

**IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION
CIVIL APPEAL NO. OF 2025
(Arising out of SLP (C)No.27806 of 2023)**

DILIP MEHTA

...APPELLANT

VERSUS

RAKESH GUPTA & ORS.

...RESPONDENT(S)

O R D E R

1. Leave granted.
2. The present appeal arises from the judgment and order dated 06.11.2023 passed by the Division Bench of the High Court of Madhya Pradesh at Jabalpur in Writ Appeal No. 427 of 2023. By the said judgment, the Division Bench affirmed the order dated 27.02.2023 passed by the learned Single Judge in Writ Petition (Civil) No. 22367 of 2022. The writ petition had called in question a compromise decree dated 14.05.2022 passed by the Lok Adalat, Jabalpur in R.C.S. No. 229-A of 2022 and the consequential execution proceedings in Execution Case No. EX-A/40/2022, but was dismissed on the ground that the appellant had already invoked the remedy of objections before the Executing Court.

3. The facts giving rise to the present appeal are as follows:

- 3.1. The appellant is a purchaser of certain immovable property situated at Jabalpur. The said property originally belonged to one Smt. Siya Bai. On 29.11.2008, a power of attorney in respect of the property was executed in favour of respondent No. 3, who is described in the civil proceedings as Virendra Patel. However, on 21.01.2009, an agreement to sell in respect of the property was executed between respondent No. 3 on the one hand and respondents No. 1 and 2, Rakesh Gupta and Neeraj Jain, on the other.
- 3.2. On the basis of the said power of attorney, a sale deed in favour of one Ganga Prasad Kurariya was thereafter executed on 12.06.2009. Disputes arose between Smt. Siya Bai and the said purchaser. Smt. Siya Bai instituted Civil Suit No. 12-A of 2013 for a declaration that the power of attorney dated 29.11.2008 and the sale deed dated 12.06.2009 were null and void. Another suit was filed by Ganga Prasad Kurariya and certain members of his family seeking permanent injunction against Smt. Siya Bai in respect of the same property.

- 3.3. In relation to the same transaction, an FIR bearing No. 243 of 2011 was registered at Police Station Barela at the instance of Smt. Siya Bai and her husband Shri Bhagwan Patel. A police report under Section 173(2) of the Code of Criminal Procedure, 1973¹ was submitted on 09.01.2018 alleging that respondent No. 3 had impersonated as son and successor of Smt. Siya Bai and had used fabricated documents, including the power of attorney dated 29.11.2008, to deal with the property.
- 3.4. After the demise of Smt. Siya Bai, her husband Shri Bhagwan Patel, asserting himself to be her sole surviving heir, executed a registered sale deed on 17.02.2016 in favour of the appellant's proprietary concern, M/s Rajul Builders, for a stated consideration of about Rupees Four Crores and Twenty Lakhs. According to the appellant, possession of the property was simultaneously delivered and has continued with him since then.
- 3.5. Respondents No. 1 and 2 claim rights under the agreement to sell dated 21.01.2009 said to have been executed by respondent No. 3 in their favour. On the basis of that agreement, they instituted a

¹ CrPC

suit for specific performance being R.C.S. No. 229-A of 2022 before the Court of the Civil Judge at Jabalpur against respondent No. 3 alone. The appellant and the original owner's heirs were not impleaded as parties to that suit.

- 3.6. In the said suit, a joint application under Order XXIII Rule 3 of the Code of Civil Procedure, 1908 (hereinafter "CPC") was filed by the plaintiffs and the defendant stating that the dispute had been compromised. The statements of the parties were recorded and the compromise was verified. The matter was thereafter placed before the Lok Adalat at Jabalpur.
- 3.7. On 14.05.2022, the Lok Adalat passed an award in terms of the compromise in R.C.S. No. 229-A of 2022 and a decree for specific performance was drawn.
- 3.8. On the strength of the decree dated 14.05.2022, a registered sale deed was executed in favour of respondents No. 1 and 2 on 22.07.2022 in the office of the Sub-Registrar, Jabalpur, purporting to convey the same property. Respondents No. 1 and 2 then initiated execution proceedings being Execution Case No. EX-A/40/2022 before the Civil Court at Jabalpur to enforce the decree. Orders

were passed in the execution directing execution of the sale deed and issuance of warrants for delivery of possession.

