

Writ Petition (MD) No.5540 of 2022 &

BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

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Reserved on: 28.04.2025	Pronounced on: 14.07.2025
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Coram

THE HON'BLE MR JUSTICE V. LAKSHMINARAYANAN

Writ Petition (MD) No.5540 of 2022 &
WMP(MD).No.4482 of 2022

The Tamil Nadu Housing Board,
Rep. by its Managing Director,
CMDA Complex,
E and C Market Road,
Koyembedu,
Chennai

... Petitioner

-Versus-

- 1.The District Legal Services Authority,
Represented by its Secretary,
District Court Premises,
Madurai.
- 2.The Special Tahsildar (Land and Acquisition),
Ellis Nagar Housing Board,
South Neighbourhood Housing Scheme – I,
Madurai Collectorate, Madurai.

3.T.S.Sethu

... Respondents

Writ Petition filed under Article 226 of the Constitution of India seeking to issue a Writ of Certiorari calling for the records relating to the Lok Adalat award made in the Lok Adalat attached to the 1st respondent in connection with LAOP No.



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83 of 2008 dated 08.04.2017 and quash the same as illegal.

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For Petitioner : *Mr.R.Shivakumar*
For Respondent 2 : *Mr.S.Shaji Bino,*
Special Government Pleader
For Respondent 3 : *Mr.S.Balasubramaniam*

ORDER

The petitioner is the Tamil Nadu Housing Board. It seeks for a Writ of Certiorari to call for the records on the file of the first respondent in L.A.O.P.No.83 of 2008 dated 08.04.2017, and to quash the same as illegal.

Facts leading to the writ petition

2. The Housing Board had decided to develop a Housing Scheme for Madurai. It did so under the name and style of 'Ellis Nagar Housing Scheme'. For the purpose of development of this scheme, lands were acquired in Madakullam Village, Madurai South Taluk, Madurai. The third respondent had lands in the said Village. It was the owner of the following properties:

- (i) Survey Nos.13/2, 14/2, both to an extent of 0.88 Acre;
- (ii) Survey No.15/1 to an extent of 1.18 Acre; and
- (iii) Survey No.15/7 to an extent of 1.10 Acre.

3. Notification under Section 4(1) of the erstwhile Land Acquisition Act, 1894 was issued on 04.04.1979. The acquisition proceedings were completed. An award



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was passed in Award No.5/82-83 on 21.05.1982. In terms of the award, the compensation fixed was at Rs.295.45/- per cent. The compensation was deposited with the III Additional Subordinate Judge at Madurai. It is stated that the amount paid as compensation appropriated towards Income Tax dues. The claimant was not satisfied with the amounts fixed under the award. Hence, he requested the first respondent to make a reference under Section 18. As no petition was available on the file, reference was not made.

4. Insofar as the acquisition of land in Survey No.12/2 to an extent of 1.16 Acre of the same village is concerned, a reference had been made in L.A.O.P.No.23 of 1988 to the file of the I Additional Sub Court at Madurai. By way of a judgment and decree dated 26.04.1993, the compensation was fixed for the land at Rs.4166/- per cent. Consequently, the third respondent invoked Section 28A of the Land Acquisition Act. He pleaded that Survey No.12/2 is covered by the same notification and same award covering his lands. Along with the printed copy of the judgment in L.A.O.P.No.23 of 1988, he sought for enhancement.

5. The Special Tahsildar (LA), Ellis Nagar Scheme, rejected the petition seeking enhancement on 11.11.1998. He opined that the lands in L.A.O.P.No.23 of 1988 are not similar in all respects with the property, which belonged to the third respondent. The third respondent filed a petition under Section 28A(3) of the Land



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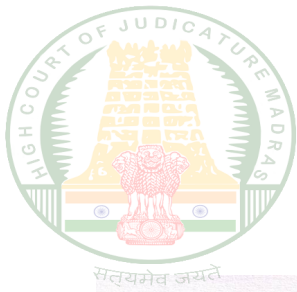
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Acquisition Act before the Special Tahsildar seeking for reference to the Court. The Special Tahsildar referred the matter to the I Additional Subordinate Judge at Madurai in his proceedings SSR.No.8/82 dated 07.05.1999. This reference was taken on file as L.A.O.P.No.83 of 2008 before the III Additional Subordinate Judge at Madurai.

6. In the said petition, he arrayed the acquisitioning authority, the Special Tahsildar (LA), Ellis Nagar Scheme and the requisitioning body, Housing Board – the writ petitioner herein - as respondents. The prayer in the proceedings was to pass an award and fix the compensation at the rate of Rs.4166/- per cent with 30% solatium, 12% additional amount and interest at the rate of 15% per annum from the date of notification till the payment of compensation. The said proceedings were taken on file and notice was issued to the respondents.

7. The matter was adjourned on several occasions for filing of counters. They were filed on 18.11.2009. From 27.11.2009 onwards, the matter was regularly adjourned till 13.04.2016. On that day, the petitioner was called absent and the petition was closed. In the mean time, the matter had been referred for settlement to Lok Adalat as per Chapter VI of the Legal Services Authorities Act of 1987.

