HC-KAR
NC: 2026:KHC:61124
WP No. 24513 of 2026
CNR: KAHC010544092026

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 3RD DAY OF NOVEMBER, 2026

BEFORE

THE HON'BLE SMT. JUSTICE LALITHA KANNEGANTI

WRIT PETITION NO. 24513 OF 2026 (GM-CPC)

BETWEEN:

M/S PALVIT DEVELOPERS LLP.,
A LIMITED LIABILITY PARTNERSHIP
FIRM OFFICE AT NO. 108,
4TH FLOOR, MAXWORTH MANSION,
LALBAGH FORT ROAD,
NEAR MINERVA CIRCLE,
BENGALURU -560 004
REPRESENTED BY ITS DESIGNATED
PARTNER SRI. BHERUMAL JAIN

...PETITIONER

(BY SRI.D.R.RAVISHANKAR, SENIOR COUNSEL FOR
SRI.SAGAR G. NAHAR, ADVOCATE)

AND:

Digitally signed by SUVARNA T
Location: HIGH COURT OF KARNATAKA

1. SRI B.G.RAMAIAH
S/O LATE GANGAIAH
AGED ABOUT 79 YEARS,
R/A BEECHANAHALLI VILLAGE,
TIPPASANDRA HOBLI, MAGADI TALUK,
RAMANAGARA DISTRICT

2. SMT. REVAMMA
W/O K.B.VISHWESHWARAIAH
AGED ABOUT 79 YEARS,
ALURU
R/A 2ND CROSS, MIDDLE
CLASS COLONY,
S. S. PURAM, TUMKUR

3. SRI. K. B. SRIKANTAIAH
S/O LATE K. BASAVAIAH
AGED ABOUT 79 YEARS,
R/A KENKEREPALYA, KUDUR HOBLI,
MAGADI TALUK,
RAMANAGARA DISTRICT

4. SMT. GURUSIDDAMMA
W/O K. B. SRIKANTAIAH
AGED ABOUT 64 YEARS,
R/A KENKEREPALYA,
KUDUR HOBLI, MAGADI TALUK,
RAMANAGARA DISTRICT

5. SRI. K. B. YATHIRAJU
S/O LATE K. BASAVAIAH
AGED ABOUT 72 YEARS,
WORKING IN SIDDAGANGA MUTT,
KYATSANDRA,
TUMKUR

6. SRI. M.R.SHIVAMMA
W/O K.B.YATHIRAJU
AGED ABOUT 64 YEARS,
C/O SRI. SIDDAGANGA MUTT,
KYATSANDRA,
TUMKUR

7. SRI. AMOGHVARSHA. K. V
S/O LATE K.V. VISHWESHWARAIAH
AGED ABOUT 77 YEARS

8. SMT. T.S. KALPALA
W/O AMOGHVARSHA. K. V
AGED ABOUT 72 YEARS

9. SRI. PRAJWAL VARSHA
S/O AMOGHVARSHA. K. V
AGED ABOUT 43 YEARS

RESPONDENTS T TO 9 ARE
RESIDING AT SHIVA NIVAS,
2ND BLOCK, KUVEMPUNAGARA MAIN ROAD,
TUMKUR -572 103

10. SMT. K. V. AMRUTHAMATHI HOSAMANE
W/O SUBRAMANYAN,
AGED ABOUT 64 YEARS,
R/A NO.D2 QUARTERS,
TELEPHONE EXCHANGE, NANDINI LAYOUT,
BENGALURU -560 096

11. SMT. K.V.SUCHETHA HOSAMANE
W/O K. M. JAGADEESH,
AGED ABOUT 61 YEARS,
R/A NO.5/83, 4 (TH) CROSS,
OPP. WARD OFFICE NO. 37
AMAR JYOTHI NAGAR
BENGALURU- 560 040

12. SRI. BASAVARAJU. K. V
S/O LATE K.V. VISHWESHWARAIAH
AGED ABOUT 68 YEARS

13. SMT. BHAGYA. H. R
W/O BASAVARAJU. K.V.,
AGED ABOUT 57 YEARS

14. SRI. VISHWAS. B. KAUTILYA
S/O BASAVARAJU. K. V.,
AGED ABOUT 43 YEARS

RESPONDENTS 12 TO 14 ARE
RESIDING AT NO. 3/1
VISHWAS, 2ND CROSS,
M. C. COLONY, S. S. PURAM,
TUMKUR -572 103

15. SRI. DILIP. S. RAJ
S/O K.B.YATHIRAJU
AGED ABOUT 56 YEARS

16. SRI. NAVEEN. S. RAJ
S/O K. B. YATHIRAJU
AGED ABOUT 51 YEARS

RESPONDENTS 15 TO 16 ARE
RESIDING AT NO. 585,
SIDDAGANGA MUTT ROAD,
BANDE PALYA,
DEVARAYANDURGA POST
TUMKUR -572 104

17. THE SPECIAL LAND ACQUISITION OFFICER
OFFICE OF THE SPECIAL LAND ACQUISITION
OFFICER-2, NO14/3, 1ST FLOOR,
MAHARSHI ARAVIND BHAVAN,
NRUPATHUNGA RD, AMBEDKAR VEEDHI,
SAMPANGI RAMA NAGAR, BENGALURU,
KARNATAKA -560 001

…RESPONDENTS

(BY SRI.SUNIL S. RAO, ADVOCATE FOR
SRI.T.SHESHAGIRI RAO, ADVOCATE FOR C/R1)

THIS WRIT PETITION IS FILED UNDER ARTICLES 226 AND 227 OF THE CONSTITUTION OF INDIA, PRAYING TO QUASHING THE ORDER DATED 22.07.2026 PASSED ON IA NO. 53 IN OS NO. 187/2012 BY THE LEARNED SENIOR CIVIL JUDGE AND JMFC, DODDABALLAPURA, VIDE ANNEXURE-A.

THIS WRIT PETITION HAVING BEEN HEARD AND RESERVED ON 12.08.2026, COMING ON FOR PRONOUNCEMENT OF ORDER THIS DAY, THE COURT PRONOUNCED THE FOLLOWING:

CORAM: HON'BLE SMT. JUSTICE LALITHA KANNEGANTI

CAV ORDER

Aggrieved by the order dated 22.07.2026, passed in I.A.No.53 in O.S.No.187/2012, by the Senior Civil Judge and JMFC, Doddaballapura, the petitioner/defendant No.16 is before this Court.

2. The respondent No.1 herein, who is the plaintiff, filed O.S.No.187/2012 seeking specific performance. In the said suit, the plaintiff filed I.A.No.53 under Section 151 of the CPC to direct defendant No.16 to deposit the compensation amount of Rs.7,50,00,000/- from defendant No.17 in respect of the suit schedule property. That application was allowed by the impugned order, and defendant No.16 was directed to deposit the compensation received from defendant No.17 in respect of the suit schedule property within 20 days.

3. While allowing the application, the trial Court observed that, on perusal of the entire records, it prima facie appears that, when an order of temporary injunction was operating against defendant Nos.1 to 15 from alienating the suit schedule property until further orders, they alienated the suit schedule

property in favor of defendant No.16 under a Registered Sale Deed dated 26.03.2022, thereby violating the Court order. Thereafter, defendant No.17 disbursed compensation in favor of defendant No.16, which he has not denied in his written objections. He has only contended that, since a writ petition is pending, the plaintiff cannot seek the same relief in this Court, that the plaintiff has not led his evidence, and that the defendants have denied their agreement. Since the matter is pending before this Court for specific performance of the contract, and during the pendency of the suit the defendants alienated the suit schedule property in favor of defendant No.16, and later defendant No.17 acquired the suit schedule property and awarded compensation, the plaintiff has a right to seek appropriate relief in this Court. Merely because the writ petition is pending, the plaintiff is not precluded from seeking the reliefs. Under such circumstances, I.A.No.53 deserved to be allowed in the interest of justice and equity. Accordingly, the trial Court allowed the application. Aggrieved thereby, the petitioner/defendant No.16 is before this Court.

4. Learned Senior counsel representing the learned counsel for the petitioner argued at length and the written arguments are also placed before this Court. In the written submissions, it is stated that the suit filed by respondent No. 1 is founded upon an unregistered Agreement of Sale dated 05.10.2007, the execution and enforceability of which remain the subject of controversy and are presently *sub-judice*. No decree has been passed; no right of respondent No. 1, contractual or otherwise, has been adjudicated; and no compensation stands determined in his favor under Section 21 of the Specific Relief Act, 1963. The petitioner derives title under a registered Sale Deed dated 26.03.2022, executed for valuable consideration, pursuant to which possession was also delivered. That conveyance has neither been abrogated nor declared void by any competent Court and continues to remain valid and operative. The suit schedule property was subsequently acquired under statutory proceedings, and the compensation payable was determined and distributed in accordance with law. The trial Court, by the impugned order, directed payment of the entire compensation, notwithstanding

that respondent No.1's underlying claim remains wholly unadjudicated. It is submitted that the plaintiff had already filed WP.No.8875/2025 concerning the very compensation, and no relief was granted. In spite of the same, I.A.No.53 is filed by the plaintiff. The trial Court ought to have declined to exercise its inherent jurisdiction in aid of such successive and impermissible pursuit. To permit such conduct would erode judicial discipline and comity and enable a litigant to migrate from one forum to another. It is submitted that an unregistered Agreement of Sale is no conveyance; it does not, of itself, pass title. Respondent No. 1 possesses neither a registered instrument of transfer nor a decree for specific performance, and the execution, validity, and enforceability of the 2007 agreement remain squarely at large before the trial Court. Until the contest is resolved, his right is at best inchoate; he cannot, in one breath, describe his contractual right as yet to be adjudicated and, in the next, assert a present entitlement to the compensation that now stands in the property' s stead nor does the acquisition improve his position. It does not transfer or affix the compensation to a disputed agreement, nor does it

conjure any charge or lien in respondent No. 1' s favor; the compensation could take on the character he ascribes to it only once the contractual right stands established and not before.

