



2026 INSC 888

REPORTABLE

**IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION**

CIVIL APPEAL NO. 7838 OF 2024

SINGAPOGU BABU RAO & ORS.

...APPELLANTS

VERSUS

**SPECIAL DEPUTY COLLECTOR
(LAND ACQUISITION) & ORS.**

...RESPONDENTS

J U D G M E N T

J.B. PARDIWALA, J.

For the convenience of exposition, this judgment is divided into the following parts:-

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1. This appeal arises from the judgment and order passed by the High Court of Telangana dated 17.08.2022 in Writ Petition No. 21315 of 2017 (hereinafter, “**the impugned judgment**”) by which the High Court dismissed the writ petition preferred by the appellants herein and thereby affirmed the Lok Adalat Award Nos. 452, 454, 455, 657, 658, 659, 661, 670, 671, 672, 673, 674, 675, 679, 680, 685 of 2016, respectively, passed by the Lok Adalat Bench at Khammam in LAOP No. 619 of 2014 holding that the awards passed were proper in the eyes of law.

I. FACTUAL MATRIX

2. It appears from the material on record that for the purpose of carrying out mining operation to be undertaken by the respondent no. 4 (Singareni Collieries Company Ltd.), the respondent no. 1 acquired a total of Acre 489.04 guntas within the limits of Kommepalli, Sathuapalli Mandal. On 19.12.2010, notifications under Section 4(1) of the Land Acquisition Act, 1894 (for short, "**the Act, 1894**") were issued.
3. In accordance with Section 11 of the Act, 1894, the Land Acquisition Officer passed the **Award No. 04/2013-2014** dated 30.12.2013 whereby the compensation was determined at the rate of Rs. 3,48,935/- per acre. The award was referred and numbered as **LAOP No. 619 of 2014** to the Principal District Judge, Khammam, under Sections 30 and 31 of the Act, 1894, respectively, for resolution of title dispute and apportionment of compensation.
4. The aforesaid award dated 30.12.2013 was challenged by numerous *pattadars* and land owners before the High Court *vide* **W.P. No. 13942 of 2013** seeking setting aside of the entire land acquisition proceedings and award dated 30.12.2013 (*first writ petition*). During the pendency of the writ petition, as the respondent no. 4 proposed a settlement, the matter was referred to the High Court Legal Services Committee (HCLSC). As a result, the claimants agreed to receive Rs. 10,95,000/- per acre as compensation and requested to resolve the title dispute.

5. The Secretary of the HCLSC addressed a letter dated 22.05.2015 to the Chairman of the respondent no. 4 stating that the Chief Justice had directed a coordination meeting with all the concerned persons and to work out the modalities to resolve the title dispute before the Lok Adalat.
6. From the Minutes of the Coordination Meeting held on 30.05.2015, it appears that the representatives of the claimants-appellants herein, officials of the respondent no. 4, and the Land Acquisition Officer agreed for enjoyment of survey and also to resolve the dispute through Lok Adalat. It has been recorded that such enjoyment of survey of Ac. 489.04 guntas would be with reference to individual extent based on title deeds. The Minutes of Meeting conducted on 30.05.2015 read thus:-

“Today the District Judge-Cum-Chairman, District Legal services Authority, Khammam, Joint Collector-1 Khammam, Special Deputy Collector (land Acquisition officer), Senior officials i.e. General manager (Estates), Addl. General Manager (Finance), Addl. General Manager (Law), Project officer of SCCL, Advocates, and the representatives of Claimants participated in the meeting.

It is mutually agreed between the representatives of the claimants and senior officials of SCCL, LAO for enjoyment of Survey of Ac.489-04 Gts. of Kistaram Village with the help of Divisional forest officer concerned and for survey of existing bore wells with the help of irrigation department and also to resolve the dispute through lokadalat on 13.06.2015.

It is mutually agreed between the representatives of the claimants and senior officials of SCCL, LAO for enjoyment of survey of Ac.489-04 Gts.of Kommepalli Village with reference to individual extent based on title deeds and it is also agreed for survey with reference to structures, Bore wells, trees with the help of irrigation department, Divisional forest officer concerned and also to conduct grama sabha of kommepalli village on 14.06.2015 in the presence of the District Judge-Cum- Chairman, District Legal Services Authority, Khammam, District Revenue Authority, Khammam Telangana state Legal Services Authority and High Court legal services Committee within 20 days enabling the District Legal Services Authority, Khammam to organize Lok Adalat for resolution of dispute and passing awards.

