

IN THE HIGH COURT OF PUNJAB AND HARYANA AT
CHANDIGARH

Date of decision:- 01.12.2020

1. Civil Writ Petition No. 10724 of 2015

Alka		Petitioner
	Versus	
State of Haryana and others		...Respondents

2. Civil Writ Petition No. 22004 of 2015

Surinderpal Singh		Petitioner
	Versus	
State of Haryana and others		...Respondents

CORAM: **HON'BLE MR. JUSTICE RAVI SHANKER JHA, CHIEF JUSTICE**
 HON'BLE MR. JUSTICE ARUN PALLI, JUDGE.

Present:- Mr. Abhilaksh Grover, Advocate with
 Mr. Sidhant Bhonsle, Advocate, for the petitioner in
 CWP No. 10724 of 2015.
 Mr. V.K.Gupta, Advocate, for the petitioner in
 CWP No. 22004 of 2015.
 Mr. Ankur Mittal, Addl. Advocate General, Haryana,
 for the respondents.

(The aforesaid presence is being recorded through video conferencing since the proceedings are being conducted in virtual Court).

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RAVI SHANKER JHA, CHIEF JUSTICE (ORAL)

The aforesaid writ petitions, arises out of the same acquisition proceedings and are thus taken up for hearing together. The land in question in both the petitions is said to have been acquired vide notifications dated 10.05.2001 and 11.05.2001 issued under section 4 and 6 of the Land Acquisition Act, 1894, followed by the award dated 14.03.2002 for the public purpose namely, Construction of road in Sector 15, Jagadhari.

2. The petitioners' in both the petitions are seeking lapsing of the acquisition proceedings under section 24(2) of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Re-settlement Act, 2013, on the ground that neither the possession of the land has been taken nor the compensation has been paid to them.

3. The law regarding Section 24(2) of the Act of 2013 had remained unsettled as various judicial pronouncements left open several questions with regard to the interpretation of the provision and the reference was sent to the Constitution Bench and all the questions referred, ultimately came to be decided in **Indore Development Authority v. Manoharlal and others AIR 2020 SC 1496**. The present petition was kept awaiting the decision of the Hon'ble Supreme Court and since now the controversy shrouded around section 24(2) of the Act of 2013 has been finally settled, these petitions have been taken up for hearing for the final disposal in terms of the principles enunciated in Indore Development Authority (Supra). The guidelines/ principle laid down by the Hon'ble Court in concluding paragraph of the judgment are reproduced herein below:

'....1. Under the provisions of Section 24(1)(a) in case the award is not made as on 1.1.2014 the date of commencement of Act of 2013, there is no lapse of proceedings. Compensation has to be determined under the provisions of Act of 2013.

2. In case the award has been passed within the window period of five years excluding the period covered by an interim order of the court, then proceedings shall continue as provided under Section 24(1)(b) of the Act of 2013 under the Act of 1894 as if it has not been repealed.

3. The word 'or' used in Section 24(2) between possession and compensation has to be read as 'nor' or as 'and'. The deemed lapse of land acquisition proceedings under Section 24(2) of the Act of 2013 takes

place where due to inaction of authorities for five years or more prior to commencement of the said Act, the possession of land has not been taken nor compensation has been paid. In other words, in case possession has been taken, compensation has not been paid then there is no lapse. Similarly, if compensation has been paid, possession has not been taken then there is no lapse.

4. *The expression 'paid' in the main part of Section 24(2) of the Act of 2013 does not include a deposit of compensation in court. The consequence of non-deposit is provided in proviso to Section 24(2) in case it has not been deposited with respect to majority of land holdings then all beneficiaries (landowners) as on the date of notification for land acquisition under Section 4 of the Act of 1894 shall be entitled to compensation in accordance with the provisions of the Act of 2013. In case the obligation under Section 31 of the Land Acquisition Act of 1894 has not been fulfilled, interest under Section 34 of the said Act can be granted. Non-deposit of compensation (in court) does not result in the lapse of land acquisition proceedings. In case of non-deposit with respect to the majority of holdings for five years or more, compensation under the Act of 2013 has to be paid to the "landowners" as on the date of notification for land acquisition under Section 4 of the Act of 1894.*

5. *In case a person has been tendered the compensation as provided under Section 31(1) of the Act of 1894, it is not open to him to claim that acquisition has lapsed under Section 24(2) due to non-payment or non-deposit of compensation in court. The obligation to pay is complete by tendering the amount under Section 31(1). Land owners who had refused to accept compensation or who sought reference for higher compensation, cannot claim that the acquisition proceedings had lapsed under Section 24(2) of the Act of 2013.*

6. *The proviso to Section 24(2) of the Act of 2013 is to be treated as part of Section 24(2) not part of Section 24(1)(b).*

7. *The mode of taking possession under the Act of 1894 and as contemplated under Section 24(2) is by drawing of inquest report/ memorandum. Once award has been passed on taking possession under Section 16 of the Act of 1894, the land vests in State there is no divesting provided under Section 24(2) of the Act of 2013, as once possession has been taken there is no lapse under Section 24(2).*

8. *The provisions of Section 24(2) providing for a deemed lapse of proceedings are applicable in case*

authorities have failed due to their inaction to take possession and pay compensation for five years or more before the Act of 2013 came into force, in a proceeding for land acquisition pending with concerned authority as on 1.1.2014. The period of subsistence of interim orders passed by court has to be excluded in the computation of five years.