5. It is further submitted that the impugned relief finds no basis in the pleadings or in Section 21 of the Specific Relief Act. It is submitted that Section 21 of the Specific Relief Act governs compensation in a suit for specific performance. Sub-section (5) mandates that such a claim be made in the plaint, subject only to amendment under its proviso. Respondent No.1 has pleaded no claim for compensation or damages, nor has he sought amendment under Order VI Rule 17 of the CPC or the proviso to Section 21(5) of the Specific Relief Act. This is not a mere technicality but the absence of any pleaded foundation for the relief granted. The Court must adjudicate according to what is alleged and proved-admits of no departure, even at the interlocutory stage. Respondent No.1 could not, by invoking the inherent jurisdiction under Section 151 of CPC, secure at the interlocutory stage substantive monetary relief that was never pleaded or claimed in the first place. Equally, the Court could not have and ought not to have invoked its inherent jurisdiction

under Section 151 of CPC to grant substantive relief that falls wholly outside the pleadings and the reliefs sought in the suit. The inherent powers under Section 151 of CPC cannot be employed for introducing into the suit a relief foreign to the case as instituted.

6. It is submitted that the interim order granted travels beyond the final relief. The inherent jurisdiction under Section 151 CPC cannot be invoked to circumvent a specific statutory mechanism. Where a claim is sought to be secured pending judgment, Order XXXVIII Rule 5 of the CPC entails the provisions with safeguards that cannot be rendered otiose by a mere invocation of Section 151 CPC. No finding records any intent on the petitioner's part to dissipate or remove the compensation, or any imminent threat warranting such extraordinary protection. In its absence, the direction to deposit is, in substance, security in advance of an unadjudicated claim, an attachment before judgment clothed in the language of inherent power. What the Code forbids directly cannot be permitted obliquely. The stark disparity between the alleged advance and the disputed agreement, and the amount directed

to be deposited, makes the basis for the impugned direction all the more untenable. The consideration under the disputed unregistered agreement is Rs.54,75,000/-, against which respondent No.1 claims an advance of Rs.15,00,000/-. Yet the directed deposit exceeds that advance by more than fiftyfold without any adjudication or determination under Section 21 of the Specific Relief Act. It is submitted that the petitioner is protected as a bonafide purchaser for value.

7. Learned counsel further submits that the impugned order is bereft of reasons. The issue is not one of re-appreciating evidence or choosing between competing plausible views. It is whether, in the absence of a pleaded claim, an adjudicated right, or any statutory foundation, the trial Court could compel the petitioner to deposit Rs.7,50,00,000/-. The impugned order is vitiated by jurisdictional error; it travels beyond the pleadings; it circumvents the safeguards in Order XXXVIII Rule 5 CPC; it disregards the provisions under Section 21 of the Specific Relief Act; and it discloses no reasoned basis for the relief granted. The matter is further aggravated by respondent No.1 having previously approached this Court

seeking the very same relief and thereafter pursuing it before the trial Court, an impermissible exercise in forum shopping and bench hunting. The impugned order, being thus fundamentally infirm, warrants interference in exercise of the jurisdiction under Articles 226 and 227 of the Constitution of India.

8. Learned Senior counsel had relied on the judgment of the Apex Court in the case of ***Jagadish Singh Vs. Nathhu Singh***[1], at para 19, 20 and 24 which reads as follows:

> ***"19. In Mohamad Abdul Jabbar v. Lalmia [AIR 1947 Nag 254 : 1947 NLJ 253 : ILR 1947 Nag 328] specific performance of an agreement of sale dated January 16, 1934, was sought by the institution of a suit on January 15, 1937. During the pendency of the suit, on April 20, 1937, the provincial government started land acquisition proceedings respecting the subject matter of the suit and the same was acquired. The High Court upheld the dismissal of the suit for specific performance and referred an amendment for award of damages. On the obvious impermissibility of specific performance the Nagpur High Court said: (AIR p. 256, para 14)***
>
> ***"We accordingly conclude that specific performance is now impossible and we cannot decree it for 'equity like nature does nothing in vain'. We cannot hold the plaintiffs-appellants entitled to the compensation money into which the property was converted because they had no right nor interest in that property…."***

[1] (1992) 1 SCC 647

> ***20. Refusing the amendment for the relief for payment of money the High Court held: (AIR p. 256, para 14)***
>
> ***"We would not allow amendment also because on the facts found by the trial court (with which we see no reason, whatever, to differ) we would have refused specific performance, and the claim for damages on this account would also have been negatived because damages could have been awarded only if specific performance could rightly have been claimed. The appeal, therefore, fails and is dismissed with costs."***
>
> ***24. When the plaintiff by his option has made specific performance impossible, Section 21 does not entitle him to seek damages. That position is common to both Section 2 of Lord Cairn's Act, 1858 and Section 21 of the Specific Relief Act, 1963. But in Indian law where the contract, for no fault of the plaintiff, becomes impossible of performance Section 21 enables award of compensation in lieu and substitution of specific performance."***

a) He relied on the judgment of the Co-ordinate Bench of this Court in the case of ***Pillamma Vs. Rangaraju***[2], at paragraph Nos.11 and 13 which reads as follows:

> ***"11. On the basis of the dictum in the aforesaid Decision, learned Counsel for the Respondent persuaded me to take the view that the Supreme Court has taken the view that, when the subject matter of the suit for specific performance is acquired under the Land Acquisition Act, during the pendency of the proceedings, the agreement holder is entitled to the compensation that is awarded under the Land Acquisition Act. I am afraid that, that is not the dictum laid down in the aforesaid Decision. The Supreme Court proceeds***

[2] ILR 1996 KAR 706

on the basis that when the land is acquired during the pendency of the suit for specific performance, the agreement becomes incapable of performance. But Their Lordships have considered the position of law under the English Law and under the Indian Law as to what is the relief that can be granted to the plaintiff in such circumstances. Their Lordships held that, inspite of the land being acquired, the plaintiff is entitled to compensation as provided for under Section 21 of the Specific Relief Act, for, the contract became unenforceable not due to any fault of the plaintiff. As stated earlier, Their Lordships further held that unlike the English law, under Indian Law, even in such circumstances, Section 21 of the Specific Relief Act enables awarding of compensation in lieu of and substitution of specific performance; the mere fact that Their Lordships took into account the compensation due under the land acquisition compensation as the measure of damages for fixing the compensation, does not mean that the plaintiff, in such a suit, is entitled to all the benefits which accrued under the Land Acquisition Proceedings. The agreement holder cannot be substituted in the place of an owner. The Agreement - holder, when his contract becomes unenforceable, is only entitled to compensation as provided for under Section 21 of the Specific Relief Act which the Court is entitled to determine taking into account the facts and circumstances of the case. No doubt, in considering the measure of damages, the compensation awarded under the Land Acquisition Act for the land may be a relevant factor. The aforesaid Decision has not laid down the law that the plaintiff in such a suit is to be substituted in the place of the land owner in regard to the compensation payable under the Land Acquisition Act. In that view of the matter, the aforesaid Decision cannot help the respondent-plaintiff in contending that he is entitled to all the benefits arising under the Land Acquisition Proceedings.

13. It is made clear that, if the plaintiff is entitled to specific performance of the contract and if the

land is acquired during the pendency of the proceedings, he may be entitled to claim compensation under Section 21 of the Specific Relief Act. The Proviso to sub-section 5 of Section 21 provides that, where the plaintiff has not claimed any such compensation in the plaint, the Court shall, at any stage of the proceedings, allow him to amend the plaint on such terms as may be just to include such claim for compensation. The plaintiff may be entitled to get the plaint amended in accordance with Section 21 of the Specific Relief Act, if he so chooses to do, but, certainly a plaint cannot be amended by claiming the entire benefits arising out of the Land Acquisition Proceedings. Accordingly, I make it clear that the Decision in this Revision will not stand in the way of the respondent-plaintiff seeking appropriate amendment of the plaint in accordance with Section 21 of the Specific Relief Act."

b) Learned Senior counsel had relied on the judgment of the Co-ordinate Bench of this Court in the case of ***Rajamma Vs. Munigiddamma and others***[3], at paragraph Nos.9 and 10 which reads thus:

"9. A perusal of these decisions of Their Lordships of the Supreme Court, in the context of Section 54 which deals with the contract of agreement or agreement to sale as defined, clearly declare the law and legal position that an agreement to sell does not create nor confers any title or interest in favour of the person mentioned therein as a prospective vendee. This being the position, the agreement to sell cannot be held to have conferred any title with respect to the property i.e., Sy.No.6 in favour of the present appellant even if the plot No.6 is taken or assumed for a

[3] MFA.No.4803/1999 (LAC)

while to be mentioned in the agreement. That even if it is taken to be included in the agreement, no right did pass on in favour of the appellant under the aforesaid agreement. The land had been acquired, no doubt, after the agreement for sale had been entered into. The land had been acquired vide preliminary notification in the year 1991 and published in the year 1994. When the land had been acquired, the right to compensation under law did fall on the heir or heirs of the owner of the land namely Smt. Narayanamma, widow of late Sri. Venkatappa. The learned counsel for the appellant contends that when the Power of Attorney had been executed by Smt. Narayanamma in favour of Smt. Rajamma, thereunder interest had been transferred in favour of the present appellant. Ordinarily, Power of Attorney authorizes a person to act for and on behalf of the donor of the Power of Attorney. Whether an interest had been conferred thereunder in favour of the appellant is a doubtful question and on that point we do not want to express any final opinion at this stage because expressing of an opinion in favour of one or another may damage the interest of either of the parties. But, even if interest is to be transferred in the property by a Power of Attorney, then for transferring an interest in the property, the Power of Attorney would require its registration. Ordinarily Power of Attorney may not require registration, but under the Power of Attorney if interest in the property valuing more than Rs.100-00 is conferred or given, then it will not only amount to be Power of Attorney, but transfer and that transfer had to be made by execution of registered deed of transfer.

When we so observe, we find support for our view from the decision of Calcutta High Court in the case of INDRA BIBI V. JAIN SIRDAR AHIRI reported in I.L.R. Volume XXXV (1908) Calcutta 845, Hon'ble Maclean, C.J., observed at page No.848 as under: -

"I will, however, assume in favour of the appellant that the document did constitute an

equitable charge in favour of the person, to whom the power was given, but even then, the want of registration in compliance with the provisions of the Registration Act is fatal to the plaintiff's case.

