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THE HIGH COURT OF DELHI AT NEW DELHI

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Judgment delivered on: 09.02.2015

+ **W.P.(C) 8798/2014 & CM 20202/2014**

M/S I.S. DYE STUFF INDUSTRIES LTD.

... Petitioner

versus

UOI & ORS.

... Respondents

Advocates who appeared in this case:

For the Petitioner : Mr B.S. Mathur, Mr Rajat Mathur, Mr Siddharth Gupta and Ms Srishti Bhatia

For the Respondent No. 1 : Mr S.D. Windlesh

For the Respondent No. 2 : Mr Dhanesh Relan and Mr Arush Bhandari

For the Respondent Nos.3 &4: Mr Yeeshu Jain and Ms Jyoti Tyagi

CORAM:-

HON'BLE MR JUSTICE BADAR DURREZ AHMED

HON'BLE MR JUSTICE SANJEEV SACHDEVA

JUDGMENT

BADAR DURREZ AHMED, J (ORAL)

1. The learned counsel for respondent No. 4, Mr Yeeshu Jain, has handed over the counter affidavit, which is taken on record. The learned counsel for the petitioner does not wish to file any rejoinder affidavit as all the necessary averments are contained in the writ petition itself.

2. By way of this writ petition the petitioner seeks the benefit of Section 24(2) of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 (hereinafter referred to as 'the 2013 Act') which came into effect on 01.01.2014. The petitioner, consequently, seeks a declaration that the acquisition proceeding initiated under the Land Acquisition Act, 1894 (hereinafter referred to as 'the 1894 Act') and in respect of which Award No.10/87-88 dated 19.05.1987 was made, *inter alia*, in respect of the petitioner's land comprised in Khasra Nos. 273 (4-16) and 283 (4-16) measuring 9 bighas and 12 biswas in all in Village Sayurpur, Delhi shall be deemed to have lapsed.

3. The learned counsel for the petitioner claims that the physical possession of the subject land has not been taken by the land acquiring agencies and that the petitioner continues to be in physical possession. This fact is, however, disputed by the learned counsel for the respondents, who states that the possession was taken over on 14.07.1987.

4. In so far as the question of compensation is concerned, the same has not been paid to the petitioner but according to the respondents, the same has been deposited in the treasury. Therefore, they seek to invoke

the second Proviso to Section 24(2) of the 2013 Act, which was introduced by virtue of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement (Amendment) Ordinance, 2014 (hereinafter referred to as “the said Ordinance”).

5. So far as the applicability of the second Proviso to Section 24(2) of the 2013 Act is concerned, the same cannot be relied upon by the respondents inasmuch as it has been held to be prospective in nature and does not take away vested rights. This has so been held by the Supreme Court in recent decision in **M/s Radiance Fincap (P) Ltd. & Ors. Vs. Union of India & Ors. decided on 12.01.2015 in Civil Appeal No. 4283/2011** wherein the Supreme Court held as under:-

“The right conferred to the land holders/owners of the acquired land under Section 24(2) of the Act is the statutory right and, therefore, the said right cannot be taken away by an Ordinance by inserting proviso to the abovesaid sub-section without giving retrospective effect to the same.”

6. The same has been reinforced by the Supreme Court in **Karnail Kaur & Ors. Vs. State of Punjab & Ors. Civil Appeal No. 7424/2013 decided on 22.01.2015.**

7. From the above decisions, it is evident that the said Ordinance is prospective in nature and the rights created in favour of the petitioner as on 01.01.2014 by virtue of the 2013 Act are undisturbed by the second Proviso to Section 24(2) of the 2013 Act, which has been introduced by the said Ordinance.

8. Without going into the controversy with regard to the physical possession, this much is clear that the Award was made more than five years prior to the commencement of the 2013 Act and the compensation has also not been paid to the petitioner, but has only been deposited in the treasury, which does not amount to payment of compensation as interpreted by the Supreme Court in **Pune Municipal Corporation and Anr v. Harakchand Misirimal Solanki and Ors:** (2014) 3 SCC 183.

9. All the necessary ingredients for the application of Section 24(2) of the 2013 Act as interpreted by the Supreme Court and this Court in the following cases stand satisfied:-

- (1) **Union of India and Ors v. Shiv Raj and Ors:** (2014) 6 SCC 564;
- (2) **Sree Balaji Nagar Residential Association v. State of Tamil Nadu and Ors:** Civil Appeal No. 8700/2013 decided on 10.09.2014;

- (3) **Surender Singh v. Union of India & Others:** WP(C) 2294/2014 decided on 12.09.2014 by this Court; and
- (4) **Girish Chhabra v. Lt. Governor of Delhi and Ors:** WP(C) 2759/2014 decided on 12.09.2014 by this Court.

10. The learned counsel for the respondents also contend that the petition is not maintainable inasmuch as the petitioner is a subsequent purchaser. The learned counsel for the respondents submitted that it is settled law that a subsequent purchaser cannot challenge the acquisition proceedings and he is only entitled to seek compensation. They placed reliance on the Supreme Court decision in the case of **K.N. Aswathnarayana Setty (D) Tr. L.Rs. and Ors. v. State of Karnataka and Ors.:** AIR 2014 SC 279. A reference in this connection was also made to the Supreme Court decision in the case of **Meera Sahni v. Lt. Governor of Delhi and Ors.:** 2008 (9) SCC 177.

11. There is no doubt that in the context of the 1894 Act the Supreme Court clearly held that a subsequent purchaser would not have a right to challenge the acquisition and would only have a right to seek compensation. But, the position obtaining at present is different. This is a petition which does not seek to challenge the acquisition proceedings but

seeks a declaration of a right which has enured to the benefit of the petitioner by virtue of the operation of Section 24(2) of the 2013 Act. Once the acquisition is deemed to have lapsed because of the operation of the deeming provision of Section 24(2) of the 2013 Act, the benefit of the same cannot be denied to the petitioner on the ground that the petitioner is a subsequent purchaser. This is, of course, provided that the conditions precedent for the application of the deeming provision contained in Section 24(2) of the 2013 Act are satisfied.

12. As a result, the petitioner is entitled to a declaration that the said acquisition proceedings initiated under the 1894 Act in respect of the subject land are deemed to have lapsed. It is so declared.

13. The writ petition is allowed to the aforesaid extent. There shall be no order as to costs.

BADAR DURREZ AHMED, J

SANJEEV SACHDEVA, J

FEBRUARY 09, 2015

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