



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

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CWP-11860-2026**Date of Decision: 21.04.2026**

BAJAJ GENERAL INSURANCE COMPANY LTD

...Petitioner

Vs.

PERMANENT LOK ADALAT AND OTHERS

...Respondents

CORAM:- HON'BLE MR. JUSTICE JAGMOHAN BANSAL

Present:- Mr. Sachin Ohri, Advocate for the petitioner

Mr. Gaurav Goel, Advocate and
Mr. Teginder Singh, Advocate for respondent-Bank

JAGMOHAN BANSAL, J. (ORAL)

1. The petitioner through instant petition under Article 226/227 of the Constitution of India is seeking setting aside of award dated 14.11.2025 whereby learned Permanent Lok Adalat (Public Utility Services), Ludhiana (for short 'PLA') has directed it to pay Rs.1,50,000/- along with interest to Respondent No.2 and Rs.20,000/- as compensation.

2. The respondent No. 2 was running a fast food and bakery shop at Pakhowal Road, Ludhiana. He obtained a loan of Rs 1 lac from Punjab National Bank, Pakhowal Road, Ludhiana- Respondent No. 3 (for short 'Bank') and got it insured from petitioner- Bajaj General Insurance Company Ltd. (for short 'Insurance Company') through bank. On 31.07.2022 theft took place in his shop. He lodged FIR No. 114 dated 07.08.2022 under Section 381, 34 of Indian Penal Code, 1860 at Police Station Dugri, Ludhiana. Bank was duly informed of the alleged theft. Respondent-Bank assured him that it would itself lodge a claim with the



Insurance Company. It failed to do so. Aggrieved by the inaction of Respondent- Bank, he approached PLA under Section 22C of Legal Services Authorities Act, 1987 (for short '1987 Act'). The petitioner pleaded that as per exclusion clause, applicant was not entitled to compensation for loss on account of theft. Respondent No.2 pleaded that the Bank did not provide him details of insurance policy along with terms and conditions. PLA by impugned award has directed the petitioner to pay a sum of Rs.1,50,000/- along with interest. PLA has held that insurer cannot rely upon exclusion clause. Police has not found employees of insured guilty of theft, thus, it cannot be held that employees committed theft.

3. Learned counsel for the petitioner submits that Policy was issued with respect to fire. The premium was charged for fire. There was no insurance with respect to theft. The insured did not approach petitioner. If there is any lapse, it was on the part of Bank. PLA has returned finding to the effect that bank was at fault. If Bank was at fault, there was no question to fasten liability upon petitioner.

4. Heard the arguments and perused the record.

5. From the perusal of record, it is evident that insured obtained loan from respondent-Bank. The Bank got loan insured from petitioner-Insurance Company. A theft took place in the premises of insured and there was loss of goods. The insured approached PLA as he did not get payment. The petitioner as well as Bank appeared before PLA and made their submissions. PLA has held that Bank was at fault. The petitioner at the first instance should pay compensation to insured and thereafter may recover from Bank. In other words, recovery rights have been given to petitioner. Operative portion of impugned award reads as:-



“Respondent No.2 insurance company is directed to pay a sum of Rs.1,50,000/- to the petitioner along with interest @6% per annum from the date of its appearance before this court till passing of the award within a period of 2 months failing which it shall be liable to pay interest @ 9% per annum from the date of filing of this petition till actual realization. After making payment of such awarded amount, the respondent no.2 can recover the same from respondent no. 1 bank because of deficiency in service and unfair trade practice on bank's part as pointed above. The respondent no.1 bank shall have a first charge on the aforesaid awarded amount to recover arrears in the loan account only to the extent which were due at the time of commission of theft but after adjusting the installments subsequently paid by the petitioner to it. The respondents are also directed to pay compensation of Rs. 20,000/- to the petitioner for such deficiency in service and unfair trade practice in equal shares.”

6. From the perusal of findings recorded by PLA, it cannot be concluded that PLA has exceed its jurisdiction or recorded findings contrary to record. The petitioner is only claiming that policy was with respect to fire and there was no insurance qua theft. PLA has considered this aspect and recorded categoric findings.

7. Section 22E of 1987 Act provides that award passed by PLA shall be final and binding on all the parties. The award cannot be called in question in any original suit, application or execution proceedings. Section 22E reads as:

“22E. Award of Permanent Lok Adalat to be final. —(1) Every award of the Permanent Lok Adalat under this Act made either on merit or in terms of a settlement agreement shall be final and binding on all the parties thereto and on persons claiming under them.

