

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

CIVIL REVISION PETITION No.383 of 2015

Between:

Tejavath Venkatram, Khammam district.

... Petitioner/Appellant (s)

and

Kolluru Venkateshwar Rao, Khammam Dist.

... Respondent (s)

DATE OF JUDGMENT PRONOUNCED: 24.07.2015

SUBMITTED FOR APPROVAL:

THE HON'BLE SRI JUSTICE A.RAJASHEKER REDDY

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| 1 | Whether Reporters of Local newspapers may be allowed to see the Judgments? | Yes/No |
| 2 | Whether the copies of judgment may be marked to Law Reports/Journals | Yes/No |
| 3 | Whether Their Ladyship/Lordship wish to see the fair copy of the Judgment? | Yes/No |

THE HON'BLE SRI JUSTICE A.RAJASHEKER REDDY

CIVIL REVISION PETITION No.383 OF 2015

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ORDER:

This Civil Revision Petition is filed challenging the award dated 18.10.2014, passed by the Lok Adalat Bench at Kothagudem in L.A.C.No.153 of 2014.

The case of the petitioner is that the respondent filed OS.No.279 of 2014, for recovery of an amount of Rs.9,96,000/- based on a Promissory Note dated 15.01.2012 which was executed by the petitioner/defendant for Rs.6,00,000/- with interest @ 24% p.a. in favour of the respondent/plaintiff. It is the case of the petitioner that the

suit was numbered on the same day of filing i.e. on 17.10.2014 vide OS.No.279/2014 and on the next day i.e. on 18.10.2014, the said suit was referred to Lok Adalat and basing on the compromise memo dated 18.10.2014, award was passed.

Learned counsel for the petitioner submits that there is no breathing time for the petitioner to think over the matter and that by playing fraud, the matter was referred to the Lok Adalat and award was passed. He also contends that in fact, the petitioner had borrowed only an amount of Rs.2,30,000/- in the month of December, 2012 from the respondent and paid an amount of Rs.2,00,000/- out of the borrowed amount. As such, the petitioner is due only an amount of Rs.30,000/- to the respondent. He further submits that the respondent has pressurized the petitioner to pay an amount of Rs.4,13,000/- towards interest @ Rs.10/- per Rs.100/- for the borrowed amount. He also states that the respondent lured the petitioner that he will give Rs.10,00,000/- to the petitioner with interest @ 24% p.a., thus, the respondent played fraud on the petitioner to get the said amount of Rs.4,13,000/-, for which the respondent advised the petitioner to come and sign on the papers for getting the award from the Court by playing fraud with a malafide intention against the petitioner as well as Courts. It is also stated that the respondent further advised the petitioner to pay Rs.40,000/- per month from the petitioner's salary to repay Rs.10,00,000/- by way of filing suit before the competent civil Court. Believing the said sweet and mesmerizing words of the respondent, the petitioner bluntly came to the Court and signed on the compromise memo. After getting award from the Lok Adalat, the petitioner approached the respondent several times and requested the respondent to give the said agreed loan amount of Rs.10 lakhs, but the respondent postponing the matter. Finally, the petitioner also approached police station on 22.10.2014 and filed a complaint under Section 420 IPC and 4,5,6 of A.P.Telangana Area Money Lenders Act, 1349 F. In support of his contentions petitioner

relied on the Judgments in ***Kudikala Venkateshwar Rao v. Special Lok Adalat*** ^[1] and in ***Beharikunj Sahkari Avas Samiti v. State of Uttar Pradesh and Others*** ^[2].

On the other hand learned counsel for the respondent submits that compromise memo was filed by both the parties and basing on the same Lok Adalat passed an award on 18.10.2014. When once the compromise is filed by both the parties, question of further notice does not arise. He also submits that petitioner is an educated man working as Assistant Divisional Engineer in 5th stage, KTPS, Palvancha Town and Mandal, Khammam district. She also submits that the fraud alleged by the petitioner should be specifically pleaded and proved. In support of her contentions she relied on the Judgments in ***Chaluvadi Murali Krishna and another v. District Legal Service Authority*** ^[3].

In the present case, it is to be seen that the petitioner is an educated man and working as Assistant Divisional Engineer, KTPS, Palvancha, Khammam District. Even in Ground No.6 of the Memorandum of grounds it is stated that basing on the compromise memo filed by both the parties and terms and conditions mentioned in the memo, the Lok Adalat was pleased to pass award in favour of respondent on 18.10.2014. When both the parties have filed compromise petition, further notice is not required. It is not known as to how the respondent promised to pay further amount of Rs.10 lakhs, when petitioner himself is due suit amount to the respondent.

As per Section 21 (2) of A.P. Legal Services Authorities Act, 1987, when once the award is passed by the Lok Adalat, the same shall be final and binding on all the parties to the dispute, and no appeal shall lie to any Court against the award.

In the Judgment relied on by the learned counsel for the petitioner in ***Kudikala Venkateshwar Rao case (supra 1)***, wherein the award passed by the Special Lok Adalat Bench was challenged, this Court observed that one of the Members of the Lok Adalat has not even signed on it, and the impugned award cannot be acceptable at all. As such, this Court allowed the writ petition on the aforesaid ground.

In the Judgment relied on by the respondent in **Chaluvadi Murali Krishna case (supra 3)** it is clearly held that only in exceptional cases petition under Article 226 and 227 of the Constitution of India can be entertained against the award of the Lok Adalat.

No doubt, when an award is obtained by playing fraud, it cannot stand. But, in the present case, a memo of compromise is filed by both the parties and basing on the same, the award is passed. More so, the petitioner is not an illiterate person who signed on the compromise memo.

In the Judgment relied on by the respondent in **Chaluvadi Murali Krishna case (supra 3)** it is clearly held as follows;

“ 10. There may be exceptional cases where an award was passed by a Lok Adalat without jurisdiction or without a compromise between the parties. Similarly there may be cases wherein award may have been obtained by impersonation, fraud etc. In all such exceptional cases a writ under Article 226 or 227 may lie to the High Court, provided they are clinchingly unequivocally proved on the basis of material placed before the Court. There may be yet another situation where an award may have been obtained by connivance, defeating the rights of the third party, in such cases also a writ would lie, provided however, there is *prima facie*, evidence of collusion, fraud and misrepresentation.....”

The facts relied on by the petitioner in ***Kudikala Venkateshwar Rao case (supra 1)***, are in different context. Further, when fraud is proved it can be considered at any stage. But, in the present case, in

view of the aforesaid facts and circumstances, I am not inclined to entertain the Civil Revision Petition for quashing the award of Loak Adalat.

Accordingly, the CRP is dismissed. However, it is open for the petitioner to avail other remedies available to him under law. No order as to costs.

As a sequel thereto, miscellaneous petitions, if any, pending in the writ petition, shall stand closed.

A.RAJASHEKER REDDY, J

24.07.2015

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[\[1\]](#) 2015 (4) ALT 155 (D.B.)

[\[2\]](#) (2008) 12 Supreme Court Cases 306

[\[3\]](#) 2013 (1) ALD 320 (DB)