

REPORTABLE

IN THE SUPREME COURT OF INDIA

CIVIL APPELLATE JURISDICTION

CIVIL APPEAL NO.901 OF 2022
(Arising out of SLP (C) No. 9927 of 2020)

**NEW OKHLA INDUSTRIAL
DEVELOPMENT AUTHORITY (NOIDA)**

APPELLANT(S)

VERSUS

YUNUS & ORS.

RESPONDENT(S)

WITH

CIVIL APPEAL NO.905 OF 2022
(Arising out of SLP(C) No.9931 of 2020)

CIVIL APPEAL NO.904 OF 2022
(Arising out of SLP(C) No.9928 of 2020)

CIVIL APPEAL NO.903 OF 2022
(Arising out of SLP(C) No.9929 of 2020)

CIVIL APPEAL NO.906 OF 2022
(Arising out of SLP(C) No.9932 of 2020)

CIVIL APPEAL NO.902 OF 2022
(Arising out of SLP(C) No.9930 of 2020)

J U D G M E N T

K. M. JOSEPH, J.

1. Leave granted.

2. In these batch of cases, the question which arises is whether the Award passed by a Lok Adalat under Section 20 of

the Legal Services Authorities Act, 1987 (hereinafter referred to as the '1987 Act') can form the basis for redetermination of compensation as contemplated under Section 28A of the the Land Acquisition Act, 1894 (hereinafter referred to as 'Act'). By the impugned judgment, the High Court has taken the view that the Award passed by the Lok Adalat can indeed form the foundation for exercising power under Section 28A of the Act.

3. A notification came to be issued under Section 4(1) of the Act on 21.03.1983 in respect of villages situated in Tehsil Dadri (Situation in District Ghaziabad) for planned industrial development contemplated by the Appellant. By the Award of the Land Acquisition Officer, which was passed on 28.11.1984, compensation was fixed for the lands belonging to the respondents herein *inter alia* at the rate of Rs.24,033 per *bigha*. The respondents did not seek enhancement under Section 18 of the Act. One Fateh Mohammed filed an application seeking reference against the Award dated 28.11.1984. The said reference was made over to a Lok Adalat. The reference is seen numbered as No. 6/02. The Lok Adalat passed an Award on 12.03.2016. We may set out the terms of the said award:

"Today, the matter has been placed before the Lok Adalat. Claimant Fateh Mohammed s/o Ummed Khan with his learned Counsel Sri Jitendra Mathur and on behalf of respondents the learned D.G.C. Civil are present in the court. The case file of this L.A.R.

case has already been clubbed/consolidated with the files of other L.A.R. Cases, namely, L.A.R. No. 07 of 2002 Jawal Hussain Vs. State of U.P. and Ors; L.A.R. No. 08 of 2022 Salimuddin Vs. State of U.P. and Ors. and L.A.R. No. 9 of 2002 Mohakkam Singh Vs. State of U.P. and Ors., was passed by the concerned Court on 26.8.2010 and the file of LAR No. 6/2002 had been made as Leading Case. In course of hearing, both the parties have collectively filed application for placing all the clubbed LARs before the Lok Adalat vide application paper no. 59Ga2 with Settlement/Compromise Agreement and photocopy of the order of Hon'ble High Court. Besides this, the learned District Government Counsel Civil appearing on behalf of the respondents has filed photocopy of letters (Paper no. 61Ga2 and 62Ga2) of concerned party State Government and Noida Development Authority whereby the learned District Government Counsel Civil has been authorized to enter into the compromise/settlement in the matter on behalf of the Authority and State Government.

Heard and perused the case file. It is evident from available record that the present Reference has been filed against the Award dated 28.11.1984 and the Hon'ble High Court, while clubbing/consolidating all the appeals together, has disposed them off thereby directing the concerned Authorities to determine the compensation at the rate of Rs.297.50 per sq.yard. On the basis of the said order, both parties have voluntarily executed, signed and verified the Settlement/Compromise Agreement Paper No. 60Ka1 and submitted the same before the court.

In such a situation, it is just and proper to decide the case by passing the following order on the basis of the settlement/compromise agreement Paper no. 60Ka1 which shall form part of the decree: -

ORDER

Instant Reference No. 6/2002 is hereby decided on the basis of Settlement/Compromise Agreement Paper No. 60Ka1 filed by the parties. The Settlement/Compromise Agreement shall form part of the Decree and in the circumstances of the case, each party to bear their own costs. One copy each of this judgment shall be kept in the file of LAR No. 7/2002, LAR No. 8/2002 and LAR No. 9/2002.

4. As is evident, compensation was fixed at Rs.297 per square yard as against Rs.20 per square yard which was fixed by the Land Acquisition Officer by his Award dated 28.11.1984. This led to the respondents filing applications before Additional District Magistrate seeking shelter under Section 28A of the Act. The Additional District Magistrate rejected the applications on the basis that the Award dated 12.03.2016 passed by the Lok Adalat was on the basis of the compromise. This led to the writ petitions being filed by the respondents before the High Court. It is in the said writ petitions that the impugned judgments have been passed by the High Court finding that the Award of the Lok Adalat would be deemed to be decree of the Civil Court and, consequently, the respondents would be entitled to invoke Section 28A of the Act.

5. We have heard Shri Anil Kaushik, learned counsel for the appellant. We have also heard Shri Dhruv Mehta and Shri V. K. Shukla, learned senior counsel on behalf of the respondents.

6. Learned counsel for the appellant would point out that Section 28A is not available to be applied when there is no determination by the Court in terms of the Act. He referred us to the definition of the word 'Court' in the Act to contend that what Section 28A contemplates is an Award passed by such a Court. Lok Adalats, it is his contention

are constituted under Section 19 of the 1987 Act. They have no adjudicatory or judicial function. The object of the 1987 Act is *inter alia* to bring about settlement of dispute. The function of the Lok Adalat under Section 19 is essentially to bring about a compromise. An award of the Lok Adalat, in other words, merely sets out a compromise reached between the parties. Therefore, it cannot be treated as an Award by a Court under the Act. He further contended that the deeming fiction in Section 21 of the 1987 Act must be confined to the purpose for which the fiction was created. In other words, the deeming provision must be appreciated as a legislative device to clothe the Award with enforceability as if it were a decree. On its own terms, in other words, an Award passed by the Lok Adalat is not a decree as contemplated in Section 28A of the Act. He relied on judgments in *State of Punjab and Another. v. Jalour Singh and Others*¹, *Government of India v. Vedanta Limited and Others*² and *Attar Singh and Another v. Union of India and Anr.*³ in support of his arguments.

7. He further pointed out that there is a divergence of judicial opinion on this subject among the High Courts. He commended for our acceptance the view taken by the High Court of Bombay in the decision reported in *Umadevi Rajkumar*

¹ (2008) 2 SCC 660

² (2020) 10 SCC 1

³ (2009) 9 SCC 289

*Jeure and Others v. District Collector and Others*⁴. He would submit that view taken by the High Courts which have held contrary do not represent the correct position in law.

