



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

**CM-6103-CWP-2025
in/ and CWP-24081-2023 (O&M)
Date of Decision: 14.05.2025**

M/s Karma Lakelands Pvt. Ltd. and another

....Petitioners

versus

The State of Haryana and others

...Respondents

**CORAM: HON'BLE MR. JUSTICE DEEPAK SIBAL
HON'BLE MS. JUSTICE LAPITA BANERJI**

Present: Mr.Chetan Mittal, Senior Advocate with
Mr.Udit Garg, Advocate,
Mr.Madhav Sinhal, Advocate,
Mr.Sukhandeep Singh, Advocate,
Ms.Navroop Jawanda, Advocate,
for the petitioners.

Mr.Ankur Mittal, Additional Advocate General, Haryana
Mr.Pradeep Chahar, Sr.DAG, Haryana
Mr.Saurabh Mago, DAG Haryana
Mr. Shivendra Swaroop, DAG Haryana
for State of Haryana.

Mr.Ankur Mittal, Advocate with
Ms.Kushaldeep Kaur, Advocate,
Mr.Siddhanth Arora, Advocate,
Ms.Ashna Singh, Advocate,
Ms.Shawi, Advocate
for HSIIDC.

Deepak Sibal, J.

1. Through a notification dated 27.08.2004, issued under
Section 4 of the Land Acquisition Act, 1894 (for short – 1894 Act),



the State of Haryana declared its intention to acquire land measuring 912 acres (approximately) in 03 villages namely Manesar, Lakhnaula and Naurangpur in district Gurugram. According to the State, the land sought to be acquired was required for setting up of Chaudhary Devi Lal Industrial Modern Township, which was planned to be an integrated complex for residential, recreational and other public utilities.

2. Land of the petitioners (hereinafter referred to as the company) was covered by the aforesaid notification. Being aggrieved by the initiation of the process by the State to acquire its land, the company filed its objections under Section 5-A of the 1894 Act. Other land owners whose lands were covered under the aforesaid notification also filed their objections. The State then issued a notification dated 25.08.2005 under Section 6 of the 1894 Act, seeking now to acquire 688 acres of land as, after considering the objections filed by the company and other land owners, 224 acres of land, which were included in the notification issued under Section 4 of the 1894 Act were dropped from acquisition. The 224 acres of land which were denotified included 207.11 acres of land under the ownership and possession of the company. However, 25.95 acres of the company's land still figured in the notification issued by the State under Section 6 of the 1894 Act.

3. Between the years 2004 and 2006 the company further purchased seven parcels of land in the vicinity which cumulatively measured 9.77 acres.



4. On 02.08.2007 a notice under Section 9 of the 1894 Act was issued by the State informing all the land owners that an award with regard to compensation to be paid in lieu of the acquired land would be announced on 26.08.2007. However, before such award could be announced, the State Government, through an order dated 24.08.2007, declared that a fresh notification would be issued in place of the present proceedings on the ground that the State had come to know that there were several cases wherein private builders had applied for licences/ change of land use with regard to the lands which formed part of the acquisition proceedings.

5. No award for the acquired land was passed and on 29.01.2010 the Government decided to withdraw the entire acquisition proceedings.

6. The land owners (other than the company/ private builders) then knocked the doors of this Court through CWP 23769-2011 – Om Parkash and others vs. State of Haryana and others through which they sought quashing of the entire action of the State which had earlier invoked Sections 4 and 6 of the 1894 Act to acquire land for a public purpose and in such a scenario, under the threat of acquisition, compelled the land owners to be divested of their valuable land at throw away prices to private builders and after they had done so, before announcing the award, in connivance with the private builders, withdrawn the entire acquisition proceedings with the only intention of helping the private builders.



7. This Court dismissed the petition filed by the land owners on the ground of delay and laches.

8. The land owners then carried the matter to the Supreme Court, which, after considering the entire record, through its judgment dated 12.03.2018 in Rameshwar and others vs. State of Haryana and others (2018) 6 SCC 215 (hereinafter referred to Rameshwar-1), held that the transactions with regard to parting of their land by the land owners in favour of the private builders had been brought about by fraudulent influence and that the decision taken by the State to withdraw from the acquisition, after the land owners had entered into transactions with the private builders, was guided by extraneous considerations as also that such decision by the State had been taken with the only design to enrich the private builders. Having held so, the Supreme Court directed setting aside of the decision taken by the State to withdraw from the acquisition proceedings with a further direction that award for the acquired lands would now be passed but the same would be deemed to have been passed on 26.08.2007. This award would be in respect of lands which were covered by the declaration dated 25.08.2005 made by the State under Section 6 of the 1894 Act and for the lands which had been transferred by the land owners between 27.08.2004 and 29.01.2010. It was further directed that the lands which were not transferred by the land owners during the aforesaid period would stand vested in the HUDA/HSIIDC, free from all encumbrances. HUDA/HSIIDC was further permitted to take