8. On 08.04.2017, a memo of calculation dated 07.04.2017 was filed before the Lok Adalat. The memo of calculation is scanned and reproduced hereunder:



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[Working Sheet for Enhanced Compensation]

LAOP Number	: 083/2008	Land Owner	: T.S.SETHU
Village Name	: Madakulam	Survey Number	: 13/2 etc.
Award Number	: 5/82-83	Award date	: 21/05/1982
4(1) date	: 04/04/1979	Possession date	: 21/05/1982
Judgement date(SC)	: 01/05/2016	Judgement date(HC)	: / /
EP No.	:	AS No.	:

I. Enhanced compensation amount based on HC / Sub Court / Consent letter

1] Land Value	: [EC amount	* Extent [cent]	]
	[4166	* 404.00	]
	1683064.00		
2] Value for Structure	:	0.00	
3] Value for well	:	0.00	
4] Value for tree	:	0.00	
5] Total Value	:	1683064.00	[1+2+3+4]
6] 30% solatium	:	[Total Value {5} * [30 / 100]	]
		[1683064.00 * [30 / 100]	]
		504919.20	

7] Additional Market Value	:	[Total Value {5} * [12 / 100] * days	]
[4(1) date to Award date]	:	[1683064.00 * [12 / 100] * 1144	]
[Normal days interest]	:	[1683064.00 * [12 / 100] * 778 / 365	]
		430495.49	
[Leaf days interest]	:	[1683064.00 * [12 / 100] * 366 / 366	]
		201967.68	
		632463.17	

8] Total EC Demand [HC]	:	[Column 5 + Column 6 + Column 7	]
		2820446.37	

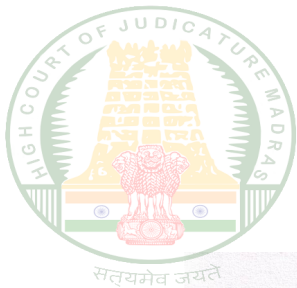
II. Already paid award amount by Land Acquisition Officer

9] Land Value	:	137666.15	
10] Value for Structure	:	0.00	
11] Value for well	:	0.00	
12] Value for tree	:	0.00	
13] 30% solatium	:	0.00	
14] 12% additional amount	:	0.00	

15] Total Award amount [LAO]	:	137666.15	[9+10+11+12+13+14]
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III. Balance Enhanced compensation after LAO amount

16] Balance EC to be paid	:	[Column 8	- Column 15]
		2682780.22	



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IV. 9% interest from taken over possession

- a) [Interest is charged on total balance cost since the HC Judgement date is occurred after 19/09/2001]
- b) [From date of possession to one year plus date of sub court Judgement]
21/05/1982 To 30/04/2017

17] 9% interest on balance cost:[	Column 16	* [9 / 100] * . days	]
	[2682780.22	* [9 / 100] * 12764	]
[Normal days interest]	[2682780.22	* [9 / 100] * 9470 /365]	
	6264475.57		
[Leaf days interest]	[2682780.22	* [9 / 100] * 3294 /366]	
	2173051.98		
	8437527.55		

V. Abstract of the working sheet - EC

19] Total amount to be paid	:	[Column 16 + Column 17
		2682780.22 8437527.55
		11120307.77

Sd/- S. Asokan,
Revenue Divisional Officer
Madurai.

/t.c.b.o./

Exe. Engr. & Admn. Officer,
Madurai Housing Unit,
TNHS, Madurai-16.

P.A. to R.D.O.,
Madurai.

07.4.17

True copy
25/2/2025

SECRETARY / SUB JUDGE.
DISTRICT LEGAL SERVICES AUTHORITY
-MADURAI - 625 020.





9. On 08.04.2017, the following terms of settlement were recorded:

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“1) The Respondents (the R.D.O, Madurai on behalf of the 1st Respondent) have filed calculation memo dated 07.04.2017 enclosed herewith arrived a sum of Rs.1,11,20,307.77 (Rupees One Crore eleven lakhs twenty thousand three hundred and seven and seventy seven paise only) towards the compensation Award Amount.

2) The claimant has agreed to receive the said enhanced compensation Award Amount arrived by the Respondents towards the said compensation Award Amount of Rs.1,11,20,307.77 (Rupees one crore eleven lakhs twenty thousand three hundred and seven and seventy seven paise only) as full satisfaction.

3) The said enhanced compensation Award Amount of Rs.1,11,20,307.77 (Rupees one crore eleven lakhs twenty thousand three hundred and seven and seventy seven paise only) within 10 days (ten days only) from the date of this Award dated 08.04.2017.

4) The claimant has agreed to pay the process fee.

5) The claimant is entitled for the refund of the entire Court fee.

6) The working sheet for the enhanced compensation dated 07.04.2017 filed by the Respondents is part and parcel of the Award of Lok Adalath settlement.”

10. The terms of settlement were signed by the power agent of the claimant and his counsel, by the Executive Engineer and Administrative Officer, Madurai Housing Unit and his counsel. Receiving the memo of calculation and taking into consideration the assent that had been given by the parties to the said terms, a Lok



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Adalat Award was passed on that day (08.04.2017). The terms of the settlement award shows that an amount of Rs.1,11,20,307.77/- (Rupees One Crore Eleven Lakhs Twenty Thousand Three Hundred and Seven and Seventy Paise only) was agreed to be received as compensation by the third respondent. As the award was not honoured in terms of the settlement arrived at, the third respondent presented E.P.No.121 of 2021 on the file of the III Additional Subordinate Judge seeking execution of the aforesaid Lok Adalat award together with interest at the rate of 15% per annum.

11. The writ petitioner pleads it was only when the notice was issued in the Execution Petition, the then Executive Engineer of the Board came to be aware of the impugned award. Therefore, files were circulated and opinions were obtained. They plead a fraud has been played on the public exchequer, and the Board has been saddled with an award. Hence, relying upon the judgment of the Supreme Court in *State of Punjab and another Vs. Jalour Singh and others, (2008) 2 SCC 660*, the present Writ Petition has been filed.

12. Rule nisi was not issued in the Writ Petition. Notice alone was issued. Interim stay of the Lok Adalat Award was granted on the condition that the writ petitioner deposits a sum of Rs.40,00,000/- in a Fixed Deposit in the name of the Additional Registrar General, Madurai Bench of Madras High Court within a period



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of six (6) weeks. It is not in dispute that the interim order has been complied with.

