

DELHI DEVELOPMENT AUTHORITY

A

v.

VIRENDER LAL BAHRI & ORS.

(SLP (C) No. 37375 of 2016)

FEBRUARY 27, 2019

B

[R. F. NARIMAN AND VINEET SARAN, JJ.]

Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013:

s. 24 Proviso – Whether the proviso governs s. 24(1)(b) or s. 24(2) – Held: The proviso governs s. 24(1)(b) and not s. 24 (2) – However the question is referred to larger Bench.

Referring the matter to larger Bench, the Court

HELD: 1. Section 24(1) and (2) Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 deal with different subjects. Section 24(1) deals with compensation whereas Section 24(2) deals with lapsing of the acquisition itself. There are many cogent reasons as to why the proviso in Section 24 is really a proviso to Section 24(1)(b) and not to Section 24(2). [Para 9][480-C, D]

D

E

2.1 Firstly, the scheme of Section 24(1) is to provide enhanced compensation under the 2013 Act even in cases where a Section 4 notification has been made under a repealed statute, namely, the Land Acquisition Act, 1894, but where no award has been pronounced on 01.01.2014, when the 2013 Act comes into force. This is clear from a reading of Section 24(1)(a). Section 24(1)(b) then goes on to state that where an award has been made under the repealed Act prior to 01.01.2014, then compensation and all other provisions of the repealed Act will continue to apply to such award. To this, an exception has been carved out by the proviso, which states that even in such cases where compensation in respect of a majority of land holdings has not been deposited in the account of the beneficiaries, then all beneficiaries specified in Section 4 notification shall be entitled to compensation under the 2013 Act. Read thus, the proviso is an exception to Section

F

G

H

- A 24(1)(b) in cases where a Section 4 notification covers many land holdings in the majority of which, compensation has not yet been deposited, making it clear, therefore, that compensation not having been paid to substantially all such persons, the more beneficial provisions of the 2013 Act should apply. Read thus, there is no inconsistency or repugnancy between the proviso and Section 24(1)(b) of the Act. [Para 10][480-D-G]
 - 2.2 If, on the other hand, the proviso is read as a proviso to Section 24(2), many anomalies arise. Firstly, for sub-section (2) of Section 24 to apply, (i) the award under Section 11 of the 1894 Act should have been made five years or more prior to the commencement of the Act; and (ii) physical possession of the land has not been taken or compensation has not been paid. [Para 11][480-H; 481-A-C]
 - 3. Secondly, if read as a proviso to Section 24(2), arbitrary results would ensue, rendering the proviso arbitrary, and hence, liable to be struck down under Article 14 of the Constitution of India. [Para 12][483-D]
 - 4. Thirdly, if converse case is taken where an award is made in respect of a large number of lands covered by the same Section 4 notification, and compensation in respect of a majority of land holdings has been deposited. Can it then be said that in such a case, lapsing will take place because the proviso in such a case will not apply? Obviously, therefore, whether compensation in respect of a majority of land holdings has or has not been deposited would have no bearing on whether lapsing does or does not take place under a totally independent provision, namely, Section 24(2). [Para 13][483-G, H; 484-A]
 - 5. Fourthly, the language of the proviso makes it clear that it does not refer to the award spoken of in Section 24(2) for two reasons. First, the expression, “an award has been made” in the proviso cannot be equated to “such award has been made”. Also, the words “an award” being made “five years or more prior to the commencement of this Act” are conspicuous by their absence in the proviso. Reading these words in, when the legislature has chosen not to add them, would do violence to the literal language and plain meaning of the proviso. However, if the proviso is read
- H

as a proviso to Section 24(1)(b), it would be perfectly compatible with all awards that are made under Section 11, whether within or beyond five years prior to the commencement of the 2013 Act. [Para 14][484-B, C]

A

6. The 2013 Act is a beneficial legislation. The Preamble casts light on the object sought to be subserved by the Act in general, as well as by Section 24. Land acquisition is to take place in a humane fashion, with the least disturbance to the owners of the land, as also, to provide just and fair compensation to affected persons. Viewed in the light of the Preamble, this legislation, being a beneficial legislation, must be construed in a way which furthers its purpose. On the assumption, therefore, that two views are possible, the view which accords with the beneficial object sought to be achieved by the legislation, is obviously the preferred view. [Para 15][484-D-F]

B

C

7. However, since the judgment in **Indore Development Authority* case which refers to different aspects of the same provision, namely, Section 24 of the 2013 Act has been referred to a Bench of five Judges, it is better that the present judgment is also referred to the same Bench which is hearing **Indore Development Authority* case afresh. [Para 17][486-B, C]

D

DDA v. Sukhbir Singh (2016) 16 SCC 258 – relied on.

