

SUPREME COURT OF INDIA

L.I.C. of India

Vs.

Suresh Kumar

C.A.No.1843 of 2006

(B.Sudershan Reddy and S.S.Nijjar JJ.,)

09.03.2011

ORDER

1. The permanent Lok Adalat vide order dated 10.05.2003 allowed the claim of the Respondent and accordingly, directed the Appellant-Corporation to pay sum of '1 lakh under the Endowment Assurance Policy dated 24.03.1998 obtained by one Lal Chand Mali. The Respondent is the nominee under the Policy. It is evident from the records that the Lok Adalat, after the receipt of the records and after holding discussions with the parties, found that there was no scope for any compromise, whatsoever, between the parties. The same is clearly evident from the order dated 29.04.2003. The permanent Lok Adalat having passed such an order further directed the matter to be listed on 10.05.2003 'for discussion for compromise'. On 10.05.2003, when the matter was taken up, the Lok Adalat again noted that inspite of the best efforts made by the members of the Lok Adalat, there was no possibility of parties arriving at any compromise. Having stated so, the permanent Lok Adalat, instead of relegating the parties to get their dispute adjudicated, proceeded to take up the matter on merits and accordingly, allowed the claim put forth by the Respondent.

2. 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 authorised 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 agree 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 claim of the Respondent on merits. The impugned order suffers from jurisdictional errors 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.

3. However, Shri Kailash Vasdev, learned senior counsel appearing on behalf of the Appellant-Corporation, readily responded to the suggestion made by the Court for the release of amount of ' 1 lakh claimed by the Respondent under the Policy. We appreciate the stand

taken by the Appellant-Corporation in this regard. The amount, if not already released, may be released within eight weeks from today.

4. This grant of relief to the Respondent is confined to the facts on hand. It shall not be treated as a precedent.

5. The appeal is, accordingly, allowed with no orders as to costs.