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13. Notice was served to the respondents 1 and 3. The matter was heard by me on several dates. I noticed that the pleadings had not been completed and therefore, I called upon the parties to file their counter affidavit. Thereafter, the second and third respondents have filed their counter. In order to satisfy myself regarding the proceedings, I summoned the original records & files relating to L.A.O.P.No.83 of 2008 from the file of the III Additional Subordinate Judge at Madurai and from the first respondent/District Legal Services Authority.

14. According to the second respondent, the calculation memo that was filed before the Lok Adalat was signed by the Executive Engineer, Tamil Nadu Housing Board alone and the second respondent has nothing to do with the same. It is further stated that the connected file was perused and in the office copy, no signature of the Revenue Divisional Officer or that of the Assistant or the Personal Assistant of the Revenue Divisional Officer was found. The counter affidavit, thereafter, extracts a letter written by the Revenue Divisional Officer dated 20.11.2021, i.e., four years after the conclusion of the Lok Adalat Award. The counter affidavit also extracts in extenso, the judgment of the Supreme Court in *K.Srinivasappa and others Vs. M.Mallamma and others*, AIR 2022 SC 2381 to plead that in the absence of conclusive proof as to fraud, the High Court should not set aside the compromise



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15. The third respondent has filed a counter affidavit pleading that he sought for re-determination of compensation in terms of the award passed in L.A.O.P.No.83 of 2008. He states that pending the enquiry in L.A.O.P.No.83 of 2008, the matter was referred to the District Legal Services Authority, Madurai through the National Lok Adalat and the proceedings were taken on file as L.A.No.443 of 2017. He states that a settlement was arrived at on 08.04.2017 and that the calculation memo has the signature of the Revenue Divisional Officer, Madurai, Personal Assistant to the Revenue Divisional Officer, Madurai, as well as that of the Executive Engineer and Administrative Officer, Madurai Housing Unit, TNHB. He asserts that in the Lok Adalat Award, the Executive Engineer, TNHB and the learned Government Pleader, who represented the respondents, endorsed their signatures. He points out that despite reminders as the award was not satisfied, he initiated execution proceedings in E.P.No.121 of 2021 on 16.06.2021. He points out that on 29.09.2021, the Government Pleader filed Vakalat on behalf of the first respondent, and the second respondent remained *ex-parte*. It was thereafter that the present Writ Petition came to be filed.

16. In Paragraph No.7 of the counter, he asserts that the calculation memo was prepared and filed with the signature of the Revenue Divisional Officer as stated



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above. He denies the pleading that the Executive Engineer is not competent to sign the settlement award. He states no record has been produced by the petitioner in the writ proceedings to state that the Executive Engineer is incompetent to sign the award. All the other averments in the affidavit are stoutly denied.

17. When I took up the matter for hearing on 13.03.2025, I noticed from the affidavit filed by the Revenue Divisional Officer that there is no statement on whether he is objecting to the award. Therefore, I called upon him to file an affidavit to that effect. Instead, an instruction had been given to the learned Special Government Pleader that the original records are not available on his file. Hence, I called upon the Revenue Divisional Officer, Thirumangalam to file an affidavit on whether his office is standing by the Lok Adalat Award or not.

18. Pursuant to the aforesaid directions, the Revenue Divisional Officer had filed an affidavit on 19.03.2025. It states that LAOP 83 of 2008 had been referred to Lok Adalat, and that neither the Revenue Divisional Officer nor the Personal Assistant to the Revenue Divisional Officer participated in the proceedings. It adds that the Executive Engineer of the Tamil Nadu Housing Board, one Mr.Moorthy, had without the knowledge of the Revenue Divisional Officer, filed a calculation memo. It states, on further verification, that one Muniasamy, the Assistant deputed from the Housing Board to the Revenue Department, had signed the memo and on



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07.04.2017, the Executive Engineer of the Housing Board had visited the office of the Revenue Divisional Officer at Madurai and had obtained a tentative calculation memo. The averments in paragraph no.5 of the additional affidavit merely point out to the statement made by Muniasamy to the Revenue Divisional Officer. The categorical stand of the Revenue Divisional Officer, Madurai, is that as the Revenue Divisional Officer had not filed the calculation memo before the Lok Adalat, the respondents can neither stand nor defend the Lok Adalat award.

19. I heard Mr.R.Sivakumar for the writ petitioner, Mr.S.Shaji Bino, learned Special Government Pleader for the second respondent and Mr.S.Balasubramanian for the third respondent.

20. Mr.R.Sivakumar urges that the Executive Engineer alone signed the memo and since the Revenue Divisional Officer did not file the calculation memo, the award is invalid. He reads the settlement terms to argue that the words used therein are “respondents” and not “second respondent” and therefore, it will not be binding on the referring authority, namely, the second respondent therein/petitioner herein. Referring to Sections 28A and 31 of the Land Acquisition Act, he argues that the assent of the Special Tahsildar is essential and that not having been taken, the entire proceedings are liable to be interfered with. He pleads that the Executive Engineer had signed the award without the authorisation of the Board, and it is only when an



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Execution Petition was filed, that the writ petitioner came to know about the award.

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He points out in terms of Rule 17(1) of the National Legal Services Authority (Lok Adalat) Regulations, 2009, both parties have to sign the settlement award and in case it is not done, the award will will not act as an estoppel against the writ petitioner to challenge it. His pleading is there cannot be an estoppel against the statute, and since the statute has not been complied with, the principle will not operate against the writ petitioner.

21. Mr.Sivakumar relies upon the following judgments:

(i) *State of Punjab and another Vs. Jalour Singh and others*, (2008) 2 SCC 660;

(ii) *S.Vasanthi Vs. Suganthi and others*, C.R.P.(PD).No.1 of 2021 dated 18.03.2021; and

(iii) *Sewa Singh Vs. Daily Lok Adalat and others*, 2015 SCC Online P&H 20855.

