



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

101

CWP-13455-2020

Date of Decision: 19.05.2026

IMPROVEMENT TRUST (CELL), MUNICIPAL CORPORATION
HISAR

...Petitioner

Versus

AMAR SINGH AND OTHERS

...Respondents

CORAM: HON'BLE MR. JUSTICE JAGMOHAN BANSAL

Present:- Mr. Vishal Garg, Advocate (through V.C.) with
Mr. Ritik Mohindroo, Advocate
For petitioner

Mr. Sardavinder Goyal, Advocate
For respondent Nos. 1 to 3

JAGMOHAN BANSAL, J. (ORAL)

1. The petitioner through instant petition under Articles 226/227 of the Constitution of India is seeking setting aside of award dated 21.05.2020 (Annexure P-3) whereby learned Permanent Lok Adalat (for short 'PLA') has allowed respondents' application filed under Section 22C of Legal Services Authority Act, 1987 (for short '1987 Act').

2. The petitioner is a local authority which at present is part of Municipal Corporation, Hisar. The respondent Nos. 1 to 3 - Amar Singh and others preferred an application under Section 22C of 1987 Act before PLA with respect to auction of a commercial plot situated in Phase-I, Vyapar and



Vyavsay Kunj Pariyojna, Hisar. The respondents had participated in the auction and they were allotted plot No.29 for a consideration of ₹1.93 crores. They were issued allotment letter dated 05.03.2012. They deposited 25% of the bid amount on 29.06.2011 and thereafter paid installments as per allotment letter. The petitioner vide letter dated 13.07.2016 offered possession of the plot even though as per respondents, development work was incomplete. They formed an opinion that till the completion of development work, they could not be asked to take possession. The respondents filed an application under Section 22C of 1987 Act before PLA which sought response of the petitioner. Matter was tried to be reconciled, however, was finally adjudicated on merits. PLA by award dated 21.05.2020 set aside letter of possession dated 13.07.2016 and directed the petitioner to issue letter of balance amount within 15 days from the date of receipt of copy of the order. The respondents were directed to deposit balance amount as informed by petitioner in 18 equal installments without interest. The petitioner was directed to hand over possession on completion of payment of installments.

3. Learned counsel for the petitioner submits that impugned order is bad on two counts namely jurisdiction and adjudication on merit. The value of property involved was more than ₹1 crore, thus, PLA had no monetary jurisdiction. PLA has further no right to adjudicate disputed questions of fact.

4. *Per contra*, learned counsel for the respondents submits that disputed amount involved was ₹70 lakhs, thus, PLA had monetary jurisdiction. PLA as per Section 22C (8) has jurisdiction to decide dispute



on merit. The transaction between the parties fell within the definition of 'Public Utility Services', thus, there is no infirmity in the impugned order *qua* adjudication on merit. The petitioner misled this Court while claiming that monetary jurisdiction of PLA is ₹10 lakhs.

5. Heard the arguments and perused the record.

6. From the perusal of record, it is evident that dispute lies in narrow compass. The petitioner is claiming that PLA had no monetary jurisdiction whereas respondent is claiming that PLA had. The monetary jurisdiction is contemplated in second proviso to Section 22C (1) of 1987 Act. Section 22C was inserted on 11.06.2002. At that point of time, monetary jurisdiction was ₹10 lakhs. The said jurisdiction was increased from time to time and at the time of passing impugned order, it was ₹1 crore. The petitioner at the time of notice of motion made factually incorrect statement that monetary jurisdiction of PLA is ₹10 lakhs. It is actually ₹1 crore. The matter needs to be examined whether PLA had jurisdiction to adjudicate the dispute in question considering monetary jurisdiction ₹1 crore. It would be apt to notice Section 22C wherein monetary jurisdiction is contemplated. The said Section reads as: -

“22C. Cognizance of cases by Permanent Lok Adalat.—(1)

Any party to a dispute may, before the dispute is brought before any court, make an application to the Permanent Lok Adalat for the settlement of dispute:

Provided that the Permanent Lok Adalat shall not have jurisdiction in respect of any matter relating to an offence not compoundable under any law:

Provided further that the Permanent Lok Adalat shall also not have jurisdiction in the matter where the value of the property in dispute exceeds ten lakh rupees:



Provided also that the Central Government, may by notification, increase the limit often lakh rupees specified in the second proviso in consultation with the Central Authority.

