

**HIGH COURT OF JAMMU & KASHMIR AND LADAKH
AT SRINAGAR**

CM(M) No. 118/2026

*Reserved on : 20.04.2026
Pronounced on: 28.04.2026
Uploaded on: 28 .04.2026
Whether the operative part or full
Judgment is pronounced: **Full***

Riyaz Ahmad Wani age 52 years
s/o Gh. Rasool Wani
R/o Tragpora Rafiabad, Baramulla

...Petitioner(s)

Through: *Mr. Parvaiz Nazir, Advocate*

Vs.

Abdul Hamid Dar
S/o Sajad Ahmad Dar
R/o Haigam Sopore Baramulla

...Respondent(s)

Through: *None*

CORAM:

HON'BLE MR. JUSTICE WASIM SADIQ NARGAL, JUDGE.

JUDGEMENT

BRIEF FACTS:

01. The petitioner has invoked the supervisory jurisdiction of this Court under Article 227 of the Constitution of India, calling in question the Lok Adalat Award dated 08.03.2025 passed in File No. 192 titled Abdul Hamid Dar vs Riyaz Ahmad Wani and the proceedings emanating therefrom.
02. It emerges from the record that the respondent/complainant instituted a criminal complaint under Section 138 read with Section 142 of the Negotiable Instruments Act before the Court of Chief Judicial Magistrate, Sopore. The complaint was founded on two cheques

bearing Nos. 426904 dated 01.06.2024 and 426905 dated 02.08.2024, each for an amount of ₹50,000/-, drawn in favour of the complainant and maintained at J&K Bank Branch, Baramulla. The said cheques, upon presentation, came to be dishonoured with the remarks “Funds Insufficient and Alterations require drawer’s attention,” as reflected in the return memos dated 11.07.2024 and 02.08.2024.

03. The material on record further reveals that the complainant had business dealings with the brother of the petitioner, who had allegedly taken an advance amount of ₹4,50,000/- from the complainant in connection with supply of apple boxes, which transaction did not fructify. It is stated that the petitioner thereafter undertook to discharge the liability of his brother and, in furtherance thereof, issued the aforesaid cheques in favour of the complainant. Upon dishonour of the cheques and alleged failure to make payment within the statutory period despite issuance of demand notice, the complaint under Section 138 NI Act came to be filed.
04. Upon issuance of process, the petitioner appeared before the learned Magistrate, and his statement under Section 251 Code of Criminal Procedure was recorded on 11.02.2025. In the said statement, the petitioner acknowledged the cheque amount, while asserting that the liability pertained to his brother, who was residing outside the country.
05. The record further indicates that on 19.02.2025, after recording the statement of the petitioner, the learned Magistrate obtained an undertaking from the petitioner with regard to payment of the amount

involved and, instead of proceeding further with the trial, referred the matter to the Lok Adalat for amicable settlement.

06. Pursuant thereto, the matter came up before the Lok Adalat on 08.03.2025, where an award came to be passed recording that the parties had amicably settled the dispute. In terms of the said award, the petitioner/accused undertook to pay an amount of ₹3,80,000/- (Rupees Three Lakhs Eighty Thousand only) to the complainant in full and final settlement of the dispute, within the stipulated period, i.e., by the end of March, 2025. The award further provided that in case of failure to adhere to the terms of settlement, the petitioner herein shall be liable to one year imprisonment and payment of double of the settled amount.
07. On the basis of the aforesaid Lok Adalat Award, the respondent initiated execution proceedings before the competent court. It is stated that in the course of such proceedings, the executing court proceeded to issue coercive process, including warrants of arrest against the petitioner, and listed the matter at short intervals for ensuring compliance of the award.
08. Aggrieved by the Lok Adalat Award dated 08.03.2025, and the consequential execution proceedings initiated pursuant thereto, the petitioner has filed the present petition invoking the supervisory jurisdiction of this Court.

SUBMISSIONS ON BEHALF OF PETITIONER:

09. The learned counsel for the petitioner submits that the impugned Lok Adalat Award dated 08.03.2025 is ex facie illegal and unsustainable in the eyes of law, inasmuch as the Legal Services Authorities Act, 1987 does not empower the Lok Adalat to impose penal consequences or

pass an order amounting to conviction. It is contended that the direction providing for imprisonment and payment of double the settled amount, in case of default, travels beyond the statutory mandate and is liable to be quashed.

