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**IN THE HIGH COURT OF DELHI AT NEW DELHI**

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*Date of Judgment: 27<sup>th</sup> November, 2017*

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**W.P. (C.) No.4726/2017**

**PREM RAJ**

..... Petitioner

Through

Mr. Lalit Kumar Rawal and Mr. Sunil  
K. Goel, Advocates

versus

**GOVT OF NCT OF DELHI & ORS.**

..... Respondents

Through

Ms. Jyoti Tyagi, Advocate for Mr.  
Yeeshu Jain, Standing Counsel for  
L&B/LAC.

Mr. Sanjeev Sabharwal, Standing  
Counsel with Mr. Hem Kumar,  
Advocate for DDA.

**CORAM:**

**HON'BLE MR. JUSTICE G.S.SISTANI**

**HON'BLE MR. JUSTICE VINOD GOEL**

**G.S.SISTANI, J. (ORAL)**

1. Counter affidavits have been filed by the LAC and DDA.
2. With the consent of the parties, the writ petition is set down for final hearing and disposal.
3. The present petition has been filed under Article 226 of the Constitution of India by the petitioner. The petitioner seeks a declaration that the acquisition proceedings with respect to the land of the petitioner comprised in Khasra no.241/2(02-10) 56 (06-00) having 1/4<sup>th</sup> share, situated in the revenue estate of village Ghonda Gujaran Khadar, Shahdara, Delhi (hereinafter referred to as the 'subject land') is deemed to have lapsed in view of Section 24(2) of the Right to Fair

Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013(New Act).

4. Necessary facts which are required to be noticed for disposal of the present writ petition are that a Section 4 notification of the Land Acquisition Act, 1894(hereinafter referred to as the 'Act') was issued on 23.06.1989 for purposes of planned development of Delhi. A Section 6 notification of the Act was issued on 20.06.1990 and an Award bearing no.8/92-93 was passed on 19.06.1992.
5. Learned counsel for the petitioner submits that a symbolic possession was taken on 21.03.2007. However, the physical possession continues to remain with the petitioner. He further submits that till date no compensation was tendered. Photographs showing physical possession of the petitioner have been annexed to the petition. Learned counsel for the petitioner while relying on the decision rendered in the case of ***Pune Municipal Corporation & Anr. v. Harakchand Misirimal Solanki & ors.***, reported at (2014) 3 SCC 183, submits that the petitioner is entitled to a declaration *qua* 1/4<sup>th</sup> share of the subject land that the acquisition proceedings with respect to land of the petitioner stand lapsed.
6. Ms. Tyagi, learned counsel for the LAC has drawn the attention of this Court on para 4 of the counter affidavit to submit that the actual physical possession of the subject land was taken over and handed over to the DDA. She submits that no one turned up to receive the compensation. As per the counter affidavit filed by the DDA, learned counsel for the DDA submits that the subject land has been acquired.

However, the counter affidavit does not indicate as to whether the subject land has been put to use or not.

7. We have heard the learned counsel for the parties. Para 4 of the counter affidavit filed by the LAC, reads as under:

“4. That it is submitted that for purposes of planned development of Delhi, the answering respondent issued a Notification u/s 4 of the Land Acquisition Act, 1894 on 23.6.1989 which was followed by Notification u/s 6 of the said Act dated 20.6.1990 for planned development of Delhi for the acquisition of the lands falling in village Ghonda Gujran Khadar. That an Award No.8/92-93 dated 19.6.1992 was also passed and the actual vacant possession of the subject lands falling in khasra number 241/2(2-10) and 56 (6-00) was taken on the spot by preparing possession proceedings dated 21.3.2007 and handed over to the DDA on the spot whereas nobody turned up to claim compensation. The petitioner is claiming 1/4<sup>th</sup> share only.”

8. A reading of the aforesaid paragraph would show that the compensation has not been paid to the petitioner. The case of the petitioner is fully covered by the decision rendered by the Supreme Court of India in the case of ***Pune Municipal Corporation & Anr.***(supra). Paras 14 to 20 read as under:

“14. Section 31(1) of the 1894 Act enjoins upon the Collector, on making an award under Section 11, to tender payment of compensation to persons interested entitled thereto according to award. It further mandates the Collector to make payment of compensation to them unless prevented by one of the contingencies contemplated in sub-section (2). The contingencies contemplated in Section 31(2) are: (i) the persons interested entitled to compensation do not consent to receive it (ii) there is no person competent to alienate the land and (iii) there is dispute as to the title to receive compensation or as to the apportionment of it. If due to any

of the contingencies contemplated in Section 31(2), the Collector is prevented from making payment of compensation to the persons interested who are entitled to compensation, then the Collector is required to deposit the compensation in the court to which reference under Section 18 may be made.