possession thereof forthwith. Consequently, all licences granted in respect of the lands which would be covered by the deemed award dated 26.08.2007 were transferred to HUDA/HSIIDC. All transactions entered between 24.08.2007 and 29.01.2010, pursuant to which the land owners had transferred their lands in favour of private builders or a third party were directed to be governed by the afore directions. Still further, it was directed that the sale consideration paid by the private builders to the land owners would be adjusted towards compensation to be awarded to them under the award to be pronounced by the Land Acquisition Collector and that the land owners would not be required to refund any amount under the award. After the announcement of the award the land owners could seek enhancement in the awarded compensation by making a reference under Section 18 of the 1894 Act and if the reference court was to enhance the payable compensation, the amounts already received by the land owners from the private builders were to be appropriated towards such awarded sum. The amounts spent by the private builders on development of the land purchased by them from the land owners were to be realized by them from HUDA/HSIIDC. However, such amounts were to be refunded only in respect of the amount for which the land owners had sold the land and not subsequently. The subsequent purchasers were also permitted to take their remedies against their respective vendors.



9. In the afore proceedings, the company was neither a party before this Court nor the Supreme Court.

10. The company's total land holding in the area is 242.83 acres out of which 207.11 acres, though was included in the notification issued under Section 4 of the 1894 Act but after filing of objections by the company, these 207.11 acres were specifically excluded in the notification issued under Section 6 and therefore, there is no dispute raised in these proceedings qua such land.

11. The company also owned seven parcels of land which were integrated with and contiguous to the afore referred 207.11 acres of land. These parcels of land which cumulatively measured 9.77 acres had been purchased by the company between the years 2004 and 2006 i.e. after the issuance of the notification issued under Section 4 of the 1894 Act.

12. Then there was another chunk of land measuring 25.95 acres which was also owned by the company. These 25.95 acres were purchased by the company between the years 1996 and 2003 i.e. prior to the issuance of the notification issued under Section 4 of the 1894 Act. This chunk of land formed part of the acquired land as the same found mention in the notification dated 25.08.2005 issued under Section 6 of the 1894 Act. These 25.95 acres of land are the subject matter of the present proceedings.

13. In terms of the judgment of the Supreme Court dated 12.03.2018 in *Rameshwar-1 (supra)*, on 26.11.2018, an award was announced by the Land Acquisition Collector, Gurugram. As per



the directions given by the Supreme Court in *Rameshwar-1 (supra)* this award was deemed to be dated 24.08.2007. Through this award, compensation payable to the company with regard to the seven parcels of its land cumulatively measuring 9.77 acres was determined.

14. In the year 2019 various applications were filed before the Supreme Court including by the company and the Haryana State Industrial and Infrastructure Development Corporation through which clarifications were sought with regard to the directions issued by the Supreme Court in *Rameshwar-1's case (supra)*. Through these applications, the primary question that the Supreme Court was called upon to answer was as to the meaning of the term "transfer" as contained in paragraph No.42 of the judgment in *Rameshwar-1's case (supra)*.

15. In the application filed by the company the issue raised was pertaining to the aforesaid chunk of 25.95 acres of land of the company located in villages Naurangpur and Lakhnaula, district Gurugram. These 25.95 acres of land had been purchased by the company between the years 1996 and 2003 and qua these lands the company had entered into a collaboration agreement dated 16.02.2004 and a supplementary agreement on 24.12.2006 with M/s Unitech Ltd. for its development. As per these collaboration agreement(s), on these 25.95 acres, golf villas were to be constructed which were then to be given on long lease. Since, both the aforesaid collaboration agreements were after the publication of



the declaration under Section 4 of the 1894 Act, the company sought clarification from the Supreme Court that these 25.95 acres should not be covered under the definition of “transfer” in terms of paragraph No.42 of the judgment in *Rameshwar 1’s case (supra)* and consequently, should not be included in the deemed award.

16. After considering the contents of the company’s application and having heard its counsel, the Supreme Court, through its judgment dated 29.11.2022, held that on the 25.95 acres in question the company had made no development and that there was also no allotment made in respect of this land. In fact, qua this tract of land, the Supreme Court found that the company had entered into collaboration agreement(s) with M/s Unitech Ltd. and on the basis thereof on 15.01.2007, had applied to the State Government for a licence to develop the area which licence had also been granted by the State much prior to the decision by the State to withdraw from the entire acquisition proceedings. In these circumstances, the Supreme Court held that the collaboration agreement(s) entered into between the company and M/s Unitech Ltd. which was after the declaration under Section 4 of the 1894 Act, alongwith the grant of licence by the State, constituted an irreversible clog in the ownership of these 25.95 acres. In these facts, the Supreme Court held that the collaboration agreement(s) and the grant of licence amounted to “transfer” within the meaning of the expression in paragraph 42.6 of *Rameshwar – 1’s case (supra)* and therefore, such land would form part of the deemed



award. Having held so, the State was directed by the Supreme Court to take appropriate steps to announce a supplementary award in respect of these 25.95 acres within 6 months. It was further clarified by the Supreme Court that the company would be entitled to compensation in accordance with the 1894 Act as on the date of the notification under Section 4 of the 1894 Act. The company was further held entitled to the grant of all other statutory benefits.