10. It is further submitted that the alleged settlement was not voluntary, as the petitioner was neither afforded adequate opportunity to peruse the complaint nor to understand the terms thereof, and the consent was obtained under undue influence and pressure, thereby vitiating the entire proceedings.
11. Learned counsel submits that the proceedings before the Lok Adalat were conducted in violation of the principles of natural justice, and the petitioner was denied a fair and reasonable opportunity of being heard, rendering the impugned award bad in law.
12. It is also contended that the Lok Adalat has exceeded its jurisdiction by entertaining a matter involving criminal liability and by virtually converting the same into civil liability through execution proceedings, which is impermissible under law.
13. Learned counsel further submits that the executing court has acted arbitrarily and in violation of the prescribed procedure, inasmuch as no proper notice or opportunity to show cause was granted to the petitioner and warrants were issued in a mechanical manner, thereby vitiating the entire execution proceedings.

LEGAL ANALYSIS

14. Heard and considered.

15. Before advertng to the factual matrix of the present case, this Court deems it appropriate to reiterate that an award passed by a Lok Adalat on the basis of a settlement arrived at between the parties attains finality, is binding upon the parties, and is executable as a decree of a civil court. No appeal lies against such an award. However, the same may be assailed before the High Court in exercise of its writ jurisdiction under Articles 226 and 227 of the Constitution of India on limited grounds, inter alia, absence of free consent, jurisdictional error, or fraud.
16. In this regard, it may be appropriate to refer to Section 21 of the Legal Services Authorities Act, 1987, which is extracted as under:

*“21. Award of Lok Adalat.— (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 to it under sub-section (1) of section 20, 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.”*

17. This legal position stands consistently reiterated in a catena of cases. Hon’ble Supreme Court in **Punjab v. Jalour Singh reported as (2008) 2 SCC 660** has held as under:

“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.”

18. Applying the aforesaid settled position of law to the facts of the present case, it is evident that the impugned Lok Adalat Award dated 08.03.2025 has been passed on the basis of a settlement arrived at between the parties and duly recorded by the Lok Adalat. The award clearly reflects that the petitioner/accused undertook to pay an amount of ₹3,80,000/- to the respondent/complainant in full and final settlement of the dispute within a stipulated time frame.
19. The record further reveals that the petitioner had appeared before the learned Magistrate, his statement under Section 251 Code of Criminal Procedure was recorded, and thereafter, upon an undertaking given by him with regard to payment, the matter was referred to the Lok Adalat. The petitioner, thus, was fully aware of the proceedings and consciously participated in the settlement process, which culminated in the passing of the impugned award.
20. In such circumstances, the contention of the petitioner seeking to assail the Lok Adalat Award is wholly misconceived. Once a settlement has been voluntarily arrived at and an award has been passed in terms

thereof, the same attains finality and becomes binding upon the parties, being executable as a decree of a civil court in terms of Section 21 of the Legal Services Authorities Act, 1987.

21. The grounds on which such an award can be interfered with in exercise of jurisdiction under Articles 226/227 of the Constitution of India are extremely limited, namely absence of free consent, fraud, or jurisdictional error. In the present case, no material has been brought on record to demonstrate that the petitioner's consent was vitiated by coercion, fraud, or misrepresentation, or that the Lok Adalat acted without jurisdiction.
22. Mere subsequent failure on the part of the petitioner to adhere to the terms of settlement cannot be a ground to invalidate an otherwise lawful and binding Lok Adalat Award. Permitting such challenges would defeat the very object of the Legal Services Authorities Act, 1987, which is to ensure expeditious resolution of disputes through consensual settlement.
23. It is further to be noticed that the petitioner, at no point prior to the passing of the award, raised any objection with regard to the reference of the matter to the Lok Adalat or the terms of settlement recorded therein. Having participated in the proceedings and having consciously undertaken to discharge the liability, the petitioner is under law estopped from resiling from the same at a subsequent stage, merely, on account of inconvenience or inability to comply.
24. The conduct of the petitioner also assumes significance inasmuch as, despite having acknowledged the cheque amount during the

proceedings before the learned Magistrate, he chose to settle the matter before the Lok Adalat and derive the benefit of avoidance of criminal prosecution under Section 138 of the Negotiable Instruments Act. Having availed such benefit, the petitioner cannot now be permitted to approbate and reprobate by challenging the very settlement which was voluntarily entered into.