3.9. According to the appellant, he became aware of the decree and the execution proceedings only when the police authorities visited the property for the purpose of executing the warrants of possession. The appellant thereupon filed an application styled as objections under Order XXI Rule 101 read with Section 151 CPC on 19.09.2022 in Execution Case No. EX-A/40/2022. In that application he, inter alia, prayed that the decree/award of the Lok Adalat dated 14.05.2022 be set aside on the ground that it had been obtained by fraud, that the execution proceedings be dropped, and that appropriate action be taken against the persons concerned.

3.10. The Executing Court, on the objections so filed, passed orders directing maintenance of status quo with regard to possession. Parallely, on 22.09.2022, the appellant instituted Writ Petition (Civil) No. 22367 of 2022 before the High Court of Madhya Pradesh at Jabalpur under Articles 226 and 227 of the Constitution of India. In the writ petition he assailed the Lok Adalat decree dated

14.05.2022 in R.C.S. No. 229-A of 2022 and sought quashing of Execution Case No. EX-A/40/2022, alleging that the Lok Adalat award and the decree were vitiated by fraud and collusion and had been passed behind his back.

3.11. The learned Single Judge of the High Court, by an interim order dated 17.10.2022 in the writ petition, directed that status quo be maintained with respect to the possession of the property, which was stated to be with the appellant. During this period, another FIR bearing No. 041 of 2023 came to be registered at Police Station Barela in relation to the alleged forged agreement dated 21.01.2009, and criminal proceedings against respondent No. 3 and others are stated to be pending.

3.12. By judgment dated 27.02.2023, the learned Single Judge disposed of Writ Petition (Civil) No. 22367 of 2022. The learned Single Judge held that, in view of the objections already filed by the appellant under Order XXI Rule 101 read with Section 151 CPC in the execution proceedings, the questions relating to right, title and interest in the property, as well as the allegations of fraud, could appropriately be adjudicated by the Executing

Court. It was further held that the bar contained in Section 22E of the Legal Services Authorities Act, 1987 (hereinafter “LSA Act”) would not prevent the filing of an application, suit or execution proceeding by a person who was not a party to the settlement before the Lok Adalat. On that reasoning, the writ petition was disposed of with liberty to the appellant to pursue the remedy available under law against the award dated 14.05.2022.

3.13. Aggrieved, the appellant preferred Writ Appeal No. 427 of 2023 before the Division Bench of the High Court. An interim order directing maintenance of status quo was granted in the appeal.

3.14. By the impugned judgment and order dated 06.11.2023, the Division Bench dismissed the writ appeal. It affirmed the view of the learned Single Judge that the appellant, having already raised objections in the execution proceedings seeking to set aside the decree dated 14.05.2022 on the ground of fraud, could not maintain parallel proceedings in the writ jurisdiction, and that there was no absolute bar under Section 22E of the LSA Act to such recourse.

4. Being aggrieved by the judgment and order dated 06.11.2023 passed by the Division Bench in Writ Appeal No. 427 of 2023, affirming the order dated 27.02.2023 of the learned Single Judge in Writ Petition (Civil) No. 22367 of 2022, the appellant has preferred the present appeal. He contends, in substance, that he has been denied an effective recourse to challenge the Lok Adalat decree dated 14.05.2022 and the consequential execution proceedings, and that the view taken by the High Court on the scope of Section 22E of the LSA Act and on the effect of his objections in execution is contrary to law.
5. Learned senior counsel Mr. Siddharth Bhatnagar for the appellant has made the following submissions:
 - 5.1. It is urged that the compromise decree dated 14.05.2022, the Lok Adalat award in R.C.S. No. 229-A of 2022 and the sale deed dated 22.07.2022 in favour of respondents No. 1 and 2 are vitiated by fraud and collusion, since they proceed on the basis of an ante-dated and unregistered agreement to sell said to be of 21.01.2009, which surfaced only after many years, recites largely cash payments and was acted upon without impleading