8. He has further a case on merits. He points out that the High Court in the First Appeal No. 1100/04 titled as *Mangu and others v. State of U.P.*, awarded compensation at the rate of Rs.297 per square yard. However, it is his contention that while the case of *Mangu* arose out of the notification of the year 1991, cases arising out of the earlier notification issued under Section 4 came to be tagged and heard as a common batch. He points out that the review petition is already filed by the appellant. He further contends that in the year 1982, the compensation was fixed at Rs.20 per square yard. This computation of compensation was upheld by the High Court and what is more, this view of the High Court was further approved by this Court by dismissal of the special leave petition filed against the same. However, on the basis of the facts which were not properly appreciated the Award came to be passed by the Lok Adalat.

9. *Per contra*, the learned senior counsel for the respondents would point out, in the first place, that a perusal of the Award by Lok Adalat would show that it would be wholly unfair on the part of the appellant to wriggle out

⁴ 2021 SCC OnLine Bom 917

of a rate which, in fact, was based on a decision of the High Court (apparently the decision in *Mangu and Others*). It is further pointed out by Shri Dhruv Mehta, learned senior counsel, that full effect must be given to the legal fiction. The oft quoted admonition that the Courts must not allow their imagination to be boggled by the prospect of stretching a legal fiction to its logical culmination was invoked. In other words, it is the contention of Shri Dhruv Mehta that given the fact that an Award passed by the Lok Adalat is to be treated as a decree, it matters little that what led to the Award is not analogous to the procedure that is ordinarily contemplated in a reference under Section 18 of the Act. The fiction must have full play. Thus, being a decree of a Civil Court, the Award of the Lok Adalat would provide firm foundation for similarly circumstanced persons to claim benefit of Section 28A. In this regard, he would point out that the Court must not be oblivious to the grand command of equality to achieve which sublime goal it is that the legislature introduced Section 28A in the first place. In other words, having regard to the above object of making available just compensation to those persons, who, by their ignorance, which for the large part, is fostered by illiteracy, poverty, and backwardness, do not follow up with the remedies open to them under the Act, are given a window of opportunity on the basis of an Award passed enhancing the

compensation at the instance of similarly circumstanced persons. He points out there is no dispute that the respondents are persons whose lands have been acquired under the same notification as was of Fateh Mohammed. He would further highlight that Section 21 provides that said Award of a Lok Adalat is *inter alia* to be treated 'as the case may be' as an order of any other Court. The argument appears to be that Section 21 is wide enough to embrace within its scope the Award of a Lok Adalat as an order of the Court under Section 18 of the Act. In other words, the award of the Lok Adalat would become an order of the Court enhancing the compensation awarded by the Land Acquisition Officer. He would finally contend, at any rate, that should this Court be inclined to hold against the respondents, while this Court may declare the law, it may still not exercise the discretionary jurisdiction in favour of the appellant under Article 136 of the constitution. In this regard, he drew support from the decision of this Court reported in *Tahera Khatoon (D) by LRs. v. Salambin Mohammad*⁵.

10. Shri V.K. Shukla, learned senior counsel essentially advanced similar submissions. He would, in particular, highlight the facts which led to the passing of the Award by the Lok Adalat, namely that, it was accepted by the appellant that compensation can be fixed at Rs. 297 per

⁵ (1999) 2 SCC 635

square yard on the basis of the judgment of the High Court which prevailed. This fact, he points out, may not be overlooked by this Court. He would also submit that the Award passed by the Lok Adalat would satisfy the requirement of an application under Section 28A of the Act. He further drew upon the powers of the Lok Adalat.

ANALYSIS

11. We may advert to the scheme of the 1987 Act, Section 2(a) defines 'case':

(a) 'Case' includes a suit or any proceeding before a court.

Section 2(aaa) defines 'Court':

(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.

Section 2(d) defines Lok Adalat as meaning a Lok Adalat organized under Chapter VI.

12. Chapter VI contains Sections 19 to 22. Section 19(1) contemplates Lok Adalats being organised at such intervals and places and for exercising such jurisdiction and for such areas as is thought fit by the relevant bodies mentioned therein. Section 19(2) is significant as it provides for the composition of the Lok Adalat. It reads as follows:

(2) Every Lok Adalat organised for an area shall

consist of such number of :-

(a) Serving or retired judicial officers and

(b) Other persons, of the area as may be specified by the State Authority or the District Authority or the Supreme Court Legal Services Committee or the High Court Legal Services Committee, or as the case may be, the Taluk Legal Services Committee, organising such Lok Adalats.

Sub-section (3) goes on to deal with the experience and qualification of the persons mentioned in clause (b).

Sub-section (5) is again relevant as it indicates the jurisdiction of the Lok Adalat:

(5) A Lok Adalat shall have jurisdiction to determine and to arrive at a compromise or settlement between the parties to a dispute in respect of:-

(i) Any case pending before or

(ii) Any matter which is falling within the jurisdiction of, and is not brought before, any court for which the Lok Adalat is organized.

Provided that the Lok Adalat shall have no jurisdiction in respect of any case or matter relating to an offence not compoundable under any law.

13. Section 20 must be read with Section 19(5) and Section 21. Section 20 reads as follows:

Section 20. Cognizance of Cases by Lok Adalats

(1) Where in any case referred to in clause (i) of sub-section (5) of Section 19-(i)

(i) (a) The parties thereof agree or

(i) (b) One of the parties thereof makes an application to the court, for referring the case to the Lok Adalat for settlement and if such court is prima facie satisfied that there are chances of such settlement or

(ii) The court is satisfied that the matter is an appropriate one to be taken cognizance of by the Lok

Adalat, the court shall refer the case to the Lok Adalat: Provided that no case shall be referred to the Lok Adalat under sub-clause (b) of clause (i) or clause (ii) by such court except after giving a reasonable opportunity of being heard to the parties.

(2) Notwithstanding anything contained in any other law for the time being in force, the Authority or Committee organising the Lok Adalat under sub-section (1) of Section 19 may, on receipt of an application from any, one of the parties to any matter referred to in clause (ii) of sub-section (5) of Section 19 that such matter needs to be determined by a Lok Adalat, refer such matter to the Lok Adalat, for determination; Provided that no matter shall be referred to the Lok Adalat except after giving a reasonable opportunity of being heard to the other party.

(3) Where any case is referred to a Lok Adalat under sub-section (1) or where a reference has been made to it under sub-section (2), the Lok Adalat shall proceed to dispose of the case or matter and arrive at a compromise or settlement between the parties.

(4) Every Lok Adalat shall, while determining any reference before it under this Act, act with utmost expedition to arrive at a compromise or settlement between the parties and shall be guided by the principles of justice, equity, fair play and other legal principles.

