

IN THE HIGH COURT OF JUDICATURE AT PATNA
Civil Writ Jurisdiction Case No.9025 of 2020

Shakuntala Devi w/o Late Surendra Prasad Sinha r/o Kothwan, P.S. and P.O.-
Khagaul, District- Patna.

... .. Petitioner/s

Versus

1. The State of Bihar through the Chief Secretary, Patna, Bihar.
2. M/s Shreeya Construction Pvt. Ltd, a company registered under Indian Companies Act, 1956 having its registered office at Shyam Sundar Complex, Near Jagdeo Path, Bailey Road, P.S. and P.O. Shastri Nagar, District- Patna, Bihar- 800014 through its Directors.
3. Sangeeta Prakash w/o Sanjay Kumar r/o East Budha Colony, Chakaram, P.S. and P.O. Budha Colony, District- Patna (in official capacity as Director of M/s Shreeya Construction Pvt. Ltd.)
4. Anjana Sharma w/o Sanjay Kumar Sharma r/o 203, Shreeya Apartment, Ara Garden Road, P.S.- Rupaspur, District- Patna (in official capacity as Director of M/s Shreeya Construction Pvt. Ltd)

... .. Respondent/s

Appearance :

For the Petitioner/s	:	Ms. Chhaya Kriti, Advocate
For the Respondent/s	:	A.G.
For Shreeya Construction:	:	Mr. Vinay Ranjan, Advocate

CORAM: HONOURABLE MR. JUSTICE RAJIV ROY
ORAL JUDGMENT

Date : 23-07-2026

Heard Ms. Chhaya Kriti, learned counsel for the petitioner and Mr. Vinay Ranjan, learned counsel for the Shreeya Construction Private Limited and its representatives.

2. The present petition has been preferred for the following relief(s):

*“(i) for issuance of appropriate writs(s),
order (s) or direction(s) in the nature of certiorari
or any other writ(s) order(s) directions(s) for
quashing and setting aside of the order dated*



17.01.2020 passed by Court of Permanent Lok Adalat, Patna in excess of its powers and without following the mandate provisions of law.

(ii) for issuance of order for stay of the impugned order dated 17.01.2020 during the pendency of instant case in the interest of justice.

(iii) for issuance of any other writ (s) order(s) or direction (s) as the petitioner is entitled to.”

3. The matter relates to a piece of land and the details of which is/ are as under:

(i) Khata Nos. 132 and 123;

(ii) CS Plot Nos. 178 and 179;

(iii) area total 24 decimal;

(iv) village Kothma;

(v) District- Patna.

4. The aforesaid land was to be developed in the name and style of ‘**Aparna Enclave**’ and the parties signed the agreement on **21.10.2011**. As per the agreement, the apartment was to be constructed within a period of three years with a grace period of six months (till mid 2015) and the lady petitioner was entitled to twelve flats while the Builder was to retain the rest of twelve flats.



5. The project got delayed and the petitioner ultimately got possession of her share of twelve flats only in the year 2017. Further, as per the agreement signed between the parties, the lady was entitled to Rs.30,000/- as rent-cum-electricity bill which was regularly paid to her.

6. After the physical possession was given in the year 2017, as the work remained unfinished, accordingly, the stand of the respondents is/are that they paid an additional amount of Rs. 28,51,000/-. The documents record the signatures of Ashok Kumar and Ajay Kumar. Ajay Kumar is the son-in-law of the lady. The receipts of payment made to the petitioner is/are part of the counter affidavit filed on behalf of the respondents.

7. The aforesaid documents also show that the signatories to it recorded that it is full and final payment. These payments were made in the months of April-May, 2018.

8. As the story further unfolds, the petitioner after receiving the amount of **Rs. 28,51,000/-** moved before the **Permanent Lok Adalat, Patna** in **PLA Case No. 71 of 2018 (Shankuntala Devi vs. Shreeya Construction Private Limited and others)** by filing petition in the month of September, 2018.

9. In the petition dated 28.09.2018, the petitioner complained that the developer is neither completing the project nor it has been transferred to the lady. It is to be noted herein that



the stand of the respondents is/are that the flats were transferred in the year 2017 itself and the full and final payment for finishing the flats were also paid (Rs.28,51,000/-) which happened prior to the filing of the petition before the Permanent Lok Adalat. In short, the submission is that wrong facts were placed before the aforesaid Court that the flats have not been handed over to them.