The District Administration, Khammam and Management of SCCL shall give wide publicity in the local print and Electronic Media about the proposed Lok Adalat and Grama Sabha.

The Senior Officials of SCCL have agreed to deposit the amount as per the awards within one week of passing the awards enabling the District Court to prepare individual A/c payee cheques in favour of the Claimants of Kistaram and Kommepalli Villages.”

7. In furtherance of the aforesaid, the respondent no. 4 deposited the enhanced compensation in the Court of Principal District Judge, Khammam, in reference case LAOP No. 619 of 2014. Accordingly, the appellants proceeded with submitting their Claim Statements under Sections 30 and 31 of the Act, 1894, respectively.

8. As a result of the aforementioned reference, the Lok Adalat Bench at Khammam, on 29.03.2016, passed 16 awards for Ac. 363 guntas which formed part of reference case O.P. No. 619 of 2014.

9. In light of the aforesaid settlement before the Lok Adalat, the High Court *vide* order dated 07.04.2016 disposed of W.P. No. 13942 of 2013 and allied petitions recording that the claims for compensation for the lands acquired by the respondent no. 4 have been settled in Lok Adalat. The said order reads thus:-

“Learned counsel for the petitioners, in these petitions, state that their claims for compensation for the lands acquired by the Singareni Collieries Company Limited have already been settled and in view of pendency of these writ petitions, the acquiring body could not issue cheques in favour of the petitioners. In view thereof, they pray for disposal of these writ petitions as settled in the Lok Adalat.

The writ petitions are accordingly disposed of as settled in Lok Adalat. Interim orders, if any, stand disposed of.”

10. Aggrieved by the aforesaid 16 awards passed by the Lok Adalat Bench at Khammam in LAOP No. 619 of 2014, the claimants preferred writ petition numbered as **W.P. No. 21315 of 2017** seeking setting aside of the awards (*second writ petition*). The main grievance of the petitioners was the Land Acquisition Officer erred in passing the award without ascertaining who are entitled to compensation and to what extent. The matter was then referred to the Principal District

Judge under Sections 30 and 31 of the Act, 1894, respectively. Thereafter, instead of adjudicating the issue, the Principal District Judge referred the dispute to Lok Adalat for settlement. The impugned judgment before us arises from this matter.

11. In the aforesaid matter, on 27.07.2017, it appeared to the High Court that an error has been committed in passing the award as the petitioners were not joined with the other claimants in whose favour the awards were passed.
12. On 28.11.2017, the Principal District Judge, Khammam addressed a letter to the High Court stating that all the disputed title holders were neither made parties to the settlement before the Lok Adalat nor signatories to the awards. It was categorically noted that the direction arising from the Coordination Meeting dated 30.05.2015 were misunderstood. The Principal District Judge prayed the High Court to pass appropriate orders on the awards passed in O.P. No. 619 of 2014. The letter reads thus, which encapsulates the root of the dispute:-

“[...]3. Submit that in coordination meeting which was held before the Hon’ble High Court Legal Services Committee, it was mutually agreed by the representatives of claimants and senior officials of Singareni Collieries Company Limited, Land Acquisition Officer to conduct enjoyment survey of acquired lands with reference to individual extents referred. in title deeds and also survey with reference to structures, borewells, trees with the help of irrigation department and Divisional Forest

Officer concerned and also to conduct gram sabha in the presence of District Judge-cum-Chairman, District Legal Services Authority, District Revenue Authorities and directed to submit report within twenty days to enable the District Legal Services Authority, Khammam to organize Lok Adalat for resolution of dispute and passing of Awards.

4. I submit that consequent upon the said report, the Lok Adalat were conducted to resolve disputes by the District Legal Services Authority. In the lok adalat the individual awards were passed in the name of interest/title holders without recording any terms of compromise and settlement among the disputed claimants to resolve the title disputes. Awards were passed as if the dispute was between the Land Acquisition Officer and individual interest holder in the property acquired with rival claimants.

5. I submit that the reference to the Lok Adalat was two-fold; one is to record the compromise and settlement with regard to quantum of compensation and another is to record compromise and settlement among the disputed title holders of the property acquired falling under various survey numbers. However, all the disputed title holders to the acquired property were not joined to the compromise and they were not signatories to the awards.

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9. I submit that all the awards passed by the District Legal Services Authority did not contain the signatures of the disputants who are at issue with regard to title of the land acquired in particular for each survey number. The awards were passed basing on statements recorded basing upon the enjoyment survey done by revenue authorities. The direction of the coordination committee meeting of Hon'ble High Court Legal Services Committee was misunderstood. The direction for enjoyment survey was to facilitate the resolution of disputes by the

District Legal Services Authority by making all parties who are at dispute with regard to title with reference to each Survey Number of acquired land.[...]”

