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

CWP-21748-2025 (O&M)

Date of Decision: 06.04.2026

Sewa Singh

.....Petitioner

Versus

Union Bank of India and others

.....Respondents

CORAM: HON'BLE MR. JUSTICE JAGMOHAN BANSAL

Present: Mr. Ramneek Vasudeva, Advocate,
for the petitioner.

Mr. Ajay Singla, Advocate and
Ms. Komal Tuteja, Advocate,
for the respondent No.1.

JAGMOHAN BANSAL. J.

The petitioner through instant petition under Articles 226 of the Constitution of India is seeking setting side of Award dated 16.04.2025 whereby learned Permanent Lok Adalat (Public Utility Services), Rupnagar (for short "PLA") has allowed respondent- Bank's application filed under Section 22C of Legal Services Authorities Act, 1987 (for short '1987 Act').

2. The respondent-bank filed an application under Section 22C of 1987 Act before PLA alleging that petitioner (Sewa Singh) approached bank and obtained KCC loan limit of Rs.5,00,000/- but did not repay the same within the stipulated period. Narendra Singh son of Balwant Singh stood as guarantor for the petitioner. The petitioner raised preliminary objection of maintainability which came to be rejected. The petitioner filed response and learned PLA by impugned order held that petitioner has failed to repay loan as undertaken by



him. He has been directed to pay a sum of Rs.6,57,180/- along with interest @ 12.25% from the date of filing petition till its realization.

3. Learned counsel for the petitioner submits that petition under Section 22-C of 1987 Act cannot be filed by insurance or banking company. Only a consumer can file said application. 1987 Act was introduced to provide free legal services 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. Rajasthan High Court in ***State Bank of India versus Dungar Garments, 2019(4) WLC 343*** has held that Banking Company cannot file application under Section 22C of 1987 Act.

4. Heard the arguments and perused the paper-book.

5. Chapter VI-A was introduced w.e.f. 11.06.2002 in the 1987 Act. Section 22A(b) defines “public utility service”. Six services were notified in the Section and it was made clear that Central Government or State Government in the public interest, by notification, may declare any other service as “public utility service” for the purpose of this Chapter. Section 22B of 1987 Act provides that Central Authority or State Authority by notification shall establish Permanent Lok Adalats for exercising jurisdiction in respect of one or more public utility services. Section 22C provides that any party to a dispute may make an application to PLA for the settlement of dispute. Section 22A, 22B & 22C of 1987 Act are reproduced as below:-

“22-A. Definitions.--In this Chapter and for the purposes of sections 22 and 23, unless the context otherwise requires, -

(a) "Permanent Lok Adalat" means a Permanent Lok Adalat established under sub-section (1) of section 22-B;

(b) "public utility service" means any-

(i) transport service for the carriage of passengers or goods by air, road or water; or

(ii) postal, telegraph or telephone service; or



(iii) supply of power, light or water to the public by any establishment; or

(iv) system of public conservancy or sanitation; or

(v) service in hospital or dispensary; or

(vi) insurance service,

and includes any service which the Central Government or the State Government, as the case may be, may, in the public interest, by notification, declare to be a public utility service for the purposes of this Chapter.

22-B. Establishment of Permanent Lok Adalats. - *(1) Notwithstanding anything contained in section 19, the Central Authority or, as the case may be, every State Authority shall, by notification, establish Permanent Lok Adalats at such places and for exercising such jurisdiction in respect of one or more public utility services and for such areas as may be specified in the notification.*

(2) Every Permanent Lok Adalat established for an area notified under sub-section (1) shall consist of-

(a) a person who is, or has been, a District Judge or Additional District Judge or has held judicial office higher in rank than that of a District Judge, shall be the Chairman of the Permanent Lok Adalat; and

(b) two other persons having adequate experience in public utility service to be nominated by the Central Government or, as the case may be, the State Government on the recommendation of the Central Authority or, as the case may be, the State Authority, appointed by the Central Authority or, as the case may be, the State Authority, establishing such Permanent Lok Adalat and the other terms and conditions of the appointment of the Chairman and other persons referred to in clause (b) shall be such as may be prescribed by the Central Government.

