



IN THE HIGH COURT OF ORISSA AT CUTTACK

A.F.R.

W.P.(C) No.16710 of 2014

(In the matter of an application under Articles 226 and 227 of the Constitution of India, 1950).

Station Manager, Railway *Petitioner(s)*
Station, Balangir Town & Anr.

-versus-

Chairman, Permanent Lok *Opposite Party (s)*
Adalat (PSU), Balangir & Ors.

Advocates appeared in the case through Hybrid Mode:

For Petitioner(s) : *Mr. B.K. Padhi, CGC*

For Opposite Party (s) : *None*

CORAM:

DR. JUSTICE S.K. PANIGRAHI

DATE OF HEARING:-17.05.2024

DATE OF JUDGMENT: -25.06.2024

Dr. S.K. Panigrahi, J.

1. The Petitioners through this Writ Petition have challenged the award dated 04.07.2014 in P.L.A Case No 43 of 2013 passed by the Learned Chairman, Permanent Lok Adalat (PSU), Bolangir-Sonepur-Balangir allowing the P.L.A Case No 43 of 2013.

I. FACTUAL MATRIX OF THE CASE:

2. The brief fact of the case which may be put succinctly as follows:
 - (i) Opposite Party Nos.2 and 3, who are Advocates of the Balangir Bar Association filed an application under Section 22G of the Legal Services Authority Act, 1987 praying for issuance of a direction to the Petitioners



to install Coach Indication Boards at Titilagarh, Balangir Railway Station. In the absence of such Coach Indication Board, the general public are facing lot of inconveniences. The case was registered and numbered as PLA Case No.43/2013.

- (ii) The Petitioners, who were arrayed as Respondent Nos.1 and 2 in the said PLA case filed two written statements stating therein that the relief claimed are pertaining to policy matters which are decided by the Railway Board and the Government of India through the Ministry of Railways. Hence, the Zonal Headquarters, Divisional Headquarters and the Station Manager are not competent to represent the East Coast Railway in such matters and the reliefs claimed and passed by award impugned cannot be implemented by said parties before the court below.
- (iii) The Permanent Lok Adalat (PSU), Balangir, Sonapur-Balangir after hearing the parties, vide award dated 04.07.2014 in P.L.A Case No.43 of 2013 allowed the said P.L.A Case and directed the Petitioner No.2 to move to the concerned Railway authorities within a period of two months from the date of the order for release of funds to have Coach Indication Board at Balangir Railway Station and to submit copy of the compliance report to the Opposite Party Nos.2 and 3. Hence, this Writ Petition.

II. SUBMISSIONS ON BEHALF OF THE PETITIONER:

3. Learned counsel for the Petitioner earnestly made the following submissions in support of his contentions.



- (i) It is submitted that the case is not maintainable inasmuch the claimed reliefs are policy matters which are decided by the Railway Board and, hence, the Zonal Headquarters, Divisional Headquarters and the Station Manager are not competent to represent the East Coast Railway in such matters. Additionally, only the Union of India through Ministry of Railways and the Railway Board are competent to decide the matter on merits. Considering that they have not been made parties in the afore-stated case. Therefore, this case should have been dismissed as non-joinder of necessary parties as the directions passed by the award cannot be implemented by the Petitioners who do not have any authority in law to carry out such directions.
- (ii) It is further submitted that the learned Permanent Lok Adalat (PSU), Bolangir-Sonepur-Balangir has committed grave error in law apparent on the face of record by ignoring the statutory and legally binding nature of Railway Circular No. RB/L&A/005/2012 circulated vide Letter No.2012/LM/PAY/3/5 dated 11.09.2012 issued by the Ministry of Railways, Government of India in view of power granted under the Indian Railway Board Act, 1905. Comprehensive instructions have been issued by the Board for provisions of passenger amenities at stations that train Coach Indication system cannot be provided at the stations who come under the category of A, B, C, D, E and F category. Balangir Railway Station comes under the category of B station. Hence, the legal and statutory bar could not have been ignored by the Permanent Lok Adalat.



(iii) It is submitted that the learned Permanent Lok Adalat (PSU), Balangir-Sonepur-Balangir has also ignored the fact and law that the authorities under the Permanent Lok Adalats have no jurisdiction to decide policy matters and in view of the statutory and legally binding nature of Railway Circular No.RB/L&A/005/2012 circulated vide Letter No.2012/LM/PAYS/5 dated 11.09.2012 issued by the Ministry of Railways (Railway Board), Government of India. The Permanent Lok Adalat (PSU) cannot decide such policy issue; it can only be decided under Article 226 of the Constitution of India by the High Court or the Supreme Court under Article 32 of the Constitution of India.

