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

(107)

CWP-228-2023

Date of decision:- 05.02.2026

**Kewal Singh Mann****... Petitioner****Versus****Chairman, Permanent Lok Adalat (Public Utility Services), Bathinda and others****... Respondents****CORAM: HON'BLE MR. JUSTICE SUVIR SEHGAL**

Present:- Mr. Hitesh Verma, Advocate for the petitioner.

Mr. Gaurav Sharma, Advocate for respondents No.2 and 3.

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**SUVIR SEHGAL, J. (ORAL)**

1. Petitioner has approached this Court assailing order dated 11.07.2022, Annexure P-4, passed by the Permanent Lok Adalat (Public Utility Services), Bathinda (for short "Lok Adalat"), whereby an application filed by respondents No.2 and 3 under Section 8 of the Arbitration and Conciliation Act, 1996 (for short "Arbitration Act"), has been accepted.
2. A petition under section 22-C of the Legal Services Authorities Act, 1987 (for short "LSA Act") has been filed by petitioner stating he has taken a loan of Rs.6.50 lacs and deposited the original title deed of a plot. Loan amount was repayable in monthly instalments. Petitioner was made to sign on some forms and blank papers, but the terms and conditions of the loan agreement were never supplied to him. Petitioner claims to have deposited more than double the loan amount, but a huge amount is still shown to be outstanding. Upon notice, respondents No.2 and 3 appeared and filed a written



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statement contesting the petition. They filed an application dated 25.02.2021, Annexure P-2, for dismissal of the petition in view of arbitration clause. After contest, application has been allowed by Lok Adalat vide order impugned herein.

3. By making a reference to Section 8 of Arbitration Act, counsel for the petitioner has contended that as the application has been moved after the filing of the written statement, it is not maintainable. Reliance has been placed by him upon **Inter Globe Aviation Ltd. Versus N. Satchidanand, (2011) 7 SCC 463** to urge that Lok Adalat is not a “court” and provisions of LSA Act will not apply.

4. *Per contra*, counsel for respondents No.2 and 3, while supporting the impugned order, has argued that loan agreement provides for reference of a dispute to an Arbitrator, therefore, petition under section 22-C of LSA Act is not maintainable. Reliance has been placed upon judgments passed by this Court in **M/s HDB Financial Services Ltd. Versus Arun Mittal and another, (CR-4979-2015, decided on 31.03.2016)**, as well as **Emaar MGF Land Ltd. Versus Sarita Garg and others, (CR-694-2015, decided on 08.02.2018)**, to assert that the dispute is arbitrable.

5. I have given a thoughtful consideration to the arguments addressed by the counsel for the parties and have examined the documents placed on the record.

6. In **Inter Globe Aviation Ltd.’s** case (*supra*), Hon’ble Supreme Court has held that the concept of ‘Conciliation-cum-Arbitration’ before a Lok Adalat is completely different from the concept of judicial adjudication by



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courts governed by the Code of Civil Procedure. A Lok Adalat not being a 'court', provision in a contract relating to exclusivity of jurisdiction of courts will not apply. Apex Court has drawn a conclusion that a Lok Adalat under LSA Act cannot qualify as a 'court'.

7. Relying upon the judgments of the Hon'ble Supreme Court, a co-ordinate Bench of this Court has held that an overriding effect has been given to the special/additional remedies provided under the different statutes, including LSA Act. The observations of this Court in **M/s Shalimar Estates Pvt. Ltd. and others Versus Permanent Lok Adalat Chandigarh and others** (CWP-26051-2021, decided on 09.04.2024) deserve to be noticed and are reproduced hereunder:-

*“Even though the matter in question was in relation to the disputes under the Consumer Protection Act but the principles for determining as to whether Arbitration and Conciliation Act, 1996 shall prevail upon the Legal Services Authorities Act, 1987 can always be extended since there is no direct judgment on the issue in reference to Legal Services Authorities Act, 1987 and both the parties rely on judgments in the context of Consumer laws.*

*Needless to say that the contours of the Permanent Lok Adalat (Public Utility Services) are much similar to the Consumer Courts in a defined field of Public Utility Services. Significantly, even though the Legal Services Authorities Act, 1987 was notified in the year 1987 but Chapter 'VI A' thereof was inserted w.e.f. 11.06.2002 by amending the Act. The legislation was hence fully aware of the Arbitration and Conciliation Act, 1996 and yet prescribed for a special mechanism before a Special Court notified for the adjudication of specified dispute. It also provided for a mandatory conciliatory process before adjudication. Hence, the legislature consciously opted for a conciliatory requirement and adjudication and not for an arbitration. The specific legislative intent for adjudication of the specific nature of disputes by a Special Public fora thus needs to be given precedence. The said aspect has already been approved by the Hon'ble Supreme Court in the judgments of M/s EMAAR MGF Land and M. Hemalatha Devi (supra).”*



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8. This Court further observed that LSA Act is intended to secure inexpensive and expeditious consumer service and that any interpretation as is likely to deprive a consumer of such benefits, would run contrary to the object of the statute. It frees the consumer of the cumbersome arbitration proceedings or civil action and existence of an arbitration clause *ipso-facto* would not override the jurisdiction of any other statutory Court and such Court may refuse to refer the dispute to arbitration. This Court further observed that when the nature of the dispute is neither complicated, nor does it require determination of disputed questions of fact, it would not be proper to force a consumer to approach an Arbitrator and spend a hefty amount as well as involve in protracted litigation. This Court affirmatively held that provisions of Arbitration Act would not apply to the proceedings, which are pending before a Lok Adalat. Strength can also be drawn from a judgment of a co-ordinate bench in **M/s B.P.S. Developers (P) Limited Versus Permanent Lok Adalat and others, 2020 (1) PLR 162.** The judgment relied upon by the counsel for the contesting respondents in **M/s HDB Financial Services Ltd.'s** case (supra) would not provide any help to him as it is based on a consent arrived at between the parties. Factual position in **Emaar MGF Land Ltd.'s** case (supra) is different. Consumer had got permission to withdraw a consumer complaint to invoke arbitration, but, instead, filed a petition under section 22-C of 1987 Act.

9. There is another reason for accepting the present petition. It is not disputed that the contesting respondents had filed their written response before the Lok Adalat before preferring an application, Annexure P-2, for referring



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the dispute to an Arbitrator. Section 8 of Arbitration Act categorically provides that an application for reference to Arbitrator has to be submitted not later than the date of submitting the first statement on the substance of the dispute. As the contesting respondents have already filed their written statement contesting the petition on merits, they are debarred for moving an application for referring the dispute to an Arbitrator. Reliance can be placed upon **P. Anand Gajapathi Raju and others Versus P.V.G. Raju (dead) and others, (2000) 4 SCC 539.** This aspect has escaped notice of Lok Adalat while passing the impugned order, which cannot be sustained.

10. For the afore-going reasons, impugned order dated 11.07.2022, Annexure P-4, is set aside and matter is remitted to the Lok Adalat concerned.
11. Writ petition is disposed of.
12. Parties are directed to appear before Lok Adalat, Bathinda on 23.03.2026, for determination of the dispute in accordance with provisions of LSA Act. As the matter is more than six year old, Lok Adalat is requested to expedite its hearing and conclude it preferably within a period of six months from the date of appearance of the parties.

05.02.2026  
Kamal

(SUVIR SEHGAL)  
JUDGE

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|---------------------------|--------|
| Whether Speaking/Reasoned | Yes/No |
| Whether Reportable        | Yes/No |