17. In terms of the directions by the Supreme Court contained in its judgment dated 29.11.2022, the Land Acquisition Collector, Gurugram announced its award on 20.01.2023. This award pertained to the parcel of land of the company measuring 25.95 acres.

18. The company then filed a review petition before the Supreme Court being Review Petition (C)-1536-2022. Through this petition the company sought review of the judgment of the Supreme Court dated 29.11.2022. The review petition was dismissed.

19. Through filing of a writ petition before the Supreme Court under Article 32 of the Indian Constitution being WP(C)-688-2023 the company then challenged the award dated 20.01.2023 on the ground that the additional six months granted by the Supreme Court to the State to pass the impugned supplementary award was a nullity in the eyes of law and that such directions could and should not have been issued by the Supreme Court under Article 142 of the Indian Constitution. On 17.07.2023, the Supreme Court



declined to interfere in the matter but granted liberty to the company to approach an appropriate forum.

20. The company then filed before the Supreme Court M.A. No.1924-2023 seeking therein modification of the order of the Supreme Court dated 29.11.2022 praying therein that the additional six months time granted to the State by the Supreme Court to pass a supplementary award in case of the company's lands measuring 25.95 acres was in violation of the principles of natural justice. This application was dismissed in limine by the Supreme Court on 06.09.2023.

21. On 17.07.2023 the company filed a reference under Section 18 of the 1894 Act seeking therein enhancement in the compensation determined to be paid to the company through the award announced by the State on 20.01.2023. Such reference is stated to be pending before the reference Court.

22. On 12.10.2023 the present petition was filed by the company seeking therein quashing of the notification dated 27.08.2004 issued by the State under Section 4 of the 1894 Act. All consequential proceedings which had taken place in pursuance of the said notification, including the award dated 20.01.2023, were also challenged. The primary ground taken by the company was that since the impugned award had been passed beyond the period prescribed under Section 11 of the 1894 Act, in terms of Section 11A of the 1894 Act, the same stood lapsed.



23. On being put to notice the State contested the present petition and through filing of its written statement sought its dismissal primarily on the ground that the validity of the award dated 20.01.2023 could not be called in question in terms of the time frame so provided with regard to its passing as the award had been announced in compliance with the directions issued by the Supreme Court in its judgment dated 29.11.2022. It was specifically mentioned that all the pleas now being raised by the company had already been considered and rejected by the Supreme Court through its judgment dated 29.11.2022 and that through the instant petition the company was seeking to reopen the issues which already stood settled by the Supreme Court, inter-se the parties, which was impermissible.

24. Before the instant petition could be finally adjudicated upon, the company filed another petition before this Court being CWP-4261-2024 titled as M/s Karma Lakelands Pvt. Limited and another vs. State of Haryana and others. The said writ petition was dismissed as withdrawn with liberty to file a fresh one with better particulars. Thereafter, the company filed CWP-15809-2024 titled as M/s Karma Lakelands Pvt. Limited and another vs. State of Haryana and others. Through this petition challenge was made by the company to the award dated 26.11.2018 which was pertaining to the 07 parcels of land of the company cumulatively measuring 9.77 acres. The grounds taken by the company to challenge the award dated 26.11.2018 were the same as have been raised



through the instant petition i.e. that the award dated 26.11.2018, being beyond the prescribed time line given under Section 11 of the 1894 Act, would, in terms of Section 11A of the 1894 Act, be deemed to have lapsed and resultantly, the company's 9.77 acres of land should be released from acquisition. Through judgment dated 26.07.2024 a Division Bench of this Court considered and rejected, with costs, the company's challenge to the award dated 26.11.2018.

25. The company then challenged the judgment of the Division Bench dated 26.07.2024 through filing of a Special Leave Petition before the Supreme Court in which petition the Supreme Court issued notice and on a subsequent date granted status quo. In such proceedings, on 02.04.2025, the Supreme Court, after considering the material on record found that the land of the company in question, which cumulatively measured 9.77 acres, was contained in 07 small parcels which were contiguous with the main chunk of 207.11 acres of land legally owned and possessed by the company and with regard to which there was no dispute. Since these 07 parcels of land were found by the Supreme Court to be integral to the use and enjoyment of the 207.11 acres of land, the Supreme Court directed the State to suggest a practical solution to this peculiar problem. The matter was directed to be listed after four weeks. We are informed that after the passing of the aforesaid order dated 02.04.2025 the matter is yet to be listed before the Supreme Court for further proceedings.



