IN THE HIGH COURT OF JUDICATURE AT BOMBAY
CIRCUIT BENCH AT KOLHAPUR
CIVIL APPELLATE JURISDICTION
WRIT PETITION NO. 7969 OF 2017
WITH
INTERIM APPLICATION NO. 1592 OF 2026
IN
WRIT PETITION NO. 7969 OF 2017

Bhupal Bhau Gangai (since Deceased Through Lrs.) … Petitioners

V/s.

The State Of Maharashtra And Ors … Respondents

Mr. Tejpal S. Ingale a/w Mr. Manoj Patil, Mr. Abhishek Ingale, Ms. Vrunali Vilankar, Mr. Vaibhav Kupawade, Adv. R. Kadam, Mr. Rohan Parulkar, Mr. Aaryan Sawant, Advocate for Petitioners
Dr. Milind Sathe, AG (VC), Mr. Priybhushan P. Kakade, Addl GP a/w Mr. Ravi P. Kadam 'B' Panel Counsel a/w Mr. Atul P. Vanarase, AGP for Respondent Nos.1 to 4.

CORAM : RAJESH S. PATIL &
ABHAY J. MANTRI, JJ.

DATED : OCTOBER 6, 2026

P.C.:

1. In the Writ Petition filed under Article 226 of the Constitution of India, the Petitioner seeks the following reliefs:

> *"(a) Rule be issued and record and proceeding of the case be called for;*
>
> *(b) To issue a Writ of Mandamus or any other appropriate writ, order or direction under Article 226 of the Constitution of India.*
>
> *(i) To hold and declare that in view of sub section (2) of Section 24 of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and*

Resettlement Act, 2013 the land acquisition proceeding No. LQN/Kothali/SR/20/83 in respect of Petitioners land bearing Gat No. 539 admeasuring 0-H; 83-R situated at Kothali, Tal. Shirol, Dist. Kolhapur is deemed to have been lapsed;

(ii) To quash and set aside the impugned Land Acquisition Award dated 06.05.1988 passed by the Respondent No. 4 the Spl. Land Acquisition Officer No. 14 in respect of acquired land bearing Gat No. 539 admeasuring 0-H; 83-R situated at Kothali, Tal. Shirol, Dist. Kolhapur.

(iii) To direct the Respondents to forthwith initiate the proceedings for passing necessary Award of Petitioners land acquired bearing Gat No. 539 admeasuring 0-H; 83-R situated at Kothali, Tal. Shirol, Dist. Kolhapur, a fresh under the provisions of Act, 2013 i.e. Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 and make payment of compensation accordingly to the Petitioners immediately within reasonable period.

(c) To allow this Writ Petition with costs;

(d) To grant any other just, equitable and consequential relief in favour of the Petitioners as this Hon'ble Court may deem fit and proper."

2. Today before us, the learned counsel appearing for the Petitioner, on instructions, submits that since the Supreme Court has delivered the judgment in the case of ***Indore Development***

Authority Vs. Manoharlal and others[1], he is not pressing for prayer clauses (a), (b) and (c) and on instructions, is only seeking the relief of compensation amount to be paid along with interest.

3. The learned AG appearing for the State submits that as far as the compensation amount is concerned, there is no difficulty on their part to pay the said amount to the Petitioner. However, there will be no interest payable on the said amount, as the State, after passing of the award by the Collector, has issued a notice under Section 12(2) of The Land Acquisition Act, 1894 and there is no dispute about receipt of that notice in December 1988 by the Petitioner.

