



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

217

LPA-324-2022 (O&M)

Date of Decision: 29.05.2026

MUSKAN

.....Appellant

Versus

UNION OF INDIA AND OTHERS

.....Respondents

CORAM : HON'BLE MR. JUSTICE HARSIMRAN SINGH SETHI
HON'BLE MR. JUSTICE DEEPAK MANCHANDA

Present: Mr. Ankush Aggarwal, Advocate and
Mr. Jatin Bansal, Legal Aid Counsel,
for the appellant.

Mr. Ajay Jain, Advocate,
for respondent No.4.

HARSIMRAN SINGH SETHI, J. (Oral)

1. In the present appeal, the challenge is to the impugned judgment dated 02.03.2022 passed by the learned Single Judge, whereby the writ petition filed by respondent No.4 has been allowed.

2. The question which arises in the present appeal is whether, there was a valid dispute with regard to the title of the land, which has been acquired by the National Highway Authority of India (for short, 'the NHAI') so as to direct the Land Acquisition Authority to decide the same qua the compensation paid.

3. Certain facts need to be noted for the correct appreciation of the issue in hand. The notification bearing S.O. No.2179 (E) under Section 3-A (1) of the National Highways Act, 1956 (for short, 'the 1956 Act') was issued by the NHAI on 27.06.2019 for acquiring certain piece of land. The objections were invited from the land owner. After the said objections were



called and disposed off, the appellant and respondent No.4, entered into an agreement to sell on 25.07.2019, which agreement included the land sought to be acquired. Though, only an agreement to sell was entered into but no sale was affected between the parties herein till notification under Section 3-D of 1956 Act was issued by the government deciding acquisition of land in question on 05.08.2019.

4. In pursuance to the acquisition, an award was passed on 06.09.2019 and keeping in view the fact that the owner of the land acquired was the appellant on the day of the award, the compensation was required to be paid to the owner, appellant was entitled to receive the compensation.

5. After the land had already been acquired by the NHAI on 05.08.2019 and the award already passed on 06.09.2019, the appellant, who is paternal orphan, was made to enter into sale agreement on 25.07.2019 by respondent No.4, who is the first cousin of the appellant. It may be noticed that in the said agreement dated 25.07.2019, the land measuring 10 kanals 2 marlas, the total sale consideration offered by respondent No.4 was Rs.15 lakhs, whereas, out of the total land of 10 kanals 2 marlas, 2 kanals 11 marlas of land which was acquired by the NHAI on 05.08.2019, a compensation of Rs.42 lakhs was already assessed to be paid in favour of the appellant.

6. The respondent No.4 knew that 2 kanals 11 marlas of land sought to be purchased has already been acquired by NHAI and for which, he will get Rs.42 lakhs as compensation. Later, he made the appellant enter into an agreement for 10 kanals 2 marlas and that too for a meagre amount of Rs.15 lakhs. On the basis of the sale deed entered into between the parties herein after the award, which also included the 2 kanals 11 marlas of the acquired land, the respondent No.4 started efforts to get the compensation



rather than the same being disbursed to the appellant. But, as on the day when the land was acquired and the award was also passed, the land was in the ownership of the appellant, the compensation amounting to Rs.42 lacs was paid by the NHAI to the appellant.

7. The respondent No.4 started the process that the ownership of the land in question was disputed on the day when the actual compensation was paid as he had already purchased the same from the appellant, he should have been paid the compensation of Rs.42 lacs instead of the appellant.

8. As the Land Acquisition Officer had already passed an award much prior to the sale deed qua the sale of the land by the appellant to respondent No.4 measuring 2 kanals 11 marlas, the plea of respondent No.4 was not accepted by the Land Acquisition Collector for the payment of the compensation to respondent No.4, which led to the filing of the writ petition. The learned Single Judge has accepted the writ petition so as to allow the respondent No.4 to raise the grievance of a disputed title qua land measuring 2 kanals 11 marlas which was acquired by the NHAI so as to seek compensation of the same on the ground that the same has wrongly been paid to the appellant.

9. The question which arises for consideration before this Court is, whether there was any disputed title of the land which was acquired by the NHAI on the day when the land was acquired or even the award was made so as to give any jurisdiction to respondent No.4 to seek reference qua the compensation paid to the appellant amounting to Rs.42 lacs.

10. Learned counsel for the appellant, who is appearing as legal aid counsel, submits that the dispute with regard to the payment of compensation can only be adjudicated in case, on the date of award, there is a dispute with regard to the ownership of the land whereas, in the present



case, the decision to acquire the land is dated 05.08.2019 and the award is dated 06.09.2019 whereas, the sale deed dated 09.10.2019 (Annexure P-1), on the basis of which the claim was raised by respondent No.4 i.e. much after the date of acquisition as well as award announced qua acquisition and therefore, once the appellant is undisputed owner of the land on the day when the land was acquired on 05.08.2019 as well as on the date when award was passed, there was no dispute qua the ownership of the land which was acquired by the NHAI, hence, the said issue cannot be relegated to the Land Acquisition Authorities to decide the entitlement of the compensation, which factors have been ignored by the learned Single Judge while passing the impugned order.

