



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

(204)

Date of decision:- 12.01.2026

1. CWP-24581-2025

M/S TATA AIA LIFE INSURANCE COMPANY LIMITED

... Petitioner

Versus

RITU AND OTHERS

... Respondents

2. CWP-32399-2025

HDFC BANK LIMITED

... Petitioner

Versus

PRATAVALI DEVI AND OTHERS

... Respondents

CORAM: HON'BLE MR. JUSTICE SUVIR SEHGAL

Present:- Mr. Nitin Thatai, Advocate and
Mr. Karan Sharma, Advocate
for the petitioner in both cases.

Mr. Sudhir Rana, Advocate
for respondent No.1 in CWP-32399-2025.

1. Mr. Tanmay Gupta, counsel for respondent No.1 in CWP-24581-2025, has filed Vakalatnama, which is taken on record.
2. Without examining the dispute on merits, both the above-mentioned writ petitions are being disposed of by this singular order as they involve a common issue.
3. The question to be examined in both cases is as to whether a



Permanent Lok Adalat, Public Utility Service (for short “Lok Adalat”) can adjudicate a *lis* on merits without formulating the possible terms of settlement and communicating them to the parties. This question has been settled by the Hon’ble Supreme Court in **Canara Bank V/s G.S. Jayarama, (2022) 7 SCC 776**. Interpreting the provisions of Section 22-C of the Legal Services Authorities Act, 1987 (for short the “1987 Act”), Apex Court has held that when Lok Adalat is of the opinion that a possibility of settlement exists, it shall formulate the terms of such settlement and present them to the parties under Section 22-C(7) of 1987 Act. If the parties are agreeable to the settlement, Lok Adalat shall pass an award incorporating those terms and provide a copy to each party. However, in case, the parties do not agree to the terms of settlement, Lok Adalat has been conferred with the jurisdiction to decide the dispute on merits under Sub-Section (8) of Section 22-C, *ibid*, unless the dispute relates to any offence.

4. A perusal of the orders passed by the Lok Adalat show that though, it has been mentioned that terms of possible settlement were known to the parties but such terms were never formulated, nor were they given, in writing, to the parties. There is, therefore, a clear breach of the mandatory procedure laid down under Section 22-C(7) of the 1987 Act.

5. Counsel representing the contesting respondents are not in a position to dispute this position and have requested that after setting aside the impugned awards, matters may be remanded to the Lok Adalat for determination afresh in a time-bound manner.

6. Consequently, impugned awards are set aside. Matters are remitted to



the Lok Adalat, Rewari, for decision afresh after adhering to the obligatory procedure prescribed under the statute.

7. Both the writ petitions are disposed of.
8. Parties are directed to appear before the Lok Adalat, Rewari, on 09.02.2026 at 10:00 A.M. for further proceedings in accordance with law. Lok Adalat shall make an endeavour and conclude the proceedings as expeditiously as possible, preferably within a period of six months from the date of appearance of the parties.

(SUVIR SEHGAL)
JUDGE

12.01.2026
parul verma

Whether Speaking/Reasoned	Yes/No
Whether Reportable	Yes/No