It is quite clear under Section 17 of that Act, that if the document was one, which purported to affect, or to create any interest in immoveable property, it was bound to be registered. Section 49 says that "No document required by section 17 to be registered shall affect any immoveable property comprised therein unless it has been registered in accordance with the provisions of this Act."

When we look into the circumstances of this case it appears that the document in question has not been registered in compliance with the provisions of the Act. It was admittedly stamped only with the stamp required for a power-of-attorney and not for a document creating an equitable charge, and it was apparently so presented to the Registering Officer. If it was an equitable charge, it is quite clear that it ought to have been entered in Book I, and certain particulars, which are compulsorily required by section 21 of the Act relating to immoveable property, ought to have been furnished. Section 21 says that: "No non-testamentary document relating to immoveable property shall be accepted for registration, unless it contains a description of such property sufficient to identify the same." That was not the case here-there was no such description-and in point of fact the document was entered, not in Book I, which is a register of non-testamentary documents relating to immoveable property, but was entered in Book IV, which is a "Miscellaneous Register". The case of NAJIBULLA MULLA v. NASIR MISTRI (1) is akin to the present. But, to my mind, it is sufficient to say that the document was not registered in accordance with the provisions of the Act and, therefore, under section 49, it could not affect any immoveable property comprised therein."

Harington, J., and Fletcher, J., expressed their complete agreement with the view expressed by Maclean, C.J., in this case.

10. In view of the above, we are of the view that even if it be assumed that any equitable interest has been created in favour of the appellant, but as the document has not been registered, no equitable interest could and did pass on in favour of the appellant under that deed for want of registration. In this view of the matter, in our opinion, no right did pass on to the or in favour of the appellant with respect to the property, whether it is subject matter of agreement to sell or subject matter of Power of Attorney. No doubt, right to manage might have been there. But it cannot be said that thereunder the appellant became entitled to claim compensation in the land acquisition proceedings from the Government with respect to the land acquired and it is not such that a person who alleges to have paid entire sale consideration has no remedy. The law is very clear on this aspect of the matter and the remedy of the appellant is to file a suit for compensation as the decree for specific performance of contract of sale cannot be granted as the property had already been acquired by the Government. The contract might have become impossible of performance, but it could not be said that it is because of the fault of the appellant, instead it could be said that it became impossible of performance because of the change of position and on account of acquisition of the plot by the Government in the land acquisition proceedings. In such cases, Section 21 of the Specific Relief Act read with other provision will come to the rescue of the appellant. This question has been considered in greater detail by Their Lordships of the Supreme Court in the case of JAGDISH SINGH v. NATTHU SINGH reported in A.I.R. 1992 Supreme Court 1604, where Their Lordships of the Supreme Court, after examination of the case law, have been pleased to lay it down as under:-

> ***"When the plaintiff by his option has made specific performance impossible, S.21 does not entitle him to seek damages. This position is common to both S.2 of Lord Cairn's Act, 1858 and S.21 of the Specific Relief Act, 1963. But in Indian Law that contract, for no fault of the plaintiff, becomes impossible of performance. S.21 enables award of compensation in lieu and substitution of specific performance."***
>
> ***This decision of Their Lordships has been followed in a Single Judge's decision of this Court and the law to the effect has been laid down by this Court as well in the case of Smt. PILLAMMA & OTHERS v. P. RANGARAJU reported in 1996(1) Karnataka Law Journal 447. In that case, after having placed reliance on the above Supreme Court's decision, this Court laid it down that the plaintiff may be entitled to get the plaint amended and seek for compensation to be determined under Section 21 of the Specific Relief Act and therefore, it is permissible to the appellant to seek for amendment of the plaint of suit No.172/98. No doubt, plaintiff may have to pay the Court-fee. But, he is entitled to seek decree for damages or compensation for breach of contract which has become impossible of performance for no act or fault of the present appellant.***
>
> ***Thus considered, we are of the opinion that the present appeal deserves to be dismissed, but making it clear that any observation made about the proof of execution of agreement will not be binding on the Civil Court. The appeal having been dismissed, it is open to the respondents to take the compensation amount. But, they have to furnish an undertaking before the Civil Court that they will abide by the decree passed by the Civil Court."***

c) He relied on the judgment of the Co-ordinate Bench of this Court in the case of ***Raghavendra R.A. Vs. State of***

Karnataka and Others[4], at paragraph Nos.13 and 33 which reads as follows:

> ***"13. Having heard the learned counsel for the parties, the questions that arise for consideration are:***
>
> ***"i. Whether the petitioner, being an agreement holder, can challenge the acquisition proceedings or claim compensation?***
>
> ***ii. Whether the parties may seek a reference for adjudication under Section 30 of the Land Acquisition Act, 1894 ('LA Act' for short) and seek deposit of the compensation amount before the competent Court?"***
>
> ***33. The Apex Court in the case of G.H. Grant held that a 'person interested includes anyone who claims to be entitled to compensation whether as a owner, mortgagee, lessee or any other person having interest in the land or its compensation'. The right to receive compensation may devolve by operation of law. Agreement holder, whose contract of sale has not culminated in a registered conveyance, whose title or possession has not been judicially recognized, cannot automatically be treated as 'a person interested', in the acquired property. The mere existence of an unperformed or disputed agreement does not confer a proprietary or compensatory right in the land or its value. Recognition under Section 30 arises only when the claimant demonstrates an existing legal or equitable entitlement capable of judicial determination. Unless the agreement is proven to be valid, substituted and supported by consideration, the holder cannot maintain a claim for compensation, as his right has not yet established in law. Accordingly, the points framed for consideration are answered."***

[4] WP.No.15159/2025 (LA-KIADB)

d) He relied on the judgment of the Co-ordinate Bench of this Court in the case of ***Rudramma Vs. Suresh Kumar and others***[5], at paragraph Nos.3 and 5 which reads thus:

> ***"3. The trial court had discussed the case of the plaintiff and observed that the notification which is issued by the defendant No. 11, statutory body is not in dispute. Without challenging any of the acquisition proceedings, the present suit is filed for bare injunction and the court had relied on the judgment of the Hon'ble Apex Court in the case of Commissioner, Bangalore Development Authority v. Brijesh Reddy[1] that the Land Acquisition Act is a complete code in itself and is meant to serve public purpose. By necessary implication, the power of the civil court to take cognizance of the case under Section 9 of CPC stands excluded and a civil court has no jurisdiction to go into the question of the validity or legality of the notification under Section 4, declaration under section 6 and subsequent proceedings except by the High Court in a proceeding under Article 226 of the Constitution. It is thus clear that, the civil court is devoid of jurisdiction to give declaration or even bare injunction being granted on the invalidity of the procedure contemplated under the Act. It is observed that the only right available for the aggrieved person is to approach the High Court under Article 226 or Hon'ble Apex Court under Article 136 with self-imposed restrictions on their exercise of extraordinary power. Relying on the said judgment, the court had held that the suit is not maintainable. Aggrieved thereby the petitioner/plaintiff is before this court.***
>
> ***5. Having heard the learned counsel for the petitioner, perused the entire material on record. The relief that is sought in the suit is granting an injunction restraining the Land Acquisition Officer from taking steps to disperse compensation***

[5] 2024 SCC OnLine Kar 8856

amount in respect of the schedule property on the basis of the final Gazette Notification. The Land Acquisition Act is a complete code in itself which contains all the provisions right from the issuance of 4(1) notification till the disbursement of the amount. The intervention of the courts when the land acquisition proceedings are initiated which are in the larger interest of the public is very limited. There are several steps under the Land Acquisition Act, whereby the parties who are the owners of the property will get an opportunity to present their case before the Land Acquisition Officer. In case there is genuine dispute with regard to the title of the property, the same has to be brought to the notice of the Land Acquisition Officer and on such a reference would be made to the Civil Court, even if they are not happy with the compensation that is fixed, reference lies to the Civil Court. In between on any of the procedural regularities if a person is aggrieved, only remedy available to them is to come before this court under Article 226 of the Constitution of India and the Civil Court except on the said two issues will not have jurisdiction to entertain any petition in whatever form and whatever nomenclature a suit is filed. The court below had rightly considered the judgment of the Bangalore Development Authority, Bangalore referred to Supra and held that the suit is not maintainable. This court finds no reasons to interfere with the well explained order."

e) He relied on the judgment of the Co-ordinate Bench of this Court in the case of ***Mohammad Zaheer Vs. BDA and others***[6], at paragraph No.10 which reads as follows:

"10. *** This Court was following the judgment of the Apex Court wherein the Apex Court holds that an agreement holder registered***

[6] WP.No.10028/2024 (LA-BDA)

> ***or unregistered would not get any right whatsoever, as the instrument of conveyance requires the agreement of sale to be taken to its logical conclusion, which has not happened therein and which did not happen in the case at hand as well. Therefore, the agreements of sale have remained as agreements. Thus, the petitioner has no right to claim compensation, plainly on the observation of the Apex Court on his impleading application, as quoted hereinabove."***

f) He relied on the judgment of the Apex Court in the case of ***Sant Lal Gupta and others Vs. Modern Cooperative Housing Society and Others***[7], at paragraph Nos.16 and 19 which reads thus:

> ***"16. Be that as it may, the High Court has referred to its Division Bench judgment in B.B. Chibber v. Anand Lok Co-operative Group Housing Society Ltd. & Ors., 90 (2001) DLT 652, wherein the same provision has been considered and it had categorically been held that deeming approval was not legally permissible. In view of the above, it was neither desirable nor permissible by the Co-ordinate Bench to disapprove the earlier judgment and take view contrary to it. More so, extension of the period from 6 months to 1 year amounts to legislation.***
>
> ***19. In the instant case, the position before us is worse as the latter bench has taken a divergent view from an earlier coordinate bench, particularly taking note of the earlier decision holding otherwise, without explaining why it could not follow the said precedent even while extensively quoting the same. Judicial propriety and discipline are not served by such conduct on***

[7] (2010) 13 SCC 336

> ***the part of the division bench. Thus, in view of the above, it was not permissible for the High Court to take the course which it has adopted and such a course cannot be approved."***

g) He relied on the judgment of the Delhi High Court in the case of ***Black Diamond Track Parts Private Limtied and Others Vs. Black Diamond Motors Private Limited***[8], at paragraph Nos.24, 25 and 29 which reads thus:

> ***"24. The counsel for the appellants/defendants in his written arguments, in this context has made apposite reference to, (a) Union of India Vs. Cipla Ltd. (2017) 5 SCC 262. The same unequivocally holds, "A classic example of forum shopping is when a litigant approaches one Court for relief but does not get the desired relief and then approaches another Court for the same relief" and "Another form of forum shopping is taking advantage of a view held by a particular High Court in contrast to a different view held by another High Court" and "Another category of forum shopping is approaching different Courts for the same relief by making a minor change in the prayer clause of the petition"; and, (b) Allied Blenders and Distillers Pvt. Ltd. Vs. Amit Dahanukar 2019 SCC OnLine Del 8898 where the suit filed in Delhi, after the subsidiary of the plaintiff had failed to get the interim relief in a suit earlier filed at Bombay, was held to be by way of forum shopping and in abuse of the process of the Court.***
>
> ***25. Mention may also be made of the fact that the decision in Sarguja Transport Service supra was referred to in a latter decision in Sarva Shramik Sanghatana (K.V), Mumbai Vs. State of Maharashtra (2008) 1 SCC 494 and it was held***

[8] FOA (COMM) 41/2021 & CM No.6428/2021

> ***that Sarguja Transport Service supra would apply only where the first petition was withdrawn in order to do bench hunting or for some other mala fide purpose. Mention may yet further be made of Shridhar Gupta Vs. NDMC AIR 2015 Delhi 48 (DB), where finding that the petitioner, after failing to satisfy the Court in an earlier writ petition, had withdrawn the same, the second writ petition was held to be by way of re- litigation and in abuse of the process of the Court.***
>
> ***29. We are thus of the view that the respondent/plaintiff was/is not entitled to interim injunction and the appeal is entitled to be allowed, on this ground alone."***

h) He relied on the judgment of the Co-ordinate Bench of this Court in the case of ***Frances and Ors Vs. Arogyamma and Ors***[9], at paragraph Nos.20 and 21 which read thus:

> ***"20. The learned counsel for the respondents/defendants relying upon the judgment in the case of DASAPPA v. SEETHARAM reported in ILR 1995 KAR 1683 contended that the plaintiffs are not bound to seek decree for declaration. Decision on question of title, possessory title or title otherwise, ancillary in the proceedings and unless proved not entitled to decree for possession or injunction. Plaintiff to stand on own legs not on weakness of defendant's case.***
>
> ***21. The learned counsel for the respondents relied upon the judgment of this Court in the case of K. GOPALA REDDY (DECEASED) BY LRS. v. SURYANARAYANA AND OTHERS reported in 2004 (1) KCCR 662, wherein it is held that whenever a party approaches the Court for a relief, based on the pleadings and issues, he has to prove his case. A suit has to be decided based on merits and demerits of the party who approaches the***

[9] RFA No.573/2010

> ***Court. Weakness of the defendant cannot be considered as a trump card for the plaintiff. Mere entries in the revenue records cannot be a basis to declare title of a person in respect of any immovable property. Hence, prayed this Court to dismiss the appeal."***

i) He relied on the judgment of the Apex Court in the case of ***State of Orissa Vs. Madan Gopal Rungta***[10], at paragraph No.15 which reads thus:

> "***In our opinion, Article 226 cannot be used for the purpose of giving interim relief as the only and final relief on the application as the High Court has purported to do. The directions have been given here only to circumvent the provisions of section 80 of the Civil Procedure Code, and in our opinion that is not within the scope of Article 226. An interim relief can be granted only in aid of and as ancil- lary to the main relief which may be available to the party on final determination of his rights in a suit or proceed- ing. If the Court was of opinion that there' was no other convenient or adequate remedy open to the petitioners, it might have proceeded to investigate the case on its merits and come to a decision as to whether the petitioners suc- ceeded in establishing that there was an infringement of any of their legal rights which entitled them to a writ of mandamus or any other directions of a like nature; and pending such determination it might have made a suitable interim order for maintaining the status quo ante. But when the Court declined to decide on the rights of the parties and expressly held that they should be investigated more properly in a civil suit, it could not, for the purpose of facilitating the institution of such suit, issue directions in the nature of temporary injunctions, under Article***

[10] 1951 SCC 1024

> ***226 of the Constitution. In our opinion, the language of article 226 does not permit such an action. On that short ground the judgment of the Orissa High Court under appeal cannot be upheld."***

j) He relied on the judgment of the Apex Court in the case of ***Shamsu Suhara Beevi Vs. G Alex and Another***[11], at paragraph No.11 which reads thus:

> ***"11. It is admitted position before us that in the original plaint the respondents did not claim compensation for the breach of agreement of sale either in addition to or in substitution of the performance of the agreement. Further, the respondents did not amend their plaint and ask for compensation either in addition to or in substitution of the performance of the agreement of sale. Sub-section (5) of Section 21 emphatically provides that no compensation shall be awarded under Section 21(5) unless the relief for compensation has been claimed either in the plaint or included later on by amending the plaint at any stage of the proceedings. The need to file an execution petition did not arise as the appellant executed the sale deed on 17-8-1999. We have perused the application filed by the respondents. It is a simple application filed under Section 28(3) of the Act seeking permission to ascertain the extent of plaint schedule property by measuring the same with the help of village officer or by deputing an Advocate Commissioner and directing the defendant-appellant to obtain a "no-objection certificate" from the Department of Income Tax. In addition, the respondents prayed that they be permitted to recover interest @ 12% towards loss of income on the sale amount of Rs 45,66,385 from 23-10-1997 i.e. the date of deposit till delivery of the possession of the property. Permission seeking to amend the plaint***

[11] (2004) 8 SCC 569

> ***to include the relief of compensation for breach of the contract in addition to the specific performance has not been made. The relief was claimed under Section 28 and not under Section 21 of the Act. The High Court came to the conclusion that Section 28 would not be applicable to the facts of the case but granted the relief under Section 21 of the Act. In our view, the High Court has clearly erred in granting the compensation under Section 21 in addition to the relief of specific performance in the absence of prayer made to that effect either in the plaint or amending the same at any later stage of the proceedings to include the relief of compensation in addition to the relief of specific performance. Grant of such a relief in the teeth of express provisions of the statute to the contrary is not permissible. On equitable considerations court cannot ignore or overlook the provisions of the statute. Equity must yield to law."***

k) He relied on the judgment of the Apex Court in the case of ***Desh Raj and Others Vs. Rohtash Singh***[12], at paragraph Nos.9, 44 and 45 which reads thus:

> ***"9. The situation remained dormant until January 2006 when the Respondent, the original plaintiff, initiated a suit seeking relief of specific performance of Sale Agreements and other consequential reliefs. However, during the pendency of the suit before the Trial Court, State of Haryana initiated acquisition proceedings vide notification dated 12.12.2008 issued under Section 4 of Land Acquisition Act, 1894. Consequently, the subject land was acquired by the State vide award dated 23.11.2011. Due to this subsequent event, the Respondent sought and was permitted by the trial court to amend the plaint.***

[12] 2022 SCC Online SC 1719

> ***44. The Respondent in the instant case has neither pleaded for refund of the earnest money nor has he claimed any damages or penalty from the Appellants. From the perusal of the records, it is conspicuous that Respondent never raised any concern that the pre estimated amount was 'penal' in nature and instead his sole objective was to gain titular rights over the Concerned Property on the strength of Sale Agreements.***
>
> ***45. In light of the above discussion, we must conclude that the decree granted by the courts below was hinged on a logical fallacy wherein the Appellants were held to be unjustly enriched on the premise that the contract was rendered impossible to perform due to acquisition proceedings. On the contrary, the contract automatically stood terminated as per the stipulated contractual terms. The Sale Agreements should have been rightly held to be terminated instead of being declared impossible to perform."***

l) He relied on the judgment of the Allahabad High Court in the case of ***Hamid Vs. Kailash***[13], at paragraph Nos.28, 32 and 34 which reads thus:

> ***"28. Learned counsel for the respondent has rightly contended that though such relief can be granted in a suit for specific performance but the same cannot be granted while considering an application under Section 76 of the Act of 2013. Learned counsel for the respondent further contended that no such relief can be granted under Section 76 of the Act of 2013 as the scope of enquiry is very limited. The authority while exercising the power under Section 76 of the Act of 2013 has to consider the rival claim of the parties on the basis of right which has accrued to the either of the parties and not on the basis of a***

[13] Writ-C No.26340/2025

right which is yet not decided by a competent court of law. It has also been contended by learned counsel for the respondent that right to claim compensation in a suit for specific performance of an agreement is dependent on various factors such as that the fault was on the part of the defendant i.e. executor of the agreement and not on the part of the plaintiff. In case, such findings are recorded by the court while deciding the suit for specific performance and after holding the plaintiff to be entitled for a decree for specific performance, relief can be moulded by the court while deciding the suit, if it comes to the conclusion that though the plaintiff is entitled for a decree for specific performance but for a intervening circumstance, such as compulsory acquisition of land which was subject matter of the suit, by the State, for no fault of the plaintiff, the said relief cannot be granted. It has been pointed out by the learned counsel for the respondent that all the cases relied upon by the learned counsel for the petitioners, wherein the principle of grant of damages in lieu of decree for specific performance of contract, the orders were passed in proceedings arising out of suit for specific performance and not in proceedings under Section 76 of the Act of 2013 or under Section 30 of the Land Acquisition Act, 1894. There is no dispute to the proposition that damages can be awarded in a suit for specific performance. In case, an agreement is not capable of specifically enforcing for no fault of the plaintiff. But said relief cannot be granted in a proceedings under Section 76 of the Act of 2013 while deciding the claim of apportionment of the compensation between the rival claimants.

32.The Supreme Court in the said circumstances, held that there are serious disputed question of fact such as, whether earnest money was rightly forfeited by the land owners due to failure of the agreement holder to obtain sale deed executed within a specified time fixed under the agreement where the respondents were ready and willing to purchase the property and had arrangement of consideration for payment to the land owners.

