

APHC010403512024



**IN THE HIGH COURT OF ANDHRA PRADESH
AT AMARAVATI
(Special Original Jurisdiction)**

[3331]

**TUESDAY, THE FIRST DAY OF APRIL
TWO THOUSAND AND TWENTY FIVE**

PRESENT

THE HONOURABLE SRI JUSTICE SUBBA REDDY SATTI

CIVIL REVISION PETITION NO: 2141/2024

Between:

Rathi Vasudeva Rao

...PETITIONER

AND

P V R M Patnaik

...RESPONDENT

Counsel for the Petitioner:

1. P NAGENDRA REDDY

Counsel for the Respondent:

1.

The Court made the following:

ORDER

The judgment debtor filed the above revision against the order dated 02.07.2024 in E.P.No.29 of 2022 in C.C.No.1041 of 2016 on the file of Principal Junior Civil Judge, Srikakulam.

2. The respondent-decree holder filed C.C.No.1041 of 2016 (private complaint) on the file of the Principal Junior Civil Judge, Srikakulam under Section 138 of the Negotiable Instruments Act against the

petitioner-judgment debtor. The matter was referred to Lok Adalat vide Lok Adalat Case No.186 of 2022 organized by the District Legal Services Authority, Srikakulam. An award was passed under Section 21 of the Legal Services Authority Act, 1987. The award reads thus:

“The complainant and the accused appeared before Lok Adalat along with their counsels. After negotiations and conciliation, a compromise has been arrived between both the parties with the following terms:

- i) that the accused agreed to pay an amount of Rs.5,00,000/- (Rupees five lakhs only) to the complainant towards full and final settlement and paid an amount of Rs.50,000/- (Rupees fifty thousand only) today and agreed to pay the balance amount of Rs.4,50,000/- (Rupees four lakhs and fifty thousand only) in nine (9) installments @ Rs.50,000/- each on or before 25th of every month till the discharge of total amount of Rs.4,50,000/- and the complainant agreed to receive the same;
- ii) that in case of default in payment of the above said amount in any installment, the complainant is at liberty to execute the award for recovery of the amount with interest @ 24% from the date of award till the date of realization:

The terms of compromise are read over and explained to both parties in Telugu and they admitted them to be true and correct.

Accordingly, recording the above terms of compromise, Award is passed acquitting the accused for the offence punishable under Section 138 of Negotiable Instruments Act under Section 147 f the same Act.”

3. The decree-holder filed E.P.No.39 of 2022 on the file of Principal Junior Civil Judge, Srikakulam under Order XXI Rules 37 & 38 of CPC to commit the judgment debtor to the civil prison. In the affidavit filed in support of the petition, it was contended that the judgment debtor failed to honour the award passed by the Lok Adalat and, as such, committed default in payment of the remaining amount of Rs.4,50,000/-.

4. The judgment debtor filed a counter and contended that after the Lok Adalat Award, the decree-holder neither demanded nor issued any notice to the judgment debtor demanding the E.P. amount. The judgment debtor never refused to pay the award amount. He is ready to pay the amount after a lapse of some time.

5. The executing Court conducted an enquiry. The decree-holder examined himself as PW.1 and marked the Award copy as Ex.P1. No oral or documentary evidence was adduced on behalf of the judgment debtor.

6. The executing Court recorded a finding that the judgment debtor has movable and immovable properties and had the means to pay the amount, however, intentionally avoided paying the amount. The executing Court allowed the petition and ordered the judgment debtor to be sent to civil prison for 3 months on the failure of the judgment debtor to pay the amount. Aggrieved by the same, the above revision is filed.

7. Initially, while ordering notice, this Court granted an order on 04.12.2024 subject to payment of 50% of the decretal amount within two weeks. However, the amount was not paid. Since the amount was not paid, because of the condition, the stay stands rescinded.

8. Sri Harsha, learned counsel representing Sri P.Nagendra Reddy, learned counsel for the petitioner would submit that the award passed in Lok Adalat concerning a criminal case and hence, the E.P. filed by the decree-holder under Order XXI Rule 37, 38 of CPC is not maintainable. He would also submit that the decree-holder ought to have availed remedy under Section 421 of Cr.P.C.