E

Dr. Manjula Krippendorf v. State (NCT of Delhi) and Anr. (2017) 15 SCC 133 : [2017] 7 SCR 924; *Delhi Metro Rail Corporation v. Tarun Pal Singh* (2018) 14 SCC 161; *Dwarka Prasad v. Dwarka Das Saraf* (1976) 1 SCC 128 : [1976] 1 SCR 277; *S. Sundaram Pillai v. V. R. Pattabiraman* (1985) 1 SCC 591: [1985] 2 SCR 643; *J. K. Industries Ltd. v. Chief Inspector of Factories and Boilers* (1996) 6 SCC 665 : [1996] 6 Suppl. SCR 798; *Eera (through Dr. Manjula Krippendorf) v. State (NCT of Delhi) and Anr.* (2017) 15 SCC 133 : [2017] 7 SCR 924; *Sree Balaji Nagar Residential Assn. v. State of Tamil Nadu* (2015) 3 SCC 353 : [2014] 7 SCR 799; *Delhi Metro Rail Corporation v. Tarun Pal Singh* (2018) 14 SCC 161; **Indore Development Authority v. Shailendra* (2018) 3 SCC 412 : [2018] 2 SCR 1 – referred to.

F

G

H

A	<u>Case Law Reference</u>	
	[2017] 7 SCR 924	referred to
	(2018) 14 SCC 161	referred to
	(2016) 16 SCC 258	relied on
B	[1976] 1 SCR 277	referred to
	[1985] 2 SCR 643	referred to
	[1996] 6 Suppl. SCR 798	referred to
	[2017] 7 SCR 924	referred to
C	[2014] 7 SCR 799	referred to
	(2018) 14 SCC 161	referred to
	[2018] 2 SCR 1	referred to

CIVIL APPELLATE JURISDICTION: Special Leave Petition
D (Civil) No. 37375 of 2016

From the Judgment and Order dated 23.02.2016 of the High Court
of Delhi at New Delhi in WP (C) No. 6357 of 2015

With

E S. L. P. (Civil) No.37372 of 2016, MA No.1423 of 2017 in Civil
Appeal No.12247 OF 2016, MA No.1787 of 2017 in Civil Appeal
No.10210 of 2016, MA No.1786 of 2017 in Civil Appeal No.10207 of
2016, MA No.45 of 2018 in Civil Appeal No.6239 of 2017.

Ms. Garima Prashad, Ashwani Kumar, Advs. for the Petitioner.

F Dharam Veer Khatri, Mansoor Ali, Ms. Rachana Srivastava,
Siddharth Batra, Advs. for the Respondents.

The Judgment of the Court was delivered by

R. F. NARIMAN, J. 1. This batch of cases relates to whether
G the proviso contained in Section 24 of the Right to Fair Compensation
and Transparency in Land Acquisition, Rehabilitation and Resettlement
Act, 2013 [“**2013 Act**”] is a proviso to Section 24(1)(b) or whether it is
a proviso to Section 24(2). The reason for this confusion is because of
the placement of the proviso of sub-section (2) of Section 24 of the 2013
Act. This is a case where the old British ditty comes to mind:

H

“I’m the Parliament’s draftsman,
I compose the country’s laws,
And of half the litigation
I’m undoubtedly the cause!”¹

A

2. The High Court of Delhi,in a judgment dated 21.05.2015, namely,**Tarun Pal Singh v. Lieutenant Governor, Government of NCT of Delhi and Ors.**, W.P.(C) 8596/2014 [“**Tarun Pal Singh**”], had held that the said proviso would govern Section 24(1)(b), and not Section 24(2). This judgment has been followed in a number of other judgments of the same High Court. DDA has filed appeals against **Tarun Pal Singh**(supra) and all the judgments that have followed in its wake. By a judgment of the Division Bench of this Court, namely, **Delhi Metro Rail Corporation v. Tarun Pal Singh**, (2018) 14 SCC 161 [“**Delhi Metro Rail Corporation**”], the Division Bench of this Court has taken the view that the proviso to Section 24 governs Section 24(2) and not Section 24(1)(b). As a result of this judgment, there is no doubt that the main judgment of the High Court of Delhi in **Tarun Pal Singh**(supra) and all the judgments that have followed would have to be upset.

