

*IN THE HIGH COURT FOR THE STATES OF PUNJAB
AND HARYANA AT CHANDIGARH.*

CWP 23628 of 2012
Date of decision: 18.5.2017

ICICI Prudential Life Insurance Company

Petitioner

vs.

State of Haryana and others

Respondent

Present: Mr. BS Dogra, Advocate.
Mr. Gaurav Jindal, Addl.A.G. Hry
Mr. Manav Bajaj, Advocate for
Mr. Sumeet Goel, Advocate.
Mr. Diwan Sharma, Advocate.

M.M.S.BEDI,J.

The petitioner- Insurance Company has approached this Court, invoking the writ jurisdiction challenging order dated 30.12.2012 of the Permanent Lok Adalat, (Public Utility Services), Gurgaon dismissing its objection petition challenging jurisdiction to hear on application u/s 22-C of the Legal Service Authority Act, 1987 filed by respondent No.2 holding that it is not inclined for reconciliation.

Counsel for the petitioner has contended that by dismissing the objection petition of the petitioner regarding unwillingness of the petitioner to enter into reconciliation, the Permanent Lok Adalat is not left with any jurisdiction under the provisions of law. Counsel has placed reliance on judgment of the Supreme Court in **United India Insurance Co. Ltd. Vs Ajay Sinha and anr (2008) 7 SCC 454**, wherein in a case of dispute pertaining to the insurance claim arising out of theft, it was held that the case was beyond conciliatory jurisdiction of the Permanent Lok Adalat. Counsel has also placed reliance on **State of Punjab and anr vs. Jalour Singh and ors (2008) 2 SCC 660**, laying down that the function of the Lok Adalat is purely to reconciliation and must be based on compromise or

settlement between the parties. Lok Adalat cannot enter into an adversarial adjudication akin to a court of law.

I have heard counsel for the petitioner and carefully considered his contention regarding jurisdiction of the Permanent Lok Adalat. The Hon'ble Supreme Court in **Bar Council of India vs. Union of India 2012(4) Recent Apex Judgments 309**, has held that if the parties do not reach at an agreement, the Permanent Lok Adalat can decide the case on merits. Section 22-A sub-clause (b) was incorporated in the year 2002 w.e.f. 11.6.2002 and insurance services were also included in the definition of Public Utility Service. Section 22-C (8) specifically provides that where the parties fail to reach at an agreement under sub-section (7), the Permanent Lok Adalat shall, if the dispute does not relate to any offence, decide the dispute.

Following the judgment of the Hon'ble Supreme Court in **Bar Council of India vs. Union of India (supra)**, the Permanent Lok Adalat appears to have jurisdiction to adjudicate the controversy. Vide impugned order dated 20.10.2012 (Annexure P-3) while dismissing the objections of the petitioner, a direction has been issued to file reply to contest the petition. Instead of filing the reply before the Permanent Lok Adalat, the present writ petition has been filed. The writ petition is held not maintainable. Even otherwise, no ground is made out to interfere in the impugned order dated 30.10.2012 (Annexure P-3).

The writ petition is dismissed. However, it is observed that nothing mentioned in this order shall be deemed to be an expression of opinion on merits.

May 18, 2017

TSM

Whether speaking/ reasoned

(M.M.S.BEDI)

JUDGE

Yes/ No

Whether Reportable

Yes/ No