(5) Where no award is made by the Lok Adalat on the ground that no compromise or settlement could be arrived at between the parties, the record of the case shall be returned by it to the court, from which the reference has been received under sub-section (1) for disposal in accordance with law.

(6) Where no award is made by the Lok Adalat on the ground that no compromise or settlement could be arrived at between the parties, in a matter referred to in sub-section (2), that Lok Adalat shall advise the parties to seek remedy in a court.

(7) Where the record of the case is returned under sub-section (5) to the court, such court shall proceed to deal such reference under sub-section (1)."

14. Section 21 provides for the final decision by the Lok Adalat and it reads as follows:

Section 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 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).

(2) Every award made by a Lok Adalat shall be final and binding on all the parties to the dispute, and no appeal shall lie to any court against the award.

15. Shri V. S. Shukla also pointed out Section 22 of the 1987 Act under which the Lok Adalats have the power vested in the Civil Court as are mentioned therein.

Section 22:

Section 22. Powers of Lok Adalat or Permanent Lok Adalat

(1) The Lok Adalat shall, for the purposes of holding any determination under this Act, have the same powers as are vested in a civil court under the Code of Civil Procedure, 1908 (5 of 1908), while trying a suit in respect of the following matters, namely: -

(a) The summoning and enforcing the attendance of any witness and examining him on oath.

(b) The discovery and production of any document.

(c) The reception of evidence on affidavits.

(d) The requisitioning of any public record or document or copy of such record or document from any court or office and

(e) Such other matters as may be prescribed.

(2) Without prejudice to the generality of the powers contained in sub-section (1), every Lok Adalat shall have the requisite powers to specify its own procedure for the determination of any dispute coming before it.

(3) All proceedings before a Lok Adalat shall be deemed to be judicial proceedings within the meaning of Sections 193, 219 and 228 of the Indian Penal Code (45 of 1860) and every Lok Adalat shall be deemed to be a

civil court for the purpose of Section 195 and Chapter XXVI of the Code of Criminal Procedure, 1973(2 of 1974)."

16. It will be interesting to note that Chapter VI(A) came to be inserted by the Act 37 of 2002 with effect from 11.06.2002. Thereunder, permanent Lok Adalats have been contemplated in respect of certain public utility services. Suffice is only to note that unlike a Lok Adalat, Section 22C sub-section (8) contemplates that when the parties fail to reach an agreement, the permanent Lok Adalat is duty bound, if the dispute does not relate to any offence, to decide the dispute.

SCHEME OF THE ACT

17. The Act provides for acquisition of land and for compensation to be provided thereunder.

The proceedings are commenced by a notification under Section 4. Compensation is determined with reference to the date of the said notification. After the procedures are undergone, an Award is passed. While Section 18 provides for a right with a person dissatisfied with the amount *inter alia* awarded by the Land Acquisition Officer to seek enhancement, Section 28A contemplates situations where a person has not availed of the right under Section 18 but any other person has utilized the provisions of Section 18 and obtained an enhancement. Other conditions obtaining in

Section 28A being present, a person who has not filed application under Section 18 *inter alia* is entitled to claim redetermination of the compensation. Section 28A may be noticed:

28A. Re-determination of the amount of compensation on the basis of the award of the Court.-(1) where in an award under this part, the court allows to the applicant any amount of compensation in excess of the amount awarded by the collector under section 11, the persons interested in all the other land covered by the same notification under section 4, sub-section (1) and who are also aggrieved by the award of the Collector may, notwithstanding that they had not made an application to the Collector under section 18, by written application to the Collector within three months from the date of the award of the Court require that the amount of compensation payable to them may be re-determined on the basis of the amount of compensation awarded by the court:

Provided that in computing the period of three months within which an application to the Collector shall be made under this sub-section, the day on which the award was pronounced and the time requisite for obtaining a copy of the award shall be excluded.

(2) The Collector shall, on receipt of an application under sub-section (1), conduct an inquiry after giving notice to all the persons interested and giving them a reasonable opportunity of being heard, and make an award determining the amount of compensation payable to the applicants.

(3) Any person who has not accepted the award under sub-section (2) may, by written application to the Collector, required that the matter be referred by the Collector for the determination of the Court and the provisions of sections 18 to 28 shall, so far as may be, apply to such reference as they apply to a reference under Section 18.

‘Court’ as defined under the Act reads as follows:

(d) the expression “Court” means a principal Civil Court of original jurisdiction unless, the appropriate Government has appointed (as it is hereby empowered to

do) a special judicial officer within any specified local limits to perform functions of the Court under this Act;

DIVERGENCE IN THE VIEWS OF THE HIGH COURTS

18. In *Vasudave v. The Commissioner and Secretary Government, Revenue Department & Ors.*⁶, learned Single Judge of the Karnataka High Court took the view that was guided by Section 89 of the Code of Civil Procedure and the fact that the award of the Lok Adalat is to be deemed to be a decree of the Civil Court. Learned Single Judge also considered the intention of introducing Section 28A and took the view that the provision is in consonance with the equality clause. The Court took the view that the Award passed by the Lok Adalat by consent fell under Section 28A.

19. However, another Learned Single Judge of the very same Court in the decision reported in *Chanabasappa & Anr. v. Special Land Acquisition Officer*⁷ took the view that to apply Section 28A(3) of the Act, there must be an Award under Section 28A(2). He further took the view that the existence of an Award passed by a Court under Part III of the Act was a condition precedent to apply under Section 28A. The award passed by the Lok Adalat was found to be by consent. In the decision reported in *Namdev v. State of Maharashtra*⁸ 2014 SC Online Bombay 4091, a Division Bench of the Bombay High

⁶ ILR 2007 KAR 4533

⁷ ILR 2011 KAR 4276

⁸ (2014) SCC OnLine Bom 4091

Court on 03.11.2014 only notes that the Award passed by the Lok Adalat has a force of decree and an application under Section 28A can be founded on such an Award. It is further stated that this view has been confirmed by the High Court in number of matters.

20. A learned Single Judge of the Kerala High Court in the decision reported in *Thankamma Mathew v. State of Kerala and Anr*⁹. did consider the provisions of the 1987 Act in greater detail. The learned Single Judge was guided by the scope and effect of the deeming provision under Section 21 of the 1987 Act. He referred to the judgment of this Court reported in *K.N. Govindan Kutty Menon v. C. D. Shaji*¹⁰.