B

C

D

E

F

3. Shri Dhruv Mehta, learned Senior Advocate appearing on behalf of the respondents, however, contends that the judgment in **Delhi Metro Rail Corporation** (supra) itself requires a relook. According to him, if the proviso to Section 24 were to govern Section 24(2) and not Section 24(1)(b), a valuable right of lapsing would be taken away and also, various repugnancies and inconsistencies would follow. According to Shri Amarendra Sharan, learned Senior Advocate appearing on behalf of the DDA, this being a very recent judgment of this Court ought not to be disturbed as it has correctly appreciated and laid down the law in great detail.

4. Before entering into the controversy raised by the learned counsel, the setting of Section 24, together with certain other provisions, must first be seen. Section 24 occurs as a part of the 2013 Act. This Act repeals the Land Acquisition Act, 1894 [“**1894 Act**”] by Section 114 of the 2013 Act, which reads as follows:

G

“114. Repeal and saving.—(1) The Land Acquisition Act, 1894 (1 of 1894) is hereby repealed.

¹ See **Eera (through Dr. Manjula Krippendorf) v. State (NCT of Delhi) and Anr.**, (2017) 15 SCC 133 at paragraph 115.

H

- A (2) Save as otherwise provided in this Act the repeal under subsection (1) shall not be held to prejudice or affect the general application of Section 6 of the General Clauses Act, 1897 (10 of 1897) with regard to the effect of repeals."
- B 5. In a lengthy Statement of Objects and Reasons, it is stated that the 1894 Act has been found to be inadequate in addressing certain issues, and therefore, needs to be replaced by an up-to-date measure. Paragraph 18 of the Statement of Objects and Reasons is relevant, and reads as follows:
- "Statement of Objects and Reasons.—
- C xxx xxx xxx
- D 18. The benefits under the new law would be available in all the cases of land acquisition under the Land Acquisition Act, 1894 where award has not been made or possession of land has not been taken.
- E 6. The Preamble of the Act is also important and reads as follows: "An Act to ensure, in consultation with institutions of local self-government and Gram Sabhas established under the Constitution, a humane, participative, informed and transparent process for land acquisition for industrialisation, development of essential infrastructural facilities and urbanisation with the least disturbance to the owners of the land and other affected families and provide just and fair compensation to the affected families whose land has been acquired or proposed to be acquired or are affected by such acquisition and make adequate provisions for such affected persons for their rehabilitation and resettlement and for ensuring that the cumulative outcome of compulsory acquisition should be that affected persons become partners in development leading to an improvement in their post-acquisition social and economic status and for matters connected therewith or incidental thereto."
- F G The Preamble of the Act makes it clear that a humane, participative, informed and transparent process for land acquisition has become the felt need of the times. This approach must also be with the least possible disturbance to owners of land. It is in this backdrop that Section 24 of the Act has been enacted. Section 24 reads as follows:

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

(a) where no award under Section 11 of the said Land Acquisition Act has been made, then, all provisions of this Act relating to the determination of compensation shall apply; or

(b) where an award under said Section 11 has been made, then such proceedings shall continue under the provisions of the said Land Acquisition Act, as if the said Act has not been repealed.

(2) Notwithstanding anything contained in sub-section (1), in case of land acquisition proceedings initiated under the Land Acquisition Act, 1894, where an award under the said Section 11 has been made five years or more prior to the commencement of this Act but the physical possession of the land has not been taken or the compensation has not been paid the said proceedings shall be deemed to have lapsed and the appropriate Government, if it so chooses, shall initiate the proceedings of such land acquisition afresh in accordance with the provisions of this Act:

Provided that where an award has been made and compensation in respect of a majority of land holdings has not been deposited in the account of the beneficiaries, then, all beneficiaries specified in the notification for acquisition under Section 4 of the said Land Acquisition Act, shall be entitled to compensation in accordance with the provisions of this Act.”