(Emphasis is ours)

13. Pursuant to the aforesaid letter, one another batch of writ petitions captioned as **W.P. No. 13976 of 2018** before the High Court questioned the failure of the Revenue Department (Land Acquisition) to disburse the amount of compensation payable in terms of the Lok Adalat Awards dated 29.03.2016 (*third writ petition*). On 13.04.2018, the Court directed the Principal District Judge, Khammam, to disburse the amounts deposited in LAOP No. 619 of 2014 upon proper identification of the parties as per the Lok Adalat Awards dated 29.03.2016.
14. The High Court dismissed the **W.P. No. 21315 of 2017** (*second writ petition*) preferred by the appellant herein holding that no error not to speak of any error of law could be said to have been committed by the Lok Adalat in passing the awards. The findings recorded by the High Court in its impugned judgment may be summarized as under:-
 - i. *First*, the Court held that the petitioners had not filed any documents, namely, the title deeds, *pattadar* passbooks, revenue records, in support of their claim to the extent of the land claimed. Whereas, the respondent nos. 5 to 20, respectively, had filed the aforementioned documents *qua* the land claimed and compensation awarded by the Lok Adalat.

ii. *Secondly*, addressing the submission that the awards were not passed with the consent of the parties, the Court noted that it was as per the representation of the petitioners-appellants that W.P. No. 13942 of 2013 alongwith other tagged writ petitions were disposed of by way of a common order dated 07.04.2016. It held that the awards were passed pursuant to the consent of the parties, the coordination meeting, the enjoyment survey and verification of title deeds.

iii. *Thirdly*, the Court rejected the submission that the petitioners-appellants herein did not sign the awards passed by the Lok Adalat. It held that in the facts and circumstances of the case, the awards passed were treated as settlement reached in a class action suit. The proceedings before the Lok Adalat were treated as those under Order I Rule 8 of the Civil Procedure Code, 1908 (for short, "**the CPC**").

15. In such circumstances referred to above, the petitioners-appellants are here before us with the present appeals.

16. By order dated 04.11.2022, this Court directed stay on apportionment of compensation amount and its disbursement.

II. SUBMISSIONS ON BEHALF OF APPELLANTS

17. Mr. Gaichangpou Gangmei, the learned counsel appearing for the appellants would submit any dispute as to title has to be adjudicated by a civil court under Section 30 of the Act, 1894. He emphasized that the factum of non-compliance of the statutory pre-requisites has been recorded in the communication dated 28.11.2017 addressed by the Principal District Judge to the Registrar of the High Court. The said letter categorically states that the awards were passed in the name of disputed title holders without their presence and without recording any terms of compromise or settlement among the claimants *inter se* to resolve title disputes.
18. Mr. Gangmei further submitted that by adjudicating the dispute of title between the claimants on the basis of the enjoyment survey and title documents, the awards passed by the Lok Adalat violate Regulation 13(6) of the National Legal Services Authority (Lok Adalat) Regulations, 2009, (for short, **“NALSA Lok Adalat Regulations”**). In the same breath, he submitted that Regulation 17(2) of the NALSA Lok Adalat Regulations mandates that an award is valid only when both the parties affix their signatures.
19. In the aforesaid context, Mr. Gangmei placed reliance on paragraphs 9 to 12, respectively, of the decision of this Court in ***State of Punjab v. Jalour Singh***, reported in **(2008) 2 SCC 660**, to submit that there was no occasion for the claimants-appellants to present documents and prove their

title before the Lok Adalat, as it does not have the power to determine title and ownership. He added that the scope of proceedings before the Lok Adalat is limited, and adjudication on disputed questions of title is precluded by *proviso* to Regulation 13(6).

III. SUBMISSIONS ON BEHALF OF THE RESPONDENTS

20. Mr. P. Parmeswaran, the learned counsel appearing for the respondent no. 4, would submit that the awards passed by the Lok Adalat ought to be treated as a settlement reached in a class action suit, as the proceedings are akin to those under Order I Rule 8 of the CPC. He further submitted that Section 19(5) of the Legal Services Authorities Act, 1987 (for short, **“the Act, 1987”**) empowers the Lok Adalat to arrive at a compromise or settlement between the parties.
21. In addition to the aforesaid submission, Mr. Siddhartha Sinha, the learned counsel appearing for the respondent nos. 5, 7, 10 to 12, 14 to 19, respectively, would submit that the claim of the appellants can be considered independent of the compensation awarded to the private respondents, as there are no rival claims as regards the 16 awards passed by the Lok Adalat.
22. He further submitted that the Lok Adalat awards do not require any interference, as the aforementioned respondents demonstrated the proof of ownership of lands through title

deeds and enjoyment survey details, which were tabulated by the High Court in its impugned judgment.