21. Primarily based on the award being a deemed decree of a Civil Court, he found that Section 28A applies in all cases where in an Award, the Court allows to the applicant any compensation in excess of what is awarded by the collector and that there is no difference between a decree passed by the Civil Court and the Award of the Lok Adalat in view of the pronouncement of this Court. In a recent decision, however, in *Umadevi Rajkumar Jeure and others v. District Collector and others*¹¹, a Division Bench of the Bombay High Court has had an occasion to consider the matter in great detail. In the said case there was an award made by a Lok

⁹ (2017) 2 KLT 1023

¹⁰ (2012) 2 SCC 51

¹¹ (2021) 4 AIR Bom R 626

Adalat in a reference under Section 18 of the Act. Based on the said award the application was filed under Section 28A. The Division Bench referred to both the Acts in considerable detail. The Court found that the object of the Lok Adalats was to arrive at a settlement and that it had no adjudicatory or judicial functions. We find it apposite to refer to the following observations:

“15. All this indicates that determination of a dispute by a Lok Adalat has consequences exclusively for the parties to the dispute. The referring court or the court for which such Lok Adalat is organised does not come into the picture so far as such determination is concerned. In fact, in the case of a reference under clause (ii) of Section 19(5) of the LSA Act, it is the authority or committee organising the Lok Adalat, which itself refers the case or matter to the Lok Adalat. The court, for which such Lok Adalat is organised, is not concerned even at the stage of the reference. The award made by the Lok Adalat does not have to go back to that court to enable it to make it a part of its decree. The award itself is final and binding (and not appealable) as between the parties. It is deemed to be a decree of a civil court and executable as such. There is nothing in this scheme of things for treating an award passed by a Lok Adalat as a deemed decree of that court which made the reference to the Lok Adalat or for which the Lok Adalat was organised. In the context of the LA Act, and particularly for the purposes of Section 28A, the fiction of “decree of a civil court” will not only have to be extended to a decree of the court referring the matter to Lok Adalat or for which such Lok Adalat is organised, but such court having passed it under Part III of the LA Act, so as to have consequences for third parties. There is nothing to suggest that if the award is in a compensation dispute in a land acquisition matter, any third party should thereby be entitled to apply for re-determination of its compensation under Section 28A of the LA Act. As a matter of principle, it is not possible to say that

that eventuality (i.e. entitlement of a third party to apply for re-determination of its own compensation after passing of the award by the Lok Adalat) inevitably follows as a corollary or consequence from such award.

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20. If this consequence, namely, the award of Lok Adalat having to be treated as an award of the reference court under Part III, does not follow as an inevitable sequitur, to come to such consequence the legal fiction contained in Section 21 of the LSA Act will have to be actually extended to import two other fictions, namely, that the award of Lok Adalat should be deemed (i) "a decree of the court which has referred the matter to the Lok Adalat", and (ii) "a decree passed under Part III of the Land Acquisition Act, 1894". That, we are afraid, is impermissible under the law stated by the Supreme Court in *Sadan K. Bormal's case* (supra). It would be an artificial extension of the legal fiction and not a necessary corollary of the original statutory fiction; it would be extending the original fiction beyond its statutory purpose."

22. The Court distinguished the judgment of the Andhra Pradesh High Court in *Singirkonda Surekha v. G. V. Sharma and Others*¹² by taking the view that it was distinguishable on the basis that, in the said case, the Reference Court had passed an Award based on a compromise arrived at between the parties before the Lok Adalat and it was, therefore, a case of an Award made by the Reference Court under Part III of the Act.

23. It is only, therefore, appropriate to notice the decision of the Andhra Pradesh High Court reported in *Singirkonda Surekha* (supra). In the said case, we notice

¹² 2003 SCC Online AP 21

that there was a reference under Section 18 of the Act. The Sub-Court, Gudur, enhanced the market value by its judgment dated 31.07.1995 and fixed the market value at the rate of Rs.60,000 per acre of that land *inter alia* excluding all the statutory benefits. A Lok Adalat was held at Sriharikota wherein the market value fixed at above rates was recommended but denying statutory benefits. It is further stated that decree was passed enhancing the rates as recommended by the Lok Adalat on 31.07.1995. It is thereupon that the applications were filed by the petitioner therein under Section 28A. The Court referred to Section 19(5), 21 and 22 of the 1987 Act *inter alia* and found the respondents could not defeat the legal right of the petitioner to claim the benefit of Section 28A by resorting to the method of arriving at a settlement or compromise before the Lok Adalat on the strength of which the decree was passed. It was further found that the mere fact that the Court had made such an Award only on the strength of a compromise would not alter the situation in any way.

24. In *Thomas Job v. Thomas*¹³, a learned Single Judge of the Kerala High Court took the view that by no stretch of imagination, it could be held that an Award passed by the Lok Adalat despite the legal fiction created in Section 21 could be treated as a compromise decree passed by a Civil

¹³ 2003 (3) KLT 936

Court. It is further found that a Lok Adalat is not a Court; the Lok Adalat only certifies an agreement. It is further found that the Civil Court cannot vary the terms of the Award or extend the time agreed to between the parties to an Award.

25. Having set out the provisions and referred to the judgments, we may consider the respective arguments that are raised before the Court.

FINDINGS

26. The object of the 1987 Act *inter alia* as can be noticed from the preamble to the Act, also is the organisation of Lok Adalats. It is clear beyond the shadow of any doubt that the jurisdiction of the Lok Adalat under Section 20 is to facilitate a settlement of disputes between the parties in a case. It has no adjudicatory role. It cannot decide a *lis*. All that it can do is to bring about a genuine compromise or settlement. Sub-Section (4) of Section 20 is important insofar as the law giver has set out the guiding principles for a Lok Adalat. The principles are justice, equality, fair play and other legal principles. The significance of this provision looms large when the Court bears in mind the scheme of Section 28A of the Act.

27. The scheme of Section 28A of the Act is unmistakably clear from its very opening words. What section 28A

contemplates is a redetermination of compensation under an award passed under Part III. Part III takes in Section 23. Section 23 deals with the matters to be taken into consideration. Various aspects including the market value on the date of the notification under Section 4(1) are indicated. What we wish to emphasise is that elements of Section 23 are not in consonance as such with the guiding principles set out in Section 19(4) of the '1987 Act' which are to guide a Lok Adalat. When the Court deals with the matter under Section 18, in other words, it is bound to look into the evidence and arrive at findings based on the evidence applying the legal principles which have been enunciated and arrive at the compensation. While it may be true that there is reference to 'other legal principles' in Section 19(4) of the 1987 Act, the Lok Adalat also can seek light from the principles of justice, equity, and fair play. The Lok Adalat by virtue of the express provisions is only a facilitator of settlement and compromise in regard to matters which are referred to it. It has no adjudicatory role (See *State of Punjab & Anr. v. Jalour Singh & Ors* (supra)). In *Union of India v. Ananto (Dead) & Anr.*¹⁴, this Court *inter alia* held as follows:

"7. The specific language used in sub-section (3) of Section 20 makes it clear that the Lok Adalat can dispose of a matter by way of a compromise or settlement between the parties. Two crucial terms in

¹⁴ (2007) 10 SC 748

sub-sections (3) and(5) of Section 20 are "compromise" and "settlement". The former expression means settlement of differences by mutual concessions. It is an agreement reached by adjustment of conflicting or opposing claims by reciprocal modification of demands. As per Termes de la Ley, "compromise is a mutual promise of two or more parties that are at controversy". As per Bouvier it is "an agreement between two or more persons, who, to avoid a law suit, amicably settle their differences, on such terms as they can agree upon". The word "compromise" implies some element of accommodation on each side. It is not apt to describe total surrender. [See Re NFU Development Trust Ltd. [1973] 1 All ER 135(Ch.D)]. A compromise is always bilateral and means mutual adjustment. "Settlement" is termination of legal proceedings by mutual consent. The case at hand did not involve compromise or settlement and could not have been disposed of by Lok Adalat. If no compromise or settlement is or could be arrived at, no order can be passed by the Lok Adalat. Therefore, question of merger of Lok Adalats order does not arise."

