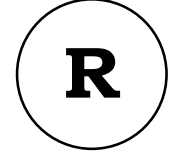


Reserved on : 03.12.2025
Pronounced on : 25.03.2026

IN THE HIGH COURT OF KARNATAKA DHARWAD BENCH

DATED THIS THE 25TH DAY OF MARCH, 2026



BEFORE

THE HON'BLE MR. JUSTICE M. NAGAPRASANNA

WRIT PETITION No.102733 OF 2021 (GM-AC)

BETWEEN:

- 1 . SMT. SHAILA
W/O LATE INDUDARAYYA
KARKIHALLIMATH
OCC: HOUSEWIFE
AGED ABOUT 37 YEARS.

 - 2 . VISHAL
S/O LATE INDUDARAYYA
KARKIHALLIMATH
AGED ABOUT 11 YEARS
SINCE MINOR REPRESENTED BY
HER NATURAL GUARDIAN MOTHER
THE 1ST RESPONDENT HEREIN
- BOTH ARE R/O JANATHA QUARTERS
KRISHNA COLONY, ANANDANAGAR
HUBBALLI – 580 023.

... PETITIONERS

(BY SMT. SHIRIYA S.KATAGIMATH, ADVOCATE)

AND:

1 . THE MANAGING DIRECTOR
ICICI LOMBARD GIC LTD.,
NO.414, VEER SAVARKAR MARG
NEAR SIDDIVINAYAK TEMPLE
PRABHADEVI, MUMBAI.

REP. BY DIVISIONAL MANAGER
ICICI LOMBARD GIC LTD.,
GOKUL ROAD,
HUBBALLI – 580 030.

2 . THE PROPRIETOR
SREESAI AGRO INDUSTRIES
PLOT NO.61
TARIHAL INDUSTRIAL AREA
HUBBALLI – 580 023.

... RESPONDENTS

(BY SRI S.K.KAYAKAMATH, ADVOCATE FOR R1;
SRI MAHESH WODEYAR, ADVOCATE FOR R2)

THIS WRIT PETITION IS FILED UNDER ARTICLES 226 AND 227 OF THE CONSTITUTION OF INDIA PRAYING TO ISSUE WRIT OF CERTIORARI OR ANY OTHER APPROPRIATE WRIT, DIRECTIONS OR ORDER QUASHING THE ANNEXURE-A THAT THE ORDER DATED 13.07.2019 PASSED BY THE HON'BLE HIGH COURT LEGAL SERVICES COMMITTEE, AT DHARWAD BENCH BEFORE THE LOKADALATH (LOKADALATH NO.2267/2019) IN MFA NO.100905/2014.

THIS WRIT PETITION HAVING BEEN HEARD AND RESERVED FOR ORDERS ON 03.12.2025, COMING ON FOR PRONOUNCEMENT THIS DAY, THE COURT MADE THE FOLLOWING:-

CORAM: **THE HON'BLE MR JUSTICE M.NAGAPRASANNA**

CAV ORDER

The petitioners are before this Court calling in question the award dated 13-07-2019 passed by the Lok Adalat in Lok Adalat No.2267 of 2019 in M.F.A.No.100905 of 2014 (MV).

2. Heard Smt. Shriya S.Katagimath, learned counsel appearing for the petitioners, Sri S.K.Kayakamath, learned counsel appearing for respondent No.1 and Sri Mahesh Wodeyar, learned counsel appearing for respondent No.2.

3. Facts, in brief, germane are as follows: -

The petitioners 1 and 2, mother and son respectively were going as pillion riders in the motorcycle of the deceased, who is the husband and father of petitioner Nos.1 and 2, respectively to ESI Hospital for treatment of the 2nd petitioner for ailment. On the way, in a road traffic accident involving a car and the motorcycle, the husband of the 1st petitioner dies. A claim petition comes to be filed after the death seeking compensation from the hands of the

Insurance Company. The Tribunal, in terms of its order dated 13-11-2013 in M.V.C. No.647 of 2012 awards a compensation of ₹9,18,600/- with interest at 6% per annum from the date of petition till the date of the amount is made good to the hands of the claimants. The Insurance Company challenges the said award before this Court in M.F.A. No.100905 of 2014. During the subsistence of the appeal, the matter was referred to the Lok Adalat and on the settlement arrived at between the parties before the Lok Adalat, the award amount was reduced to ₹7,82,000/- as full and final settlement, which is in reduction of the compensation awarded by the Tribunal. The petitioners challenge the said award of the Lok Adalat in the subject petition on the score that the petitioners were not even aware that their learned counsel had agreed for a settlement to reduce the award amount before the Lok Adalat and that they had not signed the joint memo filed thereto.