23. In the last, both the learned counsel submitted that no error, not to speak of any error of law, could be said to have been committed by the High Court in passing the impugned judgment and order.

IV. ANALYSIS

24. Having heard the learned counsel appearing for the parties and having gone through the materials on record, the only question that falls for our consideration is whether the High Court committed any error in passing the impugned judgment and order.
25. Before advertng to the rival submissions canvassed on either side, we must briefly capture the dispute before us:-
- i. Land acquisition proceedings were initiated by the State.
 - ii. Awards were passed by the Land Acquisition Officer and referred to the jurisdictional civil court for resolution of title dispute and apportionment of compensation.
 - iii. The aforesaid awards were challenged in the *first writ petition* before the High Court.
 - iv. During the pendency of the said petition, the acquiring body proposed to enhance the compensation amount and the said matter was

referred to the Legal Services Committee for settlement of compensation amount. A coordination meeting was conducted to work out the modalities to resolve the disputes before the Lok Adalat.

- v. In pursuance of the aforesaid, Lok Adalat passed various awards.
- vi. In light of the awards passed in Lok Adalat, the *first writ petition* was disposed of.
- vii. The Lok Adalat awards were challenged in the *second writ petition* before the High Court on apportionment of the compensation.
- viii. A letter by the Principal District Judge communicating anomaly in dealing with the whole matter was addressed to the High Court.
- ix. While the *second writ petition* was pending, *third writ petition* was filed by other claimants seeking disbursement of compensation amount settled by the Lok Adalat.
- x. The *third writ petition* was allowed, directing the District Judge to disburse the amounts.
- xi. The decision of *second writ petition* resulted in the impugned judgment before us.

A. Whether the procedure adopted by the High Court referring the dispute as to apportionment of compensation between the claimants to the Lok Adalat through Legal Service Committee was correct in the eyes of law?

26. While passing the award dated 30.12.2013, the Land Acquisition Officer referred the dispute as to title and apportionment of the compensation to the jurisdictional civil court. Sections 29, 30 and 31 of the Act, 1894, respectively, stipulate the procedure in such a scenario. The provisions read thus:-

“29. Particulars of apportionment to be specified. - When there are several persons interested, if such persons agree in the apportionment of the compensation, the particulars of such apportionment shall be specified in the award, and as between such persons the award shall be conclusive evidence of the correctness of the apportionment.

30. Dispute as to apportionment. - When the amount of compensation has been settled under section 11, if any dispute arises as to the apportionment of the same or any part thereof, or as to the persons to whom the same or any part thereof, is payable, the Collector may refer such dispute to the decision of the Court.

31. Payment of compensation or deposit of same in Court. - (1) On making an award under section 11, the Collector shall tender payment of the compensation awarded by him to the persons interested entitled thereto according to the award and shall pay it to them unless prevented by some one or more of the contingencies mentioned in the next sub-section.

(2) If they shall not consent to receive it, or if there be no person competent to alienate the land, or if there be any dispute as to the title to receive the compensation or as to the apportionment of it, the Collector shall deposit the amount of the compensation in the Court to which a reference under section 18 would be submitted:[...]”

27. Section 29 of the Act, 1894, allows persons interested to mutually agree on the apportionment of compensation. The Collector sets out the agreement in the award and such an agreement would be treated as final and binding as between those consenting parties.
28. Section 30 of the Act, 1894, stipulates that when the Land Acquisition Officer or Collector has made an award under his hand under Section 11, and a dispute arises either as to the apportionment of the compensation or any part thereof, or, as to the persons to whom the compensation or any part thereof is payable, he may refer such dispute to the principal Civil Court of original jurisdiction. The provision even empowers the Collector to, on his own, refer the matter to the Court.
29. Section 31 of the Act, 1894, must be read in conjunction with Section 30, as the two provisions operate in continuum. Section 31 obliges the Collector, pursuant to making an award under Section 11, to tender payment of the compensation to the persons entitled thereto unless he is impeded by any of the contingencies contemplated under the provision i.e., where there is no consent to receive the compensation, or where there is no person competent to alienate the land, or

where there is a dispute as to the title to receive the compensation, or as to its apportionment. In such circumstances, the Collector is obligated to deposit the amount of compensation in the court.

