

IN THE HIGH COURT OF PUNJAB AND HARYANA AT
CHANDIGARH

CWP No. 12996 of 2017

Date of Decision: 03.02.2022

Ashok Kumar and others

.... Petitioners

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. B.S.Rana, Senior Advocate with
Mr. Nayandeep, Advocate for the petitioners.

Mr. Ankur Mittal, Addl. Advocate General, Haryana with
Mr. Saurabh Mago, Assistant Advocate General Haryana,
for the respondents.

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

RAVI SHANKER JHA, CHIEF JUSTICE

The controversy involved in the matter at hand revolves around the applicability of Section 24(2) of Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 onto the facts of the case wherein the award under section 11 of The Land Acquisition Act 1894 was announced on 21.02.1992 (for the land in question of the petitioner, the award was announced on 17.11.1994 after the vacation of stay order as regards 20.45 acres including the land in question) i.e. more than five years prior to the commencement of the Act of 2013 on 01.01.2014 and as contended by the petitioners, they are in physical possession of their land acquired as the physical possession has not been

taken and further, that the compensation amount for the land acquired has not been taken. Therefore, the acquisition proceedings qua the land in question have lapsed in view of Section 24(2) of the Act of 2013.

2. The controversy cropped up around interpretation of Section 24(2) of Act of 2013 was put at rest by the Constitution Bench of the Hon'ble Supreme Court of India in case ***Indore Development Authority v. Manoharlal and others AIR 2020 SC 1496*** thereby laying down principles for declaring the acquisition deemed to have been lapsed under section 24(2) of Act of 2013. The Apex Court has discussed in detail all the aspects necessary and relevant for interpreting section 24(2) of Act of 2013, however for the purpose of deciding the matter at hand, the reference to the concluding paragraph of the judgment would be suffice and same is 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'.

3. The exposition of law made in the aforesaid judgment can be summarized in the following manner for more clarity on the principles laid down by the Constitution Bench:-

- (a) In all those cases wherein the acquisition process had been initiated but the award has not been announced under section 11 of the Act of 1894, on the date of commencement of the Act of 2013 i.e. 01.01.2014, there is no lapse of proceedings and the same will continue, however, with the rider that the compensation has to be determined under the provisions of Act of 2013. All those cases wherein the award under section 11 of the Act of 1894 has been announced prior to commencement of the Act of 2013, the provisions of the Act of 2013 would have no bearing or application and the proceedings will continue in respect of those cases, as if, the Act of 1894 has not been repealed.
- (b) 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***)
- (c) 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 Supreme Court 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 Supreme Court has further observed that if a landowner has filed the reference for higher compensation he cannot claim that he was not paid the amount.

- (d) While reading the proviso to section be part of section 24(2) of the Act of 2013, the Hon'ble Supreme Court has clarified that in case, the offer for payment has been made but not deposited, liability to pay amount along with interest subsist and if not deposited for 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. Regarding the deposit, it has been clarified in ***para 242*** of the judgment that for the higher compensation to follow, the money should not have been deposited with the Land Acquisition Collector or in the treasury or in the Court with respect to majority of land holdings, meaning thereby if it was deposited in any of the three modes with respect to majority of holdings, the higher compensation will not follow, but interest under section 34 of the Act of 1894 would be the consequence.

- (e) 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.
- (f) While computing the gap period of five years between the date of award and commencement of the Act of 2013, any interim order subsisting is to be excluded which means that after excluding the interim order, the pre-requisite gap period of 5 years is not there, the provisions of section 24(2) cannot be invoked.
- (g) The Hon'ble Court has further clarified that if the acquisition of land had earlier been challenged and the acquisition was upheld, which means the proceeding stood concluded, the umbrella protection of section 24(2) of the Act of 2013 cannot be invoke as it does not revive stale and time barred claims.

(h) In para 337, the Hon'ble Court has made it clear that the provision of section 24(2) of the Act of 2013 is meant to be invoked by the beneficiaries i.e. landowners who were recorded so at the time of issuance of notification under section 4 of the Act of 1894. Any subsequent purchaser, POA holder or otherwise, cannot invoke the provisions of section 24(2) of the Act of 2013.

