



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

**CWP No.21332 of 2020
Date of Decision: 10.03.2026**

Royal Sundaram Alliance Insurance Company Limited

....Petitioner

VS.

Vajainty Mala and others

....Respondents

CORAM: HON'BLE MR. JUSTICE JAGMOHAN BANSAL

Present: Mr. D.K.Prajapati, Advocate, for the petitioner
Mr. Rishabh Gupta, Advocate, for the respondents

JAGMOHAN BANSAL, J. (ORAL)

1. The petitioner through instant petition under Articles 226/227 of the Constitution of India is seeking setting aside of order dated 23.10.2019 (Annexure P-7) whereby it has been directed by Permanent Lok Adalat (Public Utility Services), Bathinda ('PLA') to pay a sum of Rs.5 Lakhs along with interest to respondents.

2. Mr. Satish Kumar, who was husband of respondent No.1 and father of respondent Nos. 2 and 3 passed away in a road accident on 06.10.2013. The respondents requested to the petitioner to pay a sum of Rs.5 Lakhs as compensation as per insurance policy. The petitioner vide letter dated 13.02.2014 informed the respondents that Mr. Satish Kumar passed away within 30 days waiting period of the policy, thus, claim is not maintainable. The respondents approached Ombudsman at Chandigarh by way of complaint No.CHD-G-038-1415-0226. The Ombudsman vide order



dated 08.12.2014 dismissed their claim on the ground that repudiation was justified in view of 30 days waiting period.

3. On 16.01.2024, the following order was passed: -

“ Learned counsel appearing on behalf of the petitioner prays for some time to assist this Court as regards the maintainability of the proceedings before the Permanent Lok Adalat (Public Utility Services) as the respondent-applicant had preferred an application before the Insurance Ombudsman before approaching the Permanent Lok Adalat (Public Utility Services) under Section 22-C. The mandate of The Legal Services Authority Act, 1987 being that the Forum of Permanent Lok Adalat (Public Utility Services) has to be approached before approaching any other Court as defined under Section 2(1)(aaa) of the Legal Services Authorities Act, 1987 which includes any other authority as well.

On request, adjourned to 06.05.2024. ”

4. Learned counsel for the respondents submits that it is factually correct that respondents approached Insurance Ombudsman, Chandigarh who passed order dated 08.12.2014 under the Redressal of Public Grievances Rules, 1998 and Arbitration & Conciliation Act, 1996.

5. Section 22C of Legal Services Authority Act, 1987 (for short “1987 Act”) provides that any party to a dispute may before the dispute is brought before any Court make an application to the PLA for the settlement of dispute. The expression ‘Court’ has been defined under Section 2(aaa) of 1987 Act. As per said Section, 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. Sections 22C and 2(aaa) of 1987 Act are reproduced as below:-

“22C Cognizance of cases by Permanent Lok Adalat.— (1) Any party to a dispute may, before the dispute is brought before any court, make an application to the Permanent Lok Adalat for the settlement of dispute:

Provided that the Permanent Lok Adalat shall not have jurisdiction in respect of any matter relating to an offence not compoundable under any law:

Provided further that the Permanent Lok Adalat shall also not have jurisdiction in the matter where the value of the property in dispute exceeds ten lakh rupees:

Provided also that the Central Government, may, by notification, increase the limit of ten lakh rupees specified in the second proviso in consultation with the Central Authority.

(2) After an application is made under sub-section (1) to the Permanent Lok Adalat, no party to that application shall invoke jurisdiction of any court in the same dispute.

(3) Where an application is made to a Permanent Lok Adalat under sub-section (1), it—

(a) shall direct each party to the application to file before it a written statement, stating therein the facts and nature of dispute under the application points or issues in such dispute and grounds relied in support of, or in opposition to, such points or issues, as the case may be, and such party may supplement such statement with any document and other evidence which such party deems appropriate in proof of such facts and grounds and shall send a copy of such statement together with a copy of such document and other evidence, if any, to each of the parties to the application;

(b) may require any party to the application to file additional statement before it at any stage of the conciliation proceedings;

(c) shall communicate any document or statement received by it from any party to the application to the other party, to enable such other party to present reply thereto.

(4) When statement, additional statement and reply, if any, have been filed under sub-section (3), to the satisfaction of the



Permanent Lok Adalat, it shall conduct conciliation proceedings between the parties to the application in such manner as it thinks appropriate taking into account the circumstances of the dispute.

(5) The Permanent Lok Adalat shall, during conduct of conciliation proceedings under sub-section (4), assist the parties in their attempt to reach an amicable settlement of the dispute in an independent and impartial manner.

(6) It shall be the duty of every party to the application to cooperate in good faith with the Permanent Lok Adalat in conciliation of the dispute relating to the application and to comply with the direction of the Permanent Lok Adalat to produce evidence and other related documents before it.

(7) When a Permanent Lok Adalat, in the aforesaid conciliation proceedings, is of opinion that there exist elements of settlement in such proceedings which may be acceptable to the parties, it may formulate the terms of a possible settlement of the dispute and give to the parties concerned for their observations and in case the parties reach at an agreement on the settlement of the dispute, they shall sign the settlement agreement and the Permanent Lok Adalat shall pass an award in terms thereof and furnish a copy of the same to each of the parties concerned.

(8) 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.”

[emphasis supplied]

“2(aaa) “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;”

6. From the perusal of above quoted Sections, it is evident that any party to dispute may approach PLA, however, before approaching any Court. As per Section 2(aaa) of 1987 Act, Court includes authorities constituted under any law for the time being in force to exercise judicial or



quasi judicial functions. The respondents herein concededly approached Ombudsman, Chandigarh who passed order dated 08.12.2014 rejecting their complaint. Chapter VI A has been inserted in 1987 Act w.e.f. 11.06.2002 by the Act 37 of 2002. Parties to dispute are given additional remedy. The parties are free to avail alternative remedies like Consumer Disputes Redressal Forum, Civil Court etc. The remedy of PLA is in addition to and not in derogation of other remedies. In Section 22C, it has been categorically made clear that if any other remedy is available, the litigant would be debarred to approach PLA.

6.1 In the case in hand, the respondents concededly availed remedy of Ombudsman, thus, in view of Section 22C of 1987 Act were debarred to avail remedy of PLA.

7. In the wake of above discussion and findings, this Court is of the considered opinion that impugned order deserves to be set aside and accordingly set aside. It is made clear that respondents qua their grievance are at liberty to avail any other remedies as permissible by law.

(JAGMOHAN BANSAL)
JUDGE

10.03.2026

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Whether speaking/reasoned:	Yes	
Whether reportable:	Yes	