10. The Permanent Lok Adalat took up the **PLA Case No. 71 of 2018**, the construction company was noticed and thereafter, after hearing the parties, disposed it of on **17.01.2020**. The findings stand recorded in **paragraph nos. 5 to 7** which read as follows:

“5. On perusal of the record we find that the petitioner has not denied that delivery of possession on the 12 flats falling in her share has not been given to her. As per contention of the O ps in written statement delivery of possession on 12 flats has been given to the petitioner and in the written statement itself the O Ps have denied the claim of the petitioner regarding giving of Rs 4000/- per flat per month to the petitioner rather the O Ps have specifically stated that they have given Rs 30,000/- per month from April 2012 to the petitioner on her assurance that she would return the entire



amount after delivery of possession of flats of her share. The O Ps have also stated that after blackmailing the O Ps the petitioner has taken Rs 28,51000/-from the O Ps. From the written statement it also transpires that the land was under some litigation from before the agreement to which the petitioner had suppressed during construction work there was hindrance being made by local people and due to that some delay has been caused and as per terms and condition as contained in para 4 of the development agreement the builder agrees to construct and give possession of the owner's area to the land owner within a period of three years from the date of sanction of plan by the authority concerned with a grace period of six month and this period will be subject to force major and such happening as fire, tempest, accident, exceptionally inclement whether, rioting etc and any other act of god ie a viz major, if there is any further delay in giving delivery of possession of owner's area. In the written statement the O Ps have clearly mentioned that the petitioner had suppressed some facts about litigation in property and hence the local people



made hindrance in completion of the project causing some delay. Hence some delay in completion of project has been explained by the O ps satisfactorily.

6. We find that written statement on behalf of the O Ps was filed on 31.01.2019 but thereafter the petitioner has not denied the claim of the O P whereas the O Ps have already denied the allegation of the petitioner made in the petition. The petitioner has not denied that she has not received Rs 30,000/- per month from the Opposite parties from April 2012 which was to be returned by the petitioner to the O Ps after taking delivery of possession over flats of her share and further has not denied about receipt of amount of rupees 2851000/- in the name of fining work. Therefore, the O Ps are at liberty to take steps for realization these amounts from the petitioner.

7. In the result after considering the submissions of the parties we find that the claim of the petitioner is not genuine and the petitioner has not been able to prove the same and hence she is not entitled to any relief.



Accordingly, the instant petition filed by the petitioner is hereby dismissed.”

11. This Court has taken note of the observation of the Permanent Lok Adalat that the written statement of the Opposite Party filed on 21.01.2019 (*as recorded in paragraph no.5 of its order*) has not been denied by the petitioner in her petition. She has also not denied receiving Rs. 30,000/- per month from the Opposite Party/respondents herein from April 2012 onwards as also the payment of Rs. 28,51,000/-.

12. The petition was accordingly dismissed vide an order dated 17th January 2020.

13. Aggrieved, the present writ petition.

14. Learned counsel for the petitioner after some argument submits that instead of disputing the facts, she would restrict herself to addressing the Court on legal issues inasmuch as the Permanent Lok Adalat had no business to go beyond any compromise that may have taken place between the parties. If they are at the loggerheads, the Permanent Lok Adalat cannot pass an order in favour of one party, herein, the respondents.

15. In support of her case, learned counsel for the petitioner has relied on a **Division Bench** judgment of the **Patna High Court** delivered by **Hon’ble the Chief Justice** (*as his Lordship then was*) in the case of **Naval Kishor Prasad Singh**



and others vs. State of Bihar and others in LPA No. 1923 of 2011 disposed of on **27.11.2013**. She has taken to this Court to the unnumbered paragraphs 5 and 6 which read as under:

“We regret that although there have been standing instructions not to entertain property disputes in Lok Adalats, the Lok Adalats in the State of Bihar have a tendency to receive property disputes in Lok Adalats and to record compromise that too at a pre-litigation stage.

In absence of proof of title to the property of identity of the parties and the genuineness of the claims, no decree for title or partition or possession can be passed. The very stage of proving one's case is obliterated when one approaches the Lok Adalat.”

