

**IN THE NATIONAL LOK ADALAT
AT CITY CIVIL COURT AHMEDABAD
COMMERCIAL EXECUTION PETITION NO.33 OF 2026**

ORDER BELOW EXHIBIT-1

1. Learned Advocate for the decree holder has moved a pursis Exhibit-11, seeking withdrawal of the present Execution Petition. It has been averred in the said Pursis that the decree holder wishes to withdraw the present petition as the judgment debtor has paid the decreetal amount to the decree holder and the matter has been amicably settled between the parties. Further, the decree holder has prayed to refund entire court fees paid by him in Civil Suit No.109/2023 to his learned Advocate Shri C.J.Panchal.

2. In view of the settlement arrived between the parties, nothing remains to be executed qua the present petition. Hence, the decree holder is permitted to withdraw the present petition.

3. Now the question of law arises in the instant petition is whether the decree holder in a suit for realization of money is entitled to get refund of the court fee paid on the plaint, under Section 21 of the Legal Services Authorities Act, 1987, when the dispute between the parties in the Execution Petition is settled before the Lok Adalat.

4. The Legal Services Authorities Act, 1987 was enacted to constitute legal services authorities to provide free and competent legal service to the weaker sections of the society to ensure that opportunities for securing justice are not denied to any citizen by reason of economic or other disabilities, and to organize Lok Adalats to secure that the operation of the legal

system promotes justice on a basis of equal opportunity. Section 2(a) of the Legal Services Authorities Act defines "case" thus:

"'case' includes a suit or any proceeding before a court".

Section 2(a) defines Court as:

"Court" means a civil, criminal or revenue court and includes any tribunal or any other authority constituted under any law for the time being in force, to exercise judicial or quasi-judicial functions."

5. Section 19 provides for organization of Lok Adalats. It provides that every State Authority or District Authority of the Supreme Court Legal Services Committee or every High Court Legal Services Committee or, as the case may be, Taluka Legal services Committee may organize Lok Adalats at such intervals and places. Section 19(5) of the Act reads as follows:

"19(5) A Lok Adalat shall have jurisdiction to determine and to arrive at a compromise or settlement between the parties to a dispute in respect of -

(i) any case pending before; or

(ii) any matter which is falling within the jurisdiction of, and is not brought before, any court for which the Lok Adalat is organised:"

6. Section 20 of the Act provides that when the parties agree for referring the case to the Lok Adalat for settlement and if the Court is *prima facie* satisfied that there are chances of such settlement, the Court shall refer the case to the Lok Adalat.

Where any case is referred to the Lok Adalat under sub-section (1) of Section 20, the Lok Adalat shall proceed to dispose of the case or matter and arrive at a compromise or settlement between the parties.

7. Section 21 of the Act reads as follows;

"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."

8. The Lok Adalat shall have the same powers as are vested in a civil court under the Code of Civil Procedure, 1908, while trying a suit in respect of the matters mentioned in Section 22 of the Legal Services Authorities Act. Sub-section (2) of Section 22 provides that every Lok Adalat shall have the requisite powers to specify its own procedure for the determination of any dispute before it. Section 25 of the Act states that the provisions of the Act shall have effect notwithstanding anything inconsistent therewith contained in any other law for the time being in force or in any instrument having effect by virtue of any law other than the Act.

9. The definition of the expression "case" in Section 2(a) indicates that it includes a suit or any proceeding before a Court.

Therefore, execution proceedings also come within the expression "case". There can be a valid reference of an Execution Petition to the Lok Adalat. A compromise effected before the Lok Adalat shall be enforceable. The award shall be deemed to be "a decree of a civil court or, as the case may be, an order of any other court" as provided in Section 21 of the Act. But, that does not mean that when an Execution Petition is referred to the Lok Adalat, the award passed by the Lok Adalat would be a decree. The deeming provision in Section 21 does not mean that an award passed by the Lok Adalat would be a decree passed in substitution of the decree already passed in the suit. It is not necessary that a matter coming up for consideration before the Lok Adalat should be a matter referred to by the civil court. Any Court, including the civil court, could refer the matter to the Lok Adalat. Section 19(5) uses the expression "court". It does not say civil court. Definition of "Court" makes the position clear. Award of the Lok Adalat to be deemed to be a decree of the civil court, reference to the Lok Adalat shall be made by the civil court. In respect of matters referred to by other courts, Section 21 provides that it shall be deemed to be "an order of any other court". When a decree was passed by the civil court and a reference was made to the Lok Adalat in the execution proceeding, there is no question of the award of the Lok Adalat being a decree of a civil court which would have the effect of substituting the decree already passed by the civil court. When a matter is settled between the parties before the Lok Adalat, after the matter was referred by the executing court to the Lok Adalat, the award passed therein would be an award which is executable as an order passed by the executing court on the basis of the decree already