4. We have carefully considered the judgment delivered by the Supreme Court in ***Indore Development Authority***. As only interest payable has been in dispute in the present proceedings, in our view, the said issue has been answered by the Supreme Court in paragraph nos. 202, 205, 225, 226, and 244, the same are reproduced herein below:

> *"**202.** Section 24(2) deals with the expression where compensation has not been paid. It would mean that it has not been tendered for payment under Section 31(1). Though the*

[1] (2020) 8 Supreme Court Cases 129

word "paid" amounts to a completed event however once payment of compensation has been offered/tendered under Section 31(1), the acquiring authority cannot be penalised for non-payment as the amount has remained unpaid due to refusal to accept, by the landowner and Collector is prevented from making the payment. Thus, the word "paid" used in Section 24(2) cannot be said to include within its ken "deposit" under Section 31(2). For that special provision has been carved out in the proviso to Section 24(2), which deals with the amount to be deposited in the account of beneficiaries. Two different expressions have been used in Section 24. In the main part of Section 24, the word "paid" and in its proviso "deposited" have been used.

205. *The word "paid" in Section 31(1) to the landowner cannot include in its ambit the expression "deposited" in court. Deposit cannot be said to be payment made to landowners. Deposit is on being prevented from payment. However, in case there is a tender of the amount that is to mean amount is made available to the landowner that would be a discharge of the obligation to make the payment and in that event such a person cannot be penalised for the default in making the payment. In default to deposit in court, the liability is to make the payment of interest under Section 34 of the 1894 Act. Sections 32 and 33 (which had been relied upon by the landowners' counsel to say that valuable rights inhere, in the event of deposit with court, thus making deposit under Section 31 mandatory) provide for investing amounts in the government securities, or seeking alternative lands, in lieu of compensation, etc. Such deposits, cannot fetch higher interest than the 15% contemplated under*

Section 34, which is in pari materia with Section 80 of the 2013 Act. Section 34 is in pari materia with Section 80 of the 2013 Act in which also the similar rate of interest has been specified. Even if the amount is not deposited in Reference Court nor with the treasury as against the name of the person interested who is entitled to receive it, if Collector has been prevented to make the payment due to exigencies provided in Section 31(2), interest is to be paid. However, in case the deposit is made without tendering it to the person interested, the liability to pay the interest under Section 34, shall continue. Even assuming deposit in the Reference Court is taken to be mandatory, in that case too interest has to follow as specified in Section 34. However, acquisition proceeding cannot lapse due to non-deposit.

225. *The landowners had argued that the obligation to pay gets discharged only when compensation is actually paid and/or deposited. Even if it is received under protest under Section 31(1), it is finally accepted by the landowners post settlement by the Reference Court. We are not able to accept the submission as Section 34 of the 1894 Act, is clear even if the amount is not paid or deposited, it carries interest. The logic behind this is that if the State is retaining the amount with peace and its liability to pay does not cease, but it would be liable to make the payment with interest as envisaged therein. Once tender is made, obligation to pay is fulfilled so that the amount cannot be said to have been paid, but obligation to pay has been discharged and if a person who has not accepted it, cannot penalise the other party for default to pay and non-deposit carries only interest as money had been retained with*

the Government.

226. *Thus, in our opinion, the word "paid" used in Section 24(2) does not include within its meaning the word "deposited", which has been used in the proviso to Section 24(2). Section 31 of the 1894 Act, deals with the deposit as envisaged in Section 31(2) on being "prevented" from making the payment even if the amount has been deposited in the treasury under the Rules framed under Section 55 or under the Standing Orders, that would carry the interest as envisaged under Section 34, but acquisition would not lapse on such deposit being made in the treasury. In case amount has been tendered and the landowner has refused to receive it, it cannot be said that the liability arising from non-payment of the amount is that of lapse of acquisition. Interest would follow in such a case also due to non-deposit of the amount. Equally, when the landowner does not accept the amount, but seeks a reference for higher compensation, there can be no question of such individual stating that he was not paid the amount (he was determined to be entitled to by the Collector). In such case, the landowner would be entitled to the compensation determined by the Reference Court.*