9. Now, the point for consideration is:

Whether the award passed in Lok Adalat concerning the Criminal Case under Section 138 of the Negotiable Instruments Act, is executable by the Civil Court in case of default committed by the judgment debtor?

10. The answer to the above question is no longer res integra. In **K.N.Govindan Kutty Menon Vs. C.D.Shaji**¹, the Hon'ble Apex Court considered a similar issue. The issue before the apex court was that when a criminal case filed under Section 138 of the Negotiable Instruments Act, 1881, referred to by the Magistrate's Court to the Lok Adalat is settled by the parties, and an award is passed recording the settlement, can it be considered as a decree of a civil court and thus executable?

11. Section 21 of the Legal Services Act deals with the Award of Lok Adalat. It is apt to extract section 21 of the Legal Services Act:

(1) Every award of 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 to it under sub-section (1) of Section 20,

¹ (2012) 2 SCC 51

the court fee paid in such case 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.”

12. The Apex Court, while considering section 21 of the Legal Services Act, observed as follows:

11. Section 21 of the Act, ... contemplates a deeming provision, hence, it is a legal fiction that the “award” of the Lok Adalat is a decree of a civil court.

Eventually, the Apex Court held as follows:

26. From the above discussion, the following propositions emerge:

(1) In view of the unambiguous language of Section 21 of the Act, every award of the Lok Adalat shall be deemed to be a decree of a civil court and as such it is executable by that court.

(2) The Act does not make out any such distinction between the reference made by a civil court and a criminal court.

(3) There is no restriction on the power of the Lok Adalat to pass an award based on the compromise arrived at between the parties in respect of cases referred to by various courts (both civil and criminal), tribunals, Family Court, Rent Control Court, Consumer Redressal Forum, Motor Accidents Claims Tribunal and other forums of similar nature.

(4) Even if a matter is referred by a criminal court under Section 138 of the Negotiable Instruments Act, 1881 and by virtue of the deeming provisions, the award passed by the Lok Adalat based on a

compromise has to be treated as a decree capable of execution by a civil court.

13. The said principle was reiterated in **Makwana Mangaldas Tulsidas Vs. State of Gujarat**², wherein it was held thus:

“15. The effect of the above legal proposition is that an award passed at the pre-litigation stage or pre-cognizance stage shall have an effect of a civil decree. The National Legal Services Authority, being the responsible authority in this regard, may evolve a scheme for settlement of dispute relating to cheque bounce at pre-litigation i.e. before filing of the private complaint. This measure of pre-litigation ADR process can go a long way in settling the cases before they come to court, thereby reducing docket burden.”

14. In **Arun Kumar Vs. Anita Mishra**³, the Hon'ble Apex Court held thus:

“13. Every award of the Lok Adalat is, as held in **K.N. Govindan Kutty Menon v. C.D. Shaji** [(2012) 2 SCC 51], deemed to be decree of a civil court and executable as a legally enforceable debt”

15. The above principle was reiterated by the Division Bench of the composite High Court of Andhra Pradesh in **Chaluvadi Murali Krishna and another Vs. District Legal Service Authority, Prakasam District, Ongole and others**⁴.

16. Thus, given the authoritative pronouncements, the contention of learned counsel for the petitioner, that the execution petition filed by the

² (2020) 4 SCC 695

³ (2020) 16 SCC 118

⁴ 2013 (1) ALD 320 : AIR 2013 AP 41

decree-holder is not maintainable, lacks merit. This Court holds that the Execution Petition filed by the Decree holder, in pursuance of the award of the Lok Adalat, referred to supra, is maintainable.

17. Coming to the other aspect, i.e. means of the judgment debtor, the executing Court recorded a finding regarding the means of the judgment debtor and his evading payment. This Court does not find any perversity or illegality in the order passed by the Court below. There are no merits in the Revision, and the same is liable to be dismissed.

18. Accordingly, the Civil Revision Petition is Dismissed. No costs.

As a sequel, pending miscellaneous petitions, if any, shall stand closed.

JUSTICE SUBBA REDDY SATTI

PVD