

**THE HON'BLE THE CHIEF JUSTICE SRI THOTTATHIL B. RADHAKRISHNAN  
AND  
THE HON'BLE SRI JUSTICE A. RAJASHEKER REDDY**

**WRIT PETITION Nos.3144 and 3145 of 2019**

**COMMON ORDER:** *(per the Hon'ble the Chief Justice Sri Thottathil B. Radhakrishnan)*

We have heard the learned counsel for the petitioner in these two writ petitions, which is a Public Sector Insurance Company.

2. The two writ petitions are instituted invoking Article 226 of the Constitution of India impeaching Lok Adalat Awards passed in Claim Petitions, which were pending before a Motor Accidents Claim Tribunal.

3. Hearing the learned counsel for the writ petitioner on the basis of the materials on record, we see that the impugned Lok Adalat Awards were passed on settlement between the parties in accordance with Sections 20 and 21 of the Legal Services Authorities Act, 1987, hereinafter referred to as the 'LSA Act'. The impugned Awards are based on recorded settlements between the parties, which are signed on behalf of the writ petitioner, Public Sector Insurance Company by its authorized signatory and also by the counsel, who appeared for it before the authority. As per Section 22 of the LSA Act, 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.

4. It is not the case of the petitioner Insurance Company that its authorized signatory had not signed the settlement or that it had not participated in the proceedings of the Lok Adalat. The pleas raised are twofold. Firstly, contentions are raised, on facts, including by pleading that the owner of the vehicle was not party to the compromise. The second limb of contention is on the premise that the Award was passed by the Permanent Lok Adalat, and therefore, in terms of Section 22D of the LSA Act, a procedure is prescribed for Permanent Lok Adalat to pass an Award.

5. To say the least, both the contentions are totally unfounded. The Award is passed by the Lok Adalat and not by the Permanent Lok Adalat. It is an Award by the Lok Adalat organized and regulated by Sections 19, 20 and 21 of the LSA Act and is not an Award made by the Permanent Lok Adalat, to which provisions of Sections 22B, 22C, 22D and 22E of the LSA Act would apply. The writ petition itself is totally baseless inasmuch as it has attempted to project the impugned Lok Adalat Awards as Awards passed by a Permanent Lok Adalat. The petitioner has not even taken cognizance of the distinction between a Permanent Lok Adalat and Lok Adalat. The impugned Awards were not issued by a Permanent Lok Adalat constituted under Section 22B for the purpose of Chapter VIA of the LSA Act. It is an Award passed in terms of the provisions, which fall under Chapter VI which

deals with Lok Adalats. The impugned Awards were passed on Court referred matters relating to Motor Accidents claims. The premise of the writ petitioner, to the contrary, is baseless and unfounded.

6. We are amazed to see that an Insurance Company, which is a Public Sector Undertaking, has filed these writ petitions impeaching the Lok Adalat Awards on the premise that its Officers “might have agreed for compromise on the hope” that the amount to be paid can be recovered from the owner of the vehicle “on a mistaken impression of law”. The impugned Awards cannot be pleaded as ones obtained by practising fraud or that those Awards are vitiated on such counts, whereby such Awards and Settlements could be set at naught by the superior courts; much less, in exercise of visitorial jurisdiction. There is no ground for interference, whatsoever, with the impugned Awards.

7. The learned counsel for the petitioner Insurance Company pleads that there are minors and other claimants whose names are not reflected in the impugned Awards. That is a matter, which the Tribunal will take care while disbursing the amounts, which the Insurance Company ought to deposit in conformity with the Awards.

8. The institution of these writ petitions is a clear abuse of the process of this Court and the invocation of jurisdiction of

this Court by the petitioner, which is a Public Sector Insurance Company, is only to be deprecated having in mind the laudable objectives sought to be achieved through the Alternative Dispute Mechanisms and extension of legal aid envisioned in Article 39A of the Constitution of India. It is also in breach of the confidence, which the justice delivery system would have on institutions like the petitioner while operating the regime of settlements through Lok Adalats in terms of the provisions of the LSA Act.

9. The aforesaid position notwithstanding Section 21 of the LSA Act makes the Award final and binding on the parties. We, therefore, do not find any ground to interfere with the impugned Lok Adalat Awards. We also see abundant reason to impose an order of costs on the petitioner Insurance Company for invoking this jurisdiction through these writ petitions; such amount to be paid as costs to the Telangana State Legal Services Authority.

10. In the result, these two writ petitions are dismissed with costs of a total amount of Rs.1,00,000/- (Rupees one lakh only), payable by the writ petitioner in both the writ petitions together, to the Telangana State Legal Services Authority within a period of two (2) weeks from the date of receipt of a copy of this order, failing which, the Telangana State Legal Services Authority will be entitled to enforce this order for costs in accordance with law.

Pending miscellaneous petitions, if any, shall also stand dismissed.

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**THOTTATHIL B. RADHAKRISHNAN, CJ**

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**A.RAJASHEKER REDDY, J**

Date: 18.02.2019  
Va/pln