either the heir of the original owner or the appellant

- 5.2. It is further contended that the appellant is a bona fide purchaser in possession under a registered sale deed dated 17.02.2016 executed by the husband and asserted sole heir of the original owner, and that the specific performance suit, the compromise, the Lok Adalat proceedings and the execution were all pursued behind his back despite long-standing civil and criminal proceedings in relation to the same property.
- 5.3. Reliance is placed on Section 22E of the LSA Act and on the decisions of this Court in **State of Punjab v. Jalour Singh**² and **Bhargavi Constructions v. Kothakapu Muthyam Reddy**³ to contend that a Lok Adalat award can be assailed only in writ proceedings under Articles 226 and 227 of the Constitution of India, even when the challenge is founded on fraud, and that neither a civil suit nor proceedings in execution can be treated as an efficacious or equivalent remedy for setting aside such an award.

² (2008) 2 SCC 660

³ (2018) 13 SCC 480

- 5.4. According to learned counsel, the objections filed by the appellant under Order XXI Rule 101 read with Section 151 CPC in Execution Case No. EX-A/40/2022 were a purely defensive and transitory measure to protect his possession when warrants for delivery of possession were sought to be enforced, and the Executing Court has no power to annul the Lok Adalat award, the decree or the sale deed drawn in pursuance thereof, so that such objections cannot be regarded as an election of an alternative remedy or as parallel proceedings so as to bar the writ petition.
- 5.5. It is also submitted that the High Court erred in holding that Section 22E(4) of the LSA Act does not preclude an application, suit or execution proceeding at the instance of a third party, and in treating the appellant's objections in execution as a bar to writ relief, while overlooking both the specific allegations of egregious fraud, suppression of necessary parties and abuse of process and the fact that certain adverse assertions made against the appellant, including an allegation of prior incarceration in relation to the property dispute, were themselves incorrect.

6. Learned senior counsel Mr. Ravindra Srivastava appearing for respondents No. 1 and 2 has, on the other hand, submitted as follows:

- 6.1. It is contended that the present challenge is not to a decree inter partes, but is brought by a third party who was neither a plaintiff nor a defendant in R.C.S. No. 229-A of 2022 and was not a party to the compromise before the Lok Adalat. On this footing, it is urged that the decisions in **State of Punjab v. Jalour Singh (Supra)** and **Bhargavi Constructions v. Kothakapu Muthyam Reddy (Supra)**, which speak of a writ petition as the mode of challenge, concern parties to the Lok Adalat award and cannot be read as excluding other civil remedies at the instance of a stranger to the award.
- 6.2. It is further submitted that the appellant has already invoked the jurisdiction of the Executing Court by filing an application under Order XXI Rule 101 read with Section 151 CPC in Execution Case No. EX-A/40/2022, in which he has expressly prayed that the judgment and decree dated 14.05.2022 be set aside on the ground of fraud, that the execution be dropped and that consequential directions be issued. The Executing

Court has, on that application, passed orders for maintenance of status quo even prior to the institution of the writ petition. In these circumstances, it is urged that the appellant cannot maintain parallel proceedings in the writ jurisdiction for substantially the same relief.

- 6.3. Reliance is placed on the scheme of Order XXI Rules 97, 99 and 101 CPC to submit that all questions relating to right, title and interest in the property, including allegations of fraud, can and ought to be adjudicated in the execution proceedings themselves, even at the instance of a third party objector. It is argued that the writ court was therefore justified in declining to entertain the petition in view of the availability and prior invocation of this remedy.
- 6.4. It is lastly contended that the appellant's assertions regarding his title, possession and the alleged fraud involve disputed questions of fact which are already the subject of pending civil and criminal proceedings, and that these matters are more appropriately left to be examined on evidence before the civil and executing courts rather than in proceedings under Articles 226 and 227 of the Constitution of India.

