



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

(230)

CWP-10731-2023

Date of decision:- 11.02.2026

DR. VIRAT ALIAS VIRATVEER YADAV AND ANOTHER

... Petitioner

Versus

PERMANENT LOK ADALAT AND ANOTHER

... Respondents

CORAM: HON'BLE MR. JUSTICE SUVIR SEHGAL

Present:- Mr. Bhuvnesh Lakhera, Advocate
for the petitioners.

Mr. S.K. Dhanda, Advocate
for respondent No.2.

SUVIR SEHGAL, J. (ORAL)

1. Challenge in this writ petition is to ex-parte award dated 28.02.2023, Annexure P-1, passed by the Permanent Lok Adalat, Public Utility Services, Rewari (for short the “Lok Adalat”).
2. Respondent No.2 filed a petition under Section 22-C of the Legal Services Authorities Act, 1987 (hereinafter referred to as the “1987 Act”), stating that he retired from the post of Deputy District Attorney on 30.06.2021. Petitioners assured him that their hospital was empanelled with Government of Haryana. Respondent No.2 was infected with Covid-19 and was admitted in the hospital of the petitioner on 14.04.2021 and was discharged on 22.04.2021. An amount of Rs.1,60,000/- was spent on the hospitalization and when he raised a claim for reimbursement, an amount of Rs.53,837/- was reimbursed. On



inquiry, respondent No.2 came to know that the hospital was de-empanelled on 09.12.2020, but this fact was concealed by the petitioners. Despite service, petitioners did not appear and impugned ex-parte award, Annexure P-2, was passed directing them to refund Rs.50,000/- alongwith interest @ 7.5% from the date of filing of the petition.

3. Sole argument raised by the counsel from the petitioner is that Lok Adalat has adjudicated the dispute without attempting to bring about a conciliation between the parties and provisions of 1987 Act have been breached. He has placed reliance upon a judgment of the Supreme Court. On the other hand, counsel for respondent No.2 has supported the impugned award and has asserted that petitioners did not deliberately appear before the Lok Adalat and they were proceeded against ex-parte. It is his assertion that Lok Adalat has followed the procedure laid down under the 1987 Act before determining the dispute on merits.

4. Having heard counsel for the parties, this Court is of view that there is merit in the contention raised by counsel for the petitioner. A perusal of the impugned award shows that indeed no attempt was made by the Lok Adalat to bring about a conciliation between the parties. After initiating ex-parte proceedings against petitioners, Lok Adalat discussed the evidence led by respondent No.2 and adjudicated the dispute on the basis of the documents produced by him.

5. Lok Adalat gets the power to decide the dispute on merits only after 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 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 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 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.”

6. As Lok Adalat has failed to adhere to the obligatory procedure prescribed under the 1987 Act, impugned award cannot be sustained.

7. For the afore-going reasons, impugned award dated 28.02.2023 Annexure P-2 is set aside. Matter is remitted to the Lok Adalat, Rewari for adjudication afresh after following the mandatory procedure prescribed under the statute.



8. Writ petition is disposed of.
9. Parties are directed to appear before the Lok Adalat, Rewari on 16.03.2026 at 10:00 am for further proceedings in accordance with law. Liberty is also given to parties to move an appropriate application for producing any additional material they deem appropriate in order to assist the Lok Adalat in bringing and end to this lis.
10. Amount deposited by the petitioner with the Executing Court in compliance of the interim order passed by this Court shall be kept in a fixed deposit for a period of 6 months with instructions for automatic renewal. The proceeds of fixed deposit, including accrued interest, shall be disbursed to the party who is entitled to it subject to the outcome of the proceedings before the Lok Adalat.

(SUVIR SEHGAL)
JUDGE

11.02.2026
mahima

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