> ***Relevant paragraph no. 8 & 9 of the judgment in case of Ramesh Chand and others (supra) are quoted as under:***
>
> ***"8. In the instant case, there were serious disputed questions as to whether earnest money had been rightly forfeited by the land owners due to the failure of the respondent No. 1 to obtain the sale deeds executed within stipulated time fixed under the agreements, whether respondents were ready and willing to purchase the property and had arrangement of balance consideration for payment to land owner. Whether the power of forfeiture was rightly exercised by the land owners as claimed by them. The Civil Court was already in seisin of the matter as such reference court had rightly rejected the reference made under Section 30 of the Act and rightly asked parties to await outcome of the regular civil suits.***
>
> ***9. The High Court in the impugned judgment has not decided aforesaid objections raised by the appellants/land owners without examining facts and circumstances of the case and due to pendency of civil suits, it was not open to the High Court to order refund of the earnest money."***

9. Relying on the above judgments the learned counsel for the petitioner submits that the impugned order needs to be set aside.

10. Learned counsel appearing for respondent No.1/plaintiff has also filed written submissions. It is submitted that the *pendente lite* purchaser, having acquired the suit property in deliberate violation of an injunction order after nearly 10 years of the lis, cannot withdraw the acquisition compensation representing the very suit property and thereby

convert disobedience into an irreversible advantage, partaking in the nature of a full decree dismissing suits for specific performance. It is submitted that the trial court's direction to re-deposit merely preserves the substituted res; it decides no title and awards no compensation. It is submitted that the petitioner intends to argue that the impugned order is bad on the ground that respondent No. 1/plaintiff has not pleaded for compensation under Section 21(5) of the Specific Relief Act, that the nature of the interim order goes beyond the nature of a decree, and that the right to compensation is inchoate. It is submitted that the Hon'ble Apex Court in ***Jagdish Singh***'s case referred supra has categorically held that in case of the *pendente lite* acquisition, there is no necessity of amendment. It is submitted that the arguments made by the petitioner before this Court are based on an overruled proposition observed by the Apex Court. It is submitted that defendant Nos. 1 to 5 executed an Agreement of Sale in favor of the plaintiff on 05.10.2007, and the plaintiff instituted the suit for specific performance on 26.07.2012. Noting the *prima facie* genuineness of the claim, the property was safeguarded until

completion of the lis by way of an interim injunction, which operated until further orders. The petitioner, a notorious realtor, purchased the property by way of a Sale Deed dated 26.03.2022, nearly 10 years into the suit, while the restraint against alienation remained operative. The petitioner therefore entered the existing lis. It did not acquire an interest outside it. Its claim is necessarily subordinate to the eventual decree under Section 52 of the Transfer of Property Act, 1882, and Section 19(b) of the Specific Relief Act, 1963, read with Section 40 of the Transfer of Property Act and Section 91 of the Indian Trusts Act.

11. It is submitted that an agreement of sale is undoubtedly not a complet transfer of ownership but an equitable right leading to it. Decisively, the prior contract creates an enforceable obligation attached to ownership. Section 40 of the Transfer of Property Act and Section 91 of the Indian Trusts Act recognize that obligation against a transferee with notice. Going one step further, such agreements are not even affected by court or judicial attachments, in view of the statutory interplay. In this regard, he relied on the judgment of

the Apex Court in ***Lala Durga Prasad and Another Vs. Lala Deep Chand and Others***[14], paragraph No.39 which reads thus:

> ***"39. section 91 of the Indian Trusts Act, 1882, section 3 of the Specific Relief Act, 1877, illustration (g), and section 27 of that Act, and section 40 of the Transfer of Property Act. Section 91 of the Trusts Act, does not make the subsequent purchaser with notice a trustee properly so called but saddles him with an obligation in the nature of a trust (because of section 80) and directs that he must hold the property for the benefit of the prior "contractor", if we may so describe the plaintiff,. "to the extent necessary to give effect to the contract." Section 3 illustration (g) of the Specific Relief Act makes him a trustee for the plaintiff but only for 'the 368 purposes of that Act. Section 40 of the Transfer of Property Act enacts that this obligation can be enforced against a subsequent transferee with notice but not against one who holds for consideration and without notice. Section 27 of the Specific Relief Act does not carry the matter any further. All it says is that specific performance may be enforced against "***
>
> ***"(a) either party thereto;***
>
> ***(b)any other person claiming under him by a title arising subsequently to the contract, except a transferee for value who has paid his money in good faith and without notice of the original contract".***
>
> ***None of this helps because none of these provisions directly relate to the form of the decree. It will therefore be necessary to analyse each form in the light of other provisions of law."***

[14] AIR 1954 SC 75

a) Learned counsel had relied on the judgment in case of ***Soni Lalji Jetha and Others Vs. Soni Kalidas Devchand and Others***[15] at paragraph No.9 which reads thus:

> ***"9. But paragraph 2 of s. 40 of the Transfer of Property Act, 1882 in clear terms lays down that where a third. person is entitled to the benefit of an obligation arising out of contract and annexed to the ownership of immovable property, but not amounting to an interest therein, such right or obligation may be enforced against a transferee of the property affected thereby, but not against a transferee for consideration and without notice of the right or obligation nor against such property in his hands. It is a right no doubt arising from contract and the person agreeing to purchase the property thereunder does not acquire any interest in the property. Section 54 of the Transfer of Property Act in terms provides that such a contract of sale does not create as in English law any equitable estate in the immovable property which is the subject matter of the contract. But as aforesaid, the contract creates an obligation which is recognised by section 3 of the Specific Relief Act, 1877 and section 91 of the Indian Trusts Act, 1882. Section 3 of the Specific Relief Act defines an "obligation" as including every duty enforceable by law and a "trustee" as including every person holding expressly, by implication or constructively***
>
> ***a fiduciary character. Illustration (g) to that section reads as follows :***
>
> ***"A buys certain land from B, with notice that B has already contracted to buy it. A is a trustee, within the meaning of this Act for B, of the land so bought."***
>
> ***This principle is embodied in section 91 of the Indian Trusts Act which lays down that where a***

[15] AIR 1967 SC 978

person acquires property with notice that another person has entered into an existing contract affecting that property, of which specific performance could be enforced, the former must hold the property for the benefit of the latter to the extent necessary to give effect to the contract."

b) Learned counsel had relied on the judgment in the case of ***Bai Dosabai Vs. Mathurdas Govinddas and Others***[16]***,*** at paragraph Nos.7 to 9 which reads thus:

"7. We do not wish to go in any detail into the question whether the English Equitable doctrine of conversion of reality into personalty is applicable in India. However, we do wish to say that the Enghish doctrine of conversion of reality into personalty cannot be bodily lifted from its native English soil and transplanted in statute-bound Indian law. But, we have to notice that many of the principles of English Equity have taken statutory form in India and have been incorporated in occasional provisions of various Indian statutes such as the Indian Trusts Act, the Specific Relief Act, Transfer of Property Act etc. and where a question of interpretation of such Equity based statutory provisions arises we will be well justified in seeking aid from the Equity source. The concept and creation of duality of ownership, legal and equitable, on the execution of an agreement to convey immovable property, as understood in England is alien to Indian Law which recognises one owner i.e. the legal owner : vide, Ramboran Prasad v. Ram Mohit Hazra & Ors. and Narandas Karsondas v. S. A. Kamtam & Anr. The ultimate paragraph of s. 54 of the Transfer of Property Act, expressly enunciates that a contract for the sale of immovable property does not, of itself, create any interest in or charge on such property. But the ultimate and penultimate

[16] (1980) 3 SCC 545

paragraphs of s. 40 of the Transfer of Property Act make it clear that such a contract creates an obligation annexed to the ownership of immovable property, not amounting to an interest in the property, but which obligation may be enforced against a transferee with notice or the contract or a gratuitous transferee of the property. Thus the Equitable ownership in property recognised by Equity in England is translated into Indian law as an obligation annexed to the ownership of property, not amounting to an interest in the property, but an obligation which may be enforced against a transferee with notice or a gratuitous transferee.

8. If we now turn to the Indian Trusts Act, we find "trust" defined as

"an obligation annexed to the ownership of property, and arising out of a confidence reposed in and accepted by the owner, or declared and accepted by him, for the benefit of another, or of another and the owner", and "beneficial interest" defined as the interest of the beneficiary against the trustee as owner of the trust- property. Chapter IX of the Trusts Act enumerates in section after section cases where obligations in the nature of trust are created. S. 94 finally provides:

In any case not coming within the scope of any of the preceding sections, where there is no trust, but the person having possession of property has not the whole beneficial interest therein, he must hold the property for the benefit of the persons having such interest, or the residue thereof (as the case may be), to the extent necessary to satisfy their just demands".

9. We may now examine some of the provisions of the Specific Relief Act, 1877, which though repealed and replaced by Act 47 of 1963. is the statute with which we are concerned. "Trust" was defined in Section 3 of the 1877 Act as having "the same meaning as in Section 3 of the Indian Trusts Act" and as "including an obligation in the nature of a trust within the meaning of Chapter IX

of that Act". Section 12(a) of the Act of 1877 provided, "Except as otherwise provided in this Act, specific performance of contract may, in the discretion of the Court, be enforced when the act agreed to be done is in the performance wholly or partly of a trust". The other clauses of Section 12 and Sections 13 to 18 enumerated the other contracts which might be specifically enforced. S. 21 specified when contracts were not specifically enforceable. S. 16 is of some relevance. It said:

"when part of a contract which, taken by itself can and ought to be specifically performed, stands on a separate and independent footing from another part of the same contract which cannot or ought not to be specifically performed, the Court may direct specific performance of the former part"

c) He relied on the judgment in ***Vannarakkal Kallalathil Sreedharan Vs. Chandramaath Balakrishnan and Another***[17], at paragraph No.5 which reads as follows:

"5. We may first draw attention to some of the relevant statutory provisions bearing on the question. Order 38 Rule 10 of the Code of Civil Procedure provides that attachment before judgment shall not affect the rights existing prior to the attachment of persons not parties to the suit. Under Section 40 of the Transfer of Property Act, a purchaser under a contract of sale of land is entitled to the benefit of an obligation arising out of that contract and it pro- vides that that obligation may be enforced inter alia against a transferee with notice. Section 91 of the Trusts Act also recognises this principle that the transferee with notice of an existing contract of which specific performance can be enforced must hold the property for the benefit of the party to the contract. These are equitable rights though not amounting to interest in immovable property within the meaning of Section 54 of the Transfer

[17] (1990) 3 SCC 291

of Property Act which declares that a contract of sale does not create an interest in the property. On this line of reasoning it has been held by the Madras High Court that the purchaser of an antecedent agreement gets good title despite attachment. See Paparaju Veeraraghavayya v. Killaru Kamala Devi & Ors., AIR 1935 Mad. 193, Veerappa Thevar & Ors. v.C.S. Venkataramma Aiyar & Ors., AIR 1935 Mad. 872 and Angu Pillai v.M.S.M. Kasiviswa- nathan Chettiar, [AIR 1974 Mad. 16]."