26. Learned senior counsel appearing for the company submitted that the land in question measures 25.95 acres and is located in villages Naurangpur and Lakhnaula, district Gurugram; the company purchased these lands between the years 1996 and 2003; on 27.08.2004 the State issued a notification under Section 4 of the 1894 Act intending to acquire 912 acres of land in 3 villages namely Manesar, Lakhnaula and Naurangpur in district Gurugram; the land in question was covered under such notification; the company filed its objections under Section 5A of the 1894 Act after consideration of which, through notification dated 25.08.2005, the State declared to acquire 688 acres of land in the said 3 villages; the land in question was also covered under the notification issued under Section 6 of the 1894 Act; the impugned award has been announced on 20.01.2023 which is well beyond the period of 2 years from the date of the notification issued under Section 6 of the 1894 Act and therefore, in terms of Section 11A of the 1894 Act, the impugned award is liable to be set aside resulting in the consequent release from acquisition the land in question.

27. It was further submitted on the company's behalf that a perusal of the impugned award dated 20.01.2023 reveals that a supplementary award is yet to be passed with regard to structures on the land in question. The supplementary award to be passed would not only be well beyond the period prescribed under Section 11 of the 1894 Act but also after the period of six months allocated by the Supreme Court in its judgment dated 29.11.2022 and



therefore, the entire acquisition proceedings qua this land would lapse on this ground.

28. It was still further contended that in addition to the land in question measuring 25.95 acres, the company, between the years 2004 and 2006 purchased 07 parcels of land cumulatively measuring 9.77 acres; in terms of the directions of the Supreme Court in *Rameshwar 1's case (supra)* through an award announced by the State on 26.11.2018, the State determined the compensation payable to the company qua these 9.77 acres; with regard to these 07 parcels the company had filed a separate petition before this Court being CWP-15809-2024, after the dismissal of which by a Division Bench of this Court on 26.07.2024, the company had carried the matter to the Supreme Court wherein, after issuance of notice and grant of an order to maintain status quo, the Supreme Court, through an interim order dated 02.04.2025, has issued directions to the State to find out a practical solution for releasing of the afore referred lands of the company.

29. According to the learned senior counsel for the company, since the 25.95 acres of land, which are the subject matter of the present petition, are similar to the afore referred 9.77 acres, similar directions, as issued by the Supreme Court on 02.04.2025, be issued by this Court to the State to find out a practical solution for release of these 25.95 acres also.

30. Per contra, learned State counsel submitted that the validity of the impugned award could not be called in question on



the ground that it has been announced beyond the permissible period so provided under Section 11 of the 1894 Act as the impugned award has been passed in compliance with the directions issued and within the time frame given by the Supreme Court through its judgment dated 29.11.2022. It was further argued that all the pleas raised by the company through the instant petition have already been considered and rejected by the Supreme Court and that through the instant petition the company was seeking to reopen the issues which already stood settled by the Supreme Court inter-se the parties. Learned State counsel further submitted that the reliance by the learned counsel for the company on the interim order passed by the Supreme Court on 02.04.2025 in the Special Leave Petition preferred by the company to challenge therein the dismissal of their writ petition by this Court qua the 9.77 acres of land had no bearing with the facts of the instant case and to buttress this submission of his he produced a site plan of the area which was ordered to be taken on the record as **Annexure 'X'**.

31. We have heard learned counsel for the parties and with their able assistance have also perused the record of the case.

32. The first issue raised on behalf of the company is that the notification issued under Section 4 of the 1894 Act through which the State declared its intention to acquire 25.95 acres of the company's land was dated 27.08.2004 and after considering the objections filed by the company under Section 5A, notification under Section 6 was issued by the State on 25.08.2005. However, since



the award under Section 9 of the 1894 Act, determining the compensation payable for the aforesaid land was announced by the Land Acquisition Collector, Gurugram on 20.01.2023, the same was well beyond the prescribed period of two years from the date of the notification issued by the State under Section 6 and therefore, in terms of Section 11A of the 1894 Act, the said award is a nullity and consequently, the entire acquisition proceedings qua the land in question would lapse.

33. The afore argument, though attractive on the face of it, does not stand deeper scrutiny.

34. In the villages of Manesar, Lakhnaula and Naurangpur in district Gurugram there are three tracts of land owned and possessed by the company. The first chunk of such land measures 207.11 acres qua which there is no dispute.

35. Then there are seven small parcels of land cumulatively measuring 9.77 acres. These lands, which are contiguous to the afore referred 207.11 acres were purchased by the company between the years 2004 and 2006 i.e. after the initiation of the acquisition proceedings. These lands are not the subject matter of the present petition.