28. An argument was raised by Shri Dhruv Mehta, learned senior counsel for the respondents, that the Lok Adalat insofar as it manifests the stand of the appellant and it being consensual based on the consent of the NOIDA, NOIDA is estopped. In this regard, he drew our attention to the judgment of this Court in *P.T. Thomas v. Thomas Job*¹⁵.

29. We see no merit in this argument. What has been laid down by this Court may be noticed in this regard in the aforesaid judgment:

"In *Sailendra Narayan Bhanja Deo vs. The State of Orissa*, AIR 1956 SUPREME COURT 346, (CONSTITUTION BENCH) held as follows:

A Judgment by consent or default is as effective an estoppel between the parties as a judgment whereby the

¹⁵ AIR 2005 SC 3575

court exercises its mind on a contested case. (1895) 1 Ch.37 & 1929 AC 482, Rel. on;

In - 'In re South American and Mexican Co., Ex. Parte Bank of England', (1895) 1 Ch 37(C), it has been held that a judgment by consent or default is as effective an estoppel between the parties as a judgment whereby the Court exercises its mind on a contested case. Upholding the judgment of Vaughan Williams, J Lord Herschell said at page 50 :-

"The truth is, a judgment by consent is intended to put a stop to litigation between the parties just as much as is a judgment which results from the decision of the Court after the matter has been fought out to the end.

And I think it would be very mischievous if one were not to give a fair and reasonable interpretation to such judgments, and were to allow questions that were really involved in the action to be fought over again in a subsequent action."

To the like effect are the following observations of the Judicial Committee in - 'Kinch v. Walvott', 1929 AC 482 at p.493 (D):-

"First of all, their Lordships are clear that in relation to this plea of estoppel it is of no advantage to the appellant that the order in the libel action which is said to raise it was a consent order. For such a purpose an order by consent, not discharged by mutual agreement, and remaining unreduced, is as effective as an order of the Court made otherwise than by consent and not discharged on appeal."

What this Court has laid down is that when there is a consent decree, the parties to the consent decree would be estopped by its terms from resiling from its impact. There can be no quarrel with the said proposition. It is, however, a far cry therefrom to hold that the fact that parties to such a consent decree would be estopped as against each other, can yet form the premise for a redetermination of the compensation *qua* persons who are not parties to an award

which is the offspring of a compromise between the parties. In other words, when Section 28A provides for what undoubtedly is a benefit to those who have not availed of their right under Section 18 of the Act, a beneficial view can be taken, the Court cannot shut its eyes to the command of the law giver.

30. It is the province and duty of the Court in the ultimate analysis to give effect to the will of the legislature. The golden rule of interpretation of statutes along with other principles came to be discussed, as it may be indeed set out by the Constitution Bench of this Court reported in *Union of India and Another v. Hansoli Devi and Others*¹⁶ and which also arose under Section 28A of the Act. One of the questions which pointedly arose was whether the dismissal of an application filed beyond time under Section 18 of the Act would entitle a person to invoke Section 28A:

“9. Before we embark upon an inquiry as to what would be the correct interpretation of Section 28-A, we think it appropriate to bear in mind certain basic principles of interpretation of a statute. The rule stated by Tindal, C.J. in *Sussex Peerage case* [(1844) 11 Cl & Fin 85 : 8 ER 1034] still holds the field. The aforesaid rule is to the effect: (ER p. 1057)

“If the words of the statute are in themselves precise and unambiguous, then no more can be necessary than to expound those words in their natural and ordinary sense. The words themselves alone do, in such case, best declare the intention of the lawgiver.”

It is a cardinal principle of construction of a statute that when the language of the statute is plain and unambiguous, then the court must give effect to

¹⁶ (2002) 7 SCC 273

the words used in the statute and it would not be open to the courts to adopt a hypothetical construction on the ground that such construction is more consistent with the alleged object and policy of the Act. In *Kirkness v. John Hudson & Co. Ltd.* [(1955) 2 All ER 345 : 1955 AC 696 : (1955) 2 WLR 1135] Lord Reid pointed out as to what is the meaning of "ambiguous" and held that : (All ER p. 366 C-D)

"A provision is not ambiguous merely because it contains a word which in different contexts is capable of different meanings. It would be hard to find anywhere a sentence of any length which does not contain such a word. A provision is, in my judgment, ambiguous only if it contains a word or phrase which in that particular context is capable of having more than one meaning."

It is no doubt true that if on going through the plain meaning of the language of statutes, it leads to anomalies, injustices and absurdities, then the court may look into the purpose for which the statute has been brought and would try to give a meaning, which would adhere to the purpose of the statute. Patanjali Sastri, C.J. in the case of *Aswini Kumar Ghose v. Arabinda Bose* [AIR 1952 SC 369 : 1953 SCR 1] had held that it is not a sound principle of construction to brush aside words in a statute as being inapposite surplusage, if they can have appropriate application in circumstances conceivably within the contemplation of the statute. In *Quebec Railway, Light Heat & Power Co. Ltd. v. Vandry* [AIR 1920 PC 181] it had been observed that the legislature is deemed not to waste its words or to say anything in vain and a construction which attributes redundancy to the legislature will not be accepted except for compelling reasons. Similarly, it is not permissible to add words to a statute which are not there unless on a literal construction being given a part of the statute becomes meaningless. But before any words are read to repair an omission in the Act, it should be possible to state with certainty that these words would have been inserted by the draftsman and approved by the legislature had their attention been drawn to the omission before the Bill had passed into a law. At times, the intention of the legislature is found to be clear but the unskilfulness of the draftsman in introducing certain words in the statute results in apparent ineffectiveness of the language and in such a situation, it may be permissible for the court to reject the surplus words, so as to make the statute