4. The learned counsel appearing for the petitioners submits that the reduction of the award amount is erroneous. The settlement is arrived at between the earlier counsel for the petitioners and the Insurance Company, which was never within the

knowledge of the petitioners. The deceased was the sole earning member of the family and there was no other source of income. Therefore, it is not possible for the petitioners to agree to a reduced award amount. The deceased, at the relevant point in time, was earning ₹6,000/- per month and ₹125/- per day as bhatta. As per the chart of calculation of award notified by the Karnataka Legal Services Authority itself it should have been at ₹7,000/- per month, since the accident had occurred in the year 2012. Therefore, the compensation would go beyond ₹12,00,000. It cannot be that the petitioners would have accepted the reduced compensation amount of ₹7,82,000/- before the Lok Adalat. The learned counsel submits that the award be set aside and the appeal be restored to file with one more opportunity to contest the matter.

5. Per contra, the learned counsel appearing for the 1st respondent would submit that Lok Adalat had already determined the dispute between the parties to be full and final. ₹7,82,000/- arrived at was on account of the joint memo being filed before the Lok Adalat. The Lok Adalat sitting was conducted by this Court. The award of the Lok Adalat cannot be set aside merely on

the ground that the petitioners have not signed the joint memo. Once the Advocate represents them and signs the joint memo on their behalf, it is deemed that they have consented to the joint memo and agreed for closure of proceedings accordingly. He would submit that if the petition is allowed, it would open a Pandora's box, as every Lok Adalat determination will be subject to question on the ground that the claimants are not satisfied with the amount awarded.

6. I have given my anxious consideration to the submissions made by the respective learned counsel and have perused the material on record.

7. The only issue that falls for consideration is, whether the award of the Lok Adalat is to be set aside on the sole score that the petitioners have not put their signatures on the joint memo which culminated in the award?

8. The afore-narrated facts and link in the chain of events are all a matter of record. The compensation determined by the

Tribunal while disposing M.V.C.No.647 of 2012 was ₹9,18,600/- with interest at 6% per annum from the date of the claim petition till the date of payment. The loss of dependency was calculated at 30% and added to the income of the deceased since he was 41 years at the time of his death. The salary considered was ₹6,000/- per month. In terms of the law that prevailed then, the Tribunal had determined the amount of compensation. The Insurance Company challenges the award of the Tribunal in M.F.A.No.100905 of 2014. The contention was that the salary of the deceased was not ₹6,000/- per month but it was ₹4,869/- per month. Therefore, the Tribunal ought not to have taken ₹6,000/- and determined the compensation. The compensation so determined by the Tribunal was contrary to the judgment of the Apex Court in the case of **SARLA VERMA v. DELHI TRANSPORT CORPORATION** reported in **(2009) 6 SCC 121** and other judgments prevailing at that point in time was the contention of the Insurance Company.

9. On 13-07-2019 when the appeal was subsisting before this Court, the matter was referred to the Lok Adalat, wherein a joint

memo is filed before the Lok Adalat. The contents of the joint memo are as follows:

**“HIGH COURT LEGAL SERVICES COMMITTEE
DHARWAD BENCH AT DHARWAD
Misc. First Appeal No. 100905/2014 (MV)
Lok Adalat No.2267/2019”**

BETWEEN

ICICI Lombard Gen. Inu. Co. Ltd., ... Appellant/s

AND

Shaila & Others ... Respondent/s

JOINT MEMO

This appeal filed against the Judgment and Award in **MVC No.647/2012** on the file of the Prl. Senior Civil Judge & AMACT., **Hubballi**, has been referred to this Lok Adalat by the Hon'ble High Court u/s. 20 of the Legal Services Authorities Act, 1987. The parties to the appeal have settled their claim before the Lok Adalat on the following terms:

The Appellant (**ICICI Lombard General Insurance Co. Ltd.,**) has agreed to pay and respondent-claimant agreed to receive a sum of **Rs.7,82,000/- (Rupees Seven Lakh Eighty Two Thousand Only)** with 6% interest instead what has been awarded by the Tribunal, in full and final settlement of the claim.

The **Appellant-Insurance Co.** has agreed to deposit the said amount before the Tribunal within six weeks from the date of preparation of award, failing which the said amount shall carry interest at 9% p.a. from the date of default, till the date of deposit. The parties are not entitled to any cost.

The parties to this appeal have set their hands to this settlement before the Lak Adalat in the presence of Conciliators on the dtd: **13/07/2019** at Dharwad.

Sd/-
Signature of Appellant/s

Signature of Respondent

Sd/-
Advocate for Appellant/s

Sd/-
Advocate for Respondent”

The joint memo admittedly does not bear the signature of the claimants, as the signature portion of the claimants is left blank. Who has signed the joint memo is the representative of the Insurance Company, Advocate for the Insurance Company and Advocate for the claimants.