III. COURT'S REASONING AND ANALYSIS:

4. The issue as referred above is purely an issue in the policy domain which cannot be decided by the Permanent Lok Adalat. In the case of *Life Insurance Corporation of India vs. Suresh Kumar*¹, the Apex Court at paragraph 3 has held as follows:

"3. In our considered opinion, the impugned order passed by the Lok Adalat which has received its affirmation at the hands of the High Court suffers from incurable legal infirmity. The permanent Lok Adalat is not a regular court authorized to adjudicate the disputes between the parties on merits. It is needless to state that permanent Lok Adalat has no jurisdiction or authority vested in it to decide any lis, as such, between the parties even where the attempt to arrive at an agreed settlement between the parties has failed. It is a clear case where the Lok Adalat converted itself into a regular court and disposed of the

¹(2011) 7 SCC 491



claim of the respondent on merits. The impugned order suffers from jurisdictional error and is liable to be set aside. The orders passed by the permanent Lok Adalat and as well as the High Court are, accordingly, set aside."

5. Further, similar issue was confronted by the Apex Court in ***State of Punjab and another vs. Jalour Singh and others***², the 3 Judges Bench of the Apex Court considered the provisions of Sections 19 to 22 of the Legal Services Authority Act, 1987 regarding the power and function of Lok Adalat/Permanent Lok Adalat and at paragraph 8 and 9 has held as follows:

"8. It is evident from the said provisions that the Lok Adalats have no adjudicatory or judicial functions. Their functions relate purely to conciliation. A Lok Adalat determines a reference on the basis of a compromise or settlement between the parties at its instance, and puts its seal of confirmation by making an award in terms of the compromise or settlement. When the Lok Adalat is not able to arrive at a settlement or compromise, no award is made and the case record is returned to the court from which the reference was received, for disposal in accordance with law. No Lok Adalat has the power to "hear" parties to adjudicate cases as a court does. It discusses the subject-matter with the parties and persuades them to arrive at a just settlement. In their conciliatory role, the Lok Adalats are guided by the principles of justice, equity and fair play. When the LSA Act refers to "determination" by the Lok Adalat and "award" by the Lok Adalat, the said Act does not contemplate nor require an adjudicatory judicial determination, but a non-adjudicatory determination based on a compromise or settlement, arrived at by the

²(2008) 2 SCC 660



parties, with guidance and assistance from the Lok Adalat. The "award" of the Lok Adalat does not mean any independent verdict or opinion arrived at by any decision-making process. The making of the award is merely an administrative act of incorporating the terms of settlement or compromise agreed by parties in the presence of the Lok Adalat, in the form of an executable order under the signature and seal of the Lok Adalat.

9. But we find that many sitting or retired Judges, while participating in the Lok Adalats as members, tend to conduct the Lok Adalats like courts, by hearing parties, and imposing their views as to what is just and equitable, on the parties. Sometimes they get carried away and proceed to pass orders on merits, as in this case, even though there is no consensus or settlement. Such acts, instead of fostering alternative dispute resolution through the Lok Adalats, will drive the litigants away from the Lok Adalats. The Lok Adalats should resist their temptation to play the part of judges and constantly strive to function as conciliators. The endeavour and effort of the Lok Adalats should be to guide and persuade the parties, with reference to principles of justice, equity and fair play to compromise and settle the dispute by explaining the pros and cons, strengths and weaknesses, advantages and disadvantages of their respective claims."

6. The "award" of the Lok Adalat does not mean any independent verdict or opinion arrived at by any decision-making process. The making of the award is merely an administrative act of incorporating the terms of settlement or compromise agreed by parties in the presence of the Lok Adalat, in the form of an executable order under the signature and seal of the Lok Adalat. The Lok Adalats should resist their temptation to play the role of regular Judges rather they should constantly strive to



function as conciliators. The endeavour and effort of the Lok Adalats should be to guide and persuade the parties, with reference to principles of justice, equity and fair play to compromise and settle the dispute by explaining the pros and cons, strengths and weaknesses, advantages and disadvantages of their respective claims.

7. This Court accedes to the submission of the Petitioners that the learned Permanent Lok Adalat (PSU), Balangir- Sonepur-Balangir have no jurisdiction to decide policy matters and in view of the statutory and legally binding nature of Railway Circular No.RB/L&A/005/2012 circulated vide Letter No.2012/LM/PAYS/5 dated 11.09.2012 issued by the Ministry of Railways (Railway Board), Government of India. The issue referred above cannot be decided by the Permanent Lok Adalat (PSU) rather it can only be decided under Article 226 of the Constitution of India by the High Court or the Supreme Court under Article 32 of the Constitution of India.
8. With respect to the aforesaid discussion and the cases cited hereinabove, this Court is inclined to quash the award dated 04.07.2014 in P.L.A Case No.43 of 2013 passed by the Learned Chairman, Permanent Lok Adalat (PSU), Balangir-Sonepur-Balangir.
9. Accordingly, this Writ Petition is allowed.

(Dr.S.K. Panigrahi)
Judge