22. Per contra, Mr.S.Shaji Bino states that the matter had been compromised in terms of the Legal Services Authorities Act, 1987 and unless and until the allegations of fraud that are made against a party to an agreement, and the said allegations are strictly proved, the petitioner is not entitled to succeed.

23. Mr.S.Balasubramanian argues that in terms of the working sheet and the calculation memo filed before the Lok Adalat, all the parties to the transaction



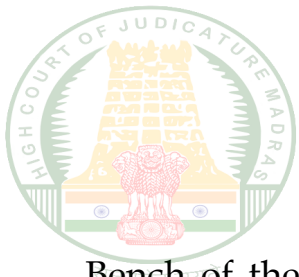
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signed the same. He points out that the Revenue Divisional Officer has not raised any objection from the time of passing of the award till date. He urges that despite having the knowledge of the award and the execution proceedings, the Housing Board did not move the Writ Petition immediately. He argues that the calculation memo was prepared by the Revenue Divisional Officer and co-signed by the Executive Engineer. The first respondent/Lok Adalat, had acted upon the same and passed the settlement. He adds that after the award had been passed, on 21.04.2017, the Executive Engineer had signed a letter as if the Lok Adalat proceedings had been adjourned and this was followed up with a letter on 20.11.2021, just before the filing of the Writ Petition. He further adds that the acquisition had taken place in the year 1982, and the petitioner has not seen the colour of the coin so far and therefore, pleads for dismissal of the Writ Petition.

24. I have carefully considered the submissions of all sides. I have gone through the records.

25. The first issue that I have to answer is whether the writ petition is hit by laches. It is not in dispute that the award of the first respondent was passed on 08.04.2017. The award has the force of a decree. The writ petition came to be filed before this court on 25.03.2022, i.e., after a period of five years from the date of the award. It is here that I would have to refer to the judgment of the Constitution



Bench of the Supreme Court in *State of Madhya Pradesh and another v. Bhailal Bhai and others* AIR 1964 SC 1006. In paragraph 21, the Supreme Court held as follows:

“21. The learned Judges appear to have failed to notice that the delay in these petitions was more than the delay in the petition made in Bhailal Bhai case out of which Civil Appeal No. 362 of 62 has arisen. On behalf of the respondents-petitioners in these appeals (CAs Nos. 861 to 867 of 1962) Mr Andley has argued that the delay in these cases even is not such as would justify refusal of the order for refund. We argued that assuming that the remedy of recovery by action in a Civil Court stood barred on the date these applications were made that would be no reason to refuse relief under Article 226 of the Constitution. Learned counsel is right in his submission that the provisions of the Limitation Act do not as such apply to the granting of relief under Art 226. It appears to us however that the maximum period fixed by the legislature as the time within which the relief by a suit in a Civil Court must be brought may ordinarily be taken to be a reasonable standard by which delay in seeking remedy under Article 226 can be measured. The court may consider the delay unreasonable even if it is less than the period of limitation prescribed for a civil action for the remedy but where the delay is more than this period, it will almost always be proper for the court to hold that it is unreasonable.

26. This makes it clear that though the provisions of the Limitation Act do not apply to the grant of relief under Article 226 of the Constitution of India, a court



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may consider the period of limitation prescribed for civil actions as a reference point while dealing with the grant of relief under Article 226. The appropriate provision for setting aside a decree is found under Article 59 of the Limitation Act. The period of limitation is fixed as three years, when the facts entitling the party to have the decree cancelled first becomes known to him.

27. In this case, when the Lok Adalat award was passed, the highest authority of the writ petitioner available in the District, namely, the Executive Engineer participated in the same. Therefore, that should be the date on which the petitioner got to know about the award. Even if I were to assume the averments made in the affidavit to be true, the writ petitioner came to know of the award in the year 2021, when an execution petition was filed. Despite the service of summons in the execution petition, the petitioner did not approach the court immediately, but took its own sweet time to move the writ petition. Therefore, the writ petition is hopelessly hit by the principle of laches.

28. I should point out here that had a Rule Nisi been issued, I would have followed the standard practice of this Court and not thrown the writ petitioner out on grounds of laches. However, in this case, the learned Judge did not think it as a fit case for issuance of Rule Nisi, but had issued only notice.

Only an aggrieved person can challenge an award.



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29. The Code of Civil Procedure holds that where a decree is passed pursuant to a compromise, no appeal is entertainable. This is on account of fact that in order to maintain an appeal, the person approaching the court should be “an aggrieved person”. An appeal is barred as against the compromise decree, because the person is not an “aggrieved person” but an “agreed” person. Having agreed to the terms of the compromise, a party is not entitled to file an appeal.

30. The Code again gives room for such a person, under Order XLIII Rule 1A, where an appeal can be maintained by a litigant pleading that the compromise itself should not have been recorded. The other option given to a person is to approach the very same court, to point out the court ought not to have recorded the compromise. Taking note of this position, the Supreme Court in the *State of Punjab & Another v. Jalour Singh & Others*, (2008) 2 SCC 660 held that the remedy for a person aggrieved by a Lok Adalat Award is to present a writ petition invoking Article 226 or Article 227 of the Constitution of India. It made it clear that such challenge is on very limited grounds, namely, on fraud, or that the award covers a field over which a compromise would not have been arrived at. This position has been confirmed by another judgment of the Supreme Court in *Bhargavi Constructions & Another v. Kothakapu Muthyam Reddy & Others*, (2017) 5 CTC 775 (SC).



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31. Let me now take the plea on which Mr.Sivakumar stands, that a Lok Adalat Award ought not have been passed. His plea is not one of fraud. His plea is that out of the two respondents, only one respondent had signed the award. Mr.Sivakumar does not represent the person who did not sign the award. He represents the person who had signed the award. The Revenue Divisional Officer, Madurai, as pointed out above, has taken a stand, it is neither supporting nor defending the Lok Adalat Award as that office had no role to play in the Award itself. If a person who has not signed the award were to come forward with the writ petition, then this court could have looked into the said plea.

