
(2003) 01 GAU CK 0045
In the Gauhati High Court
Case No : WP (C) No. 84 (AP) of 2002

Oriental Insurance Co. Ltd.	Vs	APPELLANT
Tamchi Langnia and Others		RESPONDENT

Date of Decision : 07-01-2003

Acts Referred:

Legal Services Authorities Act, 1987 — Section 20

Citation : (2003) 1 GLR 428

Hon'ble Judges : Iqbal Ahmed Ansari, J

Bench : Single Bench

Advocate : S. Dutta, for the Appellant; M. Battand and B.L. Singh, G.A., for the Respondent

Judgement

Iqbal Ahmed Ansari, J.—By making this application under Article 226 read with Article 227 of the Constitution of India, the petitioner, namely, M/s Oriental Insurance Co. Ltd. has challenged the legality and validity of the award, dated 26.3.2001, passed by the learned Member, Motor Accident Claims Tribunal, Lower Subansiri, District Ziro, Arunachal Pradesh, in MAC Case No. 1 of 1999.

2. For the sake of brevity, the impugned order, dated 26.3.2001, aforementioned is quoted hereinbelow:

"The case is heard in the Lok Adalat, Both claimant and the General Manager of the Oriental Insurance Company Ltd., Nahariagun are present. In the Lok Adalat a sum of Rs. 1,00,000 (Rupees one lakh) only Excluding No. Fault Liability amount already paid has been awarded for payment to the claimant by the opposite party(s). Hence the Divisional Manager, Oriental Insurance Company Ltd., Nahariagun, is directed to pay an amount of Rs. 1,00,000 only to Shri Tamchi Langia, claimant of the case within one month from the receipt of this order. However, the opposite party(s) are at liberty to file appeal in the higher court if it desires."

3. I have perused the materials on record including the impugned order. I have

heard Mr. S. Dutta, learned counsel for the petitioner, and Mr. M. Batt learned counsel appearing for the respondent Nos. 1 and 2.1 have also heard Mr. B. L. Singh, learned Senior Govt counsel appearing on behalf of the respondent No. 3.

4. It has been pointed out by Mr. Dutta that the impugned award was passed without any agreement having been reached by the parties in this regard and since the petitioners were unwilling to compromise the matter, the learned Member, MACT, could not have legally, on account of such disagreement, awarded the said sum of Rs. 1,00,000 to the claimant as compensation. Mr. Batt, learned counsel for the respondents, candidly concedes that the writ petitioner had not agreed to compromise the matter on payment of Rs. 1,00,000.

5. It needs to be noted that the foundation of the Lok Adalat rests on settlement of cases by compromise or on agreement. In fact, Section 20 of the Legal Services Authority Act, 1987 (hereinafter referred to as the "Act of 1987") clearly lays down that the Lok Adalat will take cognizance of cases on the basis of joint application made to the Court or Tribunal indicating their intention to compromise the matter or to arrive at a settlement. Sub-section (5) of Section 20 lays down that if no award is made by Lok Adalat on account of the fact that no compromise or settlement could be arrived at between the parties, it shall be open for the parties to continue with the suit or the proceeding before the Court or Tribunal, which is in seisin of such suit or proceeding. Section 21 of the Act of 1987 lays down that every award of the Lok Adalat shall be deemed to be a decree of Civil Court and such a decree shall be final and binding on all the parties to the dispute and no appeal can be preferred against such a decree.

6. What logically follows from the above discussion is that if the parties do not reach any settlement or compromise in a Lok Adalat, no settlement, compromise or decision can be imposed on the parties by the Lok Adalat. If the parties disagree to settle a dispute in Lok Adalat, the dispute has to be decided, on contest in the suit or the proceeding, as the case may be.

7. In view of the fact that the writ petitioners were unwilling to give Rs. 1,00,000 as compensation to the claimant, the learned Tribunal patently exceeded its jurisdiction in awarding Rs. 1,00,000 to the claimant. The learned Tribunal also committed serious illegality in making the award subject to appeal inasmuch as it is stated in the award that the opposite party are at liberty to file appeal in the higher court if it desires, whereas a bare reading of Section 21(2) makes it clear that the award given by a Lok Adalat is not appealable.

8. Considering the matter in its entirety, I am of the firm view that the impugned order, which is patently beyond Jurisdiction of the learned Tribunal, will, if allowed to stand good on record, cause serious miscarriage of justice.

9. In the result and for the foregoing reasons, the impugned order is hereby set aside and quashed and the learned Tribunal is directed to dispose of the case on merit and in accordance with law.

10. In order to ensure expeditious disposal of the proceeding, the parties to the proceeding are hereby directed to appear before the learned Tribunal, on 3.2.2003, for further necessary orders.

11. Let the LCR be sent down forthwith along with a copy of this Judgment and order.

12. No order as to costs.