

**IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH**

IMPROVEMENT TRUST SANGRURPetitioner
Vs
PREM SINGH WALIARespondent

[2]. Learned counsel for the petitioner submitted that the Improvement Trust, Sangrur floated a Scheme in February, 2001 whereby price of 10 *marlas* of plot was fixed @ Rs.8100 per sq. yard. There was draw of lot on 28.06.2012. In the meanwhile, prices were enhanced @ Rs.9000/- per sq. yard with the approval of the competent authority i.e. Government. Allotment letter was issued to the respondent on 18.09.2012.

The enhanced amount was deposited by the respondent on 17.10.2012. After deposit of the amount, the respondent sold the property to one Piyush Singla on 17.11.2012 and thereafter filed an application for refund of the enhanced amount before the Permanent Lok Adalat (Public Utility Services), Sangrur on 27.01.2014.

[3]. Learned counsel further submitted that on the date of filing of the application, respondent was not the owner of the plot in question. Secondly in view of mandatory requirement of amended provision in terms of Sections 22-C(5) to 22-C(8) of the Legal Services Authorities, Act 1987 (hereinafter to be referred to as 'the Act'), an effort was required to be made by the Permanent Lok Adalat to facilitate an amicable resolution of the dispute between the parties. It was only thereafter, the Permanent Lok Adalat could have decided the issue on merits.

[4]. For ready reference, Section 22-C (supra) is reproduced hereasunder:-

“22-C - Cognizance of cases by Permanent Lok Adalat:-

(1) Any party to a dispute may, before the dispute is brought before any court, make an application to the Permanent Lok Adalat for the settlement of dispute:

Provided that the Permanent Lok Adalat shall not have jurisdiction in respect of any matter relating to an offence not compoundable under

any law:

Provided further that the Permanent Lok Adalat shall also not have jurisdiction in the matter where the value of the property in dispute exceeds ten lakh rupees:

Provided also that the Central Government, may, by notification, increase the limit of ten lakh rupees specified in the second proviso in consultation with the Central Authority.

(2) After an application is made under sub section (1) to the Permanent Lok Adalat, no party to that application, shall invoke jurisdiction of any court in the same dispute.

(3) Where an application is made to a Permanent Lok Adalat under sub Section (1), it-

(a) Shall direct each party to the application to file before it a written statement, stating therein the facts and nature of dispute under the application, points or issues in such dispute and grounds relied in support of, or in opposition to, such points or issues, as the case may be, and such party may supplement such statement with any document and others evidence which such party deems appropriate in proof of such facts and grounds and shall send a copy of such statement together with a copy of such document and other evidence, if any, to each of the parties to the applicant;

(b) may require any party to the application to file additional statement before it at any stage of the conciliation proceedings;

(c) shall communicate any document or

statement received by it from any party to the application to the other party, to enable such other party to present reply thereto.

(4) When statement, additional statement and reply, if any, have been filed under sub section (3), to the satisfaction of the Permanent Lok Adalat, it shall conduct conciliation proceedings between the parties to the application in such manner as it thinks appropriate taking into account the circumstance of the dispute.

(5). The Permanent Lok Adalat shall, during conduct of conciliation proceedings under sub section (4), assist the parties in their attempt to reach an amicable settlement of the dispute in an independent and impartial manner.

(6) It shall be the duty of every party to the application to cooperate in good faith with the Permanent Lok Adalat in conciliation of the dispute relating to the application and to comply with the direction of the Permanent Lok Adalat to produce evidence and other related documents before it.

(7) When a Permanent Lok Adalat, in the aforesaid conciliation proceedings, is of opinion that there exist elements of settlement in such proceedings which may be acceptable to the parties, it may formulate the terms of a possible settlement of the dispute and give to the parties concerned for their observations and in case the parties reach at an agreement on the settlement or the dispute, they shall sign the settlement agreement and the Permanent Lok Adalat shall pass an award in terms thereof and furnish a copy of the same to each of the parties concerned.

(8) Where the parties fail to reach at any agreement under sub section (7), the Permanent Lok Adalat shall, if

the dispute does not relate to any offence, decide the dispute.”