4. As per the case put forth by the petitioners, they are owner in possession of the land measuring 7 kanal 10 marla (4 Bigha 16 Biswas) bearing Khasra No. 5146 situated in Patti Taraf Insar, Tehsil and District Panipat. Their land was acquired by the State of Haryana vide notifications dated 23.02.1989 and 22.02.1990 issued under section 4 and section 6 of the Land Acquisition Act, 1894, followed by award dated 21.02.1992 (for the land in question of the petitioner, the award was announced on 17.11.1994 after the vacation of stay order as regards 20.45 acres including the land in question) for the public purpose namely, for development and utilization of land as Residential and Commercial Sector 13-17 Panipat. Out of their land acquired, the land measuring 1 Bigha 0 Biswa was released under Section 5A of the Act of 1894 due to construction. The petitioners challenged the acquisition proceedings by filing CWP No. 17403 of 1991 which was dismissed by this Court vide judgment dated 14.07.1994 based upon the stand taken in the written statement that there 1 Bigha land stands released. The said judgment was assailed by filing LPA No. 434 of 1995 which was dismissed by this Court vide judgment dated 15.01.1994 all throughout the status quo remained operative in their favour. It has further been contended that despite the land having been acquired long back vide award dated 21.02.1992 (for the land in question of the petitioner, the award was

announced on 17.11.1994 after the vacation of stay order as regards 20.45 acres including the land in question) and despite the dismissal of Letters Patent Appeal filed by them in the year 2004, neither the physical possession of the land in question has been taken nor the compensation has been paid. After coming into effect of the Act of 2013, they approached this Court by filing Civil Writ Petition No. 11964 of 2015 which was disposed of by this Court vide order dated 29.05.2015 thereby, directing to decide the claim of the petitioner about the acquisition proceedings having been lapsed in lieu of Section 24(2) of the Act of 2013. As per the petitioners, their claim was rejected vide order dated 06.04.2017 without considering the provisions of Section 24(2) of the Act of 2013 as regards the physical possession having not been taken and the compensation amount having not been received by them. Thus, feeling aggrieved with the order dated 06.04.2017, the instant petition has been preferred seeking declaration that the acquisition proceedings qua their land has lapsed in view of Section 24(2) of the Act of 2013 as both the contingencies prescribed in section 24(2) of Act of 2013 are fulfilled.

5. Opposing the case setup by the petitioners and praying for dismissal of the instant writ petition, Mr. Ankur Mittal, learned Additional Advocate General appearing for the State of Haryana submits that the contention of the petitioners of being in the possession of the land in question is devoid of merit as the possession of the land was taken by recording Rapat Roznamcha no. 124 dated 17.11.1994 and same was handed over to the beneficiary department. Further, he contends that the compensation for land in question was duly tendered i.e., was made available to the petitioners; however they have chosen not to receive the same. In order to substantiate the same, the reliance has been placed on the

fact that the majority of compensation has already been disbursed to the landowners. Therefore, it is submitted that since none of the contingencies mentioned in Section 24 (2) of the Act of 2013 are fulfilled as possession of the land stands duly taken and the obligation of the State to pay the compensation stands discharged with the tender/payment of compensation; the present petition merits dismissal. Further he has taken the objection on the maintainability of the instant petition by placing reliance on para 359 of Indore Development Authority (Supra) wherein the Hon'ble Supreme Court of India has categorically held that cases wherein the landowner(s) has lost in the earlier round of litigation, Section 24(2) of Act of 2013 cannot be invoked at their instance. As far as case at hand is concerned, the petitioners had challenged the acquisition proceedings by filing Civil Writ Petition No. 17403 of 1991 wherein this court had firstly stayed the dispossession of the petitioners and thereafter dismissed the writ petition vide order dated 14.07.1994. This was challenged by filing Letters Patent Appeal No. 434 of 1995 which was also dismissed vide the judgment dated 15.01.2004 which implies that the acquisition proceedings were upheld. It being so, the instant petition preferred at the instance of the petition seeking lapsing is not at all maintainable. The petitioners thereafter, approached this Court by filing another writ petition bearing Civil Writ Petition No. 11964 of 2015 thereby invoking the provisions of Section 24(2) which was disposed of with the directions to decide their claim. Accordingly, the speaking order dated 06.04.2017 was passed, whereby, taking into consideration that the possession of the land in question has been taken and the compensation amount was duly tendered, claim was rejected. He further argued that the reasonings given in the order dated 06.04.2017 are clearly covered with the observations made by the Hon'ble Supreme Court in Indore Development

Authority (*supra*) and thus, the same is required to be upheld and the petition preferred warrant dismissal.

