

CWP No. 4259 of 2017 (O&M)

**IN THE HIGH COURT OF PUNJAB AND HARYANA AT
CHANDIGARH**

CWP No. 4259 of 2017 (O&M)

Date of Decision:03.02.2022

M/s Mahesh Wood Products Pvt. Ltd.

....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. Vikram Singh, Advocate, for the petitioner.

**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 (ORAL)

1. 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 02.03.2006 i.e. more than five years prior to the commencement of the Act of 2013 on 01.01.2014 and as contended by the petitioner the possession of the land in question was not taken by the State and no amount of compensation has been received by the petitioner.

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2. The much-cropped controversy 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 the case of ***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 purposes 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'.

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3. The sum and substance of the 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)***

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- (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 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 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,

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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

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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 petitioner, it is owner of the land comprised in Khasra no. 26//15/2 (2-7), 16 (2-0), 25/1 (0-17), 27//11/1 (1-9), 20/1 (4-0), 21/1/1 (1-12), 27//11/2 (0-8), 19/2 (1-6), 20/1 (4-0), 21/1/2 (1-0), 22/1/1 (1-2), 22/2/1 (0-4), 30//2/1 (0-7), 27//18/2 (0-7), 2//1/2 (5-8), 30//2/2 (6-10), 26//25/3/2 (0-4), 25/2 (0-12), 27//21/2 (3-15), 26(0-7), 30//1/2 (6-6), 2//3 (1-3), 24//21/2, 27//16/1 (0-16), 28//20 (1-9), 21 (8-0) situated in Village Badh Khalsa, Tehsil Rai, District Sonapat. The said land was acquired by the State of Haryana vide notifications dated 17.11.2005 and 07.02.2006 issued under section 4 and section 6 of the Land Acquisition Act, 1894, followed by award dated 02.03.2006 for the public purpose namely, development and utilization of land for Sector 65 to 68 (Rajiv Gandhi Education City). Despite

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having acquired the land in question, the State failed to take possession of the land and till date the petitioners are in actual physical possession of the land in question. It is further contended that no compensation for the acquired land has been paid till date to the petitioner. Thus, since neither the possession of the land has been taken nor the compensation has been paid, therefore, the acquisition proceedings have lapsed under section 24(2) of Act of 2013.

5. Per contra, Mr. Ankur Mittal, Ld. Additional Advocate General Haryana appearing for the State of Haryana submits that the contention of the petitioner of being in the possession of the land in question is absolutely fallacious as the possession of the land was taken way back in the year 2006 by recording Rapat Roznamcha no. 566 dated 02.03.2006 and same has been handed over to the beneficiary department i.e. HSVP. Pursuant to the aforesaid, revenue records have also been changed as the Mutation no. 1399 dated 30.04.2008 stands sanctioned. Further, he contends that the compensation for land in question was duly tendered i.e. was made available to the petitioner and other land owners. By placing reliance on the judgment passed in Indore Development Authority (supra), he submits that the actual payment of compensation is nor contemplated in Section 24(2) of act of 2013, mere tender of compensation is sufficient and if compensation has been tendered but has not been received by the landowner, it will not be construed to mean that no compensation was paid. Moreover, the contention of the petitioner as regards non-payment of compensation is dispelled from the fact that other co-sharers have already received the compensation amount. Therefore, none of the contingencies mentioned in Section 24 (2) of the Act

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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 of compensation, hence, 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 Hon'ble Supreme Court of India in the case of Indore Development Authority (supra) for the following reasons:-

- a) Though the petitioner has contended that actual physical possession of the land in question remains with the petitioner, however, the said averment does not find substance 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. 566 dated 02.03.2006, that amounts to taking 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 landowners retain 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.

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Therefore, as observed above the possession of the land in question was taken by recording Rapat Roznamcha no. 566 dated 02.02.2006, therefore, the possession of the land stands duly taken and same vests in the State free from all encumbrances. Therefore, we have no hesitation to hold that the physical possession of the land in question stands taken and thus, it is not available to the petitioner to contend that he is still in possession of the land in question and accordingly, one of the contingencies occurring in section 24(2) of 2013 Act goes.

- b) As far as the aspect of compensation is concerned, the compensation has been duly tendered which is also inferable from the fact that the co-sharers in the land in question has already received the compensation. The Hon'ble Apex court while interpreting the word 'paid' occurring in Sec-24(2) and the word 'deposited' used in proviso to Sec 24 (2) of 2013 Act has very categorically observed the meaning and effect of both by holding that the word 'paid' does not include deposit and in case, the amount has been tendered, the obligation to pay is fulfilled. What would construe to mean "tender of the amount" has been explained in Para 203 to mean that the amount is/was made available to the landowner and that would be a discharge of the obligation to make the payment. In view thereof, we have no hesitation to hold that in the case in hand, the compensation was duly tendered but the petitioner chose to not to accept the

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entire compensation and thus, the state has clearly discharged its obligation to make the payment and thus, the second contingency appearing in section 24 (2) of 2013 Act also goes so far as the instance case is concerned.

c) Further it is pertinent to mention that the acquisition proceedings stood concluded way back in the year 2006 and as pointed out by the Ld. Counsel appearing for the State of Haryana, the land in question has been planned and it affects the planning of 30 mtr sector road, Hostel and staff quarters, 100 mtr green belt including tramway, LIG Housing scheme commercial facility and service road as per the approved development plan, therefore, it is essential for achieving the public purpose for which the land was acquired and cannot be released from the acquisition, more so when the possession of the land sands already taken.

7. 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

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and it being so, the present petition merits dismissal and hence, the instant petition is dismissed.

8. 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
Manoj Bhutani

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