[5]. Perusal of the aforesaid section and sub sections reveals that Permanent Lok Adalat on receipt of conciliation proceedings was obligated to assist the parties in order to reach amicable settlement in an independent and impartial manner. During conduct of conciliation proceeding, it was the duty of every party to cooperate in good faith with Permanent Lok Adalat in conciliation of the dispute and to comply with the directions so given by the Lok Adalat to produce evidence and other related documents. When the Permanent Lok Adalat after undertaking conciliation proceedings is of the opinion that there exist elements of settlement, then it may formulate the terms and conditions thereof and give opportunity to the parties to reach at an agreement on the settlement of the dispute. Where parties failed to reach at an amicable resolution of dispute under sub Section (7), then the Permanent Lok Adalat shall proceed to decide the same, if the dispute does not relate to any offence. Both the parties are stressing hard on the issue.

[6]. Learned counsel for the petitioner submitted that the impugned order suffered from incurable illegality inasmuch as that before passing the same, the Permanent Lok Adalat was obligated to comply with the requirement of Section 22-C of the

Act in the context of exploring possibility of amicable settlement by way of conciliatory proceedings. A defined procedure has been prescribed under Section 22-C and its sub Sections and procedure was required to be followed by the Permanent Lok Adalat.

[7]. In support of his contention, learned counsel placed reliance upon **United India Insurance Co. Ltd. vs. Ajay Sinha and another, 2009(1) RCR (Civil) 726; Uttar Haryana Bijli Vitran Nigam and another vs. Kusum Jain, 2015(3) RCR (Civil) 690** and **Reliance General Insurance Company Limited vs. Vijay Kumar and another, 2015(3) RCR (Civil) 226**. Learned counsel also relied upon order dated 07.12.2015 passed by this Court in **CR No.1349 of 2013** and **CR No.1365 of 2013** titled '**Shri Ram General Insurance Co. Ltd. vs. Permanent Lok Adalat (Public Utility Services) Gurgaon and another.**

[8]. Learned counsel for the respondent refuted the aforesaid arguments by relying upon an observation made by the Permanent Lok Adalat (Public Utility Services) Sangrur that the parties had failed to settle the dispute and thereafter they were asked to lead evidence.

[9]. By relying upon **Bar Council of India vs. Union of India, 2012(4) Recent Apex Judgments (R.A.J.) 309**, learned

counsel contended that Permanent Lok Adalat can settle the dispute with regard to Public Utility Service, Act 1987, if the parties failed to reach at amicable settlement and in such eventuality Permanent Lok Adalat has power to adjudicate the dispute on merits.

[10]. I have heard learned counsel for the parties.

[11]. In the present case, steps undertaken by the Permanent Lok Adalat (Public Utility Services) Sangrur in compliance of mandatory provision in terms of Sections 22-C(5) to 22-C(8) of the Act have not been noticed in the impugned order. This question of fact was required to be elaborately discussed by the Court in the impugned order. Before deciding the issue, it was obligatory on the part of the Permanent Lok Adalat to adhere to the mandatory requirement of the provision and it was only thereafter the Authority could have recorded its satisfaction that no compromise could have been arrived at. Perusal of impugned order reveals that the same is silent about the mandatory compliance of the provision.

[12]. Having considered the material on record, it would be just and appropriate to remand the present case to the Permanent Lok Adalat (Public Utility Services), Sangrur to pass a speaking order with regard to the compliance in terms of Sections 22-C(5) to 22-C(8) of the Act.

[13]. In view of the aforesaid observations, impugned order dated 18.12.2014 is hereby set aside and the case is remanded to the Permanent Lok Adalat (Public Utility Services), Sangrur to decide the same afresh in accordance with law. Both the parties would appear before the Permanent Lok Adalat (Public Utility Services) Sangrur on 03.08.2017. The Court would be obligated to decide the issue of compliance of Sections 22-C(5) to 22-C(8) of the Act as well as the maintainability of the application before it.

[14]. Petition stands disposed of.

July 20, 2017

Atik

Whether speaking/reasoned

Whether reportable

(RAJ MOHAN SINGH)
JUDGE

Yes/No

Yes/No