effective. Bearing in mind the aforesaid principle, let us now examine the provisions of Section 28-A of the Act, to answer the questions referred to us by the Bench of two learned Judges. It is no doubt true that the object of Section 28-A of the Act was to confer a right of making a reference, (sic on one) who might have not made a reference earlier under Section 18 and, therefore, ordinarily when a person makes a reference under Section 18 but that was dismissed on the ground of delay, he would not get the right of Section 28-A of the Land Acquisition Act when some other person makes a reference and the reference is answered. But Parliament having enacted Section 28-A, as a beneficial provision, it would cause great injustice if a literal interpretation is given to the expression "had not made an application to the Collector under Section 18" in Section 28-A of the Act. The aforesaid expression would mean that if the landowner has made an application for reference under Section 18 and that reference is entertained and answered. In other words, it may not be permissible for a landowner to make a reference and get it answered and then subsequently make another application when some other person gets the reference answered and obtains a higher amount. In fact in *Pradeep Kumari case* [(1995) 2 SCC 736] the three learned Judges, while enumerating the conditions to be satisfied, whereafter an application under Section 28-A can be moved, had categorically stated (SCC p. 743, para 10) "the person moving the application did not make an application to the Collector under Section 18". The expression "did not make an application", as observed by this Court, would mean, did not make an effective application which had been entertained by making the reference and the reference was answered. When an application under Section 18 is not entertained on the ground of limitation, the same not fructifying into any reference, then that would not tantamount to an effective application and consequently the rights of such applicant emanating from some other reference being answered to move an application under Section 28-A cannot be denied. We, accordingly answer Question 1(a) by holding that the dismissal of an application seeking reference under Section 18 on the ground of delay would tantamount to not filing an application within the meaning of Section 28-A of the Land Acquisition Act, 1894."

31. We would think that, therefore, a plea founded on

estoppel arising out of a consent decree or from an Award passed by a Lok Adalat which can perhaps be even likened to a consent decision cannot be the basis for redetermination of the compensation. What Section 28A indeed insists is on decision by a Civil Court as defined in Section 2(1). In other words what is made the only basis for invoking Section 28A of the Act is an adjudication by the Court as defined in the Act. The plea of estoppel which, ordinarily, arises from a consent decree or Award passed by the Lok Adalat which, as already noticed, does not involve any adjudication by a Court, would hardly suffice. The estoppel which is referred to by this Court applies as between the parties to the consent decree.

32. This brings us to the next question, i.e., the implication of Section 21 of the 1987 Act under which the Award of the Lok Adalat is to be treated as a decree. The High Court in the impugned judgment has drawn upon Section 21 to uphold the contention of the respondents. The reasoning runs as follows:

An Award passed by the Lok Adalat is to be taken as a decree of a Civil Court under Section 21 of the 1987 Act. What Section 28A requires is redetermination of compensation by the Civil Court. Therefore, the Award of the Lok Adalat, in this manner of reasoning, is to be conflated to the adjudication contemplated under Section 28A of the Act.

33. In *K.N. Govindan Kutty Menon v. C.D. Shaji*¹⁷, this Court was concerned with the question as to whether under Section 21 of the 1987 Act, when a case is referred to the Lok Adalat in a criminal case under Section 138 of the Negotiable Instruments Act and the matter is settled and an award is passed, whether it could be treated as a Decree of a Civil Court and, thus, executable. The Court held:

“23. A statutory support as evidenced in the Statement of Objects and Reasons of the Act would not only reduce the burden of arrears of work in regular courts, but would also take justice to the doorsteps of the poor and the needy and make justice quicker and less expensive. In the case on hand, the courts below erred in holding that only if the matter was one which was referred by a civil court it could be a decree and if the matter was referred by a criminal court it will only be an order of the criminal court and not a decree under Section 21 of the Act. The Act does not make out any such distinction between the reference made by a civil court and a criminal court. There is no restriction on the power of Lok Adalat to pass an award based on the compromise arrived at between the parties in a case referred by a criminal court under Section 138 of the NI Act, and by virtue of the deeming provision it has to be treated as a decree capable of execution by a civil court. In this regard, the view taken in *Subhash Narasappa Mangrule* [(2009) 3 Mah LJ 857] and *Valarmathi Oil Industries* [AIR 2009 Mad 180] supports this contention and we fully accept the same.”

34. Thereafter the Court concluded as follows:

“26. From the above discussion, the following propositions emerge:

(1) In view of the unambiguous language of Section 21 of the Act, every award of the Lok Adalat shall be deemed to be a decree of a civil court and as such it is executable by that court.

¹⁷ (2012) 2 SCC 51

(2) The Act does not make out any such distinction between the reference made by a civil court and a criminal court.

(3) There is no restriction on the power of the Lok Adalat to pass an award based on the compromise arrived at between the parties in respect of cases referred to by various courts (both civil and criminal), tribunals, Family Court, Rent Control Court, Consumer Redressal Forum, Motor Accidents Claims Tribunal and other forums of similar nature.

(4) Even if a matter is referred by a criminal court under Section 138 of the Negotiable Instruments Act, 1881 and by virtue of the deeming provisions, the award passed by the Lok Adalat based on a compromise has to be treated as a decree capable of execution by a civil court."

35. There can be no quarrel with principle that the purpose of the fiction being properly appreciated, even in a case under Section 138 of the Negotiable Instruments Act, when following a Reference, an award is passed under the 1987 Act, it is in accord with the purpose to treat the award as a decree for the purpose of enforcing the award as a decree.

36. When a legal fiction is employed by the legislature, it becomes a duty of the Court to interpret it and to give it meaning. In gleaning its meaning, the Court is duty bound to ascertain the purpose of this legislative device. The Court cannot allow its mind to be boggled undoubtedly as contended by the learned senior counsel for the respondent, in the matter of carrying the legal fiction to its logical end. But this is not the same as holding that the Court will not look to the object of the Act and, in particular, the fiction in question. In this regard, we notice the judgment of this

Court in *State of Karnataka v. State of Tamil Nadu and Others*¹⁸:

"75. In this context, we may usefully refer to the *Principles of Statutory Interpretation*, 14th Edn. by G.P. Singh. The learned author has expressed thus:

"In interpreting a provision creating a legal fiction, the court is to ascertain for what purpose the fiction is created [*State of Travancore-Cochin v. Shanmugha Vilas Cashewnut Factory*, AIR 1953 SC 333; *State of Bombay v. Pandurang Vinayak*, AIR 1953 SC 244 : 1953 Cri LJ 1094] , and after ascertaining this, the Court is to assume all those facts and consequences which are incidental or inevitable corollaries to the giving effect to the fiction. [*East End Dwellings Co. Ltd. v. Finsbury Borough Council*, 1952 AC 109 : (1951) 2 All ER 587 (HL); *CIT v. S. Teja Singh*, AIR 1959 SC 352] But in so construing the fiction it is not to be extended beyond the purpose for which it is created [*Bengal Immunity Co. Ltd. v. State of Bihar*, AIR 1955 SC 661; *CIT v. Amarchand N. Shroff*, AIR 1963 SC 1448] , or beyond the language of the section by which it is created. [*CIT v. Shakuntala*, AIR 1966 SC 719; *Mancheri Puthusseri Ahmed v. Kuthiravattam Estate Receiver*, (1996) 6 SCC 185 : AIR 1997 SC 208] It cannot also be extended by importing another fiction. [*CIT v. Moon Mills Ltd.*, AIR 1966 SC 870] The principles stated above are 'well-settled'. [*State of W.B. v. Sadan K. Bormal*, (2004) 6 SCC 59 : 2004 SCC (Cri) 1739 : AIR 2004 SC 3666] A legal fiction may also be interpreted narrowly to make the statute workable. [*Nandkishore Ganesh Joshi v. Commr., Municipal Corpn. of Kalyan and Dombivali*, (2004) 11 SCC 417 : AIR 2005 SC 34] "