7. We have gone through the material on record. We have also considered the rival submissions advanced on behalf of the parties. The central question is whether, in the facts of the present case, the High Court was justified in declining to entertain the appellant's challenge to the Lok Adalat decree on the ground that he had already filed objections before the Executing Court.
8. Since the controversy turns on the nature of the remedy available against an award or decree of a Lok Adalat, it is necessary to notice the statutory scheme. Section 21 and 22E of the LSA Act are prevalent to understand the same and have been reproduced hereunder:

“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 it under sub-section (1) of section 20, the court-fee paid in such case shall be refunded in the manner provided under the Court-fees Act, 1870 (7 of 1870).]

(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.

Section 22E. Award of Permanent Lok Adalat to be final.

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

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

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

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

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

Section 21 of the LSA Act provides that every award of a Lok Adalat shall be deemed to be a decree of a civil court, that it shall be final and binding on the parties to the dispute, and that no appeal shall lie against it. Section 22E, which deals with awards of a Permanent Lok Adalat, similarly declares that every award shall be final and binding on the parties and persons claiming under them, shall be deemed to be

a decree of a civil court and shall not be called in question in any original suit, application or execution proceeding. Both provisions reflect a common legislative intent that such awards are to attain finality, are not appealable in the ordinary sense and are to operate as decrees only for the limited purpose of execution.

9. This Court has, in a series of decisions, explained the consequence of this statutory finality. In ***State of Punjab v. Jalour Singh (Supra)***, it was held that where an award is made by a Lok Adalat in terms of a settlement between the parties, it is final and binding and executable as a decree, and that no appeal lies against it. It was further held that any challenge to such an award must be brought before the High Court in proceedings under Articles 226 or 227 of the Constitution of India and only on limited grounds such as lack of consent, jurisdictional error or fraud. In ***Bhargavi Constructions v. Kothakapu Muthyam Reddy (Supra)***, this Court applied the same principle to a civil suit which sought to impeach a Lok Adalat award and held that a civil suit to set aside such an award is not maintainable and that the only proper remedy is a writ petition before the High Court.

10. The principle that emerges is that the statutory finality attached to a Lok Adalat award leaves no room for an appellate or plenary civil remedy against the award treated as a decree. The award may be executed as a decree, but its validity cannot be reopened through an ordinary civil suit or by treating some other civil proceeding as a vehicle for setting it aside. The only recognised avenue of challenge is the constitutional jurisdiction of the High Court, which is supervisory and exceptional in nature.
11. Seen in this light, the approach of the High Court in the present case cannot be sustained. Once the decree which is sought to be executed is one that merely embodies a Lok Adalat award under the LSA Act, the role of the Executing Court is confined to giving effect to that award in terms of execution. It has no authority to annul or set aside the award itself, or the decree drawn in its terms, nor can it sit in judgment over the validity of the compromise on which the Lok Adalat proceeded. Treating the filing of objections in such execution as an “efficacious alternative remedy” for challenging the award is therefore inconsistent with the statutory scheme.
12. The contention based on Order XXI Rules 97, 99 and 101 CPC must also be viewed in this statutory

setting. In the specific context of a decree that reflects a Lok Adalat award, those provisions enable the Executing Court to address questions which arise incidentally in the course of working out execution, such as whether and to what extent the decree can be enforced against a particular person in possession and in what manner. They do not authorise the Executing Court, under the guise of adjudicating resistance, obstruction or dispossession, to reopen the settlement which resulted in the award, to examine the validity of the award as such, or to declare that the decree based upon it is void. The decree in such a case owes its force not merely to the CPC but to the special statute which deems the award to be a decree only for the limited purpose of execution.