30. Once the compensation is deposited in court, the function of the Collector, insofar as apportionment is concerned, comes to an end. What survives is a dispute between the interested persons as to the extent of their respective interests in the compensation. The term “any dispute” in Section 30 encompasses controversy as to title whether arising between the claimants present, or appearing from a discrepancy or uncertainty in the documents provided by the Government.
31. Thus, it is limpid that the very act of making a reference under Section 30 is an acknowledgment by the Collector of a *prima facie* dispute as to title, more particularly, as to the apportionment of compensation in this context. A reference under Section 30 is made when the Collector applies his mind that a contest exists as to entitlement over the compensation, which he is not equipped or rather not empowered to resolve.
32. In this context, we may refer to the decision in **G.H. Grant (Dr) v. State of Bihar**, reported in **1965 SCC OnLine SC 51**, wherein this Court observed that the Act, 1894, does not confer authority with the power on the Collector to decide the conflicting rights of the person interested in the amount of the compensation. Such a dispute would be resolved by a civil

court through a reference under Section 18 or Section 30 or in a separate suit. The relevant observations read thus:-

“12. [...] The Collector is by Section 11 authorised to make an award setting out the true area of the land, the compensation which, in his opinion, should be allowed for the land and the apportionment of the said compensation among all the persons known or believed to be interested in the land, or of whose claims, he has information, whether or not they have respectively appeared before him. The award when filed in the Collector's office becomes final and conclusive evidence as between the Collector and the persons interested whether they have respectively appeared before the Collector or not, of the true area and value of the land and the apportionment of compensation among the persons interested. The land vests absolutely in the Government, free from all encumbrances when possession is taken by the Collector under Section 16. [...] By Section 18 the Collector is enjoined to refer to the District Court for determination, objections as to the measurement of the land, the amount of compensation, the persons to whom it is payable, or the apportionment thereof among the persons interested. Part IV deals with apportionment of compensation. If the persons interested agree in the apportionment of the compensation, the particulars of such apportionment shall be specified in the award (Section 29) : if there be no such agreement, the Collector may, if a dispute arises as to the apportionment, of the compensation or any part thereof or as to the persons to whom the same or any part thereof is payable, refer such dispute under Section 30 for decision by the Court. [...].

13. There are two provisions Sections 18(1) and 30 which invest the Collector with power to refer to the Court a dispute as to apportionment of compensation or as to the persons to whom it is payable. By sub-section (1) of Section 18 the

Collector is enjoined to refer a dispute as to apportionment, or as to title to receive compensation, on the application within the time prescribed by sub-section (2) of that section of a person interested who has not accepted the award. Section 30 authorises the Collector to refer to the Court after compensation is settled under Section 11, any dispute arising as to apportionment of the same or any part thereof or as to the persons to whom the same or any part thereof is payable. [...]

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18. The scheme of the Land Acquisition Act is that all disputes about the quantum of compensation must be decided by resort to the procedure prescribed by the Act : it is also intended that disputes about the rights of owners to compensation being ancillary to the principal dispute should be decided by the Court to which power is entrusted. Jurisdiction of the Court in this behalf is not restricted to cases of apportionment, but extends to adjudication of disputes as to the persons who are entitled to receive compensation, and there is nothing in Section 30 which excludes a reference to the Court of a dispute raised by a person on whom the title of the owner of land has, since the award, devolved.

19. [...] The Collector is not authorised to decide finally the conflicting rights of the persons interested in the amount of compensation : he is primarily concerned with the acquisition of the land. In determining the amount of compensation which may be offered, he has, it is true, to apportion the amount of compensation between the persons known or believed to be interested in the land, of whom, or of whose claims, he has information, whether or not they have appeared before him. But the scheme of apportionment by the Collector does not finally determine the rights of the persons interested to the amount of compensation : the award is only conclusive between the Collector and the persons interested and not

among the persons interested. The Collector has no power to finally adjudicate upon the title to compensation : that dispute has to be decided either in a reference under Section 18 or under Section 30 or in a separate suit. Payment of compensation therefore under Section 31 to the person declared by the award to be entitled thereto discharges the State or its liability to pay compensation (Subject to any modification by the Court), leaving it open to the claimant to compensation to agitate his right in a reference under Section 30 or by a separate suit.”