25. The material placed on record further demonstrates that, although the petitioner has purported to lay a challenge to the award passed by the Lok Adalat, no challenge, whatsoever, has been thrown to the execution proceedings arising therefrom. A careful reading of the pleadings further reveals that even in the prayer clause, there is no specific challenge to the execution proceedings, and only a vague and general reference to the Lok Adalat and subsequent proceedings is made
26. In the absence of any explicit challenge to the execution proceedings, the present petition, insofar as it seeks to assail the consequences flowing from such proceedings, is legally untenable.
27. On this ground alone, the writ petition is liable to be dismissed as not maintainable, this defect going to the very root of the matter and striking at the maintainability of the petition itself. In the absence of a specific challenge to the execution proceedings, no relief can be granted, and the petition is liable to fail on this ground alone.
28. Furthermore, the conduct of the petitioner unmistakably demonstrates a complete lack of bona fides in relation to compliance with the award. If the petitioner was genuinely dissatisfied with the terms and

conditions embodied therein, there was no occasion for him to have consented to the award in the first place. He could very well have withdrawn from the proceedings, as is permissible in law, instead of consciously participating therein and appending his signature to the settlement. His active participation and express consent clearly indicate that he had accepted the award at the relevant point in time. The subsequent challenge, raised only after the commencement of execution proceedings, gives rise to a legitimate inference that the petitioner merely intended to buy time by participating in the proceedings and had no real intention either to honour the settlement or to question it at the appropriate stage. Such conduct is wholly inconsistent with fairness and reflects an absence of bona fides.

29. Insofar as the petitioner's submission that the impugned award dated 08.03.2025, by incorporating stipulations of imprisonment and payment of double the settled amount upon default, travels beyond the scope of the Legal Services Authorities Act, 1987, on the ground that a Lok Adalat lacks penal jurisdiction, thereby rendering the award ex facie illegal and liable to be quashed, is concerned, upon closer scrutiny does not withstand legal examination.

30. At the outset, the scheme of the Legal Services Authorities Act, 1987 makes it clear that a Lok Adalat does not exercise adjudicatory powers in the strict sense, much less any criminal or penal jurisdiction. Its role is confined to facilitating a voluntary settlement between the parties, and the award so passed derives its binding force not from an adjudication on merits, but from the *consensus ad idem* of the parties.

Section 21 of the Act gives such an award the status of a decree of a civil court, rendering it final and binding.

31. However, this statutory limitation does not imply that parties are precluded from incorporating deterrent or default clauses within the terms of their settlement. A compromise may validly include stipulations providing for enhanced liability upon breach, so as to secure performance. Such clauses are neither uncommon nor impermissible; rather, they are recognised incidents of a binding settlement, unless they are shown to be opposed to law.
32. In the present case, the stipulation providing for payment of a higher amount in the event of default is clearly compensatory and coercive in a civil sense, intended to ensure compliance with the settlement. It cannot, by any stretch, be equated with the imposition of a “penalty” in the criminal law sense. The petitioner, having voluntarily agreed to such a term, cannot be permitted to approbate and reprobate by accepting the benefit of settlement while repudiating its burdens.
33. As regards the clause referring to “imprisonment”, it must be construed in its proper legal context. A Lok Adalat, undoubtedly, cannot order conviction or impose a sentence of imprisonment. Any such consequence does not flow from the award per se, but, if at all, from the process of enforcement in accordance with law. Once an award attains the status of a civil decree, its enforcement is governed by the provisions of the Code of Civil Procedure. In that process, the executing court may, subject to statutory safeguards, resort to permissible coercive measures for enforcement of a decree, including

those contemplated under Order XXI. Therefore, the mere presence of a clause alluding to coercive consequences does not render the award without jurisdiction; at best, it is a reflection of the legal consequences that may follow upon non-compliance.

34. Importantly, the petitioner has neither alleged nor established that the settlement was vitiated by fraud, coercion, misrepresentation, or lack of free consent. The absence of such foundational pleadings, the challenge essentially seeks to reopen a concluded settlement on technical grounds, which runs contrary to the very object of the Act, namely, to ensure finality and expeditious resolution of disputes.
35. Viewed thus, the impugned award cannot be characterised as ex facie illegal or beyond jurisdiction. The grievance, if any, pertains not to the competence of the Lok Adalat to record the settlement, but to the consequences of its breach—an aspect that squarely falls within the domain of execution proceedings.
36. It would be profitable, at this stage, to advert to Section 138 of the Negotiable Instruments Act, 1881, which statutorily engrafts consequences for the dishonour of a cheque on account of insufficiency of funds or where it exceeds the arrangement with the bank. The provision unequivocally declares such dishonour to constitute an offence and renders the drawer liable to punishment with imprisonment for a term which may extend to two years, or with fine which may extend to twice the amount of the cheque, or with both.
37. For facility of reference, Section 138 is reproduced hereunder:

*“138. Dishonour of cheque for insufficiency, etc., of funds in the account.—
Where any cheque drawn by a person on an account maintained by*

him with a banker for payment of any amount of money to another person from out of that account for the discharge, in whole or in part, of any debt or other liability, is returned by the bank unpaid, either because of the amount of money standing to the credit of that account is insufficient to honour the cheque or that it exceeds the amount arranged to be paid from that account by an agreement made with that bank, such person shall be deemed to have committed an offence and shall, without prejudice to any other provision of this Act, be punished with imprisonment for a term which may be extended to two years, or with fine which may extend to twice the amount of the cheque, or with both.”