13. The reliance placed by the High Court on Section 22E(4) of the LSA Act is also misplaced. The stipulation that an award “shall not be called in question in any original suit, application or execution proceeding” is a prohibitory clause which reinforces the bar against collateral civil challenges to a Lok Adalat award. It does not create a separate class of civil remedies in favour of persons who were not parties before the Lok Adalat, nor does it enlarge the

jurisdiction of the Executing Court to set aside or invalidate such an award at the instance of a third party. The statutory structure is the same whether the aggrieved person is a party to the award or is a third party who claims to be affected by it. In either case, if the validity of the award is to be examined at all, it is to be tested in writ proceedings before the High Court and not by expanding the scope of execution or by encouraging independent civil suits.

14. It is also important to note that the appellant approached the Executing Court only when warrants for delivery of possession were sought to be enforced and dispossession was imminent. The objections filed on 19.09.2022 were, in substance, a defensive step to preserve possession pending a substantive challenge to the Lok Adalat decree. In the context of a decree which merely embodies a Lok Adalat award, such objections can at best invite the Executing Court to examine whether and to what extent the decree is executable against the objector, but cannot furnish a forum for pronouncing upon the validity of the award itself or for setting aside the decree drawn in its terms. The reliance placed by the respondents on the fact that, in the prayer clause of that application, the appellant also used language

suggesting that the judgment and decree be “set aside” does not advance their case. The form of the pleading cannot enlarge the jurisdiction of the Executing Court beyond what the LSA Act and the CPC permit, nor can it convert a limited execution forum into a court of appeal over a Lok Adalat award. Equally, such resort to execution, compelled by the imminent threat of dispossession, cannot be treated as an election of remedy that forecloses recourse to the only effective avenue which the law recognises for challenging a Lok Adalat award, namely a writ petition before the High Court. The judgement of this Court in ***State of Punjab v. Jalour Singh (Supra)*** squarely covers the principles we have discussed above in the following paragraphs:

“10. The order of the Lok Adalat in this case (extracted above), shows that it assumed a judicial role, heard parties, ignored the absence of consensus, and increased the compensation to an extent it considered just and reasonable, by a reasoned order which is adjudicatory in nature. It arrogated to itself the appellate powers of the High Court and “allowed” the appeal and “directed” the respondents in the appeal to pay the enhanced compensation of Rs 62,200 within two months. The order of the Lok Adalat was not passed by

consent of parties or in pursuance of any compromise or settlement between the parties, is evident from its observation that “if the parties object to the proposed order they may move the High Court within two months for disposal of the appeal on merits according to law”. Such an order is not an award of the Lok Adalat. Being contrary to law and beyond the power and jurisdiction of the Lok Adalat, it is void in the eye of the law. Such orders which “impose” the views of the Lok Adalats on the parties, whatever be the good intention behind them, bring a bad name to the Lok Adalats and legal services.

11. The travails of the parties did not end with the Lok Adalat. Because the Lok Adalat directed the aggrieved party to move the High Court for disposal of appeal on merits if they had objection to its order, the appellants moved the High Court by an application in the appeal, stating that they had not agreed to the enhancement proposed by the Lok Adalat and praying that the order of the Lok Adalat increasing the compensation by Rs 62,200 may be set aside as there was no settlement or compromise. The learned Single Judge failed to notice that there was no settlement or compromise between the parties; that the order

made by the Lok Adalat was not an award in terms of any settlement as contemplated under the LSA Act; that the Lok Adalat had clearly stated that the parties may either agree to it, or move the High Court for disposal of the appeal on merits in accordance with law; and that in the absence of any settlement and “award”, the appeal before the High Court continued to be pending and could not have been treated as finally disposed of. The learned Single Judge instead of perusing the order of the Lok Adalat and hearing the appeal on merits, proceeded on a baseless assumption that the order dated 3-8-2001 of the Lok Adalat was a binding award and therefore an application to hear the appeal, was not maintainable and the only remedy for the appellants was to challenge the order of the Lok Adalat by filing a writ petition under Article 227 of the Constitution.