(2) After an application is made under sub-section(1) to the Permanent Lok Adalat, no party to that application shall invoke jurisdiction of any court in the same dispute.

(3) Where an application is made to a Permanent Lok Adalat under sub-section(1), it—

(a) shall direct each party to the application to file before it a written statement, stating therein the facts and nature of dispute under the application, points or issues in such dispute and grounds relied in support of, or in opposition to, such points or issues, as the case may be, and such party may supplement such statement with any document and other evidence which such party deems appropriate in proof of such facts and grounds and shall send a copy of such statement together with a copy of such document and other evidence, if any, to each of the parties to the application;

(b) may require any party to the application to file additional statement before it at any stage of the conciliation proceedings;

(c) shall communicate any document or statement received by it from any party to the application to the other party, to enable such other party to present reply thereto.

(4) When statement, additional statement and reply, if any, have been filed under sub-section(3), to the satisfaction of the Permanent Lok Adalat, it shall conduct conciliation proceedings between the parties to the application in such manner as it thinks appropriate taking into account the circumstances of the dispute.

(5) The Permanent Lok Adalat shall, during conduct of conciliation proceedings under sub-section(4), assist the parties in their attempt to reach an amicable settlement of the dispute in an independent and impartial manner.



(6) It shall be the duty of the every party to the application to cooperate in good faith with the Permanent Lok Adalat in conciliation of the dispute relating to the application and to comply with the direction of the Permanent Lok Adalat to produce evidence and other related documents before it.

(7) When a Permanent Lok Adalat, in the aforesaid conciliation proceedings, is of opinion that there exist elements of settlement in such proceedings which may be acceptable to the parties, it may formulate the terms of a possible settlement of the dispute and give to the parties concerned for their observations and in case the parties reach at an agreement on the settlement of the dispute, they shall sign the settlement agreement and the Permanent Lok Adalat shall pass an award in terms thereof and furnish a copy of the same to each of the parties concerned.

(8) Where the parties fail to reach at an agreement under sub-section (7), the Permanent Lok Adalat shall, if the dispute does not relate to any offence, decide the dispute.”

7. From the perusal of second proviso to Section 22C (1), it is evident that PLA has jurisdiction to entertain matters where value of the property in dispute does not exceed ₹1 crore. The expression used in the proviso is ‘value of the property in dispute’. The legislature has not used expression ‘amount involved in dispute’ or ‘value of dispute’ whereas expression used is ‘value of the property in dispute’. In the present case, indubitably, value of the property in dispute was ₹1.93 crores.

8. The respondents are claiming that dispute was confined to ₹70 lakhs. The said contention is misconceived and deserves to be ignored. From the perusal of impugned order, it is evident that respondents did not dispute liability of ₹70 lakhs. Had there been dispute with respect to liability of ₹70 lakhs, the contention of respondents could be accepted because there may be



a case where value of the property is in crores whereas dispute is of few thousands of rupees e.g. dispute relating to supply of electricity or supply of water. In the present case, the dispute was not with respect to supply of any service or supply of goods qua property whereas it was with respect to property itself and value of property was ₹1.93 crores. From the reading of impugned orders especially directions issued by PLA, it cannot be concluded that there was dispute with respect to ₹70 lakhs. The impugned order reveals that there was dispute with respect to entire property and value of which was ₹1.93 crores, thus, PLA had no monetary jurisdiction to entertain respondents' application.

9. In view of above findings in favour of the petitioner, there seems no necessity to adjudicate second question, accordingly, said question is left open.

10. In the wake of above discussion and findings, this Court is of the considered opinion that impugned award deserves to be set aside and accordingly set aside.

11. Allowed.

12. Pending Misc. application(s), if any, shall stand disposed of.

(JAGMOHAN BANSAL)
JUDGE

19.05.2026
SDK

Whether speaking/reasoned	Yes/No
Whether reportable	Yes/No