(Emphasis supplied)

33. What is discernable from the statutory scheme is that there are only two modes by which apportionment of compensation among persons interested may be resolved. *First*, under Section 29 where the persons interested are able to arrive at an agreement among themselves as to apportionment, the award is made in terms of such an agreement. *Secondly*, where no such agreement is present, the remedy lies by way of reference under Section 30 where the dispute is adjudicated by the reference court.
34. There is no gainsaying that agreement under Section 29 necessarily requires the concurrence of all persons interested in the apportionment. In other words, a partial or truncated consensus, wherein some claimants are involved, cannot take effect as an “agreement” within the meaning of Section 29. We say so because those who are excluded from the agreement still remain in dispute.

35. In the present case, it is not in dispute that the Land Acquisition Officer, upon finding a dispute as to the apportionment of compensation and as to the persons to whom it was payable, deposited the compensation in the Court, and the matter came to be referred under Sections 30 and 31, respectively, as LAOP No. 619 of 2014. The approach of the Land Acquisition Officer of referring the dispute to the civil court was correct. As the dispute emerged from a claim over the land acquired, the matter would eventually boil down to apportionment of compensation on such basis. This reference was an acknowledgment that no agreement under Section 29 existed among the claimants, and that the dispute required resolution through adjudication before the Court.
36. During the pendency of the *first writ petition*, the High Court referred the matter for settlement before the Lok Adalat, for which the Coordination Meeting dated 30.05.2015 was conducted. Till here things were fine. The said meeting recorded that the representatives of the claimants and the respondent no. 4 had come to an agreement that an enjoyment survey was to be conducted with reference to individual extent based on title deeds. We shall discuss the purpose of enjoyment survey in more detail in the latter part of this judgment.
37. We are of the considered opinion that what transpired after such survey was conducted did not conform to the procedure permissible in the eyes of law. The Principal District Judge,

Khammam, acknowledged in his letter dated 28.11.2017 that awards passed by the Lok Adalat did not record any terms of compromise or settlement among the disputed claimants, and were passed, “*as if the dispute was between the Land Acquisition Officer and individual interest holder*”, rather than between the claimants. The letter categorically records that all the disputed title holders were neither made parties to the settlement, nor were they signatories to the awards.

38. If at all the Lok Adalat awards were intended to reflect an agreement under Section 29, or a standalone agreement, it could be said to be valid only if concurred by all persons interested in the apportionment, as the particulars of apportionment as mentioned in the award drawn by the Collector is conclusive between the persons who have expressed their agreement in the apportionment. [See: ***Sharda Devi v. State of Bihar, (2003) 3 SCC 128***]
39. It was also not the case where the exclusion of claimants was inadvertent. If at all the High Court was of the view that the dispute could be resolved through settlement *inter se* parties, the High Court should have remained vigilant of the grievance of the appellants. The challenge to awards passed by the Lok Adalat in the *second writ petition* was on the ground that the appellants-claimants did not consent to the settlement drawn by the Lok Adalat. Further, although the challenge to the said awards was pending, yet the High Court, in the *third writ petition*, directed disbursement of compensation.

40. The members present in the Coordination Meeting dated 30.05.2015 thought it fit to resolve the dispute as regards the payment of compensation through enjoyment survey – a survey intended to record the state of physical occupation of the acquired land. There was no legal basis brought to the notice of this Court, either by the authorities conducting or the respondents herein that would authorize the State to resort to an enjoyment survey as the basis for determining entitlement to compensation.
41. An enjoyment survey captures nothing more than the fact of physical occupation on the land at the time it is conducted. It does not purport to examine the legal title, right, or interest by virtue of which such occupation is held. In such circumstances, the findings of such survey cannot be treated as conclusive of entitlement to compensation.
42. In the aforesaid context, we may refer to the decision in ***Gudala Pentamma v. State of Telangana***, reported in **2026 SCC OnLine TS 6654**, wherein the petitioner upon issuance of new *e-pattadar* passbooks found that her land was omitted from her holdings. Later, she found that land acquisition proceedings were initiated against the said land. The petitioner sought correction of revenue records and payment of compensation. She was aggrieved as her claim was not referred to the competent authority under the relevant Act. With the following observations, the High Court of Telangana

directed the competent authority to make a reference under the *pari materia* provision. The relevant observations read thus:-

“16. The petitioner has raised a valid grievance that mere physical possession per se cannot determine entitlement to compensation under the Act, 2013 more particularly in the case of assigned lands, and that the authorities were duty-bound to examine whether the persons found in possession were in lawful possession as assignees, or merely as trespassers, encroachers, or persons in permissive possession. This Court finds merit in this submission, insofar as it is a settled legal position that an enjoyment survey conducted during land acquisition proceedings is intended to capture the state of physical occupation on the ground, and it cannot by itself determine the legal title or entitlement to compensation. The respondent authorities were obliged to look beyond mere physical occupation and to ascertain whether the persons listed in Form-F were holding lawful rights, whether as original assignees, as legal heirs through succession, or as holders under validly executed and legally permissible documents of title.”