7. It will be noticed that Section 24(1) begins with a non-obstante clause, the idea being that despite the fact that the 1894Act has been repealed by Section 114 of the 2013 Act, yet, under certain circumstances, compensation is payable not under the provisions of the repealed Act, but under the provisions of the 2013 Act. In fact, in **DDA v. Sukhbir Singh**, (2016) 16 SCC 258, this Court, after setting out Section 24, then set out the statutory scheme contained therein as follows:

“11. Section 24(1) begins with a non obstante clause and covers situations where either no award has been made under the

A

B

C

D

E

F

G

H

- A Land Acquisition Act, in which case the more beneficial provisions of the 2013 Act relating to determination of compensation shall apply, or where an award has been made under Section 11, land acquisition proceedings shall continue under the provisions of the Land Acquisition Act as if the said Act had not been repealed.
- B **12.** To Section 24(1)(b) an important exception is carved out by Section 24(2). The necessary ingredients of Section 24(2) are as follows:
- (a) Section 24(2) begins with a non obstante clause keeping subsection (1) out of harm's way;
- (b) For it to apply, land acquisition proceedings should have been initiated under the Land Acquisition Act;
- (c) Also, an award under Section 11 should have been made 5 years or more prior to the commencement of the 2013 Act;
- D (d) Physical possession of the land, if not taken, or compensation, if not paid, are fatal to the land acquisition proceeding that had been initiated under the Land Acquisition Act;
- E (e) The fatality is pronounced by stating that the said proceedings shall be deemed to have lapsed, and the appropriate Government, if it so chooses, shall, in this game of snakes and ladders, start all over again.
- F 13. The picture that therefore emerges on a reading of Section 24(2) is that the State has no business to expropriate from a citizen his property if an award has been made and the necessary steps to complete acquisition have not been taken for a period of five years or more. These steps include the taking of physical possession of land and payment of compensation. What the legislature is in effect telling the executive is that they ought to have put their house in order and completed the acquisition proceedings within a reasonable time after pronouncement of award. Not having done so even after a leeway of five years is given, would cross the limits of legislative tolerance, after which the whole proceeding would be deemed to have lapsed. It is important to notice that the section gets attracted if the acquisition proceeding is not completed within five years after pronouncement of the award. This may
- G
- H

happen either because physical possession of the land has not been taken or because compensation has not been paid, within the said period of five years. A faint submission to the effect that “or” should be read as “and” must be turned down for two reasons. The plain natural meaning of the sub-section does not lead to any absurdity for us to replace language advisedly used by the legislature. Secondly, the object of the Act, and Section 24 in particular, is that in case an award has been made for five years or more, possession ought to have been taken within this period, or else it is statutorily presumed that the balance between the citizen’s right to retain his own property and the right of the State to expropriate it for a public purpose gets so disturbed as to make the acquisition proceedings lapse. Alternatively, if compensation has not been paid within this period, it is also statutorily presumed that the aforesaid balance gets disturbed so as to free such property from acquisition.”

8. The judgment of this Court in **Delhi Metro Rail Corporation** (supra), after setting out Section 24, has found:

“**23.** An exception is also carved out by a non obstante clause contained in sub-section (2) of Section 24; it begins with “notwithstanding anything contained in sub-section (1)”. Thus, it would supersede the provisions of Section 24(1) also. In case of land acquisition proceedings, initiated under the 1894 Act, wherein an award has been made within 5 years or more prior to the commencement of the 2013 Act, if physical possession has not been taken or compensation has not been paid, then the said proceedings shall be deemed to have lapsed. The proviso to sub-section (2) makes it clear that when the award has been made and, compensation in respect of majority of holdings has not been deposited in the account of beneficiaries the acquisition would not lapse. However, all the beneficiaries shall be entitled to enhanced compensation under the 2013 Act. This proviso is to be necessarily part of sub-section (2) of Section 24 only. The legislative intention is clear that it is enacted as proviso to Section 24(2), and otherwise also if read as if it were a proviso to Section 24(1)(b), it would create repugnancy with the said provision and the provisions of Section 24(1)(b) and the proviso to Section 24(2) would become wholly inconsistent with each other. This is a trite law that the

