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

(102)

CWP-16292-2024

Date of decision:- 19.12.2025

State of Punjab and others

...Petitioners

Versus

**Daily Lok Adalat, Punjab and Haryana High Court, Chandigarh through
its President and others**

...Respondents

CORAM: HON'BLE MR. JUSTICE SUVIR SEHGAL

Present:- Mr. Siddharth Sandhu, Assistant Advocate General, Punjab.

Mr. Sanjeev Sharma, Legal Aid Counsel, for respondent No.1.

Mr. H.S.Lalli, Advocate, for respondents No.2 to 5.

...

SUVIR SEHGAL, J. (Oral)

1. State has filed the present writ petition for issuance of a writ in the nature of certiorari for quashing impugned award dated 17.10.2022 as well as order dated 02.05.2024, Annexures P-3 and P-7, respectively, passed by the Daily Lok Adalat, whereby RSA No.512 of 1999, filed by the petitioners, has been dismissed.

2. Brief facts, leading to the filing of the petition, are that services of Jagdev Singh, who was working as an Electrician Instructor, were terminated on 24.01.1991. He filed a suit for declaration assailing the termination order, which was dismissed by the Trial Court on 25.07.1996. Jagdev Singh was

successful in appeal and vide judgment dated 15.05.1998, learned Additional



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District Judge, Patiala, declared the termination order to be illegal and held that Jagdev Singh would be entitled to interest and arrears, while granting liberty to the State to hold a fresh inquiry, in case it is, so desired, after appointing a new Inquiry Officer. State filed RSA No.512 of 1999 before this Court, which was admitted and operation of impugned decree was stayed. This appeal was referred to the Daily Lok Adalat and was dismissed as not pressed on 17.10.2022, Annexure P-3, on a statement made by State counsel as Jagdev Singh had died. Legal representatives of Jagdev Singh filed an application and were impleaded in place of the deceased vide order dated 11.11.2022, Annexure P-5. They filed a petition for execution of the judgment and decree passed by the Appellate Court. State filed an application for review before the Daily Lok Adalat, which was dismissed on 02.05.2024, Annexure P-7. Aggrieved by the aforesaid orders, Annexures P-3 and P-7, State has approached this Court by way of present writ petition.

3. Mr. Siddharth Sandhu, Assistant Advocate General, Punjab, has made a reference to Section 20 of the Legal Services Authorities Act, 1987 (for short “the Act of 1987”) to contend that Daily Lok Adalat did not have the jurisdiction to decide the dispute on merits. It is his argument that the Daily Lok Adalat has been conferred with a very limited jurisdiction and by dismissing the appeal, it had exceeded the powers vested in it.

4. Mr. Sanjeev Sharma, counsel for respondent No.1, has argued that power to adjudicate disputes has been conferred upon the Permanent Lok Adalat (for short “the PLA”) established under Section 22-B of the Act of 1987



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5. Mr. H.S.Lalli, counsel for respondents No.2 to 5, has opposed the petition and has argued that State has not approached the Court with clean hands and it has concealed the orders passed by Daily Lok Adalat. He emphasizes that when State failed to implead the legal representatives, it sought withdrawal of appeal and cannot, at a belated stage, seek recall of the order or challenge it by way of present writ petition.

6. I have heard counsel for the parties and considered their respective submissions.

7. The maintainability of the writ petition is not in dispute. In **Dilip Mehta versus Rakesh Gupta and others, 2025 SCC Online SC 2737**, Supreme Court held that statutory finality is attached to a Lok Adalat award, which is treated and may be executed as a decree. The only recognized avenue of challenge to an award is the constitutional jurisdiction of the High Court, which is supervisory and exceptional in nature. In **State of Punjab and another versus Jalour Singh and others (2008) 2 SCC 660**, it has been opined that an award passed by the Daily Lok Adalat is final and binding on the parties. If any party wants to challenge such an award, it can only be done by filing a petition under Article 226 and/or Article 227 of Constitution of India and that too on very limited grounds. Interpreting Sections 19 to 22, which form part of Chapter VI of the Act of 1987, Supreme Court held that Daily Lok Adalat does not have any adjudicatory powers and its limited function relates purely to conciliation. A Daily Lok Adalat determines a reference on the basis of a compromise or settlement between the parties and puts its seal of confirmation by making an award in terms of such settlement. Where a Daily Lok Adalat is not able to



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arrive at a settlement or compromise, no award can be passed and the case record is returned to the Court from where the reference was received for disposal in accordance with law.

8. In *State of Punjab and others versus Ganpat Rai (2006) 8 SCC 364*, Supreme Court observed that two crucial terms used in Section 20 (3) and (5), *ibid*, are “compromise” and “settlement”. It is an agreement reached by adjustment of conflicting or opposing claims by reciprocal modification of demands. Supreme Court observed that “settlement” is termination of legal proceedings by mutual consent. If no compromise or settlement is arrived at, a Daily Lok Adalat does not have any jurisdiction to pass an order. A distinction has been drawn by the Supreme Court in *Canara Bank versus G.S.Jayarama (2022) 7 SCC 776*, between the powers conferred upon a Daily Lok Adalat under Chapter VI and the powers vested on PLA under Chapter VI-A, which contains Sections 22-A to 22-E of the Act of 1987. Supreme Court has clarified that a scheme has been laid down in Section 22-C, which provides a limited power to a PLA for adjudication of a dispute on merits in case a conciliation process does not end in a settlement.

9. Present writ petition arises out of an award passed by the Daily Lok Adalat constituted under Chapter VI of the Act of 1987. After second appeal was admitted by this Court, it was referred for settlement to a Daily Lok Adalat, where it transpired that sole contesting party – Jagdev Singh had expired and his LRs had not been brought on record. On 21.09.2022, counsel for legal representatives of the deceased sought a deferment for bringing on record legal representatives of the deceased. However, on 17.10.2022, a



statement was made by State counsel and appeal was dismissed as not pressed on the ground that Jagdev Singh had expired. Subsequently, application for impleading legal representatives was allowed by the High Court vide order dated 11.11.2022 and the legal representatives initiated execution proceedings. In view of settled legal position by the Hon’ble Supreme Court, a Daily Lok Adalat constituted under Chapter VI of the Act of 1987, has a restricted jurisdiction, which is confined to passing an award on the basis of a settlement or agreement arrived at between the parties. In case, there is no such settlement or agreement, Daily Lok Adalat cannot terminate the proceedings. Power to permit one of the parties to withdraw appeal, is also not vested with the Daily Lok Adalat and such an order has to be passed by a regular Court. The natural consequence of the above discussion is that impugned award and order, Annexures P-3 and P-7, respectively, cannot be sustained.

10. Accordingly, writ petition is allowed. Impugned award and order, Annexures P-3 and P-7, respectively, are set aside. RSA No.512 of 1999 is restored to its original number.

11. Noticing that appeal is more than twenty five years old, it is ordered to be listed for hearing as per roster within a period of three months.

(SUVIR SEHGAL)
JUDGE

19.12.2025
Pardeep

Whether Speaking/Reasoned	Yes
Whether Reportable	Yes