



2025:DHC:4889



\$~151 and 152

\* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

% **Date of Decision: 27.05.2025**

+ **W.P.(C) 7500/2025**

(151) BALJEET SINGH & ANR. ....Petitioners

Through: Mr. Yash Kadyan, Adv.

versus

SHRI RAM GENERAL INSURANCE COMPANY LIMITED

.....Respondent

Through:

+ **W.P.(C) 7501/2025**

(152) RUPWATI & ORS. ....Petitioners

Through:

versus

SHRI RAM GENERAL INSURANCE COMPANY LIMITED

.....Respondent

Through:

**CORAM:**

**HON'BLE MR. JUSTICE SACHIN DATTA**

**SACHIN DATTA, J. (ORAL)**

**CM APPL.33544/2025 (Exemption) in W.P.(C) 7500/2025**

**CM APPL.33545/2025 (Exemption) in W.P.(C) 7501/2025**

1. Allowed, subject to all just exceptions.
2. Applications stand disposed of.

**W.P.(C) 7500/2025**

**W.P.(C) 7501/2025**

3. W.P. (C) 7500/2025 has been filed by the petitioners, who are the parents of the deceased victim of motor accident. The petitioners seek



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modification of the order dated 12.03.2022 passed by the National Lok Adalat, Dwarka Courts Complex, New Delhi in MACT Case No. 1476/2016 titled "*Rachna & Ors. vs. Shri Ram General Insurance Company Limited & Ors*".

4. As per the said order, the substantial portion of the compensation amount has been retained in long-term Fixed Deposits (FDRs) extending up to 20 years. It is submitted by the petitioners that they are facing acute financial hardship due to the non-availability of immediate funds.

5. Accordingly, the petitioners are seeking modification of the order dated 12.03.2022 to the extent that the remaining compensation amount be directed to be released to them in a lump sum, in the interest of justice and equity.

6. Likewise, in W.P.(C) 7501/2025, the petitioners seek modification of an order dated 12.03.2022 passed by the National Lok Adalat, Dwarka Courts Complex, New Delhi in MACT Case No. 1459/2016 titled as "*Subhash Sehrawat vs. Shri Ram General Insurance Company Limited & Ors*".

7. As in the case of W.P.(C) 7500/2025, it is sought that the compensation amount be released to the petitioners in a lump sum payment.

8. The perusal of the orders passed in these proceedings of the National Lok Adalat held on 12.03.2022 at Dwarka Courts Complex, New Delhi reveals that the petitioners in MACT Case No. 1459/2016 and MACT Case No. 1476/2016, agreed to accept the amount as referred to in the proceedings as "full and final settlement of the claims of the petitioners against the respondents". Specific directions were issued as regards the quantum of compensation to be paid and the mode of disbursement.



9. In the opinion of this Court, it is untenable for the petitioners to take recourse to these proceedings under Section 21(1) of the Legal Services Authorities Act 1987(Central Act). The same is reproduced hereunder: -

*“21. Award of Lok Adalat. - [(1) Every award of the Lok Adalat shall be deemed to be a decree of a civil court or, as the case may be, an order of any other court and where a compromise or settlement has been arrived at, by a Lok Adalat in a case referred to it under sub-section (1) of Section 20, the court-fee paid in such case shall be refunded in the manner provided under the Court Fees Act, 1870 (7 of 1870)].”*

10. In ***State of Punjab & Anr v. Jalour Singh & Ors***, (2008) 2 SCC 660 the Apex Court has observed as under –

*“12. It is true that where an award is made by the Lok Adalat in terms of a settlement arrived at between the parties (which is duly signed by parties and annexed to the award of the Lok Adalat), it becomes final and binding on the parties to the settlement and becomes executable as if it is a decree of a civil court, and no appeal lies against it to any court. If any party wants to challenge such an award based on settlement, it can be done only by filing a petition under Article 226 and/or Article 227 of the Constitution, **that too on very limited grounds**. But where no compromise or settlement is signed by the parties and the order of the Lok Adalat does not refer to any settlement, but directs the respondent to either make payment if it agrees to the order, or approach the High Court for disposal of appeal on merits, if it does not agree, is not an award of the Lok Adalat. The question of challenging such an order in a petition under Article 227 does not arise. As already noticed, in such a situation, the High Court ought to have heard and disposed of the appeal on merits.”*