passed by the civil court. For that purpose, the award shall be deemed to be a decree. It only means that it can be enforced as a decree. Let us take an example of a settlement or compromise between the parties before the civil court. For example, in an Execution Petition, the parties arrive at a compromise and they file a compromise petition. That compromise, if accepted, would be an order in the Execution Petition and it can be enforced in the execution proceedings. That does not mean that the decree passed in the suit is wiped out or substituted by the order passed by the executing court. So far as the parties are concerned, they are bound by the order passed on the basis of the compromise filed by them before the executing court. That compromise is based on the decree and on the basis of a settlement arrived at after the decree. By a compromise in an Execution Petition, it cannot be said that the suit is compromised as provided under Rule 3 of Order XXIII of the Code of Civil Procedure. It can be treated as an adjustment as provided under Rule 2 of Order XXI of the Code of Civil Procedure. If that is a result of a compromise between the parties at the execution stage before the civil court, there could be no difference if such a compromise is entered into by the parties before the Lok Adalat on a reference made to it by the executing court. The conclusion is irresistible that a compromise arrived at between the parties in an Execution Petition before the Lok Adalat is not a decree, though it shall be deemed to be a decree for certain purposes.

10. Let us examine the prayer of refund of court fees raised by the decree holder in another angle. In a given case, there may be several defendants. Even if the decree was passed against all of them, the decree holder may think it fit to file Execution

Petition against one or more of them and not against all of them. If such an Execution Petition is referred to the Lok Adalat and a compromise is entered into, the award would not be a decree in substitution of the decree passed against all the defendants. The compromise would not be binding on those judgment debtors who were not made parties to the Execution Petition. This example would indicate that an award passed by the Lok Adalat on a compromise entered into between the parties in the Execution Petition would not be in substitution of the decree passed by the court. But such an award would be binding on the parties to the compromise and the decree can be executed, in so far as they are concerned, only as per the terms of the compromise.

11. Disposal of an Execution Petition cannot be treated as disposal of the suit. The Execution Petition arises after a decree is passed in the suit. The compromise entered into between the parties in an Execution Petition cannot be treated as a compromise in the suit. The procedure to be adopted, the issues/points to be decided and the decision to be rendered by the court in a suit and in an Execution Petition are distinct and different. Let us also think in yet another angle. Article 136 of the Limitation Act provides for a period of limitation of twelve years for execution of a decree. There are categories of cases, for the execution of which, there is no period of limitation. If the contention raised by the petitioner is accepted, court fee levied in the suit could be refunded on a compromise entered into in an Execution Petition filed years after the date of passing of the decree. I am of the view that it cannot be done.

12. Under clause (i) of sub-section (5) of Section 19 of the Legal Services Authorities Act, a compromise or settlement is contemplated in respect of "any case pending before any court". Going by Section 2(a) of the Act, "a case pending" may be a suit which is pending or an Execution Petition which is pending. A reference under sub-section (1) of Section 20 of the Legal Services Authorities Act could be a case which is referred to in clause (i) of sub-section (5) of Section 19. If so, it should be a case pending before the court. When an Execution Petition is pending before the Court, reference to the Lok Adalat could be only of the Execution Petition and not of the suit which was already disposed of. The Court must be satisfied, as provided under clause (ii) of sub-section (1) of Section 20, that the matter to be referred to the Lok Adalat is an appropriate one to be taken cognizance of by the Lok Adalat. These provisions would indicate that when an Execution Petition is referred to the Lok Adalat, a compromise could be in respect of the disputes involved in the Execution Petition and not matters which are already settled as per the decree. The parties could however, agree in what manner the decree should be satisfied. But that does not have the effect of a compromise entered into in the suit.

13. The expression "in a case referred to it under sub-section (1) of Section 20" and the expression "the court fee paid in such case shall be refunded" occurring in Section 21(1) of the Legal Services Authorities Act are to be read together. Refund of court fee should be in respect of the case referred to the Lok Adalat. If an Execution Petition is "the case referred" to the Lok Adalat, court fee paid on the plaint cannot be refunded, as what is referred to the Lok Adalat is not the suit. At best, refund could

only be of any court fee paid in the Execution Petition, if it is otherwise permissible under law.

14. The aforesaid discussion would lead to the conclusion that the decree holder is not entitled to refund of the court fee paid on the plaint of Civil Suit No.109 of 2023, on account of the compromise arrived at between the parties before the Lok Adalat on a reference made to it in the Execution Petition. Hence, in view of foregoing discussion, I pass the following order;

ORDER

- i. The present execution petition stands disposed of as satisfied as settled.
- ii. Decree stands discharged.
- iii. No order as to costs.

Signed and pronounced in the National Lok Adalat held on 11th
Day of July, 2026.

Date : 11/07/2026
Place : Ahmedabad.

(Prakashchandra Ishvarbhai Prajapati)
Judge, Commercial Court,
City Civil Court, Ahmedabad
Unique ID Code No.GJ00868

FARHAN