11. Learned counsel appearing on behalf of respondent No.4 on the other hand submits that though the acquisition of the land was done on 05.08.2019 and the award is dated 06.09.2019 and concededly the sale deed was registered much after on 09.10.2019 but, there was an agreement to sell between the parties dated 25.07.2019 and therefore, the said agreement to sell creates a dispute with regard to the ownership of the land on the date of the acquisition which is dated 05.08.2019 and the learned Single Judge was very much correct in sending the parties before the Land Acquisition Authorities to decide whether the compensation has been paid rightly to the appellant-Muskan or was required to be paid to respondent No.4-Raj Singh. Reliance is being placed upon the judgment of the Hon'ble Supreme Court of India in ***Sunil Kumar Jain Versus Kishan and others, 1995 AIR (SC) 1891***, to hold that even if the agreement to sell does not create a change of ownership and on the said basis, the dispute with regard to the payment of compensation can be entertained.

12. We have heard the learned counsel for the parties and have



gone through the record with their able assistance.

13. It may be noticed that the appellant is paternal orphan and her mother has remarried. The respondent No.4 is first cousin of the appellant from paternal side. The respondent No.4 knew that the land belongs to the appellant, which was being acquired by the NHAI and hence, the modus operandi was to not only get the land from the appellant but even the compensation. The facts clearly show that after the proposal was given by the NHAI to acquire the land on 27.06.2019, and as per such notification land of the appellant measuring 2 kanals 11 marlas was to be acquired, respondent No.4 entered into an agreement to sell qua the land measuring 10 kanals 2 marlas belonging to the appellant which also included the proposed acquired land for a meagre amount of Rs.15 lakhs.

14. It may be noticed that the land measuring 02 kanals 11 marlas was acquired by the NHAI on 05.08.2019 and the award was passed on 06.09.2019. In the said award, it was made clear that for 2 kanals 11 marlas of land, the appellant was to get Rs.42 lakhs as compensation. Thereafter, respondent No.4 entered into a sale deed with the appellant on 09.10.2019 so as to get Rs.42 lakhs compensation. Unfortunately, on the day when the award was passed, the appellant was the owner and an amount of Rs.42 lakhs was given to her. Thereafter, the respondent No.4 started making efforts to grab Rs.42 lakhs from the appellant by raising a plea that the compensation was wrongly given to the appellant as there was a dispute of the ownership of the acquired land.

15. Learned counsel appearing on behalf of respondent No.4 very fairly submits that on the day when the land was purchased by respondent No.4 on 09.10.2019, the same had already been acquired by the NHAI on 05.08.2019 and even the award had already been announced on 06.09.2019,



which is prior to the execution of the sale deed. Qua any land which had already been acquired by the NHAI, no sale deed could have been entered after 05.08.2019 as thereafter the ownership of 2 kanals 11 marlas of land had already been shifted to the NHAI. That being so, there was no dispute qua ownership of the acquired land on the day when the award was passed on 06.09.2019, the owner was the appellant and creation of a dispute by the respondent No.4 was only to grab Rs.42 lakhs which was paid to the appellant qua acquired land.

16. It may be noticed that once on the date when the land was acquired, the appellant was the owner, the amount of compensation was rightly paid to her. There was no title dispute which could be referred to the land acquisition authority qua the compensation paid to the appellant, hence, the learned Single Judge ignored the relevant dates on which the land was acquired and the award acquiring the land was passed and the actual sale deed registered qua the said in favour of respondent No.4 by the appellant. The subsequent sale of acquired land is fraudulent and is *void ab initio* and cannot be treated as valid sale for any purpose much less giving a right to respondent No.4 to get the compensation.

17. With regard to the judgment being relied upon by the learned counsel for respondent No.4 in ***Sunil Kumar Jain (supra)*** it may be noticed that it has also come in the said judgment that an agreement to sell does not create any right to claim the ownership hence, the agreement to sell in the present case dated 25.07.2019 will not give any right to claim any ownership as, there was no transfer of the land in favour of respondent No.4 upto the date when the land was finally acquired by the NHAI on 05.08.2019 and the award was passed on 06.09.2019. Subsequent sale deed of such acquired land, cannot be made a subject-matter for the claim of compensation.



18. Even otherwise, it is very unfortunate to note that a cousin brother involving a cousin sister in such kind of agreement to usurp not only the property but also even the compensation which she got. For a total land of 10 kanals 2 marlas owned by appellant he entered into an agreement for Rs.15 lakhs and that too with the motive that out of 10 kanals 2 marlas land, 2 kanals 11 marlas of land which is acquired, he will be getting Rs.42 lakhs. This kind of an agreement, needs to be dealt with in a manner required.