12. It is submitted that the above judgments, which form the common fabric of Sections 40 and 52 of the TP Act and Section 91 of the Indian Trusts Act, preserve the distinction between title and the antecedent equitable obligation of the nature of the Agreement for Sale. A later claimant can obtain only the transferor's right, title, and interest, which may also be saddled by the pre-existing contractual obligation. If that obligation follows the land, it cannot be defeated merely because compulsory acquisition has changed the form of the subject matter from land into money. It is submitted that the acquisition did not retrospectively legitimize the prohibited transfer or extinguish the plaintiff's pending claim. It changed the form of the subject matter. The land became unavailable for conveyance; the acquisition compensation becomes identifiable monetary substitute. The penultimate question

would therefore not be who first obtained possession of the money, but whether the funds should remain available to answer the decree ultimately passed in the suit in terms of Section 94 of the CPC. In ***Jagdish Singh's*** case referred supra, acquisition makes specific performance impossible without the fault of the plaintiff, Section 21 of the Specific Relief Act permits substituted performance or compensation in substitution, measured with reference to the acquisition compensation. The decision is of pivotal importance.

13. It is submitted that the Apex Court in ***Sukhbir Singh Vs. Ajit Singh***[18], treated the successful agreement holder is entitled to acquisition compensation on the facts as adjudicated and concluded that the acquisition compensation, solatium, and statutory interest altogether notionally itself represented the compensation under Section 73 and 74 of the Indian Contract Act, as a measure of substituted performance. Similarly, the Apex Court in the case of ***Urmila Devi Vs. Deity, Mandir Shree Chamunda Devi***[19] similarly measures a substituted relief by the acquisition award and directs restoration from a

[18] (2021) 6 SCC 54
[19] (2018) 2 SCC 284

recipient found disentitled. These decisions do not determine the respondent's final entitlement; they establish that the compensation is the very fund against which the eventual decree may operate. It is submitted that, as a matter of abundant caution and clarification, the respondent does not contend that every agreement holder automatically becomes a 'person interested' in acquisition proceedings, nor does the respondent advance the fallacious proposition that acquisition automatically ends the suit. The submission is that a Civil Court already seized off the specific performance claim may preserve the identifiable monetary substitute pending proof and final adjudication. It is submitted that the order under challenge does not finally award damages. Section 21(5) of the Specific relief Act ordinarily requires compensation to be claimed, while its proviso permits amendment at any stage on just terms. He relied on the judgment in the case of ***Universal Petrochemicals Ltd. Vs. BP PLC***[20], and submits that it restrains a final award made without the statutory pleading. It does not compel the Court to permit the dissipation of the fund before the pleadings and entitlement are adjudicated. It is

[20] 2022 INSC 200

further submitted that the petitioner is not only a pendente lite purchaser but also a perpetrator of contempt and a claimant under a contumacious transaction. It is submitted that the Hon'ble Apex Court in the case of ***Surjit Singh Vs. Harbans Singh***[21], at paragraph No.4 answered the ill-attempted advantage:

> ***"4. As said before, the assignment is by means of a registered deed. The assignment had taken place after the passing of the preliminary decree in which Pritam Singh has been allotted 1/3rd share. His right to property to that extent stood established. A decree relating to immovable property worth more than hundred rupees, if being assigned, was required to be registered. That has instantly been done. It is per se property, for it relates to the immovable property involved in the suit. It clearly and squarely fell within the ambit of the restraint order. In sum, it did not make any appreciable difference whether property per se had been alienated or a decree pertaining to that property. In defiance of the restraint order, the alienation/assignment was made. If we were to let it go as such, it would defeat the ends of justice and the prevalent public policy. When the Court intends a particular state of affairs to exist while it is in seisin of a lis, that state of affairs is not only required to be maintained, but it is presumed to exist till the Court orders otherwise. The Court, in these circumstances has the duty, as also the right, to treat the alienation/assignment as having not taken place at all for its purposes. Once that is so, Pritam Singh and his assignees, respondents herein, cannot claim to be impleaded as parties on the basis of assignment. Therefore, the assignees-respondents could not have been***

[21] (1995) 6 SCC 50

> ***impleaded by the trial court as parties to the suit, in disobedience of its orders. The principles of lis pendens are altogether on a different footing. We do not propose to examine their involvement presently. All what is emphasised is that the assignees in the present facts and circumstances had no cause to be impleaded as parties to the suit. On that basis, there was no cause for going into the question of interpretation of paragraphs 13 and 14 of the settlement deed. The path treaded by the courts below was, in our view, out of their bounds. Unhesitatingly, we upset all the three orders of the courts below and reject the application of the assignees for impleadment under Order 22 Rule 10 CPC."***

14. The Apex Court in the case of ***Vidur Impex and Traders (P) Ltd. Vs. Tosh Apartments (P) Ltd.***[22], identifies the precise vice present in the current case, i.e., that a beneficiary of a clandestine transaction made in violation of a restraint order acquires no claim to discretionary indulgence. The petitioner cannot derive an equity from its vendors' disobedience and employ that equity to defeat the plaintiff's prior claim. It is submitted that the Apex Court in ***Delhi Development Authority Vs. Skipper Construction Co. (P) Ltd.***[23], at paragraph Nos.17 to 21 which reads thus:

> ***"17. The principle that a contemner ought not to be permitted to enjoy and/or keep the fruits of***

[22] (2012) 8 SCC 384
[23] (1996) 4 SCC 622

his contempt is well settled. In Mohd. Idris v. Rustam Jehangir Babuji [(1984) 4 SCC 216 : 1984 SCC (Cri) 587 : (1985) 1 SCR 598] this Court held clearly that undergoing the punishment for contempt does not mean that the court is not entitled to give appropriate directions for remedying and rectifying the things done in violation of its orders. The petitioners therein had given an undertaking to the Bombay High Court. They acted in breach of it. A learned Single Judge held them guilty of contempt and imposed a sentence of one month's imprisonment. In addition thereto, the learned Single Judge made appropriate directions to remedy the breach of undertaking. It was contended before this Court that the learned Judge was not justified in giving the aforesaid directions in addition to punishing the petitioners for contempt of court. The argument was rejected holding that "the Single Judge was quite right in giving appropriate directions to close the breach (of undertaking)".

18. The above principle has been applied even in the case of violation of orders of injunction issued by civil courts. In Clarke v. Chadburn [(1985) 1 All ER 211] Sir Robert Megarry V-C observed:

"I need not cite authority for the proposition that it is of high importance that orders of the court should be obeyed. Wilful disobedience to an order of the court is punishable as a contempt of court, and I feel no doubt that such disobedience may properly be described as being illegal. If by such disobedience the persons enjoined claim that they have validly effected some charge in the rights and liabilities of others, I cannot see why it should be said that although they are liable to penalties for contempt of court for doing what they did, nevertheless those acts were validly done. Of course, if an act is done, it is not undone merely by pointing out that it was done in breach of the law. If a meeting is held in breach of an injunction, it cannot be said that the meeting has not been held. But the legal consequences of what has been done in breach of the law may plainly be very much affected by the illegality. It seems to me on principle that those who defy a

prohibition ought not to be able to claim that the fruits of their defiance are good, and not tainted by the illegality that produced them."

19. To the same effect are the decisions of the Madras and Calcutta High Courts in Century Flour Mills Ltd. v. S. Suppiah [AIR 1975 Mad 270 : (1975) 2 MLJ 54] and Sujit Pal v. Prabir Kumar Sun [AIR 1986 Cal 220 : (1986) 90 CWN 342] . In Century Flour Mills Ltd. [AIR 1975 Mad 270 : (1975) 2 MLJ 54] it was held by a Full Bench of the Madras High Court that where an act is done in violation of an order of stay or injunction, it is the duty of the court, as a policy, to set the wrong right and not allow the perpetuation of the wrongdoing. The inherent power of the court, it was held, is not only available in such a case, but it is bound to exercise it to undo the wrong in the interest of justice. That was a case where a meeting was held contrary to an order of injunction. The Court refused to recognise that the holding of the meeting is a legal one. It put back the parties in the same position as they stood immediately prior to the service of the interim order.

20. In Sujit Pal [AIR 1986 Cal 220 : (1986) 90 CWN 342] a Division Bench of the Calcutta High Court has taken the same view. There, the defendant forcibly dispossessed the plaintiff in violation of the order of injunction and took possession of the property. The Court directed the restoration of possession to the plaintiff with the aid of police. The Court observed that no technicality can prevent the court from doing justice in exercise of its inherent powers. It held that the object of Rule 2-A of Order 39 will be fulfilled only where such mandatory direction is given for restoration of possession to the aggrieved party. This was necessary, it observed, to prevent the abuse of process of law.

21. There is no doubt that this salutary rule has to be applied and given effect to by this Court, if necessary, by overruling any procedural or other

technical objections. Article 129 is a constitutional power and when exercised in tandem with Article 142, all such objections should give way. The court must ensure full justice between the parties before it."

15. It carries the principle from condemnation to remedy. A Court is not confined to punishing disobedience. It may set the wrong right, undo the consequences of the breach, and prevent the contemnor from retaining its fruits. The respondent submits that redeposit is exactly such a restorative measure. It is submitted that the Apex Court in the case of ***Balwantbhai Somabhai Bhandari Vs. Hiralal Somabhai Contractor***[24], supplies both the rule and its limit, and the Apex Court observed that an ordinary transfer pendente lite is not void merely because Section 52 of the Transfer of Property Act applies. However, a transfer made in wilful breach of an injunction may be neutralized so that neither the contemnor nor anyone claiming under him retains the advantage. The respondent's case rests on this proved contumacious setting, not on the overbroad proposition that every pendente lite transfer is void ab initio.