11. Thus, it is a settled position of law that an award passed by a Lok Adalat pursuant to a valid settlement between the parties attains finality and is enforceable as a decree of a civil court. The Supreme Court also clarified that only in exceptional situations would there be an occasion to exercise jurisdiction under Article 226. In the present case, no fault /deficiency/lacuna can be found in the proceedings before the Lok Adalat.

12. In ***Ankush Tukaram Pol v. Shivaji Tukaram Pol and Another***, 2025



SCC OnLine Bom 2013, Bombay High Court, while relying upon *State of Punjab & Anr v. Jalour Singh & Ors* (Supra) has observed as under –

*“10. In the case of State of Punjab v. Jalour Singh a three Judge Bench of the Supreme Court considered the question as to finality of the award passed by the Lok Adalat. It was enunciated that, an award passed by the Lok Adalat becomes final and binding on the parties to the settlement and becomes executable as if decree of a civil Court and if any party wants to challenge such an award based on the settlement, it could be done only by filing petition under Article 226 and/or 227 of the Constitution of India and that too on very limited grounds.*

*11. The observations of the Supreme Court in paragraph 12 are instructive and hence extracted below:—*

*12] It is true that where an award is made by Lok Adalat in terms of a settlement arrived at between the parties, (which is duly signed by parties and annexed to the award of the Lok Adalat), it becomes final and binding on the parties to the settlement and becomes executable as if it is a decree of a civil court, and no appeal lies against it to any court. If any party wants to challenge such an award based on settlement, it can be done only by “ling a petition under Article 226 and/or Article 227 of the Constitution, that too on very limited grounds. But where no compromise or settlement is signed by the parties and the order of the Lok Adalat does not refer to any settlement, but directs the respondent to either make payment if it agrees to the order, or approach the High Court for disposal of appeal on merits, if it does not agree, is not an award of the Lok Adalat. The question of challenging such an order in a petition under Article 227 does not arise. As already noticed, in such a situation, the High Court ought to have heard and disposed of the appeal on merits.*

(emphasis supplied)

*12. The aforesaid judgment was followed by the Supreme Court in the case of Bhargavi Construction v. Kothakapu Muthyam Reddy. The Supreme Court ruled that the aforesaid law laid down by the Supreme Court is binding on all the Courts in the country by virtue of the mandate of Article 141 of the Constitution of India.*

*13. The Supreme Court has in no uncertain terms held that an award passed by the Lok Adalat can be challenged only by filing a petition under Article 226 and/or Article 227 of the Constitution, and that too on very limited grounds.*



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*14. In the light of the aforesaid exposition of law, reverting to the facts of the case, it has to be seen whether a case for setting aside the decree passed by the Lok Adalat pursuant to the compromise purshis (Exh. 12) is made out. It must be noted that the scope of interference with an award passed by the Lok Adalat, even in exercise of extra ordinary writ jurisdiction, is of restricted nature. Evidently, the Court cannot examine the matter like an appellate court as if the entire issue is open before the Court. It is only in the cases like apparent and egregious fraud, irretrievable injustice to a party, the award is exfacie unlawful, the award has been passed in flagrant violation of the fundamental principles of the judicial process or it is in clear breach of the provisions of the Legal Services Authorities Act, 1987 and the rules framed thereunder, the High Court may, in exercise of the limited jurisdiction, interfere with the award of the Lok Adalat.*”

13. In the present case, it is not the case of the petitioners that the settlement that was arrived at before the National Lok Adalat was not voluntary or was vitiated by fraud or misrepresentation or coercion.

14. As such, this Court is not inclined to entertain the present petitions; same are accordingly dismissed.

**SACHIN DATTA, J**

**MAY 27, 2025/at**