22-C. 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)

From the reading of Section 22A(b), it is evident that it simply defines services which are ‘*Public Utility Services*’ to invoke jurisdiction of PLA. A service may be public utility service still would not fall within the jurisdiction of PLA unless it is either incorporated in the Section itself or notified by Central or State Government. Banking and Insurance Services are duly notified services.

Section 22B of 1987 Act makes it clear that PLA shall have jurisdiction in respect of one or more public utility services.

Section 22C(1) provides that ‘*any party*’ to a dispute may make an application to PLA. Section 22C(2) provides that no party to the application can invoke jurisdiction of any Court after filing application before PLA. Sub-section (8) makes it clear that if parties fail to reach at an agreement, the LokAdalat shall have power to decide the dispute if it does not relate to any offence. Said sub-section makes it clear that PLA has power to adjudicate dispute on merit.



6. Section 22D provides that PLA shall be guided by the principles of natural justice, objectivity, fair play, equity and other principles of justice and shall not be bound by the Code of Civil Procedure, 1908 and the Indian Evidence Act, 1872.

Section 25 of the 1987 Act provides that provisions of this Act shall have effect notwithstanding anything inconsistent contained in any other law for the time being in force. Meaning thereby, 1987 Act is having overriding effect. Sections 22D and 25 of 1987 Act read as:-

“22D. Procedure of Permanent Lok Adalat.—The Permanent Lok Adalat shall, while conducting conciliation proceedings or deciding a dispute on merit under this Act, be guided by the principles of natural justice, objectivity, fair play, equity and other principles of justice, and shall not be bound by the Code of Civil Procedure, 1908 (5 of 1908) and the Indian Evidence Act, 1872 (1 of 1872).

25. Act to have overriding effect.—The provisions of this 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 law other than this Act.”

7. Petitioner is claiming that public utility services are availed by consumers. It is only consumer who can approach PLA. Object of the 1987 Act would be defeated if service providers are permitted to approach PLA. Petitioner is heavily relying upon the judgment of Rajasthan High Court in ***Dungar Garments (supra)***.

8. This Court finds itself unable to subscribe view of Rajasthan High Court. Section 22A(b) simply defines services which fall within the jurisdiction of PLA. It does not provide that who can approach PLA with respect to a dispute. Section 22C provides that any party to a dispute may approach PLA.

The expression “any party” cannot be read as consumer availing public utility



services. The Court has no jurisdiction to add or subtract any word from the legislative provisions. The Legislature has used word '*any party*' to a dispute. Service provider is always a party to the dispute. The moment an application is filed by a consumer, service provider becomes a party to dispute. It makes it clear that service provider is always party to dispute. The dispute may arise on account of deficiency in service or on account of non-payment of dues of the service provider. It cannot be held that dispute always arises on account of the deficiency in service or non-providing of service. The dispute may also arise on account of non-payment of charges of the services. In case of non-payment of charges of service, the dispute arises between service recipient and service provider. In that scenario, the service recipient or service provider may be aggrieved. It would amount to re-writing the provision, if it is held that '*any person*' does not include service provider. It is settled principle of interpretation that if language of the provision is plain and unambiguous, intention or object of the provision need not be examined unless and until plain reading makes any provision or scheme of the Act otiose or unworkable. In the present case, language of the provision is clear and unambiguous. There is no need to examine object of the Act.

9. The petitioner is claiming that 1987 Act is meant to provide speedy, economic and free legal services to weaker section of the society. If the bank or any other service provider files suit before Civil Court or claim petition before any other authority/Court, it entails cost of litigation. The service provider as well as recipient has to bear cost of litigation and face agony of protracted trial. If application is filed before PLA by a service provider, it reduces cost of consumer also, thus, the consumer cannot say that his cost of litigation is not reduced. It is beneficial for the consumer also, if service



provider files application before PLA because proceedings before PLA are summary in nature and cost effective.

10. In the wake of above discussion and findings, this Court is of the considered opinion that present civil writ petition deserves to be dismissed and accordingly dismissed.

(JAGMOHAN BANSAL)
JUDGE

06.04.2026
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Whether speaking/reasoned : Yes/No
Whether Reportable: Yes/No