32. It is a matter of public policy that where a person agrees to the state of affairs, he or she should not be permitted to turn around and plead that the state of affairs that had been brought about by him or her should not be permitted to prevail. Such a plea, if entertained, would amount to travesty of justice. See, Watrap S. Subramania Aiyar v. United India Life Insurance Co. Ltd., AIR 1928 Mad 1215 (Para 27). To reiterate, a plea that the Award ought not to have been passed can only be maintained by an aggrieved person, and not by a person who has appeared before the Lok Adalat, participated in the proceedings and signed the compromise memo. A party, who wholeheartedly participated in the proceedings, cannot urge that as another formal party has not signed the compromise memo, the memo he



agreed to, is not binding.

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33. The fountainhead for an award to be passed by the Lok Adalat is referable to Order XXIII of the Code of Civil Procedure. Under Order XXIII, a court is entitled to record compromise, when the suit is adjusted wholly or in part, or when the defendant satisfies in whole or in part of the compromise, or whole or any part of the subject matter of the suit. This shows that a compromise can be recorded not only when all the parties are before the court, but also when few of the parties decide to settle the matter. Therefore, the writ petitioner, having agreed to settle the matter, cannot turn around today and plead that as the Revenue Divisional Officer had not signed the Award, the Award is not binding on it.

Estoppel

34. This brings us to a tributary of the aforesaid conclusion, namely, estoppel. Estoppel is a conclusive admission which cannot be denied. It operates,

- (i) as a matter of record;
- (ii) by deed; and
- (iii) by conduct or representation *in pais*.

35. The facts presented before this Court attracts estoppel by conduct, as well as estoppel by deed. The general rule is that an indenture estops all who were parties to it, while the deed-poll estops the party who executes it, since it is his



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language and act. Deed-poll is a legal document made and executed by one party only. Similarly, a person, who by conduct or representation, accepts the state of affairs, is estopped from turning around and pleading that the state of affairs should not exist. See *Serjeant v. Nash, Field and Company, (1903) 2 KB 304*.

36. In this case, the Executive Engineer of the writ petitioner had not only finalised the amounts that has to be made by the writ petitioner to the third respondent, but had also signed the same and had passed it on to the third respondent. The third respondent, who has been litigating from 1999 onwards, accepted the figure that had been circulated by the petitioner and decided to put an end to the lis raised by him before the Court. Both the parties appeared before the three officers in charge of the Lok Adalat, and had signed the document in their presence. Hence, this operates as estoppel by deed.

37. Insofar as estoppel by conduct is concerned, I should point out another circumstance, which has persuaded me to reach this conclusion. While discussing the facts, I noted that on 13.04.2016, LAOP.No.83 of 2008 had been closed. Thereafter, the matter had been referred to Lok Adalat and compromise had been recorded. When the matter came up before the III Additional Subordinate Judge at Madurai for recording of the compromise, both the parties were surprised to note



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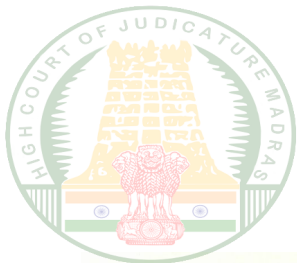
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that the LAOP had been closed. In order to avoid any technical objections, the third respondent had filed two applications in I.A.No.138 of 2017 and I.A.No.139 of 2017 to condone the delay and restore the claim petition on to the file. In the said proceedings, notice was ordered to the respondents by the learned III Additional Subordinate Judge at Madurai.

38. Notice was also served on the Additional Government Pleader (Land Acquisition) on 19.07.2016. The Executive Engineer and the Administrative Officer of the Madurai Housing Unit appeared before the Court on 10.07.2017, and had stated “no objection” to allow the applications. A similar endorsement was also made by the Additional Government Pleader (Land Acquisition). Considering the endorsements, the learned III Additional Subordinate Judge at Madurai allowed both the applications and restored the land acquisition proceedings on to his file on 10.07.2017. Having restored the claim petition, on that very day, the learned Judge passed the following order:

“I.As are allowed. Petition is restored. Lok Adalat Award is received. Matter is settled in Lok Adalat. Hence, notes paper is closed as settled in Lok Adalat. Signed 10.07.2017”

39. The records of the Subordinate Judge, Madurai in I.A.Nos.138 and 139 of 2017 and the Lok Adalat Award are scanned and extracted hereunder:



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**IN THE COURT OF THE IIIRD ADDITIONAL
SUB ORDINATE JUDGE, MADURAI**

I.A No. of 2016

In L.A.O.P. No. 83 of 2008

Between

T.S Sethu
Represented through his
Power Agent
S. Balasubramanian

... Petitioner/Claimant

And

1. Special Thasildar (LA)
Ellis Nagar Scheme,
South Neighbourhood Scheme
Then Unit No.1 and
Present Unit No.1
Madurai

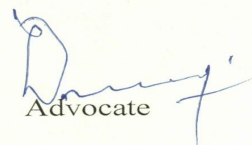
... Respondent/ Respondent/ Land
Acquisition officer/ Referring Officer

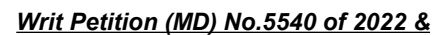
2. Tamil Nadu Housing Board
Through its Executive Engineer
Ellis Nagar,
Madurai

.... Respondent/ Respondent Beneficiary

PETITION U/S 5 OF THE LIMITATION ACT AND SECTON 151 C.P.C

For the reasons stated in the accompanying Affidavit it is therefore just and necessary that this Hon'ble Court may be pleased to condone the delay of 52 days in filing the restoration application of main claim petition which was dismissed for default on....13/4/16..... and thus render justice.


Advocate



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Exe. Engr. & Adm. Officer,
Madurai Housing Unit,
TNHS, Madurai-16.

no objection to
restore the applications
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Add. G. P. (L.S.)