36. The third chunk of the company's land measuring 25.95 acres is the subject matter of the instant proceedings. These lands were purchased by the company between the years 1996 and 2003 i.e. prior to the issuance of the notification under Section 4 of the 1894 Act. This tract of land finds mention in the notifications issued



by the State under Sections 4 and 6 of the 1894 Act. However, before the award for this land could be announced, the State, through its decision dated 29.01.2010, withdrew the entire acquisition proceedings. The land owners challenged this action of the State before this Court. On the rejection of their cause by this Court on the ground of delay and laches, the land owners carried their grievance to the Supreme Court. Through judgment dated 12.03.2018 in *Rameshwar-1's case (supra)* the Supreme Court held that the decision of the State to withdraw the acquisition proceedings was actuated by fraud. Having held so, after directing the setting aside of such decision, the Supreme Court further directed that the award for the acquired lands would now be passed but the same would be deemed to have been passed on 26.08.2007 and that such award would not only cover the lands finding mention in the notification issued by the State dated 25.08.2005 issued under Section 6 of the 1894 Act but also for the lands which had been transferred by the land owners between 27.08.2004 and 29.01.2010. The relevant directions in this regard by the Supreme Court read as follows:-

“42. Having bestowed our attention to various competing elements and issues we deem it appropriate to direct:

42.1. The decisions dated 24-8-2007 and 29-1-2010 referred to hereinabove are set aside as being brought about by mala fide exercise of power. In our considered view, those decisions were clear case of fraud on power and as such are annulled.

42.2. The decision dated 24-8-2007 was taken when the matters were already posted for pronouncement of the



award on 26-8-2007. Since all the antecedent stages and steps prior thereto were properly and validly undertaken, and since the decision dated 24-8-2007 has been held by us to be an exercise of fraud on power, it is directed that an award is deemed to have been passed on 26-8-2007 in respect of lands: (i) which were covered by declaration under Section 6 in the present case, and (ii) which were transferred by the landholders during the period 27-8-2004 till 29-1-2010. The lands which were not transferred by the landholders during the period from 27-8-2004 till 29-1-2010 are not governed by these directions.

42.3. Subject to the directions issued hereafter, the lands covered under aforementioned Direction 42.2 shall vest in HUDA/HSIDC, as may be directed by the State of Haryana, free from all encumbrances. HUDA/HSIDC may forthwith take possession thereof. Consequently, all licences granted in respect of lands covered by the deemed award dated 26-8-2007 will stand transferred to HUDA/HSIDC.

42.4. Since the dropping of acquisition on 24-8-2007 and subsequent decision dated 29-1-2010 have been set aside, the period between 24-8-2007 and up to the date of this judgment shall not be counted for the purposes of Section 24(2) of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013.

42.5. All transactions entered into during the period from 24-8-2007 till 29-1-2010, pursuant to which the original landholders transferred their holdings in favour of builders/private entities or third parties shall be subject to and the interest of the respective parties shall be governed by the directions issued hereafter.

42.6. Consistent with the directions issued in para 33 of Uddar Gagan [Uddar Gagan Properties Ltd. v. Sant Singh, (2016) 11 SCC 378: (2016) 4 SCC (Civ) 198], the builders/private entities will not be entitled to recover the



consideration paid by them to the landholders. The sale consideration paid by the builders/private entities to the landholders shall be treated towards compensation under the award and the landholders will not be required to refund any amount to such builders/private entities. The landholders will be at liberty to prefer Reference under Section 18 of the Act within a period of three months from today. For the purposes of maintaining such reference the reasoning that weighed while passing awards dated 9-3-2006 and 24-2-2007 shall be the basis. If the Reference Court were to enhance the compensation, the amounts received by the landholders by way of consideration from the builders/private entities shall be appropriated towards such sum awarded by the Reference Court. If the landholders are still entitled to something more than what they had received from the builders/private entities, the differential sum shall be made over to them by the State of Haryana towards acquisition of their interest in the lands in question. If, however, what the landholders had received towards consideration from the builders/private entities is found to be in excess of what is awarded by the Reference Court, the remainder shall not be recovered from them.

42.7. Consistent with the directions issued by this Court in paras 33.6 and 33.7 in Uddar Gagan [Uddar Gagan Properties Ltd. v. Sant Singh, (2016) 11 SCC 378 : (2016) 4 SCC (Civ) 198], the builders/private entities will be entitled to refund/reimbursement of any payment made to the landholders or the amounts that had been spent on development of the land, such payments shall be made by HUDA or HSIDC on being satisfied about the extent of actual expenditure not exceeding HUDA or HSIDC norms on the subject, as the case may be. Refund will however be in respect of amount at which the landholders sold the land and not of subsequent sales. As regards subsequent transactions, the subsequent purchasers will have



remedies against their respective vendors. Claims of builders/private entities entitled to refund will be taken up after settling claims of third parties from whom the builders/private entities had collected monies. No interest will be payable on such amounts.