244. *The proviso to Section 24(2) of the 2013 Act, intends that the Collector would have sufficient funds to deposit it with respect to the majority of landholdings. In case compensation has not been paid or deposited with respect to majority of landholdings, all the beneficiaries are entitled for higher compensation. In case money has not been deposited with the Land Acquisition Collector or in the treasury or in court with respect to majority of landholdings, the consequence has to*

follow of higher compensation as per the proviso to Section 24(2) of the 2013 Act. Even otherwise, if deposit in treasury is irregular, then the interest would follow as envisaged under Section 34 of the 1894 Act. Section 24(2) is attracted if acquisition proceeding is not completed within 5 years after the pronouncement of award. Parliament considered the period of 5 years as reasonable time to complete the acquisition proceedings i.e. taking physical possession of the land and payment of compensation. It is the clear intent of the 2013 Act, that provision of Section 24(2) shall apply to the proceeding which is pending as on the date on which the 2013 Act, has been brought into force and it does not apply to the concluded proceedings. It was urged before us by one of the counsel that lands in the Raisina Hills and Lutyens' Zones of Delhi were acquired in 1913 and compensation has not been paid. The 2013 Act applies only to the pending proceedings in which possession has not been taken or compensation has not paid and not to a case where proceedings have been concluded long back, Section 24(2) is not a tool to revive those proceedings and to question the validity of taking acquisition proceedings due to which possession in 1960s, 1970s, 1980s were taken, or to question the manner of deposit of amount in the treasury. The 2013 Act never intended revival of such claims. In case such landowners were interested in questioning the proceedings of taking possession or mode of deposit with the treasury, such a challenge was permissible within the time available with them to do so. They cannot wake from deep slumber and raise such claims in order to defeat the acquisition validly made. In our opinion, the law never contemplates—nor permits—misuse much less gross abuse of its provisions to reopen all the

acquisitions made after 1984, and it is the duty of the court to examine the details of such claims. There are several litigations before us where landowners, having lost the challenge to the validity of acquisition proceedings and after having sought enhancement of the amount in the reference succeeding in it nevertheless are seeking relief arguing about lapse of acquisition after several rounds of litigation."

[Emphasis supplied]

5. After discussing, the law on the subject, the Supreme Court in paragraph no. 366 has arrived at a conclusion. For the present proceedings, paragraph nos.366.5 and 366.9 are relevant and hence are reproduced herein below:

*"**366.5.** In case a person has been tendered the compensation as provided under Section 31(1) of the 1894 Act, 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). The landowners 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 2013 Act.*

***366.9.** Section 24(2) of the 2013 Act 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 2013 Act 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."*
>
> ***[Emphasis supplied]***

6. In our view, considering the conclusion arrived at by the Supreme Court in ***Indore Development Authority (Supra)*** and more particularly paragraph Nos. 366.5 and 366.9 and the discussion made by the Supreme Court in paragraph Nos. 202, 205, 225, 226 and 244, wherein it is specifically observed that once there is a notice given to the landowner under Section 12(2) and after receipt thereof, no steps are taken by the land owner, the obligation to pay is completed. In the present proceedings, admittedly notice under Section 12(2) was received by the Petitioner but he failed to collect the said amount, and therefore, the State, pursuant to the GR dated 1 March 1996, deposited the compensation amount in the PLA Account, hence, in our view, interest would not be liable to be paid by the State as the State has deposited the amount with the treasury. Impugned Award was passed on 6 May 1988. The present Writ Petition for seeking relief

of lapsing of acquisition proceedings is filed in the year 2017. There is unexplained delay in filing the Writ Petition.

7. In view of the same, the present petition fails. Writ Petition stands dismissed.

8. In sequel, all Interim Applications/Civil Applications stand disposed of accordingly.

9. While concluding, learned AG on behalf of the State submitted that the State will pay to the Petitioner compensation amount which is deposited with the PLA Account, and the same can be done within a period of four weeks from today. Statement accepted.

(ABHAY J. MANTRI, J.) (RAJESH S. PATIL, J.)

IRESH MASHAL Digitally signed by IRESH MASHAL Date: 2026.10.09 17:08:35 +0530