Head as above

IN THE COURT OF THE HIERD
ADDITIONAL
SUB ORDINATE JUDGE,
MADURAI

L.A. No. 138 of 2016

In L.A.O.P. No. 83 of 2008

Secs Limitation
PETITION

Petitioner/Claimant

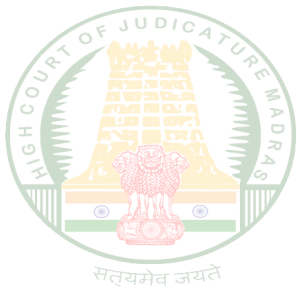
T.S. Sethu

Advocge

S. Devadas

Respondent/Respondent/Beneficiary

Special Thasildar (LA)
Ellis Nagar Scheme,
South Neighbourhood Scheme
Then Unit No.1 and
Madurai
and one another



Writ Petition (MD) No.5540 of 2022 &

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IN THE COURT OF THE THIRD ADDITIONAL

SUB ORDINATE JUDGE, MADURAI

I.A No. of 2016

In L.A.O.P. No. 83 of 2008



Between

T.S Sethu
Represented through his
Power Agent
S. Balasubramanian

... Petitioner/Claimant

And

1. Special Thasildar (LA)
Ellis Nagar Scheme,
South Neighbourhood Scheme
Then Unit No.1 and
Present Unit No.1
Madurai

... Respondent/ Respondent/ Land
Acquisition officer/ Referring Officer

2. Tamil Nadu Housing Board
Through its Executive Engineer
Ellis Nagar,
Madurai

... Respondent/ Respondent Beneficiary

PETITION U/O 9 RULE 9 AND SECTION 151 C.P.C

For the reasons stated in the accompanying Affidavit it is therefore prayed that this Hon'ble Court may be pleased to restore the main claim petition in L.A.O.P. No. 83/2008 dismissed for default on 13/4/16 and thus render justice.

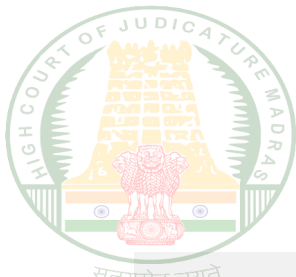
Advocate
4/7/16



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24/7/16



Writ Petition (MD) No.5540 of 2022 &

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time for counter IAWO
dtg hearing may be
indicated.

19/7/16

No objection to allow
this Application.

2. 3-6-11
exs. Engr. & Admn. Officer,
Madurai Housing Unit,
TNHS, Madurai-16.

No objection to allow
this petition
19/7/16
Addl. G. P. (LA)

Amended statement
1/8/16

**IN THE COURT OF THE IIIRD
ADDITIONAL SUBORDINATE
JUDGE, MADURAI**

L.A.No. 139/2016

In

L.A.O.P.No. 83 of 2008

AFFIDAVIT

Petitioner

Petitioner/Claimant

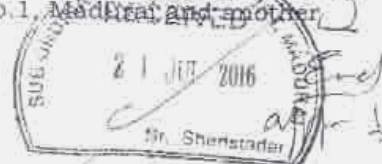
T.S. Sethu
represented through his
Power Agent
S.Balasubramanian

Advocate

Thiru. S. Devaraj

Respondents/ Referring Officers

Special Thasildar (LA)
Ellis Nagar Scheme,
South Neighbourhood Scheme
Theri Unit No.4 and Present Unit
No.1, Madurai and another





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40. The aforesaid proceeding shows not only did the Executive Engineer of the writ petitioner participate in the Lok Adalat proceedings, but also appeared before the learned III Additional Subordinate Judge at Madurai and endorsed no objection for restoration of the claim petition, and was also present, when the LAOP was closed as settled in the Lok Adalat proceedings. This shows that the highest authority of the writ petitioner was available not only before the Lok Adalat, but also before the court and hence, the principle of estoppel apply in full force to the facts of the case.

41. Facing this difficulty, Mr.Sivakumar sought to raise a plea saying that there cannot be an estoppel against a statute. According to him, the statutes, which come to his support, are Land Acquisition Act and the Legal Services Authority Act of 1987, read with the National Legal Services Authority (Lok Adalat) Regulation, 2009.

Estoppel against statute

42. "What is the principle of estoppel against statute?" has been very succinctly explained by the Supreme Court in *A.C. Jose v. Sivan Pillai*, (1984) 2 SCC 656. The Supreme Court held that where the statute does not countenance a particular procedure, and that procedure has been adopted by the Court or Tribunal, then the plea that the person participated in the said proceeding does not



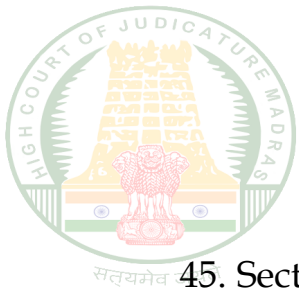
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operate as an estoppel. This is on account of the settled position of law, that estoppel is not above the law and that principle of estoppel cannot override the law. Hence, the doctrine of estoppel does not apply to statutes, in the sense that a person, who makes a statement as to the existence of provisions of a statute, is not estopped, subsequently, from contending that the statutory provision is different from what he had previously stated.

Whether Section 28(A) and 31 of Land Acquisition Act assist the Writ Petitioner

43. As pointed out above, Mr.Sivakumar urged that the Award passed by the Lok Adalat is contrary to Sections 28-A and 31 of the Land Acquisition Act. This necessarily leads me to the said Sections under the erstwhile Land Acquisition Act of 1894.

44. As per Section 28-A, a person could approach a Collector seeking re-determination of the amount of compensation paid to him, if other lands covered by the same acquisition notification had been given higher compensation than what had been given for his land. The Collector, on receipt of such an application, after giving a reasonable opportunity for the interested persons, could either make a fresh award or deny the same. If he denied the request for re-determination, then the person sought for the said re-determination could write to the Collector and seek for a reference to the Court in terms of Section 28-A(3).



