IN THE HIGH COURT OF JUDICATURE AT BOMBAY
CIRCUIT BENCH AT KOLHAPUR
CIVIL APPELLATE JURISDICTION

WRIT PETITION NO.1289 OF 2020

Ramesh Nathu Nalwade and others **...Petitioners**

Versus

State of Maharashtra and others **...Respondents**

Mr. Amol Gatne (through V.C), for the Petitioners.

Mr. R.P. Kadam, A.G.P. for the Respondents - State.

SHAILAJA SHRIKANT HALKUDE
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Date: 2026.10.15 17:31:57 +0530

CORAM : SHARMILA U. DESHMUKH &
ABHAY J. MANTRI, JJ.

DATE : OCTOBER 13, 2026.

P. C. :

1. By the present Petition, the Petitioners have sought the relief of lapsing of acquisition under Section 24 of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 (for short, the "**Fair Compensation Act**").

2. The Petitioners' case in the Petition is that Petitioner Nos.1 and 2 are the owners of land bearing Gat No.674, admeasuring 0 H 44 Are, Petitioner No. 3 is the owner of land bearing Gat No. 722, admeasuring 0 H 40 Are, and Petitioner No. 4 is the owner of land bearing No. 855, admeasuring 0 H 29 Are, situated at Village Nawadi, Taluka Patan,

District Satara. The subject land was acquired for re-settlement of Morana-Gurheghar project affected persons. The award under Section 11 of the Land Acquisition Act, 1894 was passed on 7th October, 1999. It is stated that Respondents did not deposit the compensation and no compensation was paid to the Petitioners. It is stated that physical possession is with the Petitioners.

3. In the reply affidavit of Respondent Nos. 1 to 4, it is stated that the notices under Section 12(2) of the Land Acquisition Act, 1894, along with offers of compensation, were issued to the concerned landholders on 8th October 1999 and it is the landholders, who, refused to accept the notices and compensation offered thereunder. The Talathi, Navadi, drew a panchanama recording such refusal, and thereafter the notices were affixed to their residential houses. The compensation amount still lies in the PLA account of the Sub-Divisional Officer.

4. The Respondents further state that, by order dated 11th July 2000 passed in Writ Petition No.3291 of 2000, this Court directed the Divisional Commissioner, Pune Division, to conduct a fresh inquiry and take an appropriate decision under Section 48(1) of the Land Acquisition Act, 1894. Pursuant thereto, the Divisional Commissioner conducted an inquiry and rejected the Petitioners' claim by order dated 18th December 2012.

5. As regards possession, it is stated that possession receipt dated 9th February 2001, records that proceedings concerning the acquired lands were pending before this Court and that possession was not to be taken until final order. Accordingly, possession was not taken, and Mutation Entry No.591 was not acted upon or reflected in the 7/12 extracts. It is stated that the possession could not be taken due to the pending judicial proceedings, which does not amount to abandonment of the acquisition proceeding.

6. Learned counsel appearing for the Petitioners would submit that physical possession was not taken and no compensation was paid pursuant to the award and there is lapsing of acquisition under Section 24(2) of Fair Compensation Act. He would further submit that no notice under Section 12(2) was issued to the Petitioners.

7. Per contra, the learned AGP would submit that notices under Section 12(2) of the Land Acquisition Act, 1894, were issued to the Petitioners on 8th October 1999. As the Petitioners refused to accept the said notices, they were affixed to their residential houses. He submits that the compensation amount is lying in the Personal Ledger Account (PLA) of the Sub-Divisional Office, Karad, and therefore, there is no lapsing of acquisition. He would submit that the decision in Pune ***Municipal Corporation v. Harakchand Misrimal Solanki***[1] was overruled

1 AIR 2014 Supreme Court 982

by the Hon'ble Supreme Court in ***Indore Development Authority v. Manoharlal*** **and others**[2]. In view of the principles laid down therein, the compensation duly tendered to the Petitioners, which they refused to accept, cannot be treated as non-payment for the purposes of Section 24(2) of the Fair Compensation Act.

