

A AYODHYA FAIZABAD DEVELOPMENT AUTHORITY  
AND ANR.

v.

RAM NEWAJ AND OTHERS

B (Civil Appeal No.2916 of 2022)

MAY 20, 2022

**[M. R. SHAH AND B.V. NAGARATHNA, JJ.]**

C *Land Acquisition – Right to Fair Compensation and  
Transparency in Land Acquisition, Rehabilitation and Resettlement  
Act, 2013 – s.24(2) – High Court allowed writ petition preferred by  
respondents–original writ petitioners and held that acquisition  
proceedings in respect of the three plots in question pertaining to  
the original writ petitioners stand lapsed under subsection (2) of  
D s.24 of the 2013 Act – It was so held by the High Court, solely on  
the ground that, though deposit of compensation was made in the  
Treasury, but the same was not deposited in the Court and  
consequently payment of compensation was not made to the land  
owners – Held: Applying the law laid down by this Court in the  
E case of Indore Development Authority and in the present case as the  
amount of compensation was deposited with the Treasury and even  
the possession was already taken over on 07.09.2005, the impugned  
judgment passed by the High Court is unsustainable.*

F *Indore Development Authority versus Manoharlal and  
others, (2020) 8 SCC 129 : [2020] 3 SCR 1 – relied  
on.*

G *Delhi Development Authority versus Sukhbir Singh and  
others, (2016) 16 SCC 258 : [2016] 5 SCR 227 –  
referred to.*

**Case Law Reference**

[2016] 5 SCR 227	referred to	Para 3
[2020] 3 SCR 1	relied on	Para 3

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AYODHYA FAIZABAD DEVELOPMENT AUTHORITY  
AND ANR. v. RAM NEWAJ AND OTHERS

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CIVIL APPELLATE JURISDICTION : Civil Appeal No.2916 A  
of 2022.

From the Judgment and Order dated 19.07.2017 of the High Court of Judicature at Allahabad, Lucknow Bench, Lucknow in Misc. Bench No.3962 of 2005.

V. K. Shukla, Sr. Adv., R. K. Singh, M. M. Pandey, Mrs. Neeraj Singh, Kumar Gaurav, Praveen Pathak, Ajay Chaudhary, Ms. Ritu Reniwal, Sajith P., Sudhir Kulshreshtha, Sameer Kulshreshtha, Rakesh Uttamchandra Upadhyay, Ms. Aarti U. Mishra, Rishabh Kumar Pandey, Mridul Singh, Advs. for the Appellant. B

S. R. Singh, Rana Mukherjee, Sr. Advs., Yash Pal Dhingra, Prateek Yadav, Ms. Sunita Pandit, K. K. Yadav, Prithvi Yadav, Gaurav Lomes, Mohd. Muztaba, Ankur Yadav, Ms. Manju Jetley, Rudreshwar Singh, Kaushik Poddar, Ms. Isha Singh, Nishit Agrawal, Harsh Mishra, Kumar Deepraj, Vikas Tiwari, Dharmendra Kumar Sinha, Bhakti Vardhan Singh, Rajeev Kumar Dubey, Ashiwan Mishra, Kamendra Mishra, Pukhrambam Ramesh Kumar, Karun Sharma, Ms. Anupama Ngangom, Mohan Dadwal, Advs. for the Respondents. C D

The Judgment of the Court was delivered by

**M. R. SHAH, J.**

1. Feeling aggrieved and dissatisfied with the impugned judgment and order dated 19.07.2017 passed by the High Court of Judicature at Allahabad, Lucknow Bench, Lucknow in Miscellaneous Bench No.3962 of 2005 by which the High Court has allowed the said writ petition preferred by the respondents herein – original writ petitioners and has held that the acquisition proceedings in respect of the three plots in question pertaining to the original writ petitioners stand lapsed under sub-section (2) of Section 24 of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 (hereinafter referred to as ‘the Act 2013’), the Ayodhya Faizabad Development Authority and another has preferred the present appeal. E F G

2. We have heard learned counsel for the respective parties at length. We have perused the impugned judgment and order passed by the High Court.