38. Viewed in the aforesaid statutory backdrop, the challenge laid by the petitioner loses much of its force. The stipulations forming part of the impugned award do not introduce any alien or impermissible consequence; rather, they mirror the very contours of liability that the legislature itself has contemplated in cases of cheque dishonour.
39. Thus, the petitioner’s attempt to characterise the stipulations in the award as being contrary to law is misconceived and unsustainable.
40. In view of the foregoing discussion, the impugned Lok Adalat Award dated 08.03.2025 is hereby upheld and shall continue to remain binding upon the parties, being enforceable in accordance with law.
41. Consequently, the present petition, being devoid of merit, is dismissed.

POSTSCRIPT

42. Before parting with the instant matter, this Court deems it necessary to emphasise the *raison d’être* behind the introduction of Lok Adalats and the necessity which impelled the legislature to conceive such a mechanism under the Legal Services Authorities Act, 1987.
43. The institution of Lok Adalats was envisaged as a pragmatic response to the ever-increasing burden before regular courts, with the object of

providing a speedy, efficacious and cost-effective forum for resolution of disputes through the process of conciliation and mutual settlement. The underlying philosophy was to promote access to justice by encouraging amicable resolution, thereby reducing the burden on the formal judicial system and preserving valuable judicial time.

44. It was in recognition of these objectives that Lok Adalats were designed not as adjudicatory bodies, but as conciliatory forums, where disputes are resolved through consensus rather than by determination on merits. The success of this mechanism, therefore, hinges upon adherence to its foundational principles of voluntariness, fairness and absence of coercion.

45. It is in this backdrop, Rule 13 of the National Legal Services Authority (Lok Adalats) Regulations, 2009, which prescribes the procedure to be followed by Lok Adalats is very pertinent and the same is reproduced hereunder for facility of reference:

“Procedure in Lok Adalats.—

(1) Members of Lok Adalat have the role of statutory conciliators only and have no judicial role and they, mutatis mutandis, may follow the procedure laid down in sections 67 to 76 of the Arbitration and Conciliation Act, 1996 (26 of 1996).

(2) Members of Lok Adalat shall not pressurise or coerce any of the parties to compromise or settle cases or matters, either directly or indirectly.

(3) In a Lok Adalat, the members shall discuss the subject matter with the parties for arriving at a just settlement or compromise and such members of the Lok Adalat shall assist the parties in an independent and impartial manner in their attempt to reach an amicable settlement of their dispute:

Provided that if it is found necessary, the assistance of an independent person or a trained mediator may also be availed of by the Lok Adalat.

(4) Members of Lok Adalat shall be guided by principles of natural justice, equity, fair play, objectivity, giving consideration to, among other things, the rights and obligations of the parties, custom and usages, and the circumstances surrounding the dispute.

(5) The Lok Adalat may conduct the proceedings in such manner as it considers appropriate, taking into account the circumstances of the case, wishes of the parties including any request by a party to the Lok Adalat to hear oral statements, and the need for a speedy settlement of the dispute.

(6) The Lok Adalat shall not determine a reference at its own instance, but shall determine only on the basis of a compromise or settlement between the parties by making an award in terms of the compromise or settlement arrived at:

Provided that no Lok Adalat has the power to hear the parties to adjudicate their dispute as a regular court:

Provided further that the award of the Lok Adalat is neither a verdict nor an opinion arrived at by any decision-making process.”

46. A conjoint and purposive reading of the aforesaid provision, particularly Rule 13(1) and the second proviso to Rule 13(6) of the National Legal Services Authority (Lok Adalats) Regulations, 2009, makes it clear that the Members of Lok Adalat function solely as statutory conciliators and are divested of any adjudicatory role. The award that emanates from such proceedings is not the result of a judicial determination but merely a voluntary settlement arrived at between the parties.

47. This Court deems it appropriate to observe that the Legal Services Authorities Act, 1987 envisages Lok Adalats as an efficacious mechanism of alternate dispute resolution, intended to foster amicable settlements, reduce adversarial litigation, and consequently ease the mounting burden on regular courts, thereby conserving valuable judicial time.

