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

Date of Judgment : 3rd January, 2018

+ W.P.(C) 12118/2015

SUBHASH CHANDER KHATRI & ANR Petitioners

Through Mr. Abhimanyu Singh Khatri, Adv.

versus

UNION OF INDIA & ORS Respondents

Through Mr. Rajesh Kumar & Mr. Nikhil
Kumar, Advocates for UOI.
Ms. Ruchika Rathi, Advocate for
L&B/LAC.
Mr. Raghvendra Pandey with Mr.
Sanjeev Pachori, Advocates for R-4.

CORAM:

HON'BLE MR. JUSTICE G.S.SISTANI

HON'BLE MS. JUSTICE SANGITA DHINGRA SEHGAL

G.S.SISTANI, J. (ORAL)

1. With consent of the parties, the writ petition is set down for final hearing and disposal.
2. This is a petition under Article 226 of the Constitution of India filed by the petitioners seeking a declaration that the acquisition proceeding with respect to the land of the petitioners falling in Khasra no.22/6/1 (0-18), situated in revenue estate of village Mamurpur Narela, Delhi (hereinafter referred to as the 'subject land') has lapsed in view of Section 24 (2) of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013

(hereinafter referred to as '2013 Act'), as neither physical possession of the subject land has been taken nor compensation has been paid.

3. At the outset, counsel for the petitioners, on instructions, submits that the petitioners would accept compensation as per 2013 Act as it is the case of the respondents that physical possession of the subject land has been taken and the lands have been put to use. Counsel for the petitioners has relied on *Pune Municipal Corporation & Anr. v. Harakchand Misirimal Solanki & ors.*, reported at (2014) 3 SCC 183, in support of his plea that since the compensation has not been paid, the case of the petitioners would be covered by the aforesaid decision.
4. The necessary facts to be noticed for disposal of this writ petition are that a notification under sections 4, 6 and 17(1) of the Land Acquisition Act, 1894 were issued on 04.06.1984. An award bearing no.192/86-87 was made on 19.09.1986.
5. In the counter affidavit filed by LAC, it has been stated that although physical possession of the subject land has been taken but compensation could not be paid. Paras 5 and 6 of counter affidavit filed by LAC read as under :-

“5. That it is submitted that the lands of village were notified vide Notification under section 4 of the Land Acquisition Act which was followed by Notification under section 6 and 17 (1) of the said Act vide Notification dated 04.06.1984. In pursuance of said notification, notices under section 9 & 10 as provided under the Act, were issued to the interested persons, inviting the claims from all the interested persons and claims were also filed by the interested persons.

6. That the Land Acquisition Collector passed an Award bearing No.192/1986-87 dated 19.09.1986 and it is submitted that the physical possession of the land

bearing Khasra Nos.22/6/1 admeasuring 18 Biswas situated in the Village Mamurpur, Narela was taken on 22.01.1986 and the compensation of the same could not be paid.”

6. Counter affidavit has also been filed by counsel for respondent no.4 Irrigation & Flood Control Department the beneficiary of the subject land, as per which, possession has been taken and the land has been put to use. Para-2 of the counter affidavit filed by respondent no.4 Irrigation & Flood Control Department reads as under :-

“2. That the relief sought in the writ petition is not available to the petitioner, in that the land was acquired as per law and its physical possession was handed over to Irrigation and Flood Control Department for construction of Bankner Link Drain, which was duly built, and is running smoothly, therefore, the question of quashing the Award does not arise.”

7. We have heard the learned counsel for the parties. In the case of ***Pune Municipal Corporation & Anr.*** (supra), in paras 14 to 20, it has been held 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.”

8. Taking into consideration the submissions made 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 2013 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.

9. Applying the law laid down to the facts of the present case, since the award having been announced more than five years prior to the commencement of the 2013 Act and, having regard to the fact that the compensation has not been tendered and the fact that the petitioners have restricted the prayer for grant of compensation, the petitioners are entitled to a declaration that the acquisition proceedings initiated under the Land Acquisition Act, 1894 with regard to the subject land are deemed to have lapsed. It is ordered accordingly. The petitioners shall be entitled to compensation as per the 2013 Act, which shall be paid within one year from today, as prayed.
10. The petition stands disposed.

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11. The application also stands disposed of in view of the order passed in the writ petition.

G.S.SISTANI, J.

SANGITA DHINGRA SEHGAL, J.

JANUARY 03, 2018/ck