

**IN THE HIGH COURT OF PUNJAB AND HARYANA AT
CHANDIGARH****CWP-4047-2019****Date of Decision: 14.02.2019****Army Welfare Housing Organization****..... Petitioner****Versus****Permanent Lok Adalat and Others****..... Respondents****CORAM: HON'BLE MR. JUSTICE ARUN MONGA**

Argued by:- Mr. Atul Sharma, Advocate and
Mr. Tegjeet Singh, Advocate
for the petitioner.

ARUN MONGA, J.

1.) The present petition has been filed seeking writ in the nature of certiorari to quash impugned award dated 01.11.2018 (Annexure P-2), whereby Respondent No. 1 has partly allowed application u/s 22C of the Legal Services Authority Act, 1987 (hereinafter referred to as the Act) relating to reimbursement of costs and interest involved for purchase of a flat. Main ground of challenge is that such impugned order has been passed by learned P.L.A. exceeding its jurisdiction under the Act, *ibid*.

2.) Briefly, the facts are that the petitioner i.e. Army Housing Welfare Organization (hereinafter AWHO), is registered under the Society Registration Act XXI of 1860. The petitioner society is a non profit welfare organization and acts as Promoter of Real Estate Projects. AWHO develops Flats/Dwelling Units and on completion thereof, allots the same to the subscribers-members of the scheme who are either Serving Armed Forces Personnel or Ex-Servicemen and their wards. AWHO has offices across India and such offices and the work carried out by them comes under the

supervision of the Command Headquarters of the respective areas.

3.) In the present case, AWHO, in 2009, announced scheme for construction and development of Flats/Dwelling Units at AWHO Complex, namely "Harbhajan Vihar", in Sector 114, Mohali, Punjab. Respondent No 1, being a Retired Army Officer, had applied for allotment of 4BHK Luxury Apartment in said project in April 2014, and had deposited the registration cost for the same. Respondent No. 1 paid the remaining amount as per the decided schedule through EMI/Installments periodically after taking a loan from Respondent No. 3.

4.) Petitioner states that due to circumstances out of its control, there was an escalation in the cost of construction and a further demand for deposit of 5% of Land value was made from the Respondent No. 1, which he failed to pay. Petitioner then states that Respondent No. 1 withdrew from the Scheme in 2016, pursuant to which the petitioner refunded the amount as deposited by him. Respondent No. 1 wrongly made a further claim of ₹ 7,84,449/- as interest paid to bank from whom loan was taken, plus ₹48,000/- as costs for purchasing insurance and also additional costs of ₹10,00,000/- for mental agony and suffering undergone by him. The petitioner rejected the claim and the Respondent filed an application u/s 22C before the Permanent Lok Adalat (hereinafter PLA).

5.) PLA, finding that no settlement could be reached between the parties, proceeded to adjudicate u/s 22C(8). Petitioner contested the application and stated that the matter was outside the jurisdiction of the PLA and that the Respondent was bound by estoppel. PLA after hearing the arguments and appreciating the evidence taken on record passed the impugned award dated 01.11.2018 (Annexure P-2) in favour of the Respondent No. 1, granting his plea partly. Hence, this writ petition.

6.) Having heard the Ld. Counsel for the petitioner, I am of the view that the present petition deserves to be dismissed.

7.) Permanent Lok Adalat as constituted by Chapter VI-A, S. 22A of the Act, has been defined as '*(a) "Permanent Lok Adalat" means a Permanent Lok Adalat established under sub-section (1) of Section 22 B.*' Further, for the purpose of Chapter VI-A the term 'public utility services' has also been defined and the relevant part is produced below:-

(b) "public utility service" means any –

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and includes any service which the Central Government or the State Government, as the case may be, may in the public interest, by notification, declare to be a public utility service for the purposes of this Chapter.

8.) The Government of Punjab had, in pursuance of the power granted under S. 22A of the Act, issued a notification No. S.O.147/C.A.39/1987/S.22-A/2018 (Annexure P-5), by which a few services have been notified as public utility services. They include Banking Services, Housing Services, Finance Services, Immigration Services, etc.

9.) From the above stated provisions it is clear that housing services would fall under the term 'Public Utility Services'. The petitioner is admittedly, performing and providing 'Housing Services'. They are, by self proclamation, per Para 3 and 4 of the petition, a registered society which acts as Promoter in Real Estate Projects across the country. They develop and construct Flats/ Dwelling Units which are given for housing purposes to the subscriber-members of the society. Once the functions performed the petitioner come under the aegis of the term 'public utility services' it would be within jurisdiction of the PLA to decide the matter in issue. Reference can be made to the judgment of a coordinate bench of this Court, titled as **Magma**

HDI General Insurance Co. Ltd. and another vs. Ashok Kumar and

another, 2016(1) PLR 42. In the said judgment it has been held that Chapter VI-A of the Act, added in 2002, was enacted to provide a mechanism for pre-litigation conciliation and settlement. PLA, as set up under S.22B of the Act, is empowered to deal with any matter at hand if it comes under the definition of 'public utility services'. It has been given the duty to see whether any amicable settlement can be reached between the contesting parties, failing which it has the power to adjudicate on the application u/s 22C(8). This amendment in the Act was made to reduce the burden on the Courts and to provide efficacious and speedy remedy.

10.) In view of the aforesaid, I hold that the PLA had jurisdiction to decide the matter in controversy, the present petition is devoid of merit and is, therefore, dismissed.

14.02.2019
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(ARUN MONGA)
JUDGE

Whether speaking/reasoned: Yes / No

Whether Reportable: Yes / No