**IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH**

CWP-1721 of 2025 (O&M)
Date of decision : April 30, 2026

ICICI Lombard General Insurance Company

...... Petitioner

Versus

Mohinder Singh and others

...... Respondents

CORAM : HON'BLE MR. JUSTICE JAGMOHAN BANSAL

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Present :-Mr. Rajneesh Kumar Malhotra, Advocate
for the petitioner.

Mr. Ravinder Singh Randhawa, Senior Advocate with
Ms. Deepinder Kaur, Advocate
for respondent No.1.

Mr. Rajeev Anand, Senior Advocate with
Mr. Vandit Jain, Advocate
for respondent No.2.

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JAGMOHAN BANSAL, J. (ORAL)

1. The petitioner through instant petition under Articles 226/227 of Constitution of India is seeking setting aside of the award dated 06.05.2024 whereby the learned Permanent Lok Adalat has allowed respondent's claim under Section 22C of the Legal Services Authorities Act, 1987 (hereinafter referred to as '1987 Act'). 2.

The respondent-insured borrowed a loan from Indiabulls Housing Finance Limited. The loan was got insured from petitioner-ICICI Lombard General Insurance Company Ltd. As per terms and conditions of the Insurance Policy, the insurer was liable to pay loan to the extent of Rs. 13 lacs in case of death of the insured. The insured

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passed away on 25.03.2017. Respondent No.1-husband of the insured filed an application before learned Permanent Lok Adalat (hereinafter referred to as 'PLA') seeking insured amount along with interest and compensation. Learned PLA issued notice to parties and after considering submissions as well as evidence of both sides allowed application of the respondent vide order dated 06.05.2024. Learned PLA directed the petitioner to pay a sum of Rs. 13 lacs along with interest @ 9% from the date of application till the date of realization. The petitioner was further directed to pay compensation and legal expenses to the tune of Rs. 30,000/-.

3. Learned counsel for the petitioner submits that learned PLA did not follow procedure as prescribed under Section 22C of 1987 Act read with judgment of the Hon'ble Supreme Court in **Canara Bank Vs. G. S. Jayarama (SC), LawFinder Doc ID#1989194.** There was no notice by claimant, thus, there was no question of harassment on the part of petitioner still learned PLA has awarded compensation as well as legal expenses.

4. Learned counsel for the respondent(s) submits that the representation followed by legal notice was served upon petitioner. Learned PLA from the year 2019 to December' 2023 attempted to amicably resolve the matter. The matter could not be amicably settled, thus, vide order dated 07.02.2024 framed terms of proposed settlement. Learned PLA after considering submissions of both sides passed final order and there is no infirmity in the said order.

5. Heard the arguments and perused the record.

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6. From the arguments of both sides, it is evident that petitioner is primarily disputing the award on the ground that respondent No.1 did not serve notice upon insurer and straightaway approached learned PLA. The petitioner is further claiming that procedure as contemplated under Section 22C read with judgment of Hon’ble Supreme Court in **Canara Bank (supra)** was not followed.

7. The respondent filed application in the year 2019. There is no requirement to serve notice upon service provider prior to filing application before learned PLA. It is not a case of ex parte order whereas petitioner was duly served and it contested the matter before learned PLA, thus, service or receipt of notice prior to approaching the PLA has lost its significance.

It is apt to notice here that like provisions in Negotiable Instruments Act, 1881 and Companies Act, 2013 requiring notice prior to approaching Court, there is no such provision in 1987 Act, nevertheless, the petitioner was duly represented before learned PLA, thus, there is no substance in the argument that no prior notice was served upon the petitioner.

8. From the interim orders of learned PLA, it is evident that matter remained pending before PLA from the year 2019 to December’ 2023 and it was heard on multiple occasions. As matter could not be amicably settled, learned PLA framed terms of settlement as per mandate of Section 22C(7) of 1987 Act. As terms of settlement were framed and parties were granted opportunity to put forth their stand, the argument of petitioner that procedure contemplated by 1987

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Act read with judgment of Supreme Court in **Canara Bank (supra)** was not followed cannot be countenanced. Therefore, argument of the petitioner is hereby rejected.

9. The petitioner has further claimed that it should not be subjected to compensation and legal expenses because there was no fault on its part. Learned counsel for the respondent does not dispute aforesaid prayer. Accordingly, compensation of Rs.25,000/- and legal expenses of Rs.5,000/- awarded by learned PLA are hereby set aside. The petitioner would not be liable to pay aforesaid amount.

10. Learned PLA has awarded interest @ 9% from the date of application i.e. 20.08.2019 till payment. Interest has not been awarded from the date of death, thus, there is no infirmity in the order qua interest.

11. The writ petition is disposed of in above terms.

12. Pending CM, if any, shall also stand disposed of.

(JAGMOHAN BANSAL)
JUDGE

April 30, 2026
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Whether speaking/reasoned **Yes**
Whether Reportable : **Yes**

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