16. Learned counsel for the petitioner submits that as the Permanent Lok Adalat erred in deciding the matter, it needs interference.

17. Learned counsel representing the respondent nos. 2 to 4, Mr. Vinay Ranjan on the other hand submits that so far as the facts of handing over the twelve flats in the year 2017, the payment of Rs. 30,000/- per month as rent/electricity bill as also



the full and final payment of Rs. 28,51,000/- to the lady through her son-in-law towards finishing the unfinished work are concerned; it has finally not been denied by the petitioner, Thus, the only issue that has been raised is that the Permanent Lok Adalat had no business to decide the present case.

18. Learned counsel submits that the petitioner by putting forward her case has completely failed to differentiate the Lok Adalat with that of Permanent Lok Adalat.

19. The submission is that the power of the Lok Adalat is limited inasmuch as only if the parties come to an amicable settlement, it is being sealed by the Lok Adalat and an Award is prepared. Further, if the parties fail to come to a settlement and the dispute remains, the Lok Adalat sends the matter back to the Court.

20. Thus, to resolve this issue, the lawmakers came out with the Permanent Lok Adalat. Learned counsel submits that the Hon'ble Apex Court has repeatedly held that in case, the party fails to resolve the issue, the Permanent Lok Adalat has been given the power to venture into the dispute and decide the same.

21. In support of the said contention, learned counsel for the respondent nos. 2 to 4 has relied upon an order of the **Hon'ble Apex Court in the case of Canara Bank vs. G S Jayarama (Civil Appeal Case No. 3872 of 2022)** decided on



19th May 2022 with reference to **paragraphs 15 and 16**, which read as under:

15. These provisions demonstrate that the power of the Lok Adalat is limited, even though it may have some powers of the civil courts and the proceedings before it have some trappings of a judicial proceeding. A Lok Adalat shall only attempt to reach a compromise or settlement between the parties whose case is before it. If a compromise or settlement is reached, the Lok Adalat shall issue it as its award, and the statute deems it to be equivalent to the decree of a court, against which no appeal shall lie. On the other hand, if it fails to reach a compromise or settlement, the Lok Adalat shall return the case to the court or advise the parties to approach the court.

16. On the other hand, Permanent Lok Adalats are constituted under Chapter VI-A of the LSA Act titled "Pre-Litigation Conciliation and Settlement". The chapter was added to the LSA Act by The Legal Services Authorities (Amendment) Act 2012. It is necessary to analyse the rationale for introducing such an institutional mechanism for



resolving disputes when Lok Adalats constituted under Section 19 of the LSA Act were already in existence. The Statement of Objects and Reasons of the LSA Amendment Act reads as follows:

"(1) The Legal Services Authorities Act, 1987 was enacted to constitute legal services authorities for providing (sic) and competent legal services to the weaker sections of the society to ensure that opportunities for securing justice were not denied to any citizen by reason of economic or other disabilities and to organise Lok Adalats to ensure that the operation of the legal system promoted justice on a basis of equal opportunity. The system of Lok Adalat, which is an innovative mechanism for alternate dispute resolution, has proved effective for resolving disputes in a spirit of conciliation outside the courts.

(2) However, the major drawback in the existing scheme of organisation of the Lok Adalats under



Chapter VI of the said Act is that the system of Lok Adalats is mainly based on compromise or settlement between the parties. If the parties do not arrive at any compromise or settlement, the case is either returned to the court of law or the parties are advised to seek remedy in a court of law. This causes unnecessary delay in the dispensation of justice. If Lok Adalats are given power to decide the cases on merits in case parties fail to arrive at any compromise or settlement, this problem can be tackled to a great extent. Further, the cases which arise in relation to public utility services such as Mahanagar Telephone Nigam Limited, Delhi Vidyut Board, etc. need to be settled urgently so that people get justice without delay even at pre-litigation stage and thus most of the petty cases which ought not to go in the regular courts would be settled at the pre-litigation stage itself which would result in reducing the workload of



the regular courts to a great extent. It is, therefore, proposed to amend the Legal Services Authorities Act, 1987 to set up Permanent Lok Adalats for providing compulsory pre-litigative mechanism for conciliation and settlement of cases relating to public utility services."

The Statement of Objects and Reasons indicates that Chapter VI-A was introduced to the LSA Act to primarily create alternative dispute resolution bodies, in the form of Permanent Lok Adalats, to decide disputes on merits if the parties fail to arrive at a compromise or settlement.