42.8. The third parties from whom money had been collected by the builder/private entities will either be entitled to refund of the amount from and out of and to the extent of the amount payable to the builder/private entities in terms of above direction, available with the State, on their claims being verified or will be allotted the plots or apartments at the agreed price or prevalent price, whichever is higher. Every such claim shall be verified by HUDA or HSIDC. In cases where constructions have been erected and the entire project is complete or is nearing completion, upon acceptance of the claim, the plots or apartments shall be made over to the respective claimants on the same terms and conditions. Except for such verified and accepted claims, the remaining area or apartments will be completely at the disposal of HUDA or HSIDC, as the case may be, which shall be free and competent to dispose of the same in accordance with the prevalent policy and procedure. In order to facilitate such exercise all third parties who had purchased or had been allotted the plots or apartments shall prefer claims within one month from today, which claim shall be verified within two months from today.

42.9. As found by us in the preceding paragraphs, substantial sums were made over to “middle men”. In the pending investigation, the CBI may do well to unravel the truth. In any case, such hefty sums which were made over to “middle men” cannot be said to be rightfully earned by and belonging to them. In fact, this actually represents the return for being able to garner the lands in question and getting requisite licences under the provisions of the Haryana Act and a benefit derived out of fraud on power.



In our view, this money rightfully belongs to the State and none other. We direct the authorities of the State as well as the Central Government to reach the depths of such transactions and recover every single pie and make it over to the State Government. A complete investigation in the transactions including unearthing unnatural gains received by “middle men” shall be undertaken by CBI.”

37. In the afore proceedings, the company was not a party.

38. In pursuance to the afore quoted directions the Land Acquisition Collector, Gurugram announced an award dated 26.11.2018 through which compensation payable to the company qua 9.77 acres of its land was determined.

39. In the year 2019, the company and HSIIDC filed applications before the Supreme Court through which clarifications were sought with regard to the meaning of the term “transfer” as contained in paragraph 42 of the judgment of the Supreme Court in *Rameshwar-1’s case* (supra).

40. In the application filed by the company the subject matter were the 25.95 acres of the land owned by it which tract of land is also the subject matter of the present proceedings.

41. According to the company, these 25.95 acres had been purchased by it between the years 1996 and 2003 i.e. much prior to the initiation of the acquisition proceedings and for which land the company had entered into a collaboration agreement dated 16.02.2004 and a supplementary agreement dated 24.12.2006 with M/s Unitech Ltd. for its development. In the light of these facts, the company sought a clarification from the Supreme Court to the effect



that these 25.95 acres be excluded from the definition of “transfer” as contained in paragraph 42 of the judgment in *Rameshwar-1’s case (supra)*.

42. After considering the company’s application, the Supreme Court, through its judgment dated 29.11.2022 held that the collaboration agreement(s) entered into between the company and M/s Unitech Ltd., which were after the declaration made by the State under Section 4 of the 1894 Act, along with the grant of licence by the State to the company, constituted an irreversible clog in the ownership of the lands and therefore, the afore referred collaboration agreement(s) and the grant of licence amounted to “transfer” within the meaning of the expression used in paragraph 42.6 of *Rameshwar-1’s case (supra)*. Having held so, the State was directed by the Supreme Court to take appropriate steps to announce a supplementary award in respect of these lands within 6 months. The Supreme Court further clarified that for these 25.95 acres the company would be entitled to compensation in accordance with the provisions of the 1894 Act. The relevant portion of the judgment of the Supreme Court in this regard reads as follows:-

“43. As far as Karma’s lands are concerned, the materials on record disclose that no development has taken place, and there is no allotment in respect of their lands. Karma had in fact entered into a collaboration agreement with M/s Unitech Ltd., and based on that, it applied for license on 15.01.2007. The license was ultimately granted before the date of the



decision of the State not to acquire its land. In these circumstances, this Court holds that the collaboration agreement – especially the supplementary agreement which was entered into after even the declaration under Section 6 was published – the application for license and the grant of license constituted an irreversible clog in the ownership of the lands. Karma received substantial amounts to the tune of ₹ 15 crores, and in terms of the agreement placed on record, was entitled to far more substantial amounts had the development in fact been completed. In these circumstances, it is held that the collaboration agreement and the grant of license amounted to ‘transfer’ within the meaning of the expression in para 42.6 of the main judgment. Such land will therefore, form part of the deemed award. The State shall take appropriate steps and issue the supplementary award in respect of these lands within six months from the date of this judgment.”

