

GAHC010153862025



2026:GAU-AS:268

THE GAUHATI HIGH COURT
(HIGH COURT OF ASSAM, NAGALAND, MIZORAM AND ARUNACHAL PRADESH)

Case No. : WP(C)/4029/2025

MAHINDRA AND MAHINDRA FINANCIAL SERVICES LTD
HAVING ITS REGISTERED OFFICE AT GATE WAY BUILDING APOLLO
BUNDER MUMBAI 400001

2: THE BRANCH MANAGER
MAHINDRA AND MAHINDRA FINANCIAL SERVICES LTD
GOALPARA
ASSAM

2: THE BRANCH MANAGER
MAHINDRA AND MAHINDRA FINANCIAL SERVICE LTD GOALPARA
BRANCH PANCHARATNA ROAD GOALPARA ASSAM BOTH ARE REP BY
SUPRATIM DA

VERSUS

HAKIM UDDIN AND ANR
S/O LT NOBER UDDIN R/O BAPURBHITYA PART II PO DHAMOR RESERVE
PIN 783129 PS BAGUN DIST GOALPARA, ASSAM

2:ASSAM STATE CONSUMER DISPUTES REDRESSAL COMMISSION
HOUSEFED COMPLEX CENTRAL BLOCK 5TH FLOOR GUWAHATI 781006

2:ASSAM STATE CONSUMER DISPUTES REDRESSAL COMMISSION
GUWAHATI
ASSA

Advocate for the Petitioner : MR. U K BARMAN, MR H ALI,MR. R KONWAR,MS B
GOGOI,MR J K Bhuyan

Advocate for the Respondent : MR S HOQUE (R-1), MS R P DAS(R-1)

BEFORE

HON'BLE MR. JUSTICE SANJAY KUMAR MEDHI

Advocate for the petitioners : Shri JK Bhuyan

Advocate for the respondents : Shri S. Hoque

Date of hearing : **08.01.2026**

Date of Judgment : **08.01.2026**

JUDGMENT & ORDER

Heard Shri JK Bhuyan, learned counsel for the petitioners. Also heard Shri S. Hoque, learned counsel for the respondent no. 1.

2. Considering the issue involved, the presence of respondent no.2 for adjudication of this proceeding may not be necessary. This Court has also noted that pursuant to earlier orders passed by this Court, the records of the learned Assam State Consumer Disputes Redressal Commission (in short Commission) have been requisitioned and placed before this Court.

3. The short question which has arisen for determination is whether a settlement can be arrived at in a National Lok Adalat in the absence of a party and only with the presence of the learned counsel for the said party.

4. As per the facts projected, the learned Commission was seized with an appeal against an *ex parte* order passed by the learned District Consumer Forum, Goalpara, in CP case No. 02/2017, whereby the present petitioners were directed to pay certain amount to the respondent no.1. The said appeal was numbered as FA No. 76/2018. The appeal was taken up for consideration in the

National Lok Adalat held on 14.09.2024. It is the specific case of the petitioners that though a purported settlement was arrived at in the National Lok Adalat, the petitioners were not represented by their authorized officer and the counsel of the petitioners had made certain concession without any authority. It is the aforesaid order dated 14.09.2024 which has been put to challenge in this petition filed under Article 226 of the Constitution of India.

5. At the outset, it may be noted that orders passed in a Lok Adalat are not liable to be challenged in any further proceedings as it is final in nature. In this regard, reference may be made to Section 21 of the Legal Services Authorities Act which reads as follows:

"21. AWARD OF LOK ADALAT. _ 2[(1)] Every award of the Lok Adalat shall be deemed to be a decree of a Civil Court or, as the case may be, an order of any other Court and where a compromise or settlement has been arrived at, by a Lok Adalat in a case referred on it under sub-section (1) of Sec.20, the court fee paid in such cases shall be refunded; in the manner provided under the Court Fees Act, 1870 (7 of 1870)

(2) Every award made by a Lok Adalat shall be final and binding on all the parties to the dispute, and no appeal shall lie to any Court against the award."

6. It is however a settled law that the aforesaid provision would not oust the jurisdiction of this Court exercising powers under Article 226 of the Constitution of India. In this regard, one may gainfully refer to the case of ***Bharvagi Constructions & Anr. Vs. Kothakapu Muthyam Reddy & Ors.*** reported in ***(2018) 13 SCC 480***. In the said case, the Hon'ble Supreme Court had referred and relied upon the decision of a Larger Bench (Three Judges) in the case of

State of Punjab & Anr. Vs. Jalour Singh & Ors., reported in ***(2008) 2 SCC 660*** and had made the following observations:

“25. The question arose before this Court (Three Judge Bench) in the case of State of Punjab (supra) as to what is the remedy available to the person aggrieved of the award passed by the Lok Adalat under Section 20 of the Act. In that case, the award was passed by the Lok Adalat which had resulted in disposal of the appeal pending before the High Court relating to a claim case arising out of Motor Vehicle Act. One party to the appeal felt aggrieved of the Award and, therefore, questioned its legality and correctness by filing a writ petition under Article 226/227 of the Constitution of India. The High Court dismissed the writ petition holding it to be not maintainable. The aggrieved party, therefore, filed an appeal by way of special leave before this Court. This Court, after examining the scheme of the Act allowed the appeal and set aside the order of the High Court. This Court held that the High Court was not right in dismissing the writ petition as not maintainable. It was held that the only remedy available with the aggrieved person was to challenge the award of the Lok Adalat by filing a writ petition under Article 226 or/and 227 of the Constitution of India in the High Court and that too on very limited grounds. The case was accordingly remanded to the High Court for deciding the writ petition filed by the aggrieved person on its merits in accordance with law.

26. This is what Their Lordships held in Para 12:

“12. It is true that where an award is made by the Lok Adalat in

terms of a settlement arrived at between the parties (which is duly signed by parties and annexed to the award of the Lok Adalat), it becomes final and binding on the parties to the settlement and becomes executable as if it is a decree of a civil court, and no appeal lies against it to any court. If any party wants to challenge such an award based on settlement, it can be done only by filing a petition under Article 226 and/or Article 227 of the Constitution, that too on very limited grounds. But where no compromise or settlement is signed by the parties and the order of the Lok Adalat does not refer to any settlement, but directs the respondent to either make payment if it agrees to the order, or approach the High Court for disposal of appeal on merits, if it does not agree, is not an award of the Lok Adalat. The question of challenging such an order in a petition under Article 227 does not arise. As already noticed, in such a situation, the High Court ought to have heard and disposed of the appeal on merits.”

7. Shri Bhuyan, learned counsel for the petitioners has submitted that the settlement arrived on 14.09.2024 in the National Lok Adalat cannot be deemed to be a settlement under the Legal Services Authorities Act, 1987 which envisages that settlement has to be done between the parties. He has emphasized that in the National Lok Adalat, no authorized officer of the petitioners was present and the learned lawyer for the petitioners had made some concession beyond the instructions. He has otherwise submitted that in absence of the parties, the entire essence and objective of the said Act would be defeated and accordingly, the said settlement is liable to be interfered with.

8. *Per contra*, the learned counsel for the respondent no. 1 has submitted

that though it is a fact that no officer of the petitioners was present on before the National Lok Adalat, the learned lawyer for the petitioners was equipped with appropriate instructions and such instructions were also in the form of WhatsApp messages which were displayed in the proceeding. He has also submitted that in the affidavit filed by the petitioners in the Miscellaneous Appeal, the liability was admitted and therefore, there is otherwise also no illegality in the order passed on 14.09.2024.

9. The rival submissions have been duly considered and the materials on record including the records of the learned Commission have been carefully perused.

10. Without going into the *inter se* merits of the parties who are in dispute before the learned Commission, this Court is of the view that under the Act of 1987, a settlement can be arrived at between the parties in a Lok Adalat and such settlements are final in nature. The objective of the Act is to bring disputes to a final settlement for which the presence of the parties and their free consent is mandatory. This Court has also carefully gone through the records of the learned Commission which were requisitioned by this Court on 11.12.2025 on the specific issue as to whether any authority was given to the learned lawyer to act and sign the compromise. For ready reference, the relevant observations made by this Court in the order dated 11.12.2025 are extracted hereinbelow:

*“4. In the opinion of this Court taking into account the judgment of the Supreme Court in the case of **Prasanta Kumar Sahoo** (supra), the said cannot be the issue. What can be the issue at best is as to whether the counsel who appeared on behalf of the petitioner before the Lok Adalat and signed the compromise was authorized in writing to do so by the petitioner and that authority was placed before the Lok Adalat permitting*

the said counsel to sign on behalf of the petitioner. For that purpose, it is the opinion of this Court that the records would be necessary.”

11. On a careful examination of the records of the learned Commission, this Court has not come across any such authority letter. In any case, the requirement of the Act is for arriving at a settlement by the parties which implicitly requires the presence of the parties. In the instant case, the petitioner no. 1 being a Company, it would be the authorized representative, who is duly competent to enter into such settlement, which apparently does not appear to be done in the instant case.

12. In view of the aforesaid discussion, this Court has no other alternative but to interfere with the order passed in National Lok Adalat on 14.09.2024 in FA No. 76/2018, which is accordingly done. The appeal is required to be considered and disposed of by the Commission on its own merits. It is further observed that since the appeal is pending since 2018, steps be taken by the learned Commission for expeditious disposal of the appeal in accordance with law.

13. The writ petition is accordingly disposed of.

14. Cost made easy.

15. The records be sent back forthwith.

JUDGE

Comparing Assistant