76. In *Aneeta Hada v. Godfather Travels and Tours* [*Aneeta Hada v. Godfather Travels and Tours*, (2012) 5 SCC 661 : (2012) 3 SCC (Civ) 350 : (2012) 3 SCC (Cri) 241] , a three-Judge Bench has ruled thus : (SCC p. 681, paras 37-38)

"37. In *State of T.N. v. Arooran Sugars Ltd.* [*State of T.N. v. Arooran Sugars Ltd.*, (1997) 1 SCC 326] the Constitution Bench, while dealing with the deeming provision in a statute, ruled

¹⁸ (2017) 3 SCC 362

that the role of a provision in a statute creating legal fiction is well settled. Reference was made to *Chief Inspector of Mines v. Karam Chand Thapar* [*Chief Inspector of Mines v. Karam Chand Thapar*, AIR 1961 SC 838 : (1961) 2 Cri LJ 1] , *J.K. Cotton Spg. and Wvg. Mills Ltd. v. Union of India* [*J.K. Cotton Spg. and Wvg. Mills Ltd. v. Union of India*, 1987 Supp SCC 350 : 1988 SCC (Tax) 26] , *M. Venugopal v. LIC* [*M. Venugopal v. LIC*, (1994) 2 SCC 323 : 1994 SCC (L&S) 664] and *Harish Tandon v. ADM, Allahabad* [*Harish Tandon v. ADM, Allahabad*, (1995) 1 SCC 537] and eventually, it was held that when a statute creates a legal fiction saying that something shall be deemed to have been done which in fact and truth has not been done, the Court has to examine and ascertain as to for what purpose and between which persons such a statutory fiction is to be resorted to and thereafter, the courts have to give full effect to such a statutory fiction and it has to be carried to its logical conclusion.

38. From the aforesaid pronouncements, the principle that can be culled out is that it is the bounden duty of the court to ascertain for what purpose the legal fiction has been created. It is also the duty of the court to imagine the fiction with all real consequences and instances unless prohibited from doing so. That apart, the use of the term "deemed" has to be read in its context and further, the fullest logical purpose and import are to be understood. It is because in modern legislation, the term "deemed" has been used for manifold purposes. The object of the legislature has to be kept in mind.""

37. In the light of the principles which have been laid down, we are inclined to take the following view.

An Award passed by the Lok Adalat under 1987 Act is the culmination of a non-adjudicatory process. The parties are persuaded even by members of the Lok Adalat to arrive at mutually agreeable compromise. The Award sets out the terms.

The provisions contained in Section 21 by which the Award is treated as if it were a decree is intended only to clothe the Award with enforceability. In view of the provisions of Section 21 by which it is to be treated as a decree which cannot be challenged, undoubtedly, by way of an appeal in view of the express provisions forbidding it, unless it is set aside in other appropriate proceedings, it becomes enforceable. The purport of the law giver is only to confer it with enforceability in like manner as if it were a decree. Thus, the legal fiction that the Award is to be treated as a decree goes no further.

38. The further argument of Shri Dhruv Mehta is that apart from the Award of the Lok Adalat being treated as a decree, it is also capable of being treated as an order of the Court, as the case may be. In this regard, we have already noticed the scheme of the 1987 Act. We have considered the definition of the word 'Case' and the word 'Court'. We have also noticed the provisions of Section 19(5) and Section 20(1). The conspectus of these provisions would yield the following result:

The Lok Adalat as constituted under Section 19(2) would have jurisdiction *inter alia* to determine and to arrive at a compromise or settlement between the parties to a dispute in respect of any case pending before any Court for which the Lok Adalat is organized. The word 'Court' in

this context would mean the court as defined in section 2(aaa), viz., a civil, criminal or revenue court. The word 'Court' also includes any tribunal or any authority constituted under any law for the time being in force which for exercising judicial or even quasi-judicial functions. Thus, the word 'Court' in the 1987 Act in the context of Section 19(5) embraces the bodies referred to in Section 2(aaa) of 1987 Act. The manner of taking cognizance by Lok Adalats is provided in Section 20(1) read with Section 19(5). The Court as defined in Section 2 (aaa) can refer the case to the Lok Adalat. Such court, as already noticed, can be civil, criminal or a revenue court. It can be even a tribunal or authority. When success is achieved as a result of the holding of the Lok Adalat culminating in an award, the words, as the case may be, in Section 21 predicates that it may be instead of a decree of a Civil Court, an order of any other Court. Learned counsel for the appellant would point out that if a Criminal Court were to refer a matter under Section 138 of the Negotiable Instruments Act to the Lok Addalat and the Lok Adalat passes an Award then such an Award would be treated as an order of the Court. However, in this regard, we have noticed the judgment of this Court reported in *K.N. Govindan Kutty Menon* (supra). Even when the Criminal Court refers the matter under Section 138 of the Negotiable Instruments Act in order to make it executable,

this Court has taken the view that it will be treated as if it were a decree.

39. If a Revenue Court or a Tribunal which, undoubtedly, fall under Section 2(aaa) of the 1987 Act were to refer a case to the Lok Adalat under Section 20(1) and an award is passed it may become the order of the court/tribunal. In other words, if the matter were finally concluded on a regular basis, that is, without reference to the Lok Adalat, it would be an order which would be passed.

40. The argument, however, according to Shri Dhruv Mehta, learned senior counsel, appears to be that by virtue of this legislative device, the award of the Lok Adalat passed in these cases by the Reference Court under Section 18 executing the Lok Adalat must be treated as an order passed by the Court under Section 28A of the Act. We will answer this question after considering the requirement under Section 28A now.