43. It is in terms of the afore quoted directions given by the Supreme Court through its judgment dated 29.11.2022 that the impugned award dated 20.01.2023 has been announced by the State through which the State has determined the compensation payable to the company in lieu of acquisition of its 25.95 acres of land. The said award is within the time line of six months as granted by the Supreme Court through its judgment dated 29.11.2022. Therefore, its validity cannot be called in question by the company on the ground that it has been announced beyond the period prescribed under Section 11 of the 1894 Act especially when the



questioning of by the company, to the jurisdiction of the Supreme Court to grant time to the State to pass a deemed award has been negated by the Supreme Court through the rejection of the company's Review Petition being Review Petition (C)-1536-2022 and its Miscellaneous Application being M.A. No.1924-2023.

44. The award impugned by the company also cannot be set aside on the ground of a stipulation contained therein that a supplementary award shall be announced later with regard to the structures on the acquired land. In this regard the following observations of the Supreme Court in Mohanji and another vs. State of U.P. and others 1995 (8) JT 599 can usefully be referred to:-

“3. The submission of learned Counsel for the Appellants is that the award dated 23.9.1986 in the present case is only in respect of the vacant land in its entirety, i.e. 0.99 acres but not for the building constructed over a portion thereof and, therefore, there was no award made within the specified period as required by Section 11A of the Act since a piecemeal award is not contemplated thereunder. Learned Counsel submits that award of compensation for the building was contemplated at some subsequent date which is impermissible in law. Learned Counsel for the Appellants referred to certain observations to this effect in the award dated 23.9.1986 to support this submission.

4. A perusal of the award dated 23.9.1986 leaves no doubt that the compensation awarded therein is for the en-tire land measuring 0.99 acres bearing Plot No. 1311 belonging to the Appellants which was acquired in the proceeding. It also appears from the award that the valuation report which had been sought from the Public Works Department had not been received and, therefore, the Land Acquisition Officer contemplated determination of compensation for the building in addition to the compensation awarded for the entire land being made on a subsequent date after the expiry of the specified period of two years under Section 11 of the Act. The question is whether in these circumstances it can be said that no award had been made under Section 11 of the Act in the proceeding



to result in lapse of the entire proceeding for the acquisition of the land?

5. It is no doubt true that the entire award which is contemplated under Section 11 of the Act by virtue of the prescription in Section 11A has to be made within the period of two years failing which the entire proceeding shall lapse. The question is whether it can be said in the present case that no award has been made under Section 11 of the Act in this proceeding? In our view it cannot be said that no award under Section 11 has been made for the land acquired. Admittedly, compensation has been determined in the award so made for the entire area of 0.99 acres. In view of the fact that no piecemeal award by making a subsequent award after the expiry of the period of two years is contemplated in law, the award dated 23.9.1986 must be construed as the whole award made under Section 11 awarding compensation for the entire area of 0.99 acres with no compensation awarded for the building. The Appellants, therefore, had the right to claim compensation for the building by seeking a reference under Section 18 of the Act treating the award as one in which compensation had been determined and awarded only for the entire land measuring 0.99 acres but no compensation was awarded for the building therein. The Appellants had the remedy to claim compensation for the building in accordance with law treating the award made as not awarding any compensation for the building. That is, however, a different matter and it does not require any further consideration in this context. It is sufficient to say that the award dated 23.9.1986 made within the period specified in Section 11A of the Act must be construed as an award under Section 11 in the proceedings for acquisition of the Appellants' land bearing Plot No. 1311 having a total area of 0.99 acres. The contention that the entire proceeding for acquisition of the land has lapsed by virtue of Section 11A cannot, therefore, be accepted."

45. To the same effect are the following observations by the Supreme Court in State of Punjab and others vs. Sharan Pal Singh and others (1996) 11 SCC 683:-

3. The appellant, State Government, issued notices under Section 4(1) and declaration under Section 6 of the Land Acquisition Act on 1.6.1982 and 17.8.1983 respectively to acquire certain lands. Subsequently, an award was passed by



the Land Acquisition Officer on 25.3.1985. The respondents challenged the award contending that the award was not in conformity with Section 11 of the Act inasmuch as the award has determined the compensation for the land only and the amount of compensation regarding the superstructure and trees that were standing on such lands was left to be decided separately. The appellant herein (respondent before the High Court) in its written statement took a stand in the following terms :

‘The award is complete with respect of the land. It was specifically mentioned therein that for the structures and trees the award will be announced separately, because the assessment for the structures and trees standing thereon had not been received from the respective departments.’

4. However, the High Court has accepted the contention advanced on behalf of the respondents herein (petitioners before the High Court) and held as follows:

“The Land Acquisition Collector made the award on March 25, 1985 relating to the land and not for the super-structures and trees standing thereon. The award rendered by the Land Acquisition Collector was not the one envisaged under Section 11 of the Act. The same envisages the award for the Unit, namely, the land, buildings and super-structure and standing crops and trees thereon. The acquisition proceedings would lapse in so far as the award relates to that portion of the acquired land on which the super-structures and trees were standing on the date the award has been made.”