15. Simply put, Section 31 of the 1894 Act makes provision for payment of compensation or deposit of the same in the court. This provision requires that the Collector should tender payment of compensation as awarded by him to the persons interested who are entitled to compensation. If due to happening of any contingency as contemplated in Section 31(2), the compensation has not been paid, the Collector should deposit the amount of compensation in the court to which reference can be made under Section 18.

16. The mandatory nature of the provision in Section 31(2) with regard to deposit of the compensation in the court is further fortified by the provisions contained in Sections 32, 33 and 34. As a matter of fact, Section 33 gives power to the court, on an application by a person interested or claiming an interest in such money, to pass an order to invest the amount so deposited in such government or other approved securities and may direct the interest or other proceeds of any such investment to be accumulated and paid in such manner as it may consider proper so that the parties interested therein may have the benefit therefrom as they might have had from the land in respect whereof such money shall have been deposited or as near thereto as may be.

17. While enacting Section 24(2), Parliament definitely had in its view Section 31 of the 1894 Act. From that one thing is clear that it did not intend to equate the word “paid” to “offered” or “tendered”. But at the same time, we do not think that by use of the word “paid”, Parliament intended receipt of compensation by the landowners/persons

interested. In our view, it is not appropriate to give a literal construction to the expression “paid” used in this sub-section (sub-section (2) of Section 24). If a literal construction were to be given, then it would amount to ignoring procedure, mode and manner of deposit provided in Section 31(2) of the 1894 Act in the event of happening of any of the contingencies contemplated therein which may prevent the Collector from making actual payment of compensation. We are of the view, therefore, that for the purposes of Section 24(2), the compensation shall be regarded as “paid” if the compensation has been offered to the person interested and such compensation has been deposited in the court where reference under Section 18 can be made on happening of any of the contingencies contemplated under Section 31(2) of the 1894 Act. In other words, the compensation may be said to have been “paid” within the meaning of Section 24(2) when the Collector (or for that matter Land Acquisition Officer) has discharged his obligation and deposited the amount of compensation in court and made that amount available to the interested person to be dealt with as provided in Sections 32 and 33.

18. 1894 Act being an expropriatory legislation has to be strictly followed. The procedure, mode and manner for payment of compensation are prescribed in Part V (Sections 31-34) of the 1894 Act. The Collector, with regard to the payment of compensation, can only act in the manner so provided. It is settled proposition of law (classic statement of Lord Roche in *Nazir Ahmad*[1]) that where a power is given to do a certain thing in a certain way, the thing must be done in that way or not at all. Other methods of performance are necessarily forbidden.

19. Now, this is admitted position that award was made on 31.01.2008. Notices were issued to the landowners to receive the compensation and since they did not receive the compensation, the amount (Rs.27 crores) was deposited in the government treasury. Can it be said that deposit of the

amount of compensation in the government treasury is equivalent to the amount of compensation paid to the landowners/persons interested? We do not think so. In a comparatively recent decision, this Court in Agnelo Santimano Fernandes[2], relying upon the earlier decision in Prem Nath Kapur[3], has held that the deposit of the amount of the compensation in the state's revenue account is of no avail and the liability of the state to pay interest subsists till the amount has not been deposited in court.

20. From the above, it is clear that the award pertaining to the subject land has been made by the Special Land Acquisition Officer more than five years prior to the commencement of the 2013 Act. It is also admitted position that compensation so awarded has neither been paid to the landowners/persons interested nor deposited in the court. The deposit of compensation amount in the government treasury is of no avail and cannot be held to be equivalent to compensation paid to the landowners/persons interested. We have, therefore, no hesitation in holding that the subject land acquisition proceedings shall be deemed to have lapsed under Section 24(2) of the 2013 Act.”

9. Having regard to the facts noted hereinabove and the stand taken by the LAC in the counter affidavit, we are of the considered view that the necessary ingredients for the application of Section 24(2) of the New Act as has been interpreted by the Supreme Court of India and this Court in the following cases stand satisfied:

- (1) ***Pune Municipal Corporation & Anr. v. Harakchand Misirimal Solanki & ors.***, reported at (2014) 3 SCC 183;
- (2) ***Union of India and Ors v. Shiv Raj and Ors.***, reported at (2014) 6 SCC 564;
- (3) ***Sree Balaji Nagar Residential Association v. State of Tamil Nadu and Ors***, Civil Appeal no.8700/2013 decided on 10.09.2014;

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

10. In view of the discussion above, the petitioner is entitled to a declaration *qua* 1/4<sup>th</sup> share of the subject land that the acquisition proceedings initiated under the Land Acquisition Act, 1894 with regard to the subject land are deemed to have lapsed. It is so declared.
11. The writ petition stands disposed of.

**CM.APPL 20514/2017(stay)**

12. The interim order dated 29.05.2017 is confirmed.
13. The application stands disposed of.

**G.S.SISTANI, J.**

**VINOD GOEL, J.**

**NOVEMBER 27, 2017**

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