A

B

C

D

E

F

G

H

- A interpretation which creates inconsistency or repugnancy has to be avoided and the proviso has to be part of Section 24(2) as enacted. As per fundamental rule of its construction, no contrary intention is available in the provisions so as not to read it as part of Section 24(2). As Section 24(1)(b) provides, in case award has been passed under the 1894 Act, the proceedings shall continue of the said Act as if it has not been replaced whereas Section 24(2) provides deemed lapse in case award is passed 5 years or more before commencement of the 2013 Act and possession has not been taken or compensation has not been paid and as per the proviso with respect to majority of landholdings compensation has not been deposited in account of landowners. In case award has been passed few days before commencement of the 2013 Act, then deposit of compensation with respect to majority of holding is bound to take time, that is why legislature has made difference of consequences based upon time-gap in passing of award as requisite steps to be taken are bound to consume some time by providing proceedings to continue under the 1894 Act.

xxx xxx xxx

- E **27.** At the cost of repetition, we observe that a reading of Sections 24(1) and 24(2) conjointly and homogeneously makes it abundantly clear that they operate in two different fields. Section 24(1)(b) unequivocally indicates that in case the award has been passed under the 1894 Act, all the proceedings shall continue as if the 1894 Act has not been repealed. Section 24(1)(a) makes the provision of the 2013 Act applicable only in case where the award has not been passed. In other words, it gives a clue that when an award has been passed, obviously further proceedings have to be undertaken under the 1894 Act, to that extent proceedings under the said Act are saved, and the 2013 Act will not apply. In such cases, there is no necessity of initiation of acquisition proceedings afresh except in cases as provided under Section 24(2).

G xxx xxx xxx

- H **29.** We have already clarified supra based on a catena of judgments, that a proviso appended to a provision has to be specifically interpreted in the manner so as to enable the field which is covered by the main provision. The proviso is only an exception to the

main provision to which it has been enacted and no other. The proviso deals with a situation which takes something out of the main enactment to provide a particular course of action, which course of action could not have been adopted in the absence of the proviso.

30. The proviso appended to Section 24(2) indicates that it carves out an exception for a situation where the land acquisition proceedings shall not be deemed to lapse. Thus, for the applicability of the proviso, a case has to be covered by Section 24(2) i.e. award has been made five years or more prior to the enforcement of the 2013 Act.

31. The proviso to Section 24(2) contemplates a situation where with respect to majority of the holding compensation not deposited event of minority of holding the landowners are paid, meaning thereby that for majority of the landholding in case amount is deposited acquisition is saved by the proviso. The proviso in fact extends the benefit even to those landholders who have received compensation as per the 1894 Act. Thus all landholders are to receive benefit of higher and liberal compensation under the 2013 Act. This situation is one where land acquisition proceedings shall not lapse and are saved. The purpose and object of the proviso is to give benefit of computation of compensation to all landholders and to save land acquisition proceedings. Hence, it is evident that the proviso is appropriately be treated as a proviso to sub-section (2) of Section 24 and cannot be read as proviso to Section 24(1)(b) of the 2013 Act.

xxx xxx xxx

34. This Court specifically held in *DDA v. Sukhbir Singh*[*DDA v. Sukhbir Singh*, (2016) 16 SCC 258 : (2017) 5 SCC (Civ) 779] that the objective of Section 24(2) is to punish the State if it has been “tardy in tendering or paying compensation” even after five years have elapsed after passing of the award, specifically this Court held that Section 24(2) is an exception to Section 24(1)(b) and for Section 24(2) to apply, the award under Section 11 should have been made five years or more prior to commencement of the 2013 Act.