19. It may be noticed that such kind of fraudulent transfers have been dealt by the Hon'ble Supreme Court of India while deciding Civil Appeal No.8003-2019 decided on 14.10.2019, titled "***Shiv Kumar and another Vs. Union of India and others***". In paragraph 18, the following has been recoded by the Hon'ble Supreme Court of India which is as under:-

"18. The Act of 2013 presupposes that a person is required to be rehabilitated and resettled. Such a person who has purchased after section 4 notification as sale deed is void under the Act of 1894, cannot claim rehabilitation and resettlement as per policy envisaged under the Act of 2013, as his land has not been acquired, but he has purchased a property which has already been acquired by the State Government, he cannot claim even higher compensation, as per proviso to section 24(2) under the Act of 2013. An original landowner cannot be deprived of higher value under the Act of 2013, which higher compensation was not so contemplated when the void transaction of sale had been entered, and right is conferred under proviso to Section 24(2) on recorded owners under Act of 1894. We have come across instances in which after notifications under section 4 were issued and, the property was purchased at throwaway prices by the builders and unscrupulous persons, such purchases are void and confer no right even to claim higher compensation under Section 24(2) of the Act of 2013 as it is to be given to the owner as mentioned in the notification."

20. A bare perusal of the above would show that any purchase of the land after Notification passed under Section 4 of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 has been treated as void. Not only this, it has been mentioned that after such void transactions any enhancement of the



compensation, the same will also come to the original land owner and not to a person, who is the beneficiary of such void transaction. The beneficiary of such void transaction has been ousted completely for any benefit qua the land acquired.

21. While applying the judgment in *Shiv Kumar and others (supra)* in the present case, the respondent No.4 is trying to claim the compensation of the land acquired on the basis of sale deed dated 09.10.2019, which land had already been acquired by the NHAI on 05.08.2019 i.e. much prior to the date when the sale deed was executed between the appellant and the respondent No.4 on 09.10.2019. Hence, the said sale deed dated 09.10.2019 qua land measuring 2 kanals 11 marlas, which had been acquired, is to be treated as a void for all intents and purposes and is declared as such. Therefore, giving an authority to respondent No.4 to raise the dispute before the land acquisition authorities qua a void transaction has escaped notice of the learned Single Judge and therefore, no reference can be made to the land acquisition collector qua the compensation already paid to the appellant so as to accept the view of the respondent No.4 that the ownership was disputed.

22. Further the view taken by us is also supported by the decision of Division Bench of Allahabad High Court in writ petition bearing Civil Appeal No.10958-2018 decided on 27.03.2018 titled as *Vipin Aggarwal Vs. Union of India*. The relevant paragraph is extracted below:-

“It is therefore, clear that on receipt of the report, the Central Government declares by notification in the official gazette that the land should be acquired for the purpose mentioned in sub-section (1) of Section 3A. Sub-section (2) of Section 3 provides that on the publication of the declaration under sub-section (1), the land shall vest absolutely in the Central Government free



from all encumbrances. Thus, on publication of the declaration in the official gazette on 7 August 2012, the land stood vested in the Central Government free from all encumbrances and the erstwhile owner did not have any right to execute the sale deed in favour of the petitioner. The sale deed was executed by the petitioner is void ab initio and does not confer any right upon the petitioner to receive compensation.”

23. Hence, any compensation being sought by the respondent No.4 qua the said acquired land cannot be extended to him by alleging disputed title of the land which is based upon a void agreement dated 09.10.2019. The only relief which he can get is that he can claim back the proportionate sale consideration qua 2 kanals 11 marlas, which he has paid to the appellant while purchasing total land measuring 10 kanals 02 marlas for a total sum of Rs.15 lacs.

24. Appellant is directed to return the said proportionate amount to the respondent No.4 as and when any such demand is raised by respondent No.4.

25. In view of the above, for all intents and purposes, there was no dispute with regard to ownership of the land measuring 2 kanals 11 marlas which was concededly under the ownership of the appellant and was rightly paid. In case, respondent No.4 has any grievance that any acquired land was sold to him, which could not have been sold, he is within his jurisdiction to avail appropriate remedy before the Civil Court against the appellant. The order passed by the learned Single Judge is accordingly set aside with the observation that on the day when the acquisition was done by the NHAI on 05.08.2019 and the award was passed on 06.09.2019, the land was owned by the appellant and subsequent sale deed will create a disputed title after the date when the award was passed.

26. No other argument has been raised.



27. The order is dictated in open Court in the presence of learned counsel for the respective parties.

28. The appeal is allowed in the above terms and the order passed by learned Single Judge dated 02.03.2022 is set aside.

29. Civil miscellaneous application pending, if any, is also disposed of.

(HARSIMRAN SINGH SETHI)
JUDGE

(DEEPAK MANCHANDA)
JUDGE

29.05.2026
sandeep/vanita

Whether Speaking/Reasoned :	Yes
Whether Reportable :	No