[24] 2023 SCC OnLine SC 1139

16. It is submitted that I.A.No.53 seeks the Court' s custody of the substituted res, not its ownership. Any manner of redeposit does not confer any right on the plaintiff to withdraw the amount, creates no final charge, and does not determine apportionment. It keeps the fund within the custody of the court or the reference, so that success in the suit is not reduced to a paper decree. The need for protection is not speculative. The KIADB entered appearance on 25.01.2025, yet disbursed the compensation to defendant No.16 on 27.02.2025 without placing the development before the trial Court. The petitioner received the monetary substitution of property purchased under a sale deed executed during the injunction. Unless the fund is restored, the prohibited transaction permanently achieves what the restraint was designed to prevent. It is submitted that Section 151 of the CPC exists for this procedural necessity. The trial Court has restored the efficacy of its own process without prejudicing the merits. Article 227 of the Constitution of India does not warrant substituting another discretionary view where the order is jurisdictionally competent, protective, and directed against an

accomplished advantage arising during the lis. Learned counsel appearing for the respondent submits that the order assailed in the writ petition does no more than ensure that the *status quo* inter partes is maintained during the trial. Also, the order on I. A. No.53 does no more than hold the substituted res as *Custodia Legis*, and if necessary, the Court would thereafter, in its powers, refer the said amount to the Designated Authority under the provisions of Section 64 of the RFTCLARR Act for enhancement and apportionment. Otherwise, such money would rot in the number books of the petitioner, and instead of assuaging contempt, if the petitioner' s plea is accepted, it would lead to a situation that encourages violations of judicial orders and perpetrators of contempt go scot-free. The order under challenge preserves every defense but prevents the petitioner from converting a transaction made during a subsisting injunction into an irreversible fait accompli. The writ petition therefore deserves to be dismissed with exemplary costs.

17. In response to that, learned counsel for the petitioner submits that the reliance placed by the respondent No.1 in ***Lala***

Durga Prasad's case referred supra, the litigation is clearly distinguishable and inapplicable. The decision proceeded on a materially different factual foundation, in which a sale deed had already been executed and the rights arising from that conveyance were under consideration. Hence, it is not applicable to the facts of this case. Then coming to ***Soni Lalji Jetha's*** case referred supra, it is submitted that the decision concerns mortgaged property, adverse possession, and the effect of a sale by the mortgagor/mortgagee, and does not deal with the rights of a bona fide transferee for valuable consideration without notice. The decision is therefore not applicable. Then coming to ***Bai Dosabai's*** case referred supra, the decision concerns land leased for a specific period and the rights arising from such leasehold arrangements, and it has no application to the present case. Then coming to ***Vannarakkal Kallalathil Sreedharan***'s case, the decision supports the petitioner's case. The Hon'ble Supreme Court expressly recognizes that a contract of sale does not create an interest in immovable property and that the equitable protection recognized therein is against a transferee with notice. Then

coming to ***Jagadish Singh***'s case referred supra, it is submitted that the decision, in fact, supports the petitioner rather than the respondent. It recognizes the necessity of an appropriate claim and an amendment when the plaintiff seeks compensation or alternative relief in a suit for specific performance. In the present case, no such relief is sought, and no amendment is sought. Hence, it supports the petitioner's case. Coming to ***Sukhbir Singh's*** case, it is submitted that the decision is distinguishable on fundamental factual and procedural grounds. There, the issue of acquisition arose in the first appeal after a decree for specific performance had already been entered, and the plaintiff's right had therefore crystallized. In the present case, there is no decree for specific performance; the alleged Agreement of Sale itself remains unadjudicated. Hence, that is not applicable. Then coming to the case of ***Narasamma Vs. KIADB and Others***[25], it is submitted that it concerns Sections 18 and 30 of the Land Acquisition Act and the determination/deposit of compensation in acquisition proceedings, not the entitlement of an agreement holder to acquisition compensation in a pending suit for specific

[25] ILR 2002 KAR 4462

performance. Hence, it is also not applicable. Then coming to the case of ***J.K. Shantilal Vs. Special Land Acquisition Officer and Others***[26], the decision arises in the context of Section 30 of the Land Acquisition Act and of proceedings before the Land Acquisition Officer, and is therefore distinguishable on its facts and statutory basis. It is submitted that the impugned order needs to be set aside and that the writ petition is liable to be allowed.

20. Having heard the learned Senior counsel representing the learned counsel for the petitioner and learned counsel for the respondent No.1, perused the material on record. In the light of the respective submissions made on behalf of both parties, the controversy requires examination of the effect of the sale made during the subsistence of the injunction, the consequences of acquisition on the pending suit, the significance or absence of a prayer for compensation, and the extent of the trial Court's power to preserve the amount received by the subsequent purchaser. The most significant circumstance is that the Sale Deed was executed on

[26] WP.No.30683/2009 (LA-KIADB)

26.03.2022, when an express injunction restraining alienation was in force. This is not a case where the vendor merely transferred the property during the pendency of the suit without any restraint operating against him. The Court had specifically prohibited alienation, and that prohibition had been confirmed nearly five years before the sale. An injunction is an exercise of judicial authority intended to preserve the subject matter of litigation. Its object is to ensure that the rights ultimately determined by the Court are not defeated by acts undertaken during the pendency of proceedings. A party bound by such an order cannot disregard it and thereafter contend that the Court must accept the consequences of the prohibited transaction as an accomplished fact. Section 52 of the Transfer of Property Act embodies the doctrine of *lis pendens*. Its effect is not to render every transfer during the pendency of litigation void, but to subordinate the rights of the transfer to the rights eventually established under the decree. The purchaser cannot acquire a better position than the vendor in relation to the pending litigation.

21. In ***Vannarakkal Kallalathil Sreedharan***'s case referred supra, the Supreme Court recognized that an Agreement of Sale, although not itself transferring ownership, creates an obligation attached to the ownership of the property that is enforceable against persons who subsequently acquire an interest in it. The decision arose in the context of attachment and an antecedent Agreement of Sale. Its relevance lies in recognizing the distinction between ownership of immovable property and the obligation arising from an enforceable contract of sale. The Hon'ble Apex Court in ***Surjit Singh***'s case construed an assignment made in defiance of an order restraining alienation. The Court declined to recognize the assignment to permit the assignees to enter the pending proceedings and defeat the restraint. The principle underlying the decision is that judicial orders cannot be rendered ineffective by permitting parties to obtain procedural or substantive advantage from transactions undertaken in defense of those orders. In ***Jehal Tanti***'s case referred supra, the Hon’ble Supreme Court considered a Sale Deed executed during the operation of an injunction restraining alienation. The

Court emphasized the significance of the subsisting order and held that the subsequent transfer could not be examined as though the judicial restraint did not exist. The Court also considered the legal consequences of a transaction undertaken in contravention of such orders. The position was further explained in ***Balwantbhai Somabhai Bhandari***'s case referred supra. The Apex Court recognized that in proceedings concerning willful disobedience of judicial orders or undertakings, the Court may issue appropriate directions to prevent a person from retaining the benefit of conduct undertaken in defense of its authority. Such directions may extend to neutralizing the advantage obtained through the prohibited order. These decisions establish an important principle, but their application requires care.

22. A transfer made during the subsistence of an injunction does not become void for every purpose merely because the order has been violated. The nature of the restraint, the conduct of the parties, and the remedy sought must be examined. Nevertheless, the transaction cannot be permitted to defeat the effectiveness of the pending

proceedings or to place a transferee in a better position than the person from whom the property was purchased. In the present case, the purchaser acquired the property while a specific order restraining alienation was in force. The purchaser's rights were consequently subject to the outcome of the suit. Whether the petitioner acknowledged the injunction and whether the violation warrants action under Order 39 and Rule 2(a) of the CPC are separate matters. Those questions need not be finally decided in the present proceeding. The fact remains that the sale was effected during the operation of a judicial restraint, and the Court must consider those circumstances while examining the application for protection.

23. The next question concerns the effect of acquisition on the relief sought in the suit. The petitioner's submission that the property cannot now be conveyed requires consideration in the light of the applicable acquisition law. Upon lawful vesting of the property in the acquiring authority, the vendor ordinarily ceases to possess the interest necessary to execute a conveyance in favor of the plaintiff. A decree compelling conveyance of property already vested in the acquiring

authority cannot ordinarily be implemented. To that extent, the acquisition may render the original relief or specific performance incapable of execution. However, the question whether the original relief has become impossible must be distinguished from the question whether the entire suit becomes non-maintainable. The suit was instituted when the plaintiff asserted an enforceable contractual right against the vendor. A subsequent statutory acquisition does not retrospectively invalidate its institution. Its effect is on the relief which the Court may ultimately grant. Section 21 of the Specific Relief Act contemplates the award of compensation for breach of contract where the requirements of that provision are satisfied. Thus, the explanation to the Section expressly recognizes that the circumstances of the contract becoming incapable of specific performance do not preclude the exercise of jurisdiction to award compensation.

24. In ***Jagadish Singh's case*** referred supra, the Hon'ble Supreme Court considered the consequences of acquiring property during the pendency of proceedings for specific performance. It held that where the contract becomes

incapable of performance for no fault of the plaintiff, compensation in substitution for specific performance may be awarded under Section 21 of the Specific Relief Act. The Court also recognized that the compensation determined in acquisition proceedings may furnish an appropriate measure for assessing the monetary relief. In ***Urmila Devi***'s case referred supra, the plaintiff had already obtained a decree for specific performance, which had been affirmed on appeal. During the pendency of further proceedings, the property was acquired. The Supreme Court held that the plaintiff should not be deprived of appropriate relief merely because the acquisition had made actual conveyance impossible. The compensation awarded in the acquisition proceedings was considered when determining the monetary relief to which the plaintiff was entitled. In ***Sukhbir Singh***'s case referred supra, the Hon'ble Supreme Court again dealt with acquisition of property that formed the subject matter of a decree for specific performance. There were concurrent findings regarding the execution of the agreement, payment of substantial consideration, and the plaintiff's readiness and willingness. In those circumstances,

the Court upheld substituting the relief of specific performance with an award of acquisition compensation, subject to appropriate deductions. The significance of these decisions lies not merely in the fact that acquisition compensation was awarded. In each case, the plaintiff's entitlement under the Agreement of Sale was judicially established. Acquisition intervened in the enforcement of a right the Court had already found to exist. The monetary relief was granted to prevent the plaintiff from losing the benefit of that adjudication because performance had become impossible. The present case stands on a different footing. The suit for specific performance remains pending. There is no finding that the agreement is enforceable, that the plaintiff has complied with the statutory requirement for specific performance, or that the plaintiff is entitled to a decree. These matters must be established at trial. The decision in ***Jagdish Singh***'s case, ***Urmila Devi***'s case and ***Sukhbir Singh***'s case, cannot therefore be applied as if the plaintiff has already acquired an adjudicated right to receive the acquisition compensation. The decisions nevertheless answered the petitioner's contention that acquisition necessarily ends

every remedy arising from the agreement. The plaintiff may be unable to obtain actual conveyance after vesting, but the law recognizes the possibility of compensation when the necessary contractual and statutory conditions are met.