3. By the impugned judgment and order the High Court has held that the acquisition proceedings with respect to the three plots in question H

- A shall stand lapsed under sub-section (2) of Section 24 of the Act, 2013 solely on the ground that, though the deposit of the compensation was made in the Treasury, but the same was not deposited in the Court and consequently the payment of compensation of the amount was not made to the land owners. The High Court has relied upon the decision of this Court in the case of **Delhi Development Authority versus Sukhbir Singh and others, (2016) 16 SCC 258**. However, in view of the subsequent decision of this Court in the case of **Indore Development Authority versus Manoharlal and others, (2020) 8 SCC 129**, the impugned judgment and order passed by the High Court is unsustainable. In paragraph 366 of the aforesaid judgment this Court has observed and
- B
- C held as under:

“**366.** In view of the aforesaid discussion, we answer the questions as under:

- D                   **366.1.** Under the provisions of Section 24(1)(a) in case the award is not made as on 1-1-2014, the date of commencement of the 2013 Act, there is no lapse of proceedings. Compensation has to be determined under the provisions of the 2013 Act.

- E                   **366.2.** In case the award has been passed within the window period of five years excluding the period covered by an interim order of the court, then proceedings shall continue as provided under Section 24(1)(b) of the 2013 Act under the 1894 Act as if it has not been repealed.

- F                   **366.3.** The word “or” used in Section 24(2) between possession and compensation has to be read as “nor” or as “and”. The deemed lapse of land acquisition proceedings under Section 24(2) of the 2013 Act takes place where due to inaction of authorities for five years or more prior to commencement of the said Act, the possession of land has not been taken nor compensation has been paid. In other words, in case possession has been taken, compensation has not been paid then there is no lapse. Similarly, if compensation has been paid, possession has not been taken then there is no lapse.
- G

- H                   **366.4.** The expression “paid” in the main part of Section 24(2) of the 2013 Act does not include a deposit of compensation in court. The consequence of non-deposit is provided in the proviso to Section 24(2) in case it has not been deposited with respect to

majority of landholdings then all beneficiaries (landowners) as on the date of notification for land acquisition under Section 4 of the 1894 Act shall be entitled to compensation in accordance with the provisions of the 2013 Act. In case the obligation under Section 31 of the Land Acquisition Act, 1894 has not been fulfilled, interest under Section 34 of the said Act can be granted. Non-deposit of compensation (in court) does not result in the lapse of land acquisition proceedings. In case of non-deposit with respect to the majority of holdings for five years or more, compensation under the 2013 Act has to be paid to the “landowners” as on the date of notification for land acquisition under Section 4 of the 1894 Act.

**366.5.** In case a person has been tendered the compensation as provided under Section 31(1) of the 1894 Act, it is not open to him to claim that acquisition has lapsed under Section 24(2) due to non-payment or non-deposit of compensation in court. The obligation to pay is complete by tendering the amount under Section 31(1). The landowners who had refused to accept compensation or who sought reference for higher compensation, cannot claim that the acquisition proceedings had lapsed under Section 24(2) of the 2013 Act.

**366.6.** The proviso to Section 24(2) of the 2013 Act is to be treated as part of Section 24(2), not part of Section 24(1)(b).

**366.7.** The mode of taking possession under the 1894 Act and as contemplated under Section 24(2) is by drawing of inquest report/memorandum. Once award has been passed on taking possession under Section 16 of the 1894 Act, the land vests in State there is no divesting provided under Section 24(2) of the 2013 Act, as once possession has been taken there is no lapse under Section 24(2).

**366.9.** Section 24(2) of the 2013 Act does not give rise to new cause of action to question the legality of concluded proceedings of land acquisition. Section 24 applies to a proceeding pending on the date of enforcement of the 2013 Act i.e. 1-1-2014. It does not revive stale and time-barred claims and does not reopen concluded proceedings nor allow landowners to question the legality of mode of taking possession to reopen proceedings or mode of deposit of compensation in the treasury instead of court to invalidate acquisition.

- A                    **366.8.** The provisions of Section 24(2) providing for a deemed lapse of proceedings are applicable in case authorities have failed due to their inaction to take possession and pay compensation for five years or more before the 2013 Act came into force, in a proceeding for land acquisition pending with the authority concerned as on 1-1-2014. The period of subsistence of
- B                    interim orders passed by court has to be excluded in the computation of five years.”

- C                    3.1 Applying the law laid down by this Court in the case of **Indore Development Authority (supra)** and in the present case as the amount of compensation was deposited with the Treasury and even the possession was already taken over on 07.09.2005, the impugned judgment and order passed by the High Court holding that the land acquisition proceedings with respect to the lands in question are deemed to have lapsed deserves to be quashed and set aside.

- D                    4. In view of the above discussion and for the reasons stated above present appeal succeeds. The impugned judgment and order passed by the High Court is hereby quashed and set aside. Consequently, the writ petition preferred by the original writ petitioner before the High Court stands dismissed.

- E                    In the facts and circumstances of the case, there shall be no order as to costs.

Bibhuti Bhushan Bose

Appeal allowed.