10.1. The Apex Court considers what is an award made by the Lok Adalat in **STATE OF PUNJAB v. JALOUR SINGH**¹, wherein it is held as follows:

“

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.”

¹(2008)2 SCC 660

10.2. This is subsequently followed by the Apex Court in **BHARGAVI CONSTRUCTIONS v. KOTHAKAPU MUTHYAM REDDY**², wherein it is held as follows:

“....”

22. The question arose before this Court (three-Judge Bench) in *State of Punjab [State of Punjab v. Jalour Singh, (2008) 2 SCC 660: (2008) 1 SCC (Civ) 669: (2008) 1 SCC (Cri) 524: (2008) 1 SCC (L&S) 535]* 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 the Motor Vehicles Act. One party to the appeal felt aggrieved of the award and, therefore, questioned its legality and correctness by filing a writ petition under Articles 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 Article 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.

²(2018) 13 SCC 480

23. This is what their Lordships held in para 12: (*Jalour Singh case [State of Punjab v. Jalour Singh, (2008) 2 SCC 660: (2008) 1 SCC (Civ) 669: (2008) 1 SCC (Cri) 524: (2008) 1 SCC (L&S) 535], SCC p. 666, 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."

The Apex Court holds that an award would become executable if it is passed on a joint memo, only when the parties have signed the joint memo. The award would be the award passed by the Lok Adalat.

10.3. The High Court of Kerala, in the case of **SUNANDA v. SUNDARAN**³, in identical circumstances where the parties had not affixed their signature to the settlement, has held as follows:

“

7. Now the question to be considered is as to whether it is necessary that all the parties must sign the Award or not.

8. For answering the said question, it is necessary to read Clause (2), Clause (5) and Clause (6) of Regulation No. 17 of the National Legal Services Authority (Lok Adalats) Regulations, 2009 (for short ‘the Act’), which can be extracted hereunder:

“17. Award. — (1) xxxxxxxxxxxxxx

(2) When both parties sign or affix their thumb impression and the members of the Lok Adalat countersign it, it becomes an award (see a specimen at Appendix f 1). Every award of the Lok Adalat shall be categorical and lucid and shall be written in regional language used in the local Courts or in English. It shall also contain particulars of the case viz., case number, name of Court and names of parties, date of receipt, register number assigned to the case in the permanent Register (maintained as provided under Regulation 20) and date of settlement. Wherever the parties are represented by counsel, they should also be required to sign the settlement or award before the members of the Lok Adalat affix their signature.

(3) xxxx xxxx xxxx

(4) xxxx xxxx xxxx

(5) Members of the Lok Adalat shall ensure that the parties affix their signatures only after

³2020 SCC OnLine Ker.25970

fully understanding the terms of settlement arrived at and recorded. The members of the Lok Adalat shall also satisfy themselves about the following before affixing their signatures.

- (a) that the terms of settlement are not unreasonable or illegal or one - sided; and**
- (b) that the parties have entered into the settlement voluntarily and not on account of any threat, coercion or undue influence.**

(6) Members of the Lok Adalat should affix their signatures only in settlement reached before them and should avoid affixing signatures to settlement reached by the parties outside the Lok Adalat with the assistance of some third parties, to ensure that the Lok Adalats are not used by unscrupulous parties to commit fraud, forgery, etc..

(7) xxxx xxxx xxxx

(8) xxxx xxxx xxxx"

9. Clause (2) of Regulation No. 17 of the Act would make it clear that the members of the Lok Adalat can sign the award only after the parties putting their signature or affixing their thumb impression on the award. When the parties sign and the members sign, it becomes an award. It further appears from Clause (2) that if the parties are represented by counsel, they should also be required to sign the agreement/Award before the members of the Lok Adalat affix their signature.

10. It is clear from Clause (5) that the members of the Lok Adalat must ensure that the parties sign the agreement only after fully understanding the terms of the settlement. The members of the Lok Adalat must also ensure that the terms of settlement are not unreasonable or illegal or one - sided and that the parties have entered into the settlement voluntarily and not on account of any threat, coercion or undue influence.

11. Clause (6) would make it clear that the members of the Lok Adalath will sign only the settlement reached by the

parties before the Lok Adalat and not in the settlement reached by the parties outside the Lok Adalat.

12. It is clear from the above provisions that the settlement or agreement must be arrived at by the parties before the members of the Adalat. This would show that the parties must be present before the Lok Adalat in person. The parties must also sign the Award after understanding the terms of settlement. The members of the Lok Adalat must ensure that the settlement was arrived at by the parties voluntarily and not on account of any threat, coercion or undue influence. For the said purpose also, the presence of the parties before the Lok Adalat is necessary. The sum and substance of the above discussion, is that if an Award is passed in the absence of the parties, the members of the Lok Adalat do not get any opportunity to ascertain from the parties as to whether they have signed the Award/settlement after understanding the terms of the Award/settlement or not and also as to whether they have entered into the settlement voluntarily or not and hence, the Award passed in the absence of the parties cannot be said to be legal and correct.