8. We have considered the submissions and perused the record.

9. To the affidavit-in-reply of the State Government is annexed the notice under Section 12(2) issued on 8th October 1999. By the said notice, the Petitioners were called upon to remain present at the office of Navadi Gram Panchayat on 20th October 1999 to receive the compensation amount, and it is the failure on the part of the Petitioners to attend the office of Navadi Gram Panchayat and accept the compensation amount. The Respondents have tendered the amount of compensation to the landowners, who have refused to collect the same. The affidavit-in-reply specifically states that the compensation amount is lying in the PLA account of the Sub-Divisional Officer, Karad. Section 24 of the Fair Compensation Act reads as under:

> "**24. Land acquisition process under Act No. 1 of 1894 shall be deemed to have lapsed in certain cases.**
>
> (1) Notwithstanding anything contained in this Act, in any case of land acquisition proceedings initiated under the Land Acquisition Act, 1894 (1 of 1894) -

2 (2020) 8 SCC 129

> (a) where no award under section 11 of the said Land Acquisition Act has been made, then, all provisions of this Act relating to the determination of compensation shall apply; or
>
> (b) where an award under said section 11 has been made, then such proceedings shall continue under the provisions of the said Land Acquisition Act, as if the said Act has not been repealed.
>
> (2) Notwithstanding anything contained in sub-section (1), in case of land acquisition proceedings initiated under the Land Acquisition Act, 1894, (1 of 1894), where an award under the said section 11 has been made five years or more prior to the commencement of this Act but the physical possession of the land has not been taken or the compensation has not been paid the said proceedings shall be deemed to have lapsed and the appropriate Government, if it so chooses, shall initiate the proceedings of such land acquisition afresh in accordance with the provisions of this Act :
>
> Provided that where an award has been made, and compensation in respect of a majority of land holdings has not been deposited in the account of the beneficiaries, then, all beneficiaries specified in the notification for acquisition under section 4 of the said Land Acquisition Act, shall be entitled to compensation in accordance with the provisions of this Act."

10. Sub-section (2) of Section 24 of the Fair Compensation Act provides that where an award has been made five years or more prior to the commencement of the Act, but physical possession of the land has not been taken or compensation has not been paid, the proceedings shall be deemed to have lapsed.

11. In the case of ***Indore Development Authority (****supra),* the Hon'ble Supreme Court interpreted the expression "or" as "and" and has held that in cases where the compensation has not been paid, and the

physical possession of the land has not been taken, the award is deemed to have lapsed. It has also held that the tender/offer of the compensation amount to the landowners satisfies the requirement of payment of compensation for purpose of Section 24(2) of Fair Compensation Act.

12. In the present case, the possession receipt dated 9th February 2001 records that, in view of the pendency of the proceedings before this Court and the order operating at the relevant time, possession of the acquired lands was not taken. Even if the possession was not taken, the compensation was tendered by the Respondents and thereafter duly deposited in the PLA account, as despite notice under Section 12(2) of the Land Acquisition Act, the Petitioners failed to collect the amount. There is no substance in the contention that the copy of award was not annexed to the Section 12(2) notice. There is no such pleading in the Petition and the submission was that Section 12(2) notice was not issued to the Petitioners, which is rebutted from the notices produced on record by Learned AGP. The issue in present Petition is about lapsing of acquisition and as the compensation has been tendered but not accepted by landowners, the twin requirement under Section 24(2) of Fair Compensation Act is not satisfied.

13. In light of the above discussion, there is no lapsing of acquisition under Section 24(2) of the Fair Compensation Act.

14. Resultantly, the Petition fails and stands dismissed.

15. It is open for the Petitioners to collect the deposited compensation amount.

[ABHAY J. MANTRI, J.] **[SHARMILA U. DESHMUKH, J.]**