

DELHI DEVELOPMENT AUTHORITY

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v.

EMINENT MARKETING PVT. LTD. & ORS.

(Civil Appeal No. 337 of 2023)

JANUARY 16, 2023

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[M. R. SHAH AND C. T. RAVIKUMAR JJ.]

Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 – s. 24(2) – High Court relying upon the decision in Pune Municipal Corporation & Anr. v. Harakchand Misrimal Solanki & Ors. held that the acquisition proceedings in respect of land in question deemed to have lapsed u/s. 24(2) of 2013 Act solely on the ground that compensation has not been paid to the petitioner – On appeal, held: Possession of land in question was taken on 27.09.2012 – The entire compensation with respect to land in question was deposited with Treasury – Applying the law laid by the Constitution Bench of the Supreme Court in Indore Development Authority, the judgment and order of the High Court is unsustainable – Accordingly, set aside – Appeal allowed.

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

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Pune Municipal Corporation & Anr. vs Harakchand Misrimal Solanki & ors **(2014) 3 SCC 183 : [2014] 1 SCR 783 – referred to.**

Case Law Reference

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[2014] 1 SCR 783	referred to	Para 3.1, 3.3
[2020] 3 SCR 1	followed	Para 3.3, 4

CIVIL APPELLATE JURISDICTION : Civil Appeal No.337 of 2023.

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From the Judgment and Order dated 13.12.2017 of the High Court of Delhi at New Delhi in W.P. (C) No.11476 of 2016.

Nitin