

A LAND & BUILDING DEPARTMENT & ANR.

v.

MANISH SETHI AND ORS.

(Civil Appeal No. 945 of 2023)

B FEBRUARY 17, 2023

[M. R. SHAH, C.T RAVIKUMAR AND SANJAY KAROL JJ.]

Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 – s.24(2) – Land Acquisition Act, 1894 – High Court relying on the decision of Supreme Court in Pune Municipal Corporation and Anr. v. Harakchand Misirimal Solanki and Ors. reported as declared that the acquisition proceeding initiated under the 1894 Act w.r.t the land in question is deemed to have lapsed u/s.24(2) – On appeal, held: Decision in Pune Municipal Corporation case has been overruled by the Constitution Bench in Indore Development Authority v. Manoharlal and Ors. reported as – Applying the law laid down therein and considering the stand taken by the appellant before the High Court that the possession of the disputed land in question was taken, there shall not be any deemed lapse u/s. 24(2) – Impugned judgment set aside.

Indore Development Authority v. Manoharlal and Ors. (2020) 8 SCC 129 : [2020] 3 SCR 1 – followed.

Pune Municipal Corporation and Anr. vs. Harakchand Misirimal Solanki and Ors. (2014) 3 SCC 183 : [2014] 1 SCR 783 – referred to.

Case Law Reference

[2014] 1 SCR 783	referred to	Para 2
[2020] 3 SCR 1	followed	Para 3

G CIVIL APPELLATE JURISDICTION : Civil Appeal No.945 of 2023.

From the Judgment and Order dated 25.05.2015 of the High Court of Delhi at New Delhi in WP (C) No.6060 of 2014.

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Atul Kumar, Ms. Sweety Singh, Ms. Archana Kumari, Rahul A
Pandey, Rajiv Ranjan, Ms. Rachita Kadyan, Advs. for the Appellants.

The Judgment of the Court was delivered by

M. R. SHAH, J.

1. Feeling aggrieved and dissatisfied with the impugned judgment B
and order passed by the High Court of Delhi at New Delhi in Writ Petition
(C) No. 6060 of 2014 by which the High Court has allowed the said writ
petition and has declared that the acquisition with respect to the land in
question is deemed to have lapsed under Section 24(2) of the Right to
Fair Compensation and Transparency in Land Acquisition, Rehabilitation C
and Resettlement Act, 2013 (hereinafter referred to as “Act, 2013”),
the Land and Building Department and the Land Acquisition Collector
have preferred the present appeal.

2. From the impugned judgment and order passed by the High D
Court, it is apparent that the High Court has allowed the said writ petition
and has declared that the acquisition with respect to the land in question
is deemed to have lapsed under Section 24(2) of the Act, 2013 relying
upon the decision of this Court in the case of **Pune Municipal**
Corporation and Anr. Vs. Harakchand Misirimal Solanki and Ors.
reported in **(2014) 3 SCC 183** and on the ground that the compensation
has not been tendered and/or paid to the landowners. However, it is E
required to be noted that before the High Court, it was the specific case
on behalf of the appellant that the possession of the land in question was
taken on 28.03.2007.

3. The decision of this Court in the case of **Pune Municipal**
Corporation and Anr. (supra) has been overruled by the Constitution F
Bench of this Court in the case of **Indore Development Authority**
Vs. Manoharlal and Ors. reported in **(2020) 8 SCC 129**. In paragraphs
365 and 366, the Constitution Bench of this Court has observed and held
as under:-

“**365.** Resultantly, the decision rendered in Pune Municipal G
Corpn. [Pune Municipal Corpn. v. Harakchand Misirimal Solanki,
(2014) 3 SCC 183] is hereby overruled and all other decisions in
which Pune Municipal Corpn. [Pune Municipal Corpn. v.
Harakchand Misirimal Solanki, (2014) 3 SCC 183] has been
followed, are also overruled. The decision in Sree Balaji Nagar

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A Residential Assn. [Sree Balaji Nagar Residential Assn. v. State
of T.N., (2015) 3 SCC 353] cannot be said to be laying down
good law, is overruled and other decisions following the same are
also overruled. In Indore Development Authority v. Shailendra
[(2018) 3 SCC 412], the aspect with respect to the proviso to
B Section 24(2) and whether “or” has to be read as “nor” or as
“and” was not placed for consideration. Therefore, that decision
too cannot prevail, in the light of the discussion in the present
judgment.

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

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.

D **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.

E **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
F 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 **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
H 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).

366.8. 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 interim orders passed by court has to be excluded in the computation of five years.

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

A 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.”

B 4. In view of the above and considering the stand taken by the appellant before the High Court that the possession of the disputed land in question was taken on 28.03.2007 and applying the law laid down by this Court in the case of **Indore Development Authority (supra)**, the impugned judgment and order passed by the High Court is unsustainable and the same deserves to be quashed and set aside and accordingly the impugned judgment and order passed by the High Court is quashed and set aside. There shall not be any deemed lapse under Section 24(2) of the Act, 2013 as held by the High Court.

D Present appeal is accordingly allowed. No costs.

Pending applications, if any, also stand disposed of.

Divya Pandey
(Assisted by : Abhishek Pratap Singh, LCRA)

Appeal allowed.