9. Section 24(2) of the Act of 2013 does not give rise to new cause of action to question the legality of concluded proceedings of land acquisition. Section 24 applies to a proceeding pending on the date of enforcement of the Act of 2013, i.e., 1.1.2014. It does not revive stale and time-barred claims and does not reopen concluded proceedings nor allow landowners to question the legality of mode of taking possession to reopen proceedings or mode of deposit of compensation in the treasury instead of court to invalidate acquisition’.

4. For declaring the acquisition proceedings to have been lapsed, the conditions mentioned in section 24(2) of the Act of 2013 namely, the physical possession of the land not been taken and the compensation not been paid, needs to be fulfilled. The Hon’ble Supreme Court in Indore Development Authority (Supra) has held that both the conditions are conjunctive in nature and therefore, for seeking the lapsing of the acquisition proceedings, both must be in existence, if one of the conditions remains unsatisfied there can be no lapsing under section 24(2) of the Act of 2013. The reference here can be made to following para of the judgment:

‘...99. In this Court’s considered view, as regards the collation of the words used in Section 24(2), two negative conditions have been prescribed. Thus, even if one condition is satisfied, there is no lapse, and this logically flows from the Act of 1894 read with the provisions of Section 24 of the Act of 2013. Any other interpretation would entail illogical results. That apart, if the rule of interpretation with respect to two negative conditions qualified by “or” is used, then “or” should be read as “nor” or “and”.

5. At first we will examine the status of possession, which Mr. Mittal, Id. State Counsel has submitted to have been taken by recording the rapat Roznamcha no. 730 dated 14.03.2002 while referring to the reply and thus submits that in terms of the principles laid down by the Hon'ble Supreme Court in Indore Development Authority (Supra) due possession of the land stands taken and therefore the same now vests in the State absolutely. He has referred to the following while stating so:

“...244. Section 16 of the Act of 1894 provided that possession of land may be taken by the State Government after passing of an award and thereupon land vest free from all encumbrances in the State Government. Similar are the provisions made in the case of urgency in Section 17(1). The word “possession” has been used in the Act of 1894, whereas in Section 24(2) of Act of 2013, the expression “physical possession” is used. It is submitted that drawing of panchnama for taking over the possession is not enough when the actual physical possession remained with the landowner and Section 24(2) requires actual physical possession to be taken, not the possession in any other form. When the State has acquired the land and award has been passed, land vests in the State Government free from all encumbrances. The act of vesting of the land in the State is with possession, any person retaining the possession, thereafter, has to be treated as trespasser and has no right to possess the land which vests in the State free from all encumbrances.”

245. The question which arises whether there is any difference between taking possession under the Act of 1894 and the expression “physical possession” used in Section 24(2). As a matter of fact, what was contemplated under the Act of 1894, by taking the possession meant only physical possession of the land. Taking over the possession under the Act of 2013 always amounted to taking over physical possession of the land. When the State Government acquires land and draws up a memorandum of taking possession, that amounts to taking the physical possession of the land. On the large chunk of property or otherwise which is acquired, the Government is not supposed to put some other person or the police force in possession to retain it and start cultivating it till the land is used by it for the purpose for which it has been acquired. The Government is not supposed to start residing or to physically occupy it once possession has been taken by drawing the inquest proceedings for obtaining possession thereof. Thereafter, if any further retaining of land or any re-entry is made on the land or someone starts cultivation on the open”

land or starts residing in the outhouse, etc., is deemed to be the trespasser on land which in possession of the State. The possession of trespasser always inures for the benefit of the real owner that is the State Government in the case.