6. After having perused the pleadings of both the contesting parties and recording their contentions, we have no hesitation to conclude that the matter at hand is squarely covered by the principles laid down by the Hon'ble Supreme Court in case *Indore Development Authority (supra)* and the prayer of the petitioners claiming lapsing of acquisition proceedings deserves dismissal in view of the following reasons:-

- a) Though the petitioners have contended that they are in actual physical possession of the land in question, however, the said averment is not tenable in view of the interpretation of '*physical possession*' made by the Hon'ble Apex Court in *Indore Development Authority (Supra)* wherein the Hon'ble Court has categorically held that the word possession used in the Act of 1894 has same meaning as that of physical possession used in Section 24 (2) of Act of 2013. When the State Government acquires the land and draws memorandum of taking possession which in the present case is by recording *Rapat Roznamcha* no. 124 dated 17.11.1994. Therefore, the *panchnama* was drawn prior to the order of dispossession was passed by this Court, therefore, physical possession of the land stands taken and once the possession is taken, there is absolute vesting of the land in the State. Thereafter even if the landowner retains the possession of the land, he is a trespasser, and such possession of trespasser enures for his benefit and on behalf of the owner i.e. State. Since possession has been taken

by recording Rapat Roznamcha no. 124 dated 17.11.1994, the plea of the petitioners that they are in physical possession of the land is thus, hereby rejected. If at all possession has been retained by them, it is only as trespassers and not as owners. As a consequence, thereof one of the essentials for claiming lapsing of acquisition proceedings goes.

- b) As far as aspect of compensation is concerned, it is specific stand of the respondents that the compensation amount was duly tendered and was made available to the landowners including the petitioners. In order to substantiate same reference has been made to the fact that out of total compensation amount of Rs. 16,52,32,478/-, an amount of Rs. 13,44,57,860/- i.e. majority of the compensation has been disbursed. This fact is sufficient to show that the compensation was duly tendered, and the petitioners have themselves chosen not to receive the same, which they are at liberty to receive. Once it is so, the second contingency prescribed in section 24(2) of Act of 2013 also goes and thus, as none of the contingencies prescribed in section 24(2) of Act of 2013 is fulfilled, the deeming fiction of lapsing provided under section 24(2) of Act of 2013 cannot be invoked. Since none of the contingencies mentioned in section 24(2) of Act of 2013 is fulfilled as possession of the land stands taken and the compensation stands duly tendered, therefore, no declaration as regards lapsing of acquisition proceedings can be made in the case at hand.

c) Even otherwise, we are in complete agreement with Mr. Mittal that the instant petition is not maintainable at the instance of the present petitioners as they have already lost earlier challenge to the acquisition proceedings made by filing Civil Writ Petition No. 17403 of 1991 which was dismissed vide order dated 14.07.1994. This was assailed by filing Letters Patent Appeal No. 434 of 1995 which was dismissed by this Court vide judgment dated 15.01.2004. Therefore, as observed by the Hon'ble Supreme Court of India in Para 359 of Indore Development Authority (supra) filing of the present petition is not maintainable. Also, 1 Bigha land stands already released from the acquisition proceedings under section 5-A of Act of 1894. Thus, for all intents and purposes the acquisition proceedings stands concluded and same cannot be reopened under the guise of section 24(2) of Act of 2013.

7. Mr. Ankur Mittal on the strength of the facts pleaded in the written statement has vehemently contended that the State acquired the land for the public purpose public purpose for utilization of land for Residential and Commercial Sector 13-17 Panipat. The land in question is very much essential to achieve the public purpose and it affects the planning of nursing home site, 8 plots of 6 marla and 10 mtr., 2 internal sector roads as per the layout plan. We have considered this part of argument raised by the respondents and we are in complete agreement with the same as this is an important factor to be kept in mind while dealing with the case arising out of the acquisition of land to achieve the public purpose and it is the state/its authority who is in the best position to decide about utilization of the land acquired, after it having been vested in State.

8. As a sequel of the above discussion and in view of law summarized in para 363 of Indore Development Authority (supra), specifically after having recorded that in the case in hand, the physical possession of the land in question having been taken, the obligation for payment of compensation stands discharged and also considering that the land in question is very much essential to achieve the public purpose, we have no hesitation to hold that in the instant case, the state has fully discharged its obligation qua both the contingencies occurring in section 24 (2) of 2013 Act and it being so, the present petition merits dismissal and hence, the instant petition is dismissed.

9. Having dismissed the main writ petition, all pending applications, if any also meet the same fate. The writ petition is dismissed. Status quo if any stands vacated.

(RAVI SHANKER JHA)
CHIEF JUSTICE

(ARUN PALLI)
JUDGE

03.02.2022
ravinder

Whetherspeaking/reasoned	Yes/No
Whetherreportable	Yes/No