48. However, the practical experience has, in certain cases, belied this salutary object. Instead of acting as an effective instrument for reducing pendency, Lok Adalats, on occasion, appear to have contributed to further litigation, thereby frustrating the very purpose for which they were conceived.
49. This Court is constrained to observe that, day in and day out, it is coming across cases where parties seek to challenge awards passed by Lok Adalats. This growing tendency leads to the unnecessary invocation of the writ jurisdiction of this Court and results in a waste of valuable judicial time, which ought to be devoted to genuine and deserving matters. The very object behind the establishment of Lok Adalats, that is, to ensure expeditious, amicable and cost-effective resolution of disputes and to reduce the burden on regular courts, is defeated when such awards are routinely and indiscriminately brought under challenge.
50. This leads to the moot question as to what has gone awry in the functioning of Lok Adalats so as to render their foundational objective, that is, amicable settlement and reduction of judicial burden, largely illusory.
51. The answer, in the considered view of this Court, lies in the manner of discharge of duties both by the parties as well as by the Members constituting the Lok Adalat. The statutory scheme casts a corresponding obligation on both. The parties are expected to approach the Lok Adalat with bona fides and a genuine intent to resolve their disputes. They cannot be permitted to act in a mischievous or evasive

manner by ostensibly consenting to a settlement during the proceedings and thereafter resiling from the same, thereby setting at naught the sanctity of the process and inviting further rounds of litigation.

52. Equally, the Members constituting the Lok Adalat are under a solemn duty to ensure that the settlement arrived at is voluntary, informed, and lawful, and not the result of any coercion, undue influence or misapprehension. They must scrupulously adhere to the mandate of Rule 13 of the National Legal Services Authority (Lok Adalats) Regulations, 2009 and refrain from assuming any adjudicatory posture or from imposing terms upon the parties. The role of the Members is facilitative and not determinative, and any deviation therefrom would vitiate the very foundation of the award.
53. At the same time, this Court deems it necessary to emphasise that Lok Adalats, while facilitating settlements and passing awards, must exercise due care to ensure that the terms and conditions incorporated therein are unambiguous, practicable, and capable of effective enforcement. Any stipulation that is inherently impracticable, or incapable of execution is bound to generate further disputes, thereby defeating the very object of settlement and giving rise to avoidable rounds of litigation.
54. An award must be capable of implementation in its true letter and spirit. Terms which are vague, unduly onerous, or contingent upon uncertain events beyond the control of the parties render the settlement illusory and incapable of execution. The inclusion of such impracticable

conditions not only diminishes the efficacy of the award but also sows the seeds for further disputes at the stage of enforcement.

55. The members of the Lok Adalat must, therefore, ensure that the terms embodied in the award are precise, realistic, and capable of compliance within the framework of law. Directions which the parties cannot reasonably perform, or which are inherently incapable of enforcement, ought not to find place in the award. What is unenforceable in law should not be stipulated in the first instance.
56. Ultimately, the efficacy and credibility of a Lok Adalat award lie in its workability and enforceability. The members would do well to confine the settlement to lawful, practicable, and executable terms, so that the award achieves its intended purpose of bringing finality to the dispute, rather than engendering further litigation.
57. It is imperative that the rules engrafted under Rule 13 of National Legal Services Authority (Lok Adalats) Regulations, 2009 are strictly observed in its letter and spirit. Only such awards as are founded upon a genuine, lawful and consensual compromise between the parties can sustain the test of legality. Any award which travels beyond this limited jurisdiction, or which is impracticable, unconscionable or contrary to law, cannot be sustained and would be liable to be interfered with in exercise of supervisory jurisdiction.
58. It is, therefore, incumbent upon both the parties participating in the Lok Adalat proceedings and the Members constituting the Lok Adalat to remain conscious of the nature and limits of the proceedings. While the parties must ensure that any settlement entered into is voluntary,

lawful and capable of enforcement, the Members constituting the Lok Adalat are equally obliged to confine themselves strictly to recording such settlement as arrived at, without superimposing any extraneous, coercive or legally impermissible conditions. Any deviation on either count not only renders the award susceptible to judicial scrutiny but also erodes the credibility and efficacy of the Lok Adalat mechanism as an effective forum for alternative dispute resolution.

(WASIM SADIQ NARGAL)
JUDGE

SRINAGAR:
28.04.2026
Shamim Ah. Dar/PS

Whether the order is speaking: Yes
Whether the order is reportable: Yes