(Emphasis supplied)

43. In ***Kottamula Mallaiah v. The State of Telangana***, W.P. No. 2118/2023, the compensation was paid to the persons who were in possession as per the enjoyment survey conducted by Tahsildar. The Court emphasized that it is for the Land Acquisition Officer to look into any rival claims for payment of compensation and make a reference under the relevant provisions of the Act. The Court declined to recognize the practice of “enjoyment survey” and directed the

respondents therein to pay compensation to the petitioners in accordance with law. The relevant observations read thus:-

“4. From the above, it is evident that the father of the petitioners herein was admittedly assigned an extent of Ac. 1.20 gts. situated in Sy.No.S12/ 149 of Eliminedu Village and the same was succeeded by the petitioners herein. The same was also recorded as such in the Revenue records. But, when the said extent of land was sought to be acquired, the respondents, instead of following the provisions of law as contained in the Act, 2013, appears to have adopted a strange procedure of resorting to conducting of an enjoyment survey on the alleged ground of certain objections raised by the persons in possession of the subject land. The concept of conducting an enjoyment survey for the purpose of acquiring the lands under the provisions of the Act, 2013, does not find place in the said Act. But, for the reasons best known, the respondents have adopted such an innovative procedure by empowering the Tahsildar or the Mandal Surveyor concerned to ascertain as to the physical possession and enjoyment of the land under acquisition and to pay the compensation basing upon such enjoyment survey.

5. Though, this Court specifically asked Sri Harender Pershad, learned Special Government Pleader, to clarify the basis on which the said enjoyment survey was conducted and compensation was paid, no such legal basis is brought to the notice of this Court that would authorize the respondents to conduct such enjoyment survey for the purpose of payment of compensation for the lands under acquisition. In case, if there is any rival claim for payment of compensation or any objections were raised against the contents of the preliminary notification or the declaration made under Section 19 of the Act, 2013, or at the stage of an Award enquiry at the instance of so-called enjoyers, it is for the Land

Acquisition Officer concerned to look into such objections and in case, if there is any substance in such objection, the Land Acquisition Officer is supposed to proceed further to pass an Award and make a reference under Sections 76 and 77 of the Act, 2013, for adjudication of the rival claims for payment of compensation by the Land Acquisition, Rehabilitation and Resettlement Authority (for short 'LAR & R Authority'). But, in the instant case, respondent No.3 had adopted a strange and innovative procedure without there being any legal basis and deprived the petitioners of the compensation for which they are otherwise entitled to. [...] As the payment of compensation on the ground of enjoyment survey is totally unknown to law and that is the only ground on which the petitioners are deprived of compensation for the said extent of land, this Court is of the considered view that the petitioners are entitled for the relief sought for in the Writ Petition."

(Emphasis supplied)

44. It must be kept in mind that when the Government acquires property, public funds are disbursed as compensation. It must be paid to the person entitled and determined as per law, and not merely to any claimant who cares to appear at the first instance, or who is the most vocal or visible before the authorities. It is needless to mention that physical possession may be held under any number of capacities, and such a survey is incapable of distinguishing between these. We cannot permit it to determine as to who is entitled to receive compensation.

45. In such circumstances referred to above, we are of the considered view that the High Court in its impugned judgment erred in upholding the awards passed by the Lok Adalat. The awards do not reflect a genuine agreement under Section 29 of the Act, 1894, since all disputing claimants were not parties or signatories thereto.
46. One another good reason to hold the aforesaid is that after an award is passed by the Collector and the dispute between the claimants is the focus in a reference under Section 30 of the Act, 1894, the acquiring body leaves the pitch, and the match thereafter is between the rival claimants/persons interested.

B. Whether Order I Rule 8 of the CPC, or principles thereof could be said to be made applicable in proceedings before the Lok Adalat?

