version of each party, shall be obtained by the Authority concerned or, as the case may be, the Committee for placing it before the Lok Adalat.*

*(3) An award based on settlement between the parties can be challenged only on violation or procedure prescribed in Section 20 of the Act by filing a petition under articles 226 and 227 of the Constitution of India.”*

A careful reading of Regulation 10 above shows that it omits the cases coming under Sub-section 2 of Section.20 which enables the Authority or Committee organising the Lok Adalat under sub-section (1) of Section 19 to refer the cases coming under clause (ii) of sub-section (5) of Section 19 directly. Similarly, Regulation 12 does not speak of “pecuniary jurisdiction” but speaks of only “territorial jurisdiction”. But the jurisdiction of the court is emphasised in sub-section 5 of Sec.19 and it is comprehensive. However the above lapses in drafting the Regulations have to be addressed immediately.

A Division Bench of this Court in **Karuturi Satyanarayana and another v. K. Krishnaveni Durga Kumari**<sup>[1]</sup>, considered the case arising out of the Guardian and Wards Act. In the said case, the minor children represented by their paternal grand parents instituted a complaint before the Legal Services Authority stating that they

wanted to settle their disputes with the respondent-mother of the children as per the family arrangement dated 30-05-2003, to record the same and pass an award. An award was passed in PLC case by the Lok Adalat, Rajahmundry, constituted for the Court of Junior Civil Judge. This Court held that the jurisdiction mentioned in Section 19 (5) (2) cannot be construed in the narrow sense to mean "territorial jurisdiction only". Since the matter relates to guardianship of the children, the District Court alone is having jurisdiction to decide the dispute. It was noticed in the said case that a Lok Adalat was organized and two Benches were constituted for settlement of case, one Bench was presided over by the District Judge and the other Bench was presided over by the Junior Civil Judge. The first Bench had MVOP cases, while the second Bench had civil, criminal and Pre Litigation Cases. The award in the instant case was passed by the Second Bench presided over by the Junior Civil Judge. This Court also noticed, by placing reliance on the decision in **P.T. Thomas v. Thomas Job (2005 (6) SCC 478)** that only a lawful valid award passed by the Lok Adalat would be deemed to be a decree and would be binding on the parties and final to the dispute. The award of the Lok Adalat, which lacks jurisdiction, would not qualify to be treated on par with a decree.

In **Chaluvadi Murali Krishna and another v. District Legal Services Authority, Prakasam District**<sup>[2]</sup>, this Court considered the award passed by the District Legal Services Authority, Prakasam District in a Pre-Litigation Case. It was held that the Lok Adalat can deal with a case without reference of the dispute by the Court. The relevant observations are as follows:

*".....Similarly, [Section 20](#) of the Act provides that Lok Adalat can take cognizance of a case in two different situations, in one situation it can take cognizance of any case referred to under [Section 19\(5\)\(i\)](#) of the Act and in relation to a pending matter on an application made by one of the parties to the dispute; and the other, the Lok Adalat can entertain an application from one of the parties to a dispute referred to in [Section 19\(5\)\(ii\)](#) of the Act.*

*22. Therefore, the aforesaid provisions i.e., [Sections 19\(5\)\(ii\)](#) and [20\(2\)](#) of the Act unambiguously confer jurisdiction on a Lok Adalat even without reference of the dispute by a Court....."*

In the instant case, the respondent herein submitted a petition before the Mandal Legal Services Committee under Legal Services Authority Act and it issued a notice to the opposite parties who are petitioners herein. Even on 29-04-2014 when the parties appeared before it, the Lok Adalat should have seen whether it has got 'jurisdiction' to pass an award in respect of the subject matter of the value of Rs.45.00 lakhs. The same appears to have not been verified and the award was passed. In the circumstances, the award dated 29-04-2012 passed by the Lok Adalat, Kukatpally at Miyapur in P.L.C.No.5 of 2012 is without jurisdiction and is accordingly set aside. Consequently, E.P.No.12 of 2014 is held to be not maintainable.

The Civil Revision Petition is accordingly allowed. No costs. As a sequel thereto, miscellaneous petitions, if any, pending shall stand closed.

**A. RAMALINGESWARA RAO, J**

Date: 28-12-2015

**Note:** L.R. Copy to be marked.

B.O./Ksn

---

[\[1\]](#) 2011 (2) ALT 111 (DB)

[\[2\]](#) 2013 (2) ALT 10 (DB)