

IN THE HIGH COURT OF PUNJAB AND HARYANA  
AT CHANDIGARH

203

CWP-4459-2015

Date of decision: 15.04.2024

M/S AHMEDGARH TANKER TRANSPORT AND ANOTHER

.....Petitioners

VERSUS

CHAIRMAN, PERMANENT LOK ADALAT LUDHIANA AND OTHERS

.....Respondents

CORAM : HON'BLE MR. JUSTICE VINOD S. BHARDWAJ

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Present: - Mr. Dinesh Kumar, Advocate for  
Mr. Sameer Sachdeva, Advocate  
for the petitioner.

Mr. Neeraj Khanna, Advocate for  
Mr. Ravinder Arora, Advocate  
for respondent No.2.

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VINOD S. BHARDWAJ, J. (Oral)

1. The present writ petition has been filed for seeking quashing of the impugned ex-parte award dated 06.10.2009 passed by the Permanent Lok Adalat, Ludhiana.
2. It is evident from the order sheet that the Counsel for the petitioner had been repeatedly seeking adjournments in the matter for no valid reasons. Today, also a request for pass over has been made, however, the same is not feasible. The matter has been hence finally heard.

3. At the request of the Court, Mr. Dinesh Kumar, Advocate has thus agreed to argue the matter on merits.

4. Learned counsel appearing on behalf of the petitioner has argued that the petitioner firm was carrying on the business of transportation in the City of Ludhiana. In the month of May 2009, the respondent No.2 moved an application under Section 22-C of the Legal Services Authorities Act, 1987 alleging that respondent No. 3 had booked a consignment of 27.630 MT. Oil with the petitioner vide G.R. No. 26007 dated 25.09.2008 from Kandla (Gujarat) to Rajpura (Punjab). It was alleged that the petitioner-Transporter had agreed to deliver the said consignment to the consignee i.e. respondent No.3 in a safe and sound condition, at the agreed upon destination. The petitioner, however, did not carry the said consignment with care and caution and that the tanker bearing Registration No. PB-10-BX-8499 met with an accident on 28.09.2009 near Village Bhai Bhaktaur, District Bathinda while carrying the said consignment causing destruction of the consignment to the extent of 19.69 MT oil. A notice to that effect was sent by respondent No.3 and a claim was also lodged with them, however, the same was not paid by them. A claim was also submitted to the Insurance Company. The said claim was settled by the respondent No.2-National Insurance Company for the sum of Rs. 9,28,223/-. The above mentioned application under Section 22-C was thereafter filed by the respondent No. 2, on behalf of respondent No.3, for a claim of Rs. 9,28,233/- alongwith cost and interest @ 12% per annum from the date of the claim till its actual payment.

5. He contends that the Permanent Lok Adalat, Ludhiana proceeded ex-parte against the petitioner, and passed an ex-parte award

without resorting to the procedure under Section 22 (C)(4) and 22 (C) (7) of the Legal Services Authorities, Act, 1987 and that the award in question thus suffers from the mandatory procedural requirement as laid down by the Hon'ble Supreme Court in the matter of **"Canara Bank versus G.S. Jayrama"** reported as (2022) 7 SCC 776. The relevant extract of the said judgment reads as under:-

*"This issue is clearly resolved from a bare reading of Section 22-C. Section 22- C provides a step-by-step scheme on how a matter is to proceed before the Permanent Lok Adalat. The first step is the filing of the application which ousts the jurisdiction of other civil courts, in accordance with sub-Sections (1) and (2). The second step is the parties filing requisite submissions and documents before the Permanent Lok Adalat, in accordance with sub-Section (3). On the completion of the third step to its satisfaction, the Permanent Lok Adalat can move to the fourth step of attempting conciliation between the parties, in accordance with sub-Sections (4), (5) and (6). Subsequently, in the fifth step in accordance with sub-Section (7), the Permanent Lok Adalat has to draw up terms of settlement on the basis of the conciliation proceedings, and propose them to the parties. If the parties agree, the Permanent Lok Adalat has to pass an award on the basis of the agreed upon terms of settlement. Only if the parties fail to reach an agreement on the fifth step, can the Permanent Lok Adalat proceed to the final step and decide the dispute on its merits."*

6. Even though the learned counsel for the respondent made an attempt to justify the award, however, he could not dispute that the mandatory procedure under Section 22 (C)(4) to 22-C (7) has not been followed in the present case.

7. I have perused the impugned award dated 06.10.2009 and it is evident that the mandatory procedure as prescribed under the Legal Services Authorities Act, 1987 has not been followed.

8. Further, another issue which arose for determination by the Permanent Lok Adalat, Ludhiana was to whether the proceedings for seeking recovery from the Transporter could be validly instituted or not. However, noticing that the mandatory procedural requirement has not been followed, hence, there is no necessity at this juncture for this Court to examine the issue on merits any further lest it may cause prejudice to any of the rights of the contesting parties.

9. The present writ petition is accordingly allowed. The award dated 06.10.2009 is set aside. The parties are directed to appear before the Permanent Lok Adalat, Ludhiana on 13.05.2024 whereupon the Permanent Lok Adalat, Ludhiana shall pass afresh order in the case in accordance with law and after granting an opportunity of hearing to the respective parties.

(VINOD S. BHARDWAJ)  
JUDGE

APRIL 15, 2024  
Vishal Sharma

|                           |   |        |
|---------------------------|---|--------|
| Whether speaking/reasoned | : | Yes/No |
| Whether Reportable        | : | Yes/No |