13. In this case, since the petitioners did not sign the Award, it has to be held that the petitioners were not present when the award was passed by the Lok Adalat on 14/01/2011. The operative portion of the award is extracted hereunder:

"The matter settled as per the compromise petition filed by the parties, which is attached herewith."

14. It is clear from the award that the award was passed on the basis of a compromise petition produced before the Adalat. The said compromise petition was not signed by the parties in the presence of the members of the Lok Adalat. It is incumbent on the part of the members of the Lok Adalat to ensure that the members of the Adalat will affix their signature only in the settlement or agreement reached by the parties in their presence. That means, the members of the Adalat must ensure that they will not sign any agreement reached outside the Adalat by the parties. The members would also ensure that the parties

understand the terms of the agreement fully before affixing their signature on the award.”

10.4. After the judgment of the High Court of Kerala, the Apex Court in **KIRTI v. ORIENTAL INSURANCE COMPANY LIMITED** – (2021) 2 SCC 166 holds that a concession made by a counsel would not bind the parties, as the Advocate cannot throw away legal rights of the clients or enter into arrangements contrary to the interest of the clients. This is followed by the High Court of Kerala in **K.R.JAYAPRAKASH v. STATE OF KERALA**⁴, wherein it is held as follows:

“ ”

14. Another contention taken by the learned Government Pleader relying on Regulation 39 of the Regulation, 1998 is that as lawyers are permitted to appear on behalf of the clients and since the respective lawyers who have appeared for the petitioners before the Lok Adalat have affixed their signature, this could be taken as a consent on the part of the petitioners to the award passed by the Lok Adalat. **Petitioners have a specific case that they have not signed the awards impugned and therefore the same is not based on the consent of the petitioners. The question to be considered is as to whether affixture of the signature by the lawyer in the award could be binding on the petitioners. I have already referred to the provisions of the Regulations 2009 which specifically mandates that both parties and the members of the Lok Adalat shall affix their signature then only it becomes an award. Regulation 17 further mandates that wherever the parties are represented by**

⁴2023 SCC OnLine Ker. 4486

counsel they should also be required to sign the settlement or award before the members of the Lok Adalat affix their signature and therefore it is incumbent that both the parties as well as the lawyers should affix their signature. Therefore signature of the lawyer alone in the award cannot validate the terms of the settlement as per the award. The Apex Court has considered the impact of a wrong concession given by a lawyer on the parties. The Apex Court in *Himalayan Coop. Group Housing Society v. Balwan Singh*, (2015) 7 SCC 373 held that a wrong concession/statement/admission/compromise/settlement made without obtaining instructions/authority from the clients will not bind on the client. A similar view was reiterated by the Apex Court in *Kirti v. Oriental Insurance Company Limited*, (2021) 2 SCC 166 which held that any concession of law made by counsel would not bind the parties as an advocates cannot throw away legal rights or enter into arrangements contrary to law. In view of the specific provision in Regulation 17 as stated above and in the light of the judgments above quoted, I am of the opinion that the contention of the learned Government Pleader that since the lawyers have affixed his signature in the awards that by itself cannot validate the award or make the petitioners bound by the awards."

(Emphasis supplied at each instance)

The High Court of Kerala holds that a wrong concession, statement, admission, compromise and settlement made without obtaining instructions/authority from the clients will not bind the clients.

11. The joint memo is quoted hereinabove. It is clear from the joint memo that the claimants have not affixed their signatures.

It is only the Advocates of both sides and the representative of the Insurance Company who have affixed their signatures. The learned counsel for the petitioners has placed a memo of what would be the compensation to the family of the deceased, taking the year of death as 2012. According to her, it would be ₹14,64,600/-. What is awarded is half of it. Be that as it may, since the claimants have not signed the joint memo, I deem it appropriate to set aside the award of the Lok Adalat and restore the appeal to its file to be heard on its merits.

12. For the aforesaid reasons, the following:

ORDER

- (i) Writ Petition is **allowed**.
- (ii) Order dated 13-07-2019 passed by the High Court Legal Services Committee at Dharwad Bench before the Lok Adalat in M.F.A. No.100905 of 2014, Lok Adalat No.2267 of 2019 stands quashed.
- (iii) M.F.A. No.100905 of 2014 stands restored to file for disposal in accordance with law.

Pending I.A.No.1 of 2025 also stands disposed.

**SD/-
(M.NAGAPRASANNA)
JUDGE**

bkp
CT:SS