



CWP-18499-2016

-1-

IN THE HIGH COURT OF PUNJAB AND HARYANA AT
CHANDIGARH

206

CWP-18499-2016

Date of decision:09.12.2025

M/S GOLDEN VILLAS

...PETITIONER

VERSUS

BIMLA DEVI AND ANR

...RESPONDENTS

CORAM: HON'BLE MR. JUSTICE SUVIR SEHGAL

Present: Mr. Karanvir Hooda, Advocate
for the petitioner.

Mr. R.K. Gupta, Advocate and
Mr. G.S. Bidhan, Advocate
for respondent No.1.

SUVIR SEHGAL, J.

1. Primary challenge of petitioner is to *ex parte* award dated 01.02.2016, Annexure P-13, passed by the Permanent Lok Adalat (Public Utility Services), Rewari, (for short “Lok Adalat”), whereby petition filed by respondent No.1 under Section 22C of the Legal Services Authorities Act, 1987, (for short “the Act of 1987), has been accepted. Petitioner has also assailed interim orders dated 11.03.2014 and 21.07.2014, Annexures P-10 and P-12, respectively, whereby petitioner has been proceeded against *ex parte* by Lok Adalat as well as order dated 03.06.2016, Annexure P-15, by which application for setting aside *ex parte* award has been dismissed.



CWP-18499-2016

-2-

2. Respondent No.1 filed a petition under Section 22-C of the Act of 1987 averring that a builder/buyer agreement dated 17.10.2006, was entered into by Vinod Chahal and Bijender Malik with the petitioner for purchase of villa measuring 1050 square yards in Golden Villas. The total value of villa was Rs.21 lacs, which was remitted over the period of time. Respondent No.1 is mother of Vinod Chahal, who alongwith his spouse and son were unfortunately murdered, at their residence in the night intervening 18/19.05.2007 and an FIR was registered. Respondent No.1 approached petitioner for transfer of her son's share to her name, but petitioner started pressuring her to take amount back. She filed a petition before Lok Adalat, Gurugram, which was withdrawn on 14.11.2013, Annexure P-8. A fresh petition was filed by her before Lok Adalat, Rewari, and an *ex parte* impugned award, Annexure P-13, has been passed in her favour.

3. Counsel for the petitioner contends that orders dated 11.03.2014 and 21.07.2014, Annexures P-10 and P-12, cannot be sustained as petitioner has been proceeded against *ex parte* even before expiry of requisite period of 30 days. It is his assertion that respondent No.1 deliberately mentioned a wrong address in the petition before Lok Adalat and petitioner was never served. He urges that Lok Adalat has adjudicated the dispute without attempting to bring about a conciliation between the parties and provisions of Act of 1987 have been breached.

4. Per contra, counsel for respondent No.1 has supported the impugned award. He has asserted that petitioner was duly served at its registered office and on its failure to appear, it was proceeded against *ex*



parte. It is his assertion that Lok Adalat has followed the procedure laid down under Act of 1987 before adjudicating petition on merits.

5. I have heard counsel for the parties and considered their respective submissions besides examining the documents relied upon by them.

6. Impugned award has been minutely examined. After noticing the claim as raised by respondent No.1 in her petition and evidence produced by her, Lok Adalat has proceeded to adjudicate the dispute on merits. The relevant extract of impugned award is reproduced hereunder:-

“A perusal of agreement Ex.P2 shows that Vinod Chahal and Bijender Mali are equal partners or in the villa bearing No.27 measuring 1050 square yards. Both of them made equal payments regarding the said villa.

We find force in the contention of counsel for applicant Bimla, who is the sole legal heir of Vinod Chahal is entitled to get one half share and possession of the same. If any amount of the share of the applicant is found due, the applicant shall pay the same to the respondent. The respondents are directed to send a letter to Bimla Devi, mentioning as to how much is to be paid by her regarding her share to the respondents and within one month of passing of the award.”

7. It is evident that Lok Adalat has not made any effort to bring about a settlement between the parties as is the requirement of Section 22-C(7) of the Act of 1987. Lok Adalat gets the power to decide the dispute on merits only after the conciliation process between the parties does not fructify into a settlement. It is mandatory for the Lok Adalat to take recourse to the conciliation process even in case respondents have been proceeded against *ex parte*. Reliance in this regard can be placed upon the observations



of the Hon'ble Supreme Court in **Canara Bank Vs. G.S. Jayarama (2022) 7 SCC 776**. The relevant extract of judgment is reproduced hereunder:-

“36. The appellant's argument, however, is that if the opposite party does not appear before the Permanent Lok Adalat, it can dispense with the conciliation proceedings and straightaway adjudicate the dispute under Section 22-C(8). We are unable to accept this submission. Even if the opposite party does not appear, the Permanent Lok Adalat is still bound to follow the step-by-step procedure laid down by Section 22-C Under Section 22-C(3), it would require the party before it to file their submissions and documents, and make the best efforts to communicate them to the opposite party for their response. If it is satisfied that no response is forthcoming from the absent opposite party, the Permanent Lok Adalat shall still attempt to settle the dispute through settlement under Section 22-C(4). It is important to remember that Section 22-C(5) imposes a duty upon the Permanent Lok Adalat to be independent and impartial in attempting to amicably settle the dispute, while Section 22-C(6) imposes a duty upon the party present before the Permanent Lok Adalat to cooperate in good faith and assist the Permanent Lok Adalat. Thereafter, the Permanent Lok Adalar, based on the materials before it, shall propose terms of settlement and communicate them to both parties, regardless of whether they participated in the proceedings. If the party present before the Permanent Lok Adalat does not agree or if the absent party does not respond in a sufficient period of time, only then can the Permanent Lok Adalat adjudicate the dispute on its merits under Section 22-



C(8). Keeping in mind the principles enshrined in Section 22-D, the Permanent Lok Adalat shall once again notify the absent party of its decision to adjudicate the dispute on its merits, in case it wishes to join the proceedings at that stage.

37. Section 22-C(8) is amply clear that it only comes into effect once an agreement under Section 22-C(7) has failed. The corollary of this is that the proposed terms of settlement under Section 22-C(7), and the conciliation proceedings preceding it, are mandatory. If Permanent Lok Adalats are allowed to bypass this step just because a party is absent, it would be tantamount to deciding disputes on their merit ex parte and issuing awards which will be final, binding and will be deemed to be decrees of civil courts. This was simply not the intention of Parliament when it introduced the LSA Amendment Act. Its main goal was still the conciliation and settlement of disputes in relation to public utilities, with a decision on merits always being the last resort. Therefore, we hold that conciliation proceedings under Section 22-C of the LSA Act are mandatory in nature.”

8. As Lok Adalat has failed to adhere to the mandatory procedure prescribed under the Act of 1987, impugned award and subsequent proceedings cannot be sustained.

9. For the afore-going reasons, impugned award dated 01.02.2016, Annexure P-13, and order dated 03.06.2016, Annexure P-15, are set aside. Matter is remitted to the Lok Adalat, Rewari, for adjudication afresh after following the mandatory procedure prescribed under the statute.



CWP-18499-2016

-6-

10. Writ petition is disposed of.

11. Parties are directed to appear before Lok Adalat, Rewari at 12.01.2026 at 10.00 AM for further proceedings in accordance with law. Liberty is also given to parties to move an appropriate application for setting aside of *ex parte* proceedings and/or produce any material they deem appropriate in order to assist the Lok Adalat in bringing an end to this *lis*.

09.12.2025
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(SUVIR SEHGAL)
JUDGE

Whether Speaking/reasoned	Yes/No
Whether Reportable	Yes/No