A

B

C

D

E

F

G

H

- A **35.** It was urged at the end by Mr. Anil Goel, learned counsel appearing on behalf of some of the landowners that, since the amount has not been deposited with respect to majority of holding in the account of the beneficiaries, the acquisition stands lapsed. We have held that the proviso to Section 24(2) is not applicable in the instant case, same is applicable where the award had been passed 5 years before. In a case where award has been passed within 5 years, the said proviso of Section 24(2) cannot be said to be applicable. The submission made on the basis of the proviso cannot be said to be sustainable.”
- C 9. The first important thing to be noticed is that Section 24(1) and (2) deal with different subjects. Section 24(1) deals with compensation whereas Section 24(2) deals with lapsing of the acquisition itself. There are many cogent reasons as to why the proviso in the Section is really a proviso to Section 24(1)(b) and not to Section 24(2).
- D 10. Firstly, the scheme of Section 24(1) is to provide enhanced compensation under the 2013 Act even in cases where a Section 4 notification has been made under a repealed statute, namely, the Land Acquisition Act, 1894, but where no award has been pronounced on 01.01.2014, when the 2013 Act comes into force. This is clear from a reading of Section 24(1)(a). Section 24(1)(b) then goes on to state that
- E where an award has been made under the repealed Act prior to 01.01.2014, then compensation and all other provisions of the repealed Act will continue to apply to such award. To this, an exception has been carved out by the proviso, which states that even in such cases where compensation in respect of a majority of land holdings has not been deposited in the account of the beneficiaries, then all beneficiaries specified
- F in the Section 4 notification shall be entitled to compensation under the 2013 Act. Read thus, the proviso is an exception to Section 24(1)(b) in cases where a Section 4 notification covers many land holdings in the majority of which, compensation has not yet been deposited, making it clear, therefore, that compensation not having been paid to substantially
- G all such persons, the more beneficial provisions of the 2013 Act should apply. Read thus, there is no inconsistency or repugnancy between the proviso and Section 24(1)(b) of the Act.
- H 11. If, on the other hand, the proviso is read as a proviso to Section 24(2), many anomalies arise. Firstly, as has been correctly held in **Delhi Metro Rail Corporation** (*supra*), for sub-section (2) of Section 24 to

apply, (i) the award under Section 11 of the 1894 Act should have been made five years or more prior to the commencement of the Act; and (ii) physical possession of the land has not been taken or compensation has not been paid. Take a case where the award has been made six years before 01.01.2014, and physical possession of the land has not been taken. The acquisition is deemed to have lapsed in such circumstances. If the proviso is to apply to Section 24(2), then notwithstanding that physical possession has not been taken, yet, there will be no lapse, as has been held in **Delhi Metro Rail Corporation**(supra). This would fly in the face of several judgments of this Court where it has been held that a proviso cannot be used to nullify or set at naught the substantive provision contained in the main enactment. Thus, in **Dwarka Prasad v. Dwarka Das Saraf**, (1976) 1 SCC 128, this Court held:

“**18.** We may mention in fairness to Counsel that the following, among other decisions, were cited at the Bar bearing on the uses of provisos in statutes:*CIT v. Indo-Mercantile Bank Ltd*,[AIR 1959 SC 713 : 1959 Supp (2) SCR 256, 266 : (1959) 36 ITR 1]; *Ram Narain Sons Ltd. v. Asstt. CST*[AIR 1955 SC 765 : (1955) 2 SCR 483, 493 : (1955) 6 STC 627]; *Thompson v. Dibdin*[(1912) AC 533, 541 : 81 LJKB 918 : 28 TLR 490]; *Rex v. Dibdin* [1910 Pro Div 57, 119, 125] and *Tahsildar Singh v. State of U.P.*[AIR 1959 SC 1012 : 1959 Supp (2) SCR 875, 893 : 1959 Cri LJ 1231]. The law is trite. A proviso must be limited to the subject-matter of the enacting clause. It is a settled rule of construction that a proviso must *prima facie* be read and considered in relation to the principal matter to which it is a proviso. It is not a separate or independent enactment. “Words are dependent on the principal enacting words to which they are tacked as a proviso. They cannot be read as divorced from their context” (*Thompson v. Dibdin*, 1912 AC 533). If the rule of construction is that *prima facie* a proviso should be limited in its operation to the subject-matter of the enacting clause, the stand we have taken is sound. To expand the enacting clause, inflated by the proviso, sins against the fundamental rule of construction that a proviso must be considered in relation to the principal matter to which it stands as a proviso. A proviso ordinarily is but a proviso, although the golden rule is to read the whole section, inclusive of the proviso, in such manner that they mutually throw light on each other and result in a harmonious construction.