25. The petitioner has specifically pointed out that the plaintiff has not amended the plaint to seek compensation under Section 21 of the Specific Relief Act. This objection cannot be brushed aside as a mere technicality. Sub-section (5) of Section 21 of the Specific Relief Act provides that compensation shall not be awarded unless it has been claimed in the plaint. That proviso enables the Court to prevent amendment of the plaint at any stage of the proceedings, including such a claim, on such terms as may be just. The distinction between the statutory power to permit amendment and the power to award compensation is important. The Court may allow the plaintiff to introduce a claim for compensation in accordance with law. However, until such a claim forms part of the pleading, the Court cannot proceed on the assumption that compensation has already been sought or that the plaintiff is entitled to receive it. In ***Jagdish Singh***'s case referred supra,

the Hon'ble Supreme Court expressly considered the requirement under Section 21 of the Specific Relief Act and permitted the amendment of the claim for compensation. The decision does not dispense with the statutory requirement to claim compensation. Rather, it recognizes the provision's remedial character and the need to give effect to it where appropriate. In ***Life Insurance Corporation Of India Vs. Sanjeev Builders Private Limited***[27], the Hon'ble Supreme Court considered the scope of amendment in a suit for specific performance and the provisions governing compensation. The statutory requirement to plead compensation remains material, even though the law provides for amendment.

26. The Co-ordinate Bench of this Court in ***Pillamma's*** case referred supra, drew a distinction between claiming compensation under Section 21 of the Specific Relief Act and claiming the entire benefit of acquisition proceedings as though the agreement holder were the owner of the property. The Court held that a person seeking specific performance may upon establishing the necessary entitlement claim

[27] (2022) 16 SCC 1

compensation under Section 21 the Specific Relief Act, where acquisition prevents performance, but cannot claim the entire acquisition compensation merely on the strength of the Agreement of Sale. The principle is directly relevant. An Agreement of Sale does not by itself transfer ownership of immovable property. Section 54 of the Transfer of Property Act expressly provides that a contract for sale does not of itself create any interest in or change on the property. The plaintiff's right is ordinarily a contractual right to seek performance enforceable against the vendor and in circumstances contemplated by law, against the subsequent transferee. The acquisition compensation received by the petitioner arises under the relevant acquisition statute. The compensation payable for breach of the agreement under Section 21 of the Specific Relief Act arises from a different legal foundation. The two cannot be equated merely because they concern the same property. The acquisition amount may be relevant to return the same property. Therefore, on the present pleading, the plaintiff cannot demand payment of the acquisition compensation as a substantive relief. The absence of a prayer under Section 21 of

the Specific Relief Act is material. At the same time, the Court cannot hold at this interlocutory stage, the plaintiff is forever precluded from pursuing compensation, particularly when the statute expressly permits amendment at any stage of the proceeding. The petitioner also relies upon the circumstance that the plaintiff approached this Court by filing a writ petition concerning the acquisition proceeding, but did not obtain an interim order. The filing of a writ petition does not by itself stay statutory proceedings. Where no interim restraint is granted, the acquiring authority is not prevented merely by the pendency of the writ petition from proceeding in accordance with the statute. However, the absence of an interim order in the writ proceeding does not determine the contractual rights arising from the Agreement of Sale. It does not retrospectively validate the Sale Deed executed in the face of the injunction granted by the Civil Court.

27. The decision in ***Narasamma***'s case referred supra concerns claims made by the agreement holders in the context of acquisition proceedings and the statutory mechanism for adjudicating dispute regarding compensation. They

demonstrate that the nature of the claim and the procedure under the applicable acquisition statutes are material. In ***J.K. Shantilal***'s case referred supra , the Court also distinguished the absence of an interim restraint against disbursement from the adjudication of completing claims to compensation. Similarly, in ***Rudramma***'s case referred supra , this Court considered the jurisdiction of the Civil Court to interfere with acquisition proceedings and disbursement of compensation. The judgment emphasizes that the legality of acquisition must be questioned through remedies available under the acquisition law and cannot ordinarily be determined through an independent civil suit. The present proceeding, however, do not involve a direction to the acquiring authority to stop acquisition or reconsider its award. The compensation has already been disbursed. The application is directed against the subsequent purchaser who is not a party to the pending suit and seeks preservation of the amount assailed by him. Whether such protection is permissible must therefore be considered in the context of the pending contractual dispute and the

circumstances of the prohibited alienation without reopening the statutory acquisition proceeding.

28. The last question that falls for consideration is whether the trial court is justified in directing deposit of the compensation amount when the plaintiff has not an established entitlement to specific performance and has not sought compensation under Section 21 of the Specific Relief Act. The power to grant interim relief is intended to preserve the effectiveness of the final adjudication. It is not a power to grant substantial relief in advance of trial. An interim order must have a legally recognizable connection with the right asserted and the relief which the Court may ultimately grant. When the plaintiff has not even sought a monitory decree, the Court must exercise particular caution before directing a defendant to deposit substantial sums of money. Section 151 of the CPC cannot be employed to circumvent the requirements governing security before judgment or to confer upon a plaintiff a monetary interest which has not been established. In ***Raman Tech. & Process Engg. Co. & Anr vs Solanki Traders***[28], the

[28] (2008) 2 SCC 302

Hon'ble Supreme Court emphasized that an order securing a possible future money decree cannot be made merely because the plaintiff asserts a claim. The extraordinary power of attachment before judgment requires satisfaction of the statutory conditions and cannot be used to convert an unsecured claim into a secured one. Although the present application concerns the preservation of compensation rather than the attachment of ordinary assets, the principle of restraint in imposing pre-judgment security remains relevant. It is therefore necessary to identify what distinguishes this case from an ordinary application seeking security for an unadjudicated monetary claim.

29. The distinguishing circumstances are the subsisting injunction restraining alienation. The Court had specifically directed that the property shall not be alienated. Notwithstanding that order, the Sale Deed was executed. The property was subsequently acquired, and the purchaser received compensation. The property the Court intended to preserve is no longer available. In such circumstances, the trial Court was entitled to examine whether any protective

arrangement was necessary to prevent the pending adjudication from being rendered ineffective. The Court's concern is not merely that the plaintiff may eventually claim money; it is that the property was transferred despite an express judicial restraint and that the proceeds arising from its subsequent acquisition have passed into the hands of the purchaser. In ***Delhi Development Authority***'s case referred supra, the Hon’ble Supreme Court recognizes the power of Courts to prevent persons from retaining advantages obtained through conduct that defeats judicial orders. The decision reflects the principle that Courts possess appropriate remedial powers to protect the effectiveness and integrity of their proceedings. That principle does not mean that the plaintiff automatically becomes the owner of the acquisition compensation, nor does it establish that the purchaser must necessarily deposit the entire amount in every case. The legality and proportionality of the particular protective direction must still be examined. There is an important difference between ordering payment of compensation to the plaintiff and directing its preservation pending adjudication. The former

determines entitlement. The latter may serve to prevent an identifiable fund from being dissipated before the Court and to decide whether any monetary relief is available. The deposit does not by itself extinguish the petitioner's claim to the amount or create ownership in favor of the plaintiff.

30. In the present case, the absence of a compensation prayer requires that the operation of the impugned order be restricted. The plaintiff cannot indefinitely secure the entire acquisition compensation without pursuing the substantive relief for which such security may be necessary. The Court must also consider whether the amount directed to be deposited bears a reasonable relationship to the claim that can be established and whether adequate protection can be provided through alternative security. The purchaser's reliance on the acquisition and the disbursement of compensation cannot be accepted as a complete answer to the application, because it leaves unanswered the legal consequences of the prohibited alienation. Equally, the plaintiff cannot rely solely on the injunction to claim an immediate right to the entire compensation. Both considerations must inform the exercise of

the Court's discretion. The appropriate course is therefore to preserve the existing protection for a limited period while requiring the trial Court to reassess its necessity and extend it with reference to the actual pleadings and the remedies available in law. Such an arrangement neither rewards a transaction made in the face of an injunction nor prejudges the plaintiff's entitlement to compensation. The continuation of security must be assessed in the context of a legally maintainable substantive claim. Accordingly, this Court is passing the following:

ORDER

i. The impugned direction to deposit the compensation shall serve as an interim protective measure and shall not be construed as a determination of the plaintiff's entitlement for compensation.

ii. The trial court shall, within 8 weeks from the date of receipt of the copy of this order, reconsider the extent and continuity of securing the compensation amount after hearing the parties. In doing so, it shall take

into account the absence of a compensation prayer, any steps taken by the plaintiff under Section 21 of the Specific Relief Act, the amount of the potential monetary claim, and the availability of adequate alternative security.

iii. Until such re-consideration, if any amount is already deposited, it shall be kept in a fixed deposit in a Nationalised Bank till the Court decides the application.

iv. The trial Court shall be at liberty to maintain, vary or vacate the security upon recording reasons without treating the present order as requiring continued deposit of the entire acquisition compensation.

v. The trial Court shall proceed with the suit expeditiously, decide the issues concerning the enforceability of the agreement, the consequences of the acquisition, and the entitlement of the parties to any relief, independently and in accordance with law.

vi. This Court has not expressed anything on the merits of the matter, and all the issues are kept open to be decided by the Court.

vii. Accordingly, the writ petition is ***disposed of.***

viii. All I.As. in this petition shall stand closed.

SD/-
(LALITHA KANNEGANTI)
JUDGE

MEG
List No.: 1 Sl No.: 10
*MR