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45. Section 31 deals with payment of compensation or deposit of the same into court. Under Section 31, if an Award is passed and the Collector tenders the amount to the persons interested, and if they refuse to receive the same, the Collector was entitled to deposit the amount into the Court.

46. A reading of both these Sections shows that the role of the Collector stops with making a reference to the Court under Section 28-A(3) and with the deposit of amount into the Court under Section 31(2). The Collector does not play any other role, as once the reference is made it becomes the duty of the court to pass an Award.

47. The narration of the facts set forth in paragraph above shows that the petition under Section 28A(3) had been filed and had been referred to the Court as early as 1999 and taken on file by the learned III Additional Subordinate Judge at Madurai. Therefore, the role of the Collector stopped in 1999, and his presence at the time of passing of the Award is not covered under these two provisions.

48. With respect to the plea on the National Legal Service Authority Regulations of 2009, Mr.Sivakumar drew my attention to Regulation 17 in order to point out that both parties have to sign the Award.

49. It is not in dispute that the Award had been signed by both parties, namely, the writ petitioner and the third respondent. Once both the parties have signed it



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and filed it before the Lok Adalat, the Lok Adalat exercise only administrative powers and records the same. It is pertinent to point out that apart from the signature of the writ petitioner and the third respondent, their respective counsels have also signed the award. Hence, the submission that there is an estoppel against the statute does not hold water, and it is one raised only for the purpose of its rejection.

50. Turning to the last point raised by Mr.Siva Kumar that the Executive Engineer was not authorised to sign the Lok Adalat Award, I am entirely in agreement with Mr.Balasubramaniam on this point. No proceedings or rule or even a bye law has been produced before this Court to show that the Executive Engineer is not entitled to represent the Housing Board in the Lok Adalat Proceedings.

51. The vakalat that has been filed on behalf of the writ petitioner before the trial court was by the Executive Engineer. The counsel, who represented the second respondent, was instructed by the Executive Engineer, and no objection endorsement was also made by the said authority. I should here recollect the principle, which is settled in corporate jurisprudence. It is the doctrine of indoor management. This doctrine protects a third party while dealing with a corporate entity, from any irregularity in the company's management. It is based on the idea that the third parties to the corporate entity cannot be expected to know or



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investigate the company's internal working. The exceptions to this doctrine are where the third parties have knowledge of any irregularity, and the same is so blatant, or if any questions are raised about the very existence of the entity. In this case, none of the exceptions would apply. As pointed out above, the Executive Engineer is the senior most authority available in Madurai. He had appeared and defended the claim petition all along. From the records sent by the first respondent, it is clear that he had appeared before the Lok Adalat as well. Cumulatively, no indication had ever been given by the writ petitioner, either before the Lok Adalat, or before the learned III Additional Subordinate Judge, or before this Court, that the Executive Engineer is incompetent to represent the Housing Board. Hence, this plea of Mr.Sivakumar deserves only rejection and it is accordingly rejected.

52. I had earlier noted that the original of the records from the Lok Adalat was summoned by me. A perusal of the Lok Adalat award shows that a calculation memo had been filed. It has been scanned and exhibited in earlier portion of the order. In the said calculation memo, the signatures of not only the Revenue Divisional Officer is found, but also that of his assistant and of the Executive Engineer of the Tamil Nadu Housing board. On this aspect, I would discuss elaborately in the succeeding paragraph.

53. As per Section 114 of the Indian Evidence Act, this Court should presume



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that events that have taken place before a Court or tribunal have regularly been done so. The Revenue Divisional Officer has taken a stand that the then Revenue Divisional Officer and his Personal Assistant have not signed the memo of calculation, on the basis of which the Award is passed. However, the working sheet of enhanced compensation which had been produced before the Lok Adalat points out that not only Mr.Ashokan, the Revenue Divisional Officer, Madurai has signed it, and it was also counter signed by the Personal Assistant to the Revenue Divisional Officer, and by the Executive Engineer, and Administrative Officer, Madurai Housing Unit, Tamil Nadu Housing Board, Madurai – 16 on 07.04.2017.

54. The reason I feel that the original of the signature has gone missing from the record is because the person who gave instructions to the Revenue Divisional Officer is the very person, who had been deputed by the writ petitioner to the office of the Revenue Divisional Officer to attend to the present case.

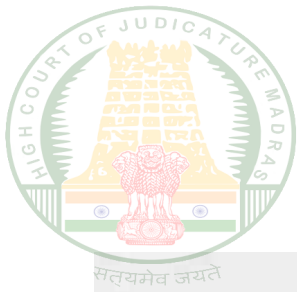
55. The letter given by the Revenue Divisional Officer, in charge of Thirumangalam, shows that the original papers itself are missing from his files. This casts a huge shadow on how records are maintained, if not for the aforesaid extract that had been received by the Lok Adalat, perhaps there would have been no records to show that the Revenue Divisional Officer and his Personal Assistant have signed the calculation memo. The letter of the Revenue Divisional Officer,



Writ Petition (MD) No.5540 of 2022 &

Thirumangalam, is extracted hereunder:

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From : Thiru. P.Rajaguru, M.A., B.Ed., Revenue Divisional Officer, (i/c) Thirumangalam.	To : Thiru. S.Shaji Bino, Spl. Government Pleader, Madurai Bench of Madras High Court, Madurai – 625 023.
---	--

Roc.No: SSR.No.129/2009, Dated:11.03.2025

Respected sir,

Sub :	W.P(MD)NO.5540 of 2022 filed by Tamil Nadu Housing Board, rep. by its Managing Director – on the file of Hon'ble High Court of Madras (Madurai Bench) – reg.
Ref :	Your Letter Dated :08.03.2025.