(2) Every award of the Permanent Lok Adalat under this Act shall be deemed to be a decree of a civil court.



(3) *The award made by the Permanent Lok Adalat under this Act shall be by a majority of the persons constituting the Permanent Lok Adalat.*

(4) *Every award made by the Permanent Lok Adalat under this Act shall be final and shall not be called in question in any original suit, application or execution proceeding.*

(5) *The Permanent Lok Adalat may transmit any award made by it to a civil court having local jurisdiction and such civil court shall execute the order as if it were a decree made by that court.”*

It is factually and legally correct that award passed by PLA can be examined in writ jurisdiction, however, mandate of Section 22E cannot be ignored. The award can be examined in writ jurisdiction if there is manifest procedural or fundamental error or PLA has passed award beyond its jurisdiction. There is no such argument or allegation in the present case. PLA has passed impugned order after following prescribed procedure and granting opportunity of hearing.

8. A Constitution Bench in ***Syed Yakoob Vs K.S. Radhakrishnan, AIR 1964 SC 477*** and a two judge bench of the Hon'ble Supreme Court recently in ***Central Council for Research in Ayurvedic Sciences and another Vs Bikartan Das and others 2023 SCC Online SC 996*** have reminded us that there are two cardinal principles of law governing issuance of writ of certiorari under Article 226 of the Constitution of India i.e. (i) High Court does not exercise the powers of Appellate Tribunal. It does not review or reweigh the evidence upon which the determination of the inferior tribunal purports to be based. It demolishes the order which it considers to be without jurisdiction or palpably erroneous but does not substitute its own views for those of the inferior tribunal. The writ of certiorari can be issued if an error of law is



apparent on the face of the record; (ii) in a given case, even if some action or order challenged in the writ petition is found to be illegal and invalid, the High Court while exercising its extraordinary jurisdiction thereunder can refuse to upset it with a view to doing substantial justice between the parties. It is perfectly open for the writ court, exercising this flexible power to pass such orders as public interest dictates & equity projects. The High Court would be failing in its duty if it does not notice equitable consideration and mould the final order in exercise of its extraordinary jurisdiction. Any other approach would render the High Court a normal court of appeal which it is not.

9. A writ of certiorari can be issued for correcting errors of jurisdiction committed by inferior courts or tribunals. Error of jurisdiction includes order by inferior court or tribunal without jurisdiction or in excess of it or as a result of failure to exercise jurisdiction. A writ can similarly be issued where in exercise of jurisdiction conferred on it, the Court or Tribunal acts illegally or improperly, as for instance, it decides a question without giving an opportunity to be heard to the party affected by the order, or where the procedure adopted in dealing with the dispute is opposed to principles of natural justice. There is, however, no doubt that the jurisdiction to issue a writ of certiorari is a supervisory jurisdiction and the Court exercising it is not entitled to act as an appellate Court. This limitation necessarily means that findings of fact reached by the inferior Court or Tribunal as result of the appreciation of evidence cannot be reopened or questioned in writ proceedings. An error of law which is apparent on the face of the record can be corrected by a writ, but not an error of fact, however grave it may appear to be. In regard to a finding of fact recorded by the Tribunal, a writ of certiorari can be



issued if it is shown that in recording the said finding, the Tribunal had erroneously refused to admit admissible and material evidence, or had erroneously admitted inadmissible evidence which has influenced the impugned finding. Similarly, if a finding of fact is based on no evidence, that would be regarded as an error of law which can be corrected by a writ of certiorari. In dealing with this category of cases, however, High Court must always bear in mind that a finding of fact recorded by the Tribunal cannot be challenged in proceedings for a writ of certiorari on the ground that the relevant and material evidence adduced before the Tribunal was insufficient or inadequate to sustain the impugned finding. The adequacy or sufficiency of evidence led on a point and the inference of fact to be drawn from the said finding are within the exclusive jurisdiction of the Tribunal, and the said points cannot be agitated before a writ Court. It is within these limits that the jurisdiction conferred on the High Courts under Article 226 to issue a writ of certiorari can be legitimately exercised.

10. In the wake of above discussion and findings, this Court does not find it appropriate to invoke its extra-ordinary writ jurisdiction.

11. ***Dismissed.***

12. Pending application(s), if any, stands disposed of.

(JAGMOHAN BANSAL)
JUDGE

April 21, 2026

Deepak DPA

Whether Speaking/reasoned
Whether Reportable

Yes/No
Yes/No