

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
CIVIL APPELLATE JURISDICTION
WRIT PETITION NO. 5292 OF 2019**

Meena Prakash Bhandari and others ... Petitioners

vs.

The Union of India,
Through the Ministry of Chemicals
and Petro Chemicals and others ... Respondents

Mr. Aseem Naphade a/w. Mr. Vishal Pattabiraman, Mr. Rutwij Bapat, Mr.
Rajendra Rathod and Mr. Dhruv Jain for petitioners.

Mr. Ashok R. Varma a/w. Adv. Naveena Kumai for respondent No.1-Union of
India.

Mr. Jay Zaveri a/w. Ms. Rhea Parkash and Mr. Suraj Agarwal, i/b. Crawford
Bayley & Co. for respondent No.3.

**CORAM : MANISH PITALE &
MANJUSHA DESHPANDE, JJ**

DATE : 10th DECEMBER, 2025

P.C. :

. Heard learned counsel for the petitioners and the learned
counsel appearing for contesting respondent No.3 (the said
respondent).

2. By this petition, the petitioners have prayed for setting aside of
award dated 06.10.1971, whereby the land belonging to the
petitioners, was acquired. The petitioners have also challenged an
e-auction notice issued by the said respondent, concerning the said
land.

3. The petitioners contend that the subject land was acquired for
the benefit of the said respondent, which is a public sector
undertaking (PSU), for the specific public purpose of construction of
residential quarters for employees of the said respondent. It was
claimed that although the land was acquired for the stated public
purpose but thereafter, having kept the land unutilized, the said

respondent issued a public notice in the year 2019, calling for bids for the purpose of sale of the subject land. According to the petitioners, such actions on the part of the said respondent, ought not to be sustained and since the petitioners are ready to deposit the amount of compensation, which they had received for acquisition of the subject land, the said respondent should be directed to receive such refund of compensation and to release the land in favour of the petitioners. The learned counsel for the petitioners relied upon the judgment of the Supreme Court in the case of *Royal Orchid Hotels Limited and another vs. G. Jayarama Reddy and others* [(2011) 10 SCC 608]. He submitted that in the said case, the Supreme Court upheld the judgment of the Division Bench of the Karnataka High Court, wherein relief was granted to similarly situated land owners.

4. The learned counsel for contesting respondent No.3 has vehemently opposed the present petition and he submitted that the petition itself is not maintainable. It is submitted that the land having been acquired, with the award having been pronounced as far back as on 06.10.1971, the entire compensation admittedly paid to the petitioners, with the possession of the land being taken, it completely vested in the State for the benefit of the said respondent. It was submitted that in such a situation, the petitioners could not have maintained the present petition filed in the year 2019, which was more than 40 years, after the award had been pronounced.

5. It was further submitted that the subject land was indeed utilized for the purpose, for which it was acquired and with passage of time, when the land was no longer necessary, as the work at the said respondent had been completed, it was put to auction in terms of the law laid down by the Supreme Court in the case of *State of Kerala and others vs. M. Bhaskaran Pillai and another* [(1997) 5 SCC 432].

6. It was submitted that in terms of the law laid down by the Supreme Court in the said judgment and subsequent judgment of this Court in the case of *Khaja Hussein Shaikh Lal and others vs. The State of Maharashtra and others* (judgment and order dated **13.03.2024 passed in Writ Petition No.14773 of 2019**), confirmed by the Supreme Court by dismissal of SLP, the petitioners cannot be granted relief in the present case. Reliance was also placed on the judgment of the Constitution Bench of the Supreme Court in the case of *Indore Development Authority vs. Manoharlal* [(2020) 8 SCC 129].

7. We have perused the contents of the writ petition, in the light of the rival submissions. It is an admitted position that the acquisition proceedings in the present case, culminated in the award dated 06.10.1971. The entire compensation was received by the petitioners and possession of subject land was also taken. As per Section 16 of the Land Acquisition Act, 1894, (the Land Acquisition Act), as a consequence of possession of land being taken in pursuance of the award, the land vested completely in favour of the State without any encumbrances. The land was acquired for the purpose of the said respondent-PSU, as residential quarters for the employees of the said respondent, were to be constructed.

8. It is to be noted that the petitioners themselves, in paragraph No.9 of the petition, have stated that the said respondent indeed constructed ground floor structure on a part of the said property for accommodation of their staff and officers. It is also to be noted that even upon amendment of the petition, in paragraph No.23(b), the petitioners themselves have stated that the said respondent did partially utilize the land for construction of such quarters.

9. In the face of the said statements made in the petition itself, it cannot lie in the mouth of the petitioners to state that the subject land remained unutilized for all these years. It is also a relevant factor that while the award was pronounced as far back as on 06.10.1971, the petitioners approached this Court in the year 2019, with the aforesaid prayer for restoration of land upon refund of compensation. Such prayer cannot be entertained, in the light of a number of pronouncements of the Supreme Court, including judgment in the case of **State of Kerala and others vs. M. Bhaskaran Pillai and another** (*supra*). In paragraph No.4 of the said judgment, the Supreme Court referred to Section 16 of the Land Acquisition Act and reiterated the settled position of law that if the land is acquired for a public purpose, after the public purpose was achieved, the rest of the land could be used for any other public purpose. It was further emphasized that in case there was no other public purpose for which the land was needed, then instead of disposal by way of sale to the erstwhile owner, the land should be put to public auction and the amount fetched in the public auction can be better utilized for the public purpose envisaged in the Directive Principles of the Constitution.

10. We find that in the present case, by issuing e-auction notice, the said respondent did follow the said guideline laid down by the Supreme Court in the case of **State of Kerala and others vs. M. Bhaskaran Pillai and another** (*supra*).

11. We also find substance in the contention raised on behalf of the said respondent, by placing reliance on the judgment of the Supreme Court in the case of *Indore Development Authority vs. Manoharlal* (*supra*) and judgment of the Division Bench of this Court in the case of **Khaja Hussein Shaikh Lal and others vs. The State of Maharashtra and others** (*supra*), that once land is acquired and it

vests in the State, free from all encumbrances, the land owner can have no concern with the said land. The land owner becomes *persona non grata* and such land owner has the right of only receiving compensation.

12. In the present case, it is undisputed that the petitioners received compensation for acquisition of the subject land. The possession of the land was taken immediately upon the award being pronounced and therefore, the land stood vested in the State as far back as in the year 1971. The present petition being filed in the year 2019, cannot be entertained, simply because the petitioners are of the opinion that part of the land acquired for the said respondent, remained unutilized.

13. The judgment of the Supreme Court in the case of **Royal Orchid Hotels Limited and another vs. G. Jayarama Reddy and others** (*supra*) cannot be of any assistance to the petitioners because in the said case, it was found as a matter of fact that the Corporation did not have enough funds, even to pay the compensation to the landowners and their land was being sold to private parties to arrange for the compensation amount. Such are not the facts in the present case.

14. The reliefs sought in the present petition cannot be granted, as granting such reliefs would be in the teeth of settled position of law referred to hereinabove.

15. In view of the above, we do not find any merit in the present petition and hence, it is dismissed. Pending applications, if any, also stand disposed of.

(MANJUSHA DESHPANDE, J.)

(MANISH PITALE, J.)