I invite kind attention to the reference cited. It is stated that, the Hon'ble Madurai bench of Madras High Court directed the Revenue Divisional Officer to file an affidavit in respect of specific averment that the signature in the calculation memo as well as the award of the Lok Adhalait, Madurai.

In this regard the Counter Affidavit has already been filed in the Hon'ble Madurai bench of Madras High Court on 06.03.2025. The original records which was not signed by the former Revenue Divisional Officer in either the calculation memo or in the award of the Lok Adhalait, since no original records were found in the file.

However the copy of the Counter Affidavit already filed on 06.03.2025 in the Hon'ble High Court, Madurai is enclosed for necessary action.

Encl : As stated above

Your's Faithfully,

[Signature]
Revenue Divisional Officer, (i/c)
Thirumangalam.

[Signature]
11/3/25



Case law

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56. Let me now deal with the authorities cited by the learned counsels on either side.

57. The first of the authorities is the judgment in *K.K.Mohanan v. Sasi Anantha*, (2013) 2 KLJ 581. The facts of that case reveal that a suit was pending between the writ petitioner and a third party. The matter had been referred to the Lok Adalat. The petitioner therein was not available in the country during the Lok Adalat proceeding and hence, in the place of the writ petitioner, his wife signed the compromise memo. The Kerala High Court agreed that as the wife of the Writ Petitioner therein had not been authorised to arrive or sign any compromise on behalf of the Writ Petitioner, the award is unenforceable and liable to be set aside. As pointed out in this case, it is not the case of the writ petitioner that its Executive Engineer had not signed the award. Further, the writ petitioner has not produced any records to show that the Executive Engineer was not authorised to enter into a compromise. Hence this judgment is inapplicable.

58. The second judgment relied upon by Mr.Sivakumar is the case of *Sewa Singh v. Daily Lok Adalat*, 2015 SCC Online P&H 20855. In that case too, the Award had been passed by the Lok Adalat without the consent of the petitioner. As the petitioner had not signed the calculation memo and the Award and since it had



Writ Petition (MD) No.5540 of 2022 &

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been signed only by the counsels, the court intervened and set aside the Award. This too does not apply to the facts of the present case. As admittedly, the Executive Engineer and his counsel, and the third respondent and his counsel were present before the Lok Adalat and signed the same.

59. The third judgment that was referred to by Mr.Sivakumar is an unreported judgment in *S.Vasanthi v. Suganthi and three others, CRP(PD).No.1 of 2021 dated 18.03.2021*. Paragraph 6 of the said judgment points out that the petitioner therein had not affixed her signature to the Award and hence, the settlement was set aside. In fact, a concession had been given by the learned counsel appearing for the respondents that the Award may be set aside (paragraph 4). Hence, this judgment too does not apply to the facts of the present case.

60. The last judgment cited by Mr.Shaji Bino is the judgment in *K.Srinivasappa and others v. M.Mallamma and others, AIR 2022 SC 2381*. This judgment in my opinion squarely applies to the facts of the present case. The Supreme Court had held that the compromise, which had been recorded, should not be recalled unless and until allegations of fraud have been made or proved. The fraud pleaded should be of such a nature that it should have been practiced upon a party in order to induce that party to enter into such a settlement agreement. The Supreme court has pointed out that a Court must stand by the settlement, unless



Writ Petition (MD) No.5540 of 2022 &

and until the same is vitiated by fraud. When no proof, let alone such a strict proof
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has not been adduced before this court, I have no other option than to follow the
judgment of the Supreme Court and dismiss the writ petition.

61. Before I bring the curtains down on the case, I should point out that the writ petitioner has effectively prevented the third respondent from enjoying the fruits of the decree for over eight years. This, by taking an untenable plea. Hence, necessarily the writ petitioner would have to pay costs to the third respondent.

62. Accordingly, the writ petition is dismissed with costs. The writ petitioner shall pay a sum of Rs1,00,000/- as cost to the third respondent. The Additional Registrar General, Madurai Bench of Madras High Court, on production of a web-copy of this order, shall forthwith release to the third respondent a sum of Rs. 40,00,000/-, together with interest that has been deposited with him, pursuant to the interim order dated 29.03.2022.

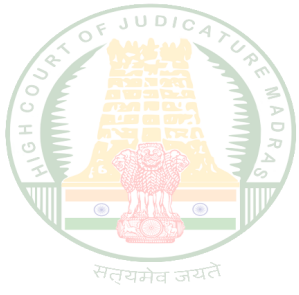
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/2025

Sub Assistant Registrar
(CS - I/ II / III /IV)
Madurai Bench of Madras High Court,
Madurai.

nl



Writ Petition (MD) No.5540 of 2022 &

To
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- 1.The District Legal Services Authority,
Represented by its Secretary,
District Court Premises, Madurai.
- 2.The Special Tahsildar (Land and Acquisition),
Ellis Nagar Housing Board,
South Neighbourhood Housing Scheme – I,
Madurai Collectorate, Madurai.

Copy to

- 1.The Additional Registrar General,
Madurai Bench of Madras High Court,
Madurai.
[For release of the amount deposited along
with interest lying in the account]
- 2.The Section Officer,
Accounts / Bills Section,
Madurai Bench of Madras High Court,
Madurai.
- 3.The Section Officer, ER Section,
Madurai Bench of Madras High Court,
Madurai.



Writ Petition (MD) No.5540 of 2022 &

+1 CC to M/s.R.SIVAKUMAR, Advocate (SR-43221[F] dated 15/07/2025)

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**+2 CC to M/s.S.BALASUBRAMANIAN, Advocate (SR-43752[F] dated
16/07/2025)**

order in
W.P.(MD).No.5540 of 2022
14.07.2025

AVK/25.07.2025 40P/9C

Madurai Bench of Madras High Court is issuing certified copies in this format from 17/07/2023