Aggrieved by the above orders of the High Court the present appeals are filed.

5. An identical issue came up before this Court in Judgment Today 1995(8) SC 599 Mohanji & Another v. State of U.P. & Others wherein it was held on 4.8.1995 as follows:-

“A perusal of the award dated 23.9.1986 leaves no doubt that the compensation awarded therein is for the entire land measuring 0.99 acres bearing Plot No. 1311 belonging to the appellants which was acquired in the proceedings. It also appears from the award that the valuation report which had been sought from the Public Works Department had not been received and, therefore, the Land Acquisition Officer contemplated determination of compensation for the building in addition to the compensation awarded for the entire land being made on a subsequent date after the expiry of the specified period



of two years under Section 11 of the Act. The question is whether in these circumstances it can be said that no award had been made under Section 11 of the Act in the proceeding to result in lapse of the entire proceeding for the acquisition of the land?

It is no doubt true that the entire award which is contemplated under Section 11 of the Act by virtue of the prescription in Section 11A has to be made within the period of two years failing which the entire proceeding shall lapse. The question is whether it can be said in the present case that no award has been made under Section 11 of the Act in this proceeding ? In our view it cannot be said that no award under Section 11 has been made for the land acquired. Admittedly, compensation has been determined in the award so made for the entire area of 0.99 acres. In view of the fact that no piecemeal award by making a subsequent award after the expiry of the period of two years is contemplated in law, the award dated 23.9.1986 must be construed as the whole award made under Section 11 awarding compensation for the entire area of 0.99 acres with no compensation awarded for the building. The appellants, therefore, had the right to claim compensation for the building by seeking a reference under Section 18 of the Act treating the award as one in which compensation had been determined and awarded only for the entire land measuring 0.99 acres but no compensation was awarded for the building therein. The appellants had the remedy to claim compensation for the building in accordance with law treating the award made as not awarding any compensation for the building. That is, however, a different matter and it does not require any further consideration in this context. It is sufficient to say 'that the award dated 23.9.1986 made within the period specified in Section 11A of the Act must be construed as an award under Section 11 in the proceedings for acquisition of the appellants' land bearing Plot No. 1311 having a total area of 0.99 acres. The contention that the entire proceedings for acquisition of the land has lapsed by virtue of Section 11A cannot, therefore, be accepted.'

6. The ratio as extracted above squarely applies to the facts of this case. Accordingly, we hold that the impugned award dated 25th March, 1985 within the period specified in Section 11A of the Act must be construed as an award under Section 11 in the proceedings for the acquisition of the lands in question and the contentions to contrary cannot be sustained. However, we leave open the rights of the respondents to claim compensation for the buildings/trees in accordance with law treating the award already made as one not awarding any compensation for the buildings/trees."



46. No law to the contrary, as laid down by the Supreme Court in Mohanji's case (*supra*) and Sharan Pal Singh's case (*supra*), was cited on behalf of the company.

47. Prior to the filing of the instant petition the company has filed a reference under Section 18 of the 1894 Act seeking therein enhancement in the compensation determined to be paid to the company through the award announced by the State on 20.01.2023. In the light of this fact the company contradicts itself and is also estopped by its conduct to challenge, through the instant petition, the award dated 20.01.2023.

48. In the light of the above discussion we find no merit in the first issue raised on behalf of the company.

49. The second issue raised on behalf of the company is with regard to seeking parity with the interim directions issued by the Supreme Court through its order dated 02.04.2025 in SLP(C) No.27201 of 2024.

50. A perusal of the afore referred interim order of the Supreme Court dated 02.04.2025 reveals that after examining the record the Supreme Court was of the opinion that the 07 small parcels of the company's land cumulatively measuring 9.77 acres, which were the subject matter of the proceedings before the Supreme Court, were absolutely integral to the use and enjoyment of the larger chunk of 207.11 acres of land owned and possessed legally by the company. The said 9.77 acres were also found by the Supreme Court to be land locked by the said 207.11 acres.



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Therefore, it appears that in these facts, interim directions were issued by the Supreme Court to the State to try to find out some solution to the peculiar problem.

51. The subject matter of the instant petition are the 25.95 acres of the company's land. The site plan of the area (Annexure 'X') has been produced by the State. The locations of the company's land as contained in Annexure 'X' have not been disputed by the learned counsel for the company. This plan clearly shows that the 25.95 acres i.e. the land which is the subject matter of the instant proceedings are completely independent of the 207.11 acres of the company's legally owned land. Therefore, the facts in the proceedings before the Supreme Court in SLP(C) No.27201 of 2024 and the present petition are absolutely distinguishable.

52. No other issue was raised before us on the company's behalf.

53. In the light of the above discussion the instant petition sans merit.

54. Dismissed.

**(Deepak Sibal)
Judge**

14.05.2025
gk

**(Lapita Banerji)
Judge**

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