47. It is contended by the respondents that the awards passed by the Lok Adalat ought to be treated as a settlement reached in a class action suit, as the proceedings are akin to those under Order I Rule 8 of the CPC. We are not impressed by such a submission as the awards are not between the parties who were in dispute for which the reference was made. The awards deal with only one part of the overall dispute i.e., amount of compensation to be paid by the acquiring body/respondent no. 4.
48. The necessary condition for Order I Rule 8 to be applicable or the principles emanating therefrom is that the persons on whose behalf the suit or proceeding is being brought must

have the same interest i.e., either their interest must be common, or they must have a common grievance which they collectively seek to have redressed. The foundation of a representative proceeding is for the benefit of all the persons so interested.

49. Having regard to the aforesaid, the High Court in its impugned judgment erred by characterizing the awards passed by the Lok Adalat as akin to a settlement in a class action suit under Order I Rule 8 of the CPC. This characterization does not cure the infirmity but rather compounds it. A representative suit under Order I Rule 8 presupposes a community of interest among the persons represented, as the interest of those who are being represented is adequately protected by those who are representing them. It would be wholly inappropriate to a proceeding where the subject matter of the dispute is the bone of contention between the claimants themselves and they are not the “two parties” arriving at a settlement. We say so because in such a case, there exists no common interest capable of representation. There is no doubt that to treat such rival claims as a single class is to elide the very dispute that the reference under Section 30 of the Act, 1894, was intended to resolve.
50. The High Court’s reliance on Order I Rule 8 of the CPC to uphold the awards was erroneous as it mischaracterises a dispute of rival and adverse title to compensation as one involving a representative common interest. The claimants in

the present case did not share a common adversary in the respondent no. 4, rather there was a conflict amongst them over entitlement of compensation.

51. At this stage, we may refer to and rely upon one order of this Court in **Vasant Nanaji Patre v. Vidarbha Irrigation Development Corporation & Ors.**, Civil Appeal No. 5305/2025. The appellant being dissatisfied by the award passed by the Collector filed a reference under Section 18 of the Act, 1894. The Reference Court passed an award enhancing the compensation. However, the respondents therein being aggrieved by the enhancement approached the High Court. The High Court reduced the compensation relying upon the award passed by the Lok Adalat in respect of other landowners. This Court set aside the judgment of the High Court to the extent it reduced the compensation with the following observations:-

“7. In our considered opinion, the award passed by the Lok Adalat will be binding only on the parties, who entered into a settlement accepted by both sides. However, as the appellant did not agree to such a settlement and opted to pursue his legal remedy for enhancement of compensation in accordance with the provisions of the erstwhile Land Acquisition Act, 1894, he cannot be bound down with the compensation amount as agreed to by the other land owners. That being so, the award of the Lok Adalat could not be an exemplar to be followed by the High Court for the purpose of reducing the compensation awarded to the appellant. Faced with this, learned Senior Counsel for the respondents refers to the Sale Deed dated 25.03.1994 (Exhibit 22), which find mention in

paras 15 and 16 of the impugned judgment of the High Court. As regard to the said exemplar, it may be seen that Section 4 Notification for acquiring the subject land was issued in the year 2000 whereas the aforementioned sale instance pertains to the year 1994. In that case, the High Court ought to have applied the annual escalation of not less than 10 to 12 per cent per annum, and then determine the market value of the acquired land. No such exercise has been undertaken in the instant case. It is also not clear from the facts on record as to whether the Sale Deed dated 25.03.1994 (Exhibit 22) is a part of the acquired area and/or abutting thereto.”

(Emphasis supplied)

52. In the case at hand, the awards passed by the Lok Adalat do not withstand the test of law for the following reasons. *First*, it is not a settlement between claimants, the persons whose competing claims were referred under Section 30 of the Act, 1894. *Secondly*, Regulation 17(2) of the NALSA Lok Adalat Regulations mandates that an award must bear signatures of the parties between whom the settlement has been arrived at. There is nothing on record to indicate that both the parties in dispute on the payment of compensation agreed to the settlement arrived at by the Lok Adalat. In such circumstances, the awards could not be considered binding on those who were non-signatories to the awards.

V. CONCLUSION

53. In the overall view of the matter, we have reached the conclusion that we should set aside the impugned judgment and order passed by the High Court and remit the matter to the Court of Principal District Judge, Khammam, for *de novo*

hearing of reference as expeditiously as possible, not later than six months from the date of the pronouncement of this judgment, by duly putting all the parties concerned to notice in accordance with law. The Court must decide the apportionment reference uninfluenced by any observations. We accordingly pass such order.

54. The appeal stands allowed in the above terms.
55. Registry shall forward one copy each of this judgment to all the High Courts.

.....J.
(J.B. PARDIWALA)

.....J.
(MANOJ MISRA)

August 19, 2026;
New Delhi.