

IN THE HIGH COURT OF PUNJAB AND HARYANA AT  
CHANDIGARH

CWP No. 8502 of 2016 (O&M)

Date of Decision: 03.02.2022

Giani Ram 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. Sandeep Sharma, Advocate, for the petitioners.

Mr. Ankur Mittal, Addl. Advocate General, Haryana with  
Mr. Saurabh Mago, Assistant Advocate General Haryana and  
Ms. Kushaldeep Kaur Manchanda, Advocate  
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 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 16.03.1993 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, the possession of the land in question is not taken by the State. The amount of compensation has been received by the petitioners. Therefore, only ground based on which the lapsing of acquisition proceedings

has been claimed is inaction on the part of the State to take physical possession of the land in question.

2. The controversy cropped up around interpretation of Section 24(2) of Act of 2013 was put at rest by a Constitution Bench of the Hon'ble Supreme Court 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, and in this regard the reference is being made to the concluding paragraph of the judgment which 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 the law made by the Apex Court 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 Supreme Court 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 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 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 24 of the Act of 2013 to 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 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 Supreme 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 comprised in Khasra No. 438, 437, 427 measuring 2 acres situated in the revenue estate of Village Islampur District Gurgaon. The petitioners have stated to have constructed residential house and cattle shed on the aforesaid land. The said land was acquired by the State of Haryana through Department of Urban Estate vide notifications dated 22.03.1990 and 19.03.1991 issued under section 4 and section 6 of the Land Acquisition Act, 1894, followed by award dated 16.03.1993 for the public purpose namely, for development and utilization of land for residential, commercial, institutional and open space for Sector 38 to 41 at Gurgaon. It is the case of the petitioners that despite having acquired the land in question, the State has failed to take possession of the land and till date they are in actual physical possession of the land in question. Further it has been contended that the petitioners have received compensation amount which they are ready to deposit back and are thus, seeking lapsing of acquisition proceedings on the ground of non-taking of physical possession of the land in question.

5. Per contra 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. 981 dated 18.07.2011 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 and same admittedly stands received by the petitioners as Rs. 3,66,711.50 vide cheque dated 04.10.1993, Rs. 1,53,808.15 vide cheque dated 13.10.1993 has been received by the father of the petitioner no. 1 and grandfather of petitioner no. 3. Further the compensation amount of Rs. 3,66,711.05 vide cheque dated 04.10.1993, Rs. 2,46,093.05 vide cheque dated 10.03.1993 and Rs. 77,713.60 vide cheque dated 08.04.1993 has been received by the petitioner no. 2. He further submits that there is no provision in the Act of 1894 to deposit back the compensation. 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.

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 Supreme Court in case of 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. 981 dated 18.07.2011, that amounts to taking of the physical possession of the land 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. 981 dated 18.07.2011, therefore, the physical possession of the land stands duly taken by the State. 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, admittedly compensation has been received by the petitioners which itself shows that the compensation amount was tendered and there has been no inaction on part of the State authorities in discharging its obligation as regards payment of compensation. 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. As far as the plea of the petitioners to deposit back the compensation amount is concerned, we are in agreement with the contention of the Ld. Counsel for the State that there is no provision in the acquisition Act, to deposit back the compensation and hence, the said plea is also rejected.

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 for utilization of land for residential, commercial, institutional and open space for Sector 38 to 41 Gurgaon. The land in question is very much essential to achieve the public purpose and it affects the planning of housing board site 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. There is another limb of the pleadings made in the petition which though has no correlation with the lapsing sought under Section 24(2) of the Act of 2013 but since the petitioners have chosen to take these pleas additionally to seek lapsing, we proposed to deal with the same. As emerged from the pleadings made, the petitioners have referred to the judgment passed

by the Supreme Court passed prior to coming into effect of the Act of 2013 i.e. w.e.f. 01.01.2014 which do not supplement the case of the petitioners in any manner as the said judicial pronouncements are of an era when the Act of 2013 was not in force. Apart from relying upon the said judgments, the petitioners have also raised certain pleadings which the release of land in favour of some land owners or of licenses granted to the private builders as well as the policy framed by the State for release of land from acquisition. The release made in the year 2012 has also been agitated. Undisputedly, the instant petition has been preferred after coming into effect of Act of 2013 especially invoking the provisions of section 24(2) of the Act of 2013, wherein, the requirement as provided by law is only two fold i.e. physical possession has not been taken and the compensation has not been paid. Any release of land in favour of any land owner and any judgment passed in favour of land owner especially prior to coming into the effect of the new Act cannot be relied upon to claim lapse. The vague plea of discrimination being raised is otherwise liable to be rejected for the reason that the issue in this regard is no more *res integra* and stands settled in plethora of judgments that to plead discrimination, two persons should not only be similarly placed but identically placed. Apart from this, the plea of discrimination being raised must be demonstrated by the one who pleads so as the onus lies upon the one who pleads discriminatory treatment. The perusal of the pleadings made in the petition does not leave an iota of doubt that the plea of discrimination has been agitated vaguely as much as it could be and thus, is liable to be rejected which otherwise as held by us, is not available to the petitioners who did not agitate the said plea at a time when actually, it was to be agitated, if at all the petitioners had felt discrimination, in

a petition filed seeking lapsing of acquisition under Section 24(2) of the Act of 2013. Moreover, the factum of receipt of compensation for the land acquired clearly substantiate the fact that the petitioners have accepted the acquisition proceedings and after having accepted the compensation amount, the land owner cannot be allowed to assail the acquisition in any form which fact alone is sufficient to dismiss the challenge made by the land owners to the acquisition proceedings.

9. 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.

10. 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

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|---------------------------|--------|
| Whether speaking/reasoned | Yes/No |
| Whether reportable        | Yes/No |