12. It is true that where an award is made by the Lok Adalat in terms of a settlement arrived at between the parties (which is duly signed by parties and annexed to the award of the Lok Adalat), it becomes final and binding on the parties to the settlement and becomes executable as if it is a decree of a civil court, and no appeal lies against it to any court. If any party wants to challenge

such an award based on settlement, it can be done only by filing a petition under Article 226 and/or Article 227 of the Constitution, that too on very limited grounds. But where no compromise or settlement is signed by the parties and the order of the Lok Adalat does not refer to any settlement, but directs the respondent to either make payment if it agrees to the order, or approach the High Court for disposal of appeal on merits, if it does not agree, is not an award of the Lok Adalat. The question of challenging such an order in a petition under Article 227 does not arise. As already noticed, in such a situation, the High Court ought to have heard and disposed of the appeal on merits.

13. But the travails continued. In view of the order dated 11-9-2002 passed by the learned Single Judge holding that a petition under Article 227 has to be filed to challenge the order of the Lok Adalat, the appellants filed a petition under Article 227. But the said petition was dismissed by another Single Judge on the ground that the order of the Lok Adalat passed on 3-8-2001 had attained finality as the objections to it were dismissed on 11-9-2002 and a petition under Article 227 was not maintainable to challenge the order of the Lok

Adalat. He failed to notice that the order dated 3-8-2001 was neither a decision nor had it attained finality. He also failed to notice that the objections to the order were not rejected by the High Court after consideration on merits. He also overlooked the fact that the learned Judge who decided the appellants' application, had directed that the order of the Lok Adalat should be challenged by filing a petition under Article 227. Be that as it may.

14. Thus we find that the Lok Adalat exercised a power/jurisdiction not vested in it. On the other hand, the High Court twice refused to exercise the jurisdiction vested in it, thereby denying justice and driving the appellants to this Court. In this process, a simple appeal by the legal heirs of the deceased for enhancement of compensation, has been tossed around and is pending for more than eight years, putting them to avoidable expense and harassment.”

15. We are therefore of the considered view that the writ petition filed by the appellant to assail the Lok Adalat decree dated 14.05.2022 was maintainable and that the High Court was not justified in declining to examine it on the ground of an alleged alternative remedy in execution. The impugned

judgments rest on an incorrect understanding of the scope of Section 22E of the LSA Act, of the reach of Order XXI Rules 97, 99 and 101 CPC with respect to Lok Adalat awards and of the law declared by this Court in ***Jalour Singh (Supra) and Bhargavi Constructions (Supra)***.

16. For the reasons recorded above, the appeal is allowed.

17. The judgment and order dated 06.11.2023 passed by the Division Bench in Writ Appeal No. 427 of 2023 and the order dated 27.02.2023 passed by the learned Single Judge in Writ Petition (Civil) No. 22367 of 2022 are set aside.

18.. The matter is remanded back to the High Court of Madhya Pradesh at Jabalpur to be heard and decided afresh on its own merits and in accordance with law, as expeditiously as possible from the date of receipt of a copy of this judgment. Consequently, we direct that the appellant shall withdraw the objections filed by him under Order XXI Rule 101 read with Section 151 CPC in Execution Case No. EX-A/40/2022 within 4 weeks from the date of receipt of a copy of this judgment.

19. It is made clear that we have not examined, and express no opinion upon, the rival contentions on

fraud, collusion, limitation, title, or any other factual issue arising out of the compromise, the Lok Adalat award dated 14.05.2022, the consequent decree, the sale deed dated 22.07.2022 or the execution proceedings. All such questions, including the allegations of collusion and abuse of process, are left open to be considered by the High Court.

20. Having regard to the nature of the controversy, and in order to preserve the subject-matter of the main matter, we direct that until the High Court finally disposes of the matter, the appellant shall not be dispossessed from the property in question pursuant to the Lok Adalat award/decreed dated 14.05.2022 and Execution Case No. EX-A/40/2022.

21. There shall be no order as to costs.

22. All pending interlocutory applications stand disposed of.

.....J.
(VIKRAM NATH)

.....J.
(SANDEEP MEHTA)

NEW DELHI
NOVEMBER 18, 2025