6. Further as regards the compensation, it has been stated to have been deposited in the LAC Account and was made available to the petitioners, however they have chosen not to receive the same. While referring to para 203 of the Indore Development Authority (Supra) it has been submitted that the obligation of the State to pay compensation stands fulfilled once the amount is tendered and actual payment of the compensation or deposit in the court are not contemplated in the Land Acquisition Act, 1894 as mandatory requirements for construing the fulfillment of such obligation. To quote:-

*‘.....203. The word “paid” in Section 31(1) to the landowner cannot include in its ambit the expression “deposited” in court. Deposit cannot be said to be payment made to landowners. Deposit is on being prevented from payment. **However, in case there is a tender of the amount that is to mean amount is made available to the landowner that would be a discharge of the obligation to make the payment and in that event such a person cannot be penalised for the default in making the payment.** In default to deposit in court, the liability is to make the payment of interest under Section 34 of Act of 1894. Sections 32 and 33 (which had been relied upon by the landowners’ counsel to say that valuable rights inhere, in the event of deposit with court, thus making deposit under Section 31 mandatory) provide for investing amounts in the Government securities, or seeking alternative lands, in lieu of compensation, etc. Such deposits, cannot fetch higher interest than the 15 per cent contemplated under Section 34, which is pari materia to Section 80 of Act of 2013. Section 34 is pari materia to section 80 of Act of 2013 in which also the similar rate of interest has been specified. Even if the amount is not deposited in Reference Court nor with the treasury as against the name of the person interested who is entitled to receive it, if Collector has been prevented to make the payment due to exigencies provided in Section 31(2), interest to be paid. **However, in case the deposit is made without tendering it to the person interested, the liability to pay the interest under section 34, shall continue.** Even assuming deposit in the Reference Court is taken to be mandatory, in that case too interest has to follow as specified in section 34. However, acquisition proceeding cannot lapse due to non-deposit....’*

Therefore, in the light of the circumstances detail out above, we have no hesitation to observe that the compensation was duly tendered and thus, the liability of the State as far as the payment of the amount is concerned stands extinguished.

7. This Court has also discussed in detail the principles laid down by the Apex Court in Indore Development Authority (Supra) in the judgment passed in CWP no. 8878 of 2018 – Sehdev Singh and others vs. State of Haryana and others, by referring to the relevant paras of the judgment and the submissions made by the State as well as the landowners before the Court and ultimately concluded the guiding principles with regard to section 24(2) of the Act of 2013 in the manner as follows in para 32:

‘.....(c) The word ‘or’ used in between the both the contingencies of section 24(2) of the Act of 2013 is to be read as ‘nor’ or as ‘and’ which means that to seek lapsing of the acquisition proceedings both the contingencies must be fulfilled. Meaning thereby, that if the possession had been taken but the compensation was not received, there would be no lapse. Similarly, if compensation has been accepted but the possession has not been taken, there would be no lapsing. (reference to para 99 and 363(2) of the judgment in Indore Development Authority (supra)

(d) As far as the aspect of compensation for the land acquired is concerned, the Hon’ble Supreme Court of India has categorically observed that the expression paid in the main part of section 24(2) of the Act of 2013 does not include a deposit of compensation in court. What is required to be proved is that the compensation amount was tendered which has been explained in para 203 that the tendering of the amount would mean that the amount is made available to the landowner and that would be a discharge of the obligation to make the payment and in that event such a person cannot be penalized for the default in making the payment. While referring to section 31(1), 31(2), 34 of the Act of 1894 and comparing them with the para materia provisions i.e. section 71 and 80 of the Act of 2013, the Hon’ble Apex Court has clarified that the only consequence of non-payment of compensation is to make the payment of interest as per section 34 of the Act of 1894. Even the Hon’ble SC has further clarified that once the payment of compensation has been offered/tendered under section 31(1), the

acquiring authority cannot be penalized for non-payment as the amount has remain unpaid due to refusal to accept by the landowner. To clarify it further, the Hon'ble SC has further observed that if a landowner has filed the reference for higher (para 224 of the judgment)

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(f) As regards the mode of taking possession, the Hon'ble Supreme Court had clarified that drawing of inquest report/ memorandum would mean that physical possession has been taken. The law with regard to vesting of land has once again be reiterated to hold that once the possession has been taken under section 16 of the Act of 1894, the land vest in the State and there cannot be any divesting or lapsing. (para 244, 245 and 363(7) of the judgment).

8. The perusal of the factual matrix vis-à-vis the principles laid down in Indore Development Authority (Supra) and followed in Sehdev Singh's case (Supra), leaves no scope of doubt that the possession of the land in question stands taken by recording the rapat Roznmacha and the compensation also stands tendered in terms of section 31(1) of the Land Acquisition Act, 1894. Therefore, none of the contingencies prescribed in section 24(2) of the Act of 2013 necessary for the deemed lapsing of the acquisition proceedings are met, thus the prayer made by the petitioner cannot be acceded to and thus, both the petitions are dismissed. The pending applications are disposed of in same terms and the interim order, if any, stands vacated.

(RAVI SHANKER JHA)
CHIEF JUSTICE

(ARUN PALLI)
JUDGE

01.12.2020
ravinder

Whether speaking/reasoned	Yes/No
Whether reportable	Yes/No