

**CWP-6764-2016****-1-****IN THE HIGH COURT OF PUNJAB & HARYANA AT
CHANDIGARH****(204)****CWP-6764-2016****Date of decision:- 30.07.2025****M/s Ansal Housing and Construction Ltd.****... Petitioner****Versus****Chairman, the Permanent Lok Adalat and Public Utility Services,
Gurgaon and another****... Respondents****CORAM: HON'BLE MR. JUSTICE SUVIR SEHGAL****Present:- Mr. Munish Mittal, Advocate for the petitioner.****Ms. Manvi Verma, Advocate****Legal Aid Counsel for the respondent No.2.*************SUVIR SEHGAL, J. (ORAL)**

1. Instant petition has been filed for issuance of a writ, in the nature of certiorari, for quashing award dated 19.11.2015, Annexure P-9, passed by the Permanent Lok Adalat (Public Utility Services), Gurugram (for short "PLA") under Section 22-C of the Legal Services Authorities Act, 1987 (for short "the Act").
2. Facts, in brief, are that the petitioner is a real estate developer. Respondent No.2 booked a one acre farm house in the proposed Aravali Retreat Farm Houses Scheme in District Gurugram valued at Rs.3,10,000/- and deposited 10% of the total value as earnest money. An allotment was made vide letter dated 11.08.1989 and she deposited an amount of Rs.1,58,000/- upto 07.06.1991. As possession was not offered, respondent No.2 sent a legal notice

**CWP-6764-2016****-2-**

on 28.05.2013, Annexure P-1, and filed a petition on 24.10.2013, Annexure P-2, before the PLA, calling upon the petitioner to supply information regarding possession of the farm house and for payment of interest on the deposited amount. Petitioner contested the proceedings by filing a reply and took a stand that respondent No.2 failed to make the entire payment and allotment made in her favour was cancelled. After making the deductions, a cheque of Rs.96,000/- dated 18.06.1992 was sent to respondent No.2. It was pleaded that proceedings were barred by limitation. After contest, the PLA accepted the petition vide impugned award and directed the petitioner to refund an amount of Rs.96,000/- to respondent No.2 with compound interest at the rate of 9% per annum from 18.06.1992.

3. Counsel for the petitioner has contended that respondent No.2 booked a farm house, but she never signed the allotment letter. She failed to deposit the balance amount. He states that the petitioner wrote letters dated 13.04.1992 and 14.05.1992, Annexures P-4 and P-4/A, respectively, to respondent No.2 making demand for the remaining payment, including interest. When the amount was not deposited, allotment was cancelled vide letter dated 17.06.1992, Annexure P-5, and after making a deduction of 20% of the total cost of land, an amount of Rs.96,000/- was refunded by cheque. He submits that another letter dated 15.03.1995, Annexure P-8, was sent to respondent No.2 for re-validating the allotment on deposit of the settlement amount, but she did not accept the offer. Counsel asserts that respondent No.2 slept over the matter and by serving a legal notice cannot be said to have kept the matter alive. Placing reliance upon a judgment of a Division Bench of this Court in



CWP-6764-2016

-3-

Hind Motors India Ltd. Versus Permanent Lok Adalat, Public Utility**Services and others, 2008 (2) PLR 91**, he asserts that petition was time barred.

4. On the other hand, counsel for respondent No.2 has supported the impugned order, Annexure P-9, and submits that no period of limitation has been prescribed for invoking the jurisdiction of the PLA under the Act.

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

6. Judgment passed by the Division Bench in **Hind Motors's case (supra)**

deserves to be noticed and is reproduced hereunder:-

“The instant petition filed under Article 226 of the Constitution is directed against order dated 21.5.2007 (P-1), passed by the Permanent Lok Adalat, Public Utility Services, Chandigarh, on the ground that the claims made by the petitioner under the insurance policy were stale. The Permanent Lok Adalat has pointed out that 9 claims have emerged under the policy dated 21.12.1998, the next 43 claims were based on the policy dated 21.12.2000 and the last 14 claims were covered by the policy of the year 2001. The claim application before the Permanent Lok Adalat was filed on 30.8.2006. The Lok Adalat after quoting Article 44(b) of the Schedule of the Limitation Act, 1963, has concluded that the period of three years has to be taken from the date of occurrence causing the loss or where the claim on the policy is denied either partly or wholly, then from the date of such denial. The occurrence causing the loss to the vehicles in transit took place in the years 1998, 2000 and 2001 and, therefore, the claims have been held to be totally time barred.

2. *Having heard learned Counsel, we are of the considered view that there is no room to interfere in the impugned order. Once the Permanent Lok Adalat was called upon to adjudicate on the issue by invoking the provisions of Section 22-C(8) of the Legal Services Authorities Act, 1987, then the period of limitation provided by the Limitation Act, 1963, was applicable, which has rightly been applied. It could not be successfully contested by the petitioner that occurrence causing loss to the vehicles in transit took place in the years 1998, 2000 and 2001. The claim was made on 30.8.2006 much after the period of three years. It is, thus, obvious that the claims are hopelessly time barred. There is, thus, no merit in*



CWP-6764-2016

-4-

the instant petition.
3. *Dismissed.”*

7. Adverting to the facts of the present case, it is evident that an allotment of a farm house was made to the petitioner on 11.08.1989 and due to default in payment of the balance amount, it was cancelled on 17.06.1992, when after deduction, a cheque for balance amount was sent. On 15.03.1995, Annexure P-8, offer was given to respondent No.2 to settle the account, but respondent No.2 did not act upon it. Cancellation of the allotment vide letter, Annexure P-8, has not been denied by respondent No.2. A dispute, therefore, arose on cancellation in June, 1992 or at best in March, 1995 when an offer to settle the account was made. However, respondent No.2 went into a slumber and after more than 18 years invoked the provisions of the Act. Petition filed by the respondent No.2 before the PLA is, therefore, hopelessly barred by time. Serving of a legal notice at a belated stage would not extend the limitation. Judgment in Hind Motor’s case (supra) is squarely applicable to the facts of the case. PLA has erred in holding that the principles of limitation are not applicable. Impugned award is, therefore, cannot be sustained and deserves to be set aside.

8. For the afore-going reasons, writ petition is **allowed**. Award dated 19.11.2015 passed by the PLA (PUS) is set aside and petition filed by respondent No.2, is dismissed with no order as to cost.

30.07.2025
Kamal

(SUVIR SEHGAL)
JUDGE

Whether Speaking/Reasoned	Yes/No
Whether Reportable	Yes/No