(emphasis supplied)

22. Learned counsel submits that the petitioner instead of respecting the agreement signed between the parties a decade and half ago and despite the respondents fulfilling all its obligation as also compensating her for the unfinished work is bent upon harassing the developer which has delayed the transfer of flats to the other purchasers from the share of the builder. He as such submits that the writ petition is fit to dismissed with costs.



23. Having heard the parties at length and perusing the records, this Court has taken note of the facts which are not in dispute inasmuch as:

(i) the petitioner was the owner of a piece of plot, details of which stand incorporated in paragraph 3 of the order;

(ii) the petitioner and the respondent nos. 2 to 4 entered into an agreement in the year 2011 for developing the plot and as per the agreement, twelve flats each were to be shared by the developer and the landlady;

(iii) the respondent nos. 2 to 4 kept on paying Rs.30,000/- per month as rent/electricity bill;

(iv) in the year 2017, the twelve flats were handed over to the lady but as the internal finishing was not done, the developer paid an additional amount of Rs. 28,51,000/- through her son-in-law.

24. This Court has also taken note of the fact that after she got the flat and later received Rs. 28,51,000/-, thereafter, the petitioner moved before the Permanent Lok Adalat and a false narration was made that her share of flats have not been handed



over by the Builder. Upon notice, the developer appeared, detailed out its own version which led the Permanent Lok Adalat to pass the order in question in PLA Case No. 71 of 2018 dated 17th January 2020 dismissing the petition.

25. This Court has also taken note of the fact that time without number, submissions were put forward by the learned counsel for the petitioner to create confusion. Firstly, it was averred that the payment of Rs. 28,51,000/- was made to the petitioner's son-in-law which was not received by the landlady. Upon query, whether any case has been lodged against the son-in-law, now that the respondent nos. 2 to 4 have made the disclosure, the answer is in negative.

26. The next submission is/was that the aforesaid payment of Rs. 28,51,000/- was made for a different agreement and though not annexed with the reply to the counter affidavit, the hard copy is in the file. When the Court wanted to see the copy of the said agreement, learned counsel for the petitioner submitted that the hard copy is presently not available but the agreement document is available in her mobile.

27. The Court thereafter asked for and was provided the mobile to go through the agreement. Upon going through it, the Court found that it actually relates to the payment of Rs. 30,000/- to the petitioner towards the rent/electricity charge and has



nothing to do with any new agreement for which she contended that Rs.28,51,000/- was paid. Having recorded the aforesaid facts, this Court refrains from commenting further.

28. This Court has further taken note of the order of **the Hon'ble Apex Court in the case of Canara Bank (supra)**, wherein the Hon'ble Supreme court clearly held that in case, there is no amicable settlement, the Permanent Lok Adalat has the power to decide the matter on merits. This according to the Hon'ble Supreme Court, will tackle the problem to a great extent if the parties do not arrive to any compromise or to settlement. Further, the statement and object behind its creation was primarily to create alternate dispute resolution bodies in the form of Permanent Lok Adalat to decide disputes on merit if the parties fail to arrive at a compromise or settlement.

29. Thus, in line with the judgment of the Hon'ble Supreme Court in the case of Canara Bank (supra), this Court records that the Permanent Lok Adalat do have the power to settle the dispute and pass an order accordingly if the parties fail to arrive at a compromise or settlement as it has been created as an alternative dispute resolution bodies. In that background, the Permanent Lok Adalat, Patna was fully justified in passing the order dated 17.01.2020 in PLA Case No. 71 of 2018.

30. Having recorded the facts of the case as also the



legal issues that the petitioner wanted to decide, the matter has now come down to the conclusion. In the opinion of this Court, the writ petition is fit to be dismissed with cost.

31. Accordingly, ordered.

32. The writ petition is dismissed with a cost of Rs.5,000/- to be handed over to the learned counsel for the respondent nos. 2 to 4, Mr. Vinay Ranjan, in the next four weeks. Failure to do so, appropriate steps be taken for the realization of the amount in accordance with law.

(Rajiv Roy, J)

munindra/-

AFR/NAFR	AFR
CAV DATE	NA
Uploading Date	25.07.2026
Transmission Date	NA