41. Section 28A, undoubtedly, has been introduced by parliament in the year 1984 to bring solace to those land owners or persons having interest in land to claim the just amount due to them even though they have omitted to file application under Section 18 of the Act seeking enhancement. In fact, in *Jose Antonio Cruz Dos R. Rodriguese and Another*

*v. Land Acquisition Collector and Another*¹⁹, this Court, in a Bench of three learned Judges, has held that the period of limitation of three months for invoking Section 28A of the Act would commence from the date of passing of the order by the original court answering the reference under Section 18 and not from the date of the appellate court. In *Union of India and Another v. Hansoli Devi and Others* (supra), the Constitution Bench of this Court has held that the right under Section 28A is available even to the person who has unsuccessfully filed a time barred application under Section 18, the fact that a land owner has received the compensation awarded by the Land Acquisition Officer with or without protest will not take away his right under Section 28A.

42. Can the Court be oblivious to the plain language of the statute? Can we ignore the voice of the legislature when it is clear and unambiguous? Section 28A figures in Part III of the Act. It has a heading. The heading reads as 'Re-determination of the amount of compensation on the basis of the award of the Court'. The very opening words in our view deal a fatal blow to the very premise of the respondent's contention. An award under Part III of the Act commences with a reference under Section 18. The Court proceeds to adjudicate the reference in particular by bearing in mind

¹⁹ (1996) 6 SCC 746

the matters which are to be considered under Section 23 of the Act.

43. Section 24 declares matters which are to be neglected in determining compensation. Section 26 deals with the form of the award. Section 26(2) reads as follows:

"26. Forms of awards

.....
.....

(2) Every such award shall be deemed to be a decree and the statement of the grounds of every such award a judgment within the meaning of section 2, clause (2), and section 2, clause (9), respectively of the Code of Civil Procedure 1908 (5 of 1908)."

44. The award which is passed by the Lok Adalat cannot be said to be an award passed under Part III. It is the compromise arrived at between the parties before the Lok Adalat which culminates in the award by the Lok Adalat. In fact, an award under Part III of the Act contemplates grounds or reasons and therefore, adjudication is contemplated and Section 26(2) of the Act is self-explanatory.

45. The next aspect is even more fatal to the case of the respondents. Not only must it be an award passed as a result of the adjudication but it must be passed by 'the Court'

allowing compensation in excess of the amount awarded by the collector. The word 'Court' has been defined in the Act as the Principal Civil Court of original jurisdiction unless the appropriate Government has appointed a Special Judicial Officer to perform judicial functions of the court under this Act. We have noticed the composition of a Lok Adalat in Section 19(2) of the '1987 Act'. The Court is not the same as a Lok Adalat.

46. The Award passed by the Lok Adalat in itself without anything more is to be treated by the deeming fiction to be a decree. It is not a case where a compromise is arrived at under Order XXIII of the Code of Civil Procedure, 1908, between the parties and the court is expected to look into the compromise and satisfy itself that it is lawful before it assumes efficacy by virtue of Section 21. Without anything more, the award passed by Lok Adalat becomes a decree. The enhancement of the compensation is determined purely on the basis of compromise which is arrived at and not as a result of any decision of a 'Court' as defined in the Act.

47. An Award passed by the Lok Adalat is not a compromise decree. An Award passed by the Lok Adalat without anything

more, is to be treated as a decree *inter alia*. We would approve the view of the learned Single Judge of the Kerala High Court in *P.T. Thomas* (supra). An award unless it is successfully questioned in appropriate proceedings, becomes unalterable and non-violable. In the case of a compromise falling under Order XXIII Code of Civil Procedure, it becomes a duty of the Court to apply its mind to the terms of the compromise. Without anything more, the mere compromise arrived at between the parties does not *have the imprimatur* of the Court. It becomes a compromise decree only when the procedures in the Code are undergone.

48. An Award passed under Section 19 of the 1987 Act is a product of compromise. Sans compromise, the Lok Adalat loses jurisdiction. The matter goes back to the Court for adjudication. Pursuant to the compromise and the terms being reduced to writing with the approval of the parties it assumes the garb of an Award which in turn is again deemed to be a decree without anything more. We would think that it may not be legislative intention to treat such an award passed under Section 19 of the 1987 Act to be equivalent to an award of the Court which is defined in the Act as already noted by us and made under Part III of the Act. An award of the Court in Section 28A is also treated as a decree. Such an Award becomes executable. It is also appealable. Part III

of the Act contains a definite scheme which necessarily involves adjudication by the Court and arriving at the compensation. It is this which can form the basis for any others pressing claim under the same notification by invoking Section 28A. We cannot be entirely oblivious to the prospect of an 'unholy' compromise in a matter of this nature forming the basis for redetermination as a matter of right given under Section 28A.

49. We would, therefore, approve the view taken by the Bombay High Court in *Umadevi Rajkumar Jeure (supra)* and the learned single Judge of the Karnataka High Court in *Vasudave (supra)* and hold that an Award passed under Section (20) of the 1987 Act by the Lok Adalat cannot be the basis for invoking Section 28A.

50. As far as the argument of the respondents that the award dated 12.3.2016 can be treated as the order of the Court within the meaning of Section 18 of the Act read with Section 28A of the Act, we are of the view such an argument cannot be accepted. Unlike in the facts of the case decided by the Andhra Pradesh High Court reported in 2003 SCC ONLINE AP 21 (*supra*) which has been distinguished by the Bombay High Court in *Umadevi (supra)* on the score that in the case

from Andhra Pradesh, the Reference Court has passed an award based on a compromise arrived at between the parties before the Lok Adalat, in this case, the award dated 12.3.2016 is the award passed by the Lok Adalat. This is clear from the judgment of the High Court, the case of the parties before it and the terms of the award dated 12.3.2016. In other words, this is a case whereas as noted in the impugned judgment LAR 6 of 2006 (Fateh Mohammaed v. State of U.P.) was referred to the Lok Adalat, that is the Additional District and Sessions Judge/FTC No.2, Gautam Buddh Nagar, U.P. Thus, the proceedings dated 12.3.2016 which is relied on by the respondents is indeed an award which is passed under Section 20 of the 1987 Act though it may appear to be an order. In other words, the Additional District & Sessions Judge was acting as Lok Adalat. This is so even if the decision of the High Court in Mangu Ram was relied upon by the parties and it is also referred to in the award. He was not disposing of the case as 'the Court' within the meaning of Act. It also cannot be treated as an award of the Court within the meaning of Section 20 and 21 of the '1987 Act.

51. We have also noticed the case of the appellant that the High Court decision in *Mangu Ram* (supra) which found the rate at Rs.297.50 per square yard was erroneous in regard to the notification under Section (4) which is relevant to the

cases before us and that a review petition is also filed and pending.

52. Having regard to all circumstances and the facts of this case we deem it appropriate to pass the following order:

(1) The appeals are allowed. We declare that an application under Section 28A of the Act cannot be maintained on the basis of an award passed by the Lok Adalat under Section 20 of 1987 Act. The impugned judgments stand set aside. Parties to bear the respective costs.

.....J.
[K.M. JOSEPH]

.....J.
[PAMIDIGHANTAM SRI NARASIMHA]

New Delhi;
February 03, 2022.