A

B

C

D

E

F

G

H

A “The proper course is to apply the broad general Rule of construction which is that a section or enactment must be construed as a whole, each portion throwing light if need be on the rest.

B The true principle undoubtedly is, that the sound interpretation and meaning of the statute, on a view of the enacting clause, saving clause, and proviso, taken and construed together is to prevail. (*Maxwell on Interpretation of Statutes*, 10th Edn., p. 162)’

(emphasis supplied)

C In **S. Sundaram Pillai v. V.R. Pattabiraman**, (1985) 1 SCC 591, this Court held:

D “**27.** The next question that arises for consideration is as to what is the scope of a proviso and what is the ambit of an Explanation either to a proviso or to any other statutory provision. We shall first take up the question of the nature, scope and extent of a proviso. The well-established rule of interpretation of a proviso is that a proviso may have three separate functions. Normally, a proviso is meant to be an exception to something within the main enactment or to qualify something enacted therein which but for the proviso would be within the purview of the enactment. In other words, a proviso cannot be torn apart from the main enactment nor can it be used to nullify or set at naught the real object of the main enactment.”

(emphasis supplied)

F Similarly, in **J.K. Industries Ltd. v. Chief Inspector of Factories and Boilers**, (1996) 6 SCC 665, this Court found:

G “**33.** A proviso to a provision in a statute has several functions and while interpreting a provision of the statute, the court is required to carefully scrutinise and find out the real object of the proviso appended to that provision. It is not a proper rule of interpretation of a proviso that the enacting part or the main part of the section be construed first without reference to the proviso and if the same is found to be ambiguous only then recourse may be had to examine the proviso as has been canvassed before us. On the other hand an accepted rule of interpretation is that a section and the proviso

H

thereto must be construed as a whole, each portion throwing light, if need be, on the rest. A proviso is normally used to remove special cases from the general enactment and provide for them specially.

34. A proviso qualifies the generality of the main enactment by providing an exception and taking out from the main provision, a portion, which, but for the proviso would be a part of the main provision. A proviso must, therefore, be considered in relation to the principal matter to which it stands as a proviso. A proviso should not be read as if providing something by way of addition to the main provision which is foreign to the main provision itself.”

(emphasis supplied)

It could not possibly have been the unintended result of a proviso taking away lapsing of the acquisition where the subject matter of the proviso is wholly unrelated to physical possession of land but only related to compensation not being paid.

12. Secondly, if read as a proviso to Section 24(2), arbitrary results would ensue, rendering the proviso arbitrary, and hence, liable to be struck down under Article 14 of the Constitution of India. Take the case of a Section 4 notification applying only to a single piece of land with a single owner. If the conditions of sub-section (2) of Section 24 are fulfilled, the acquisition would lapse. However, in the case of a neighbouring land, which happens to be land belonging to the same owner, which is one among twenty pieces of land that have been acquired under a single Section 4 notification, if compensation in respect of a majority of land holdings has not been deposited, such acquisition will not lapse, but only higher compensation under the 2013 Act would be paid. Obviously, a particular land holder’s acquisition lapsing cannot be dependent upon a contingency as to whether his land alone is acquired or is acquired in conjunction with other persons’ lands.

13. Thirdly, take the converse case where an award is made in respect of a large number of lands covered by the same Section 4 notification, and compensation in respect of a majority of land holdings has been deposited. Can it then be said that in such a case, lapsing will take place because the proviso in such a case will not apply? Obviously, therefore, whether compensation in respect of a majority of land holdings

A

B

C

D

E

F

G

H

- A has or has not been deposited would have no bearing on whether lapsing does or does not take place under a totally independent provision, namely, Section 24(2).

14. Fourthly, the language of the proviso makes it clear that it does not refer to the award spoken of in Section 24(2) for two reasons.

- B First, the expression, “an award has been made” in the proviso cannot be equated to “such award has been made”. Also, the words “an award” being made “five years or more prior to the commencement of this Act” are conspicuous by their absence in the proviso. Reading these words in, when the legislature has chosen not to add them, would do violence to the literal language and plain meaning of the proviso. However, if the proviso is read as a proviso to Section 24(1)(b), it would be perfectly compatible with all awards that are made under Section 11, whether within or beyond five years prior to the commencement of the 2013 Act, as has been pointed out hereinabove.

- D 15. We must not forget that we are dealing with a beneficial legislation. The Preamble which has been referred to casts light on the object sought to be subserved by the 2013 Act in general, as well as by Section 24. We have already seen that land acquisition is to take place in a humane fashion, with the least disturbance to the owners of the land, as also, to provide just and fair compensation to affected persons. Viewed E in the light of the Preamble, this legislation, being a beneficial legislation, must be construed in a way which furthers its purpose [*see Eera (through Dr. Manjula Krippendorf) v. State (NCT of Delhi) and Anr.*, (2017) 15 SCC 133 at paragraphs 106, 128, 129, and 131]. On the assumption, therefore, that two views are possible, the view which accords with the beneficial object sought to be achieved by the legislation, F is obviously the preferred view.

16. We may also add that **Sree Balaji Nagar Residential Assn. v. State of Tamil Nadu**, (2015) 3 SCC 353, had held as follows:

- G “13. It was faintly suggested by Mr. Subramonium Prasad, learned AAG for the State of Tamil Nadu that the proviso may come to the rescue of the State and save the proceedings from suffering lapse if it is held that since there was an award leading to payment of compensation in respect of some of the landholdings only, therefore all the beneficiaries may now be entitled to compensation in accordance with the provisions of the 2013 Act. This contention H could have been considered with some more seriousness if physical

possession of the land had been taken but since that has not been done, the proviso dealing only with compensation cannot be of any help to the State. Therefore, we are not required to go deeper into the effect and implications of the proviso which *prima facie* appears to be for the benefit of all the landholders in a case where the award is subsisting because the proceedings have not lapsed and compensation in respect of majority of landholdings has not been deposited in the account of the beneficiaries. There is nothing in the language of the proviso to restrict the meaning of the words used in Section 24(2) mandating that the proceedings shall be deemed to have lapsed if the award is five years or more than five years old but the physical possession of the land has not been taken over or the compensation has not been paid. The law is trite that when the main enactment is clear and unambiguous, a proviso can have no effect so as to exclude from the main enactment by implication what clearly falls within its express terms, as held by the Privy Council in *Madras and Southern Mahratta Railway Co. Ltd. v. Bezwada Municipality*[(1943-44) 71 IA 113 : (1944) 57 LW 422 : AIR 1944 PC 71] and by this Court in *CIT v. Indo Mercantile Bank Ltd.*[AIR 1959 SC 713].

xxx xxx xxx

15. From the discussions made above, it is amply clear that though there is lack of clarity on the issue whether compensation has been paid for majority of landholdings under acquisition or not, there is no dispute that physical possession of the lands belonging to the appellants under consideration in these appeals have not been taken by the State or any other authority on its behalf and more than five years have elapsed since the making of the award dated 30-11-2006, and 1-1-2014 when the 2013 Act came into force. Therefore, the conditions mentioned in Section 24(2) of the 2013 Act are satisfied for allowing the plea of the appellants that the land acquisition proceedings must be deemed to have lapsed in terms of Section 24(2) of the 2013 Act. The appeals are disposed of accordingly. It goes without saying that the Government of Tamil Nadu shall be free, if it so chooses to initiate proceedings of such land acquisition afresh in accordance with the provisions of the 2013 Act. In the facts and circumstances of the case there shall be no order as to costs.”

A

B

C

D

E

F

G

H

- A This judgment has since been upset by a judgment of three learned Judges in the case of **Indore Development Authority v. Shailendra**, (2018) 3 SCC 412, at 551 [“**Indore Development Authority**”]. The judgment in **Indore Development Authority**(supra) has itself been referred to a Bench of five learned Judges *vide* order dated 22.02.2018.
- B 17. For all these reasons, it is better if this judgment were also to be referred to the same Bench which is hearing **Indore Development Authority**(supra) afresh, as that case also refers to different aspects of the same provision, namely, Section 24 of the 2013 Act. For all these reasons, we request the Chief Justice of India to refer **Delhi Metro Rail Corporation v. Tarun Pal Singh**, (2018) 14 SCC 161 to the aforesaid larger Bench for reconsideration thereof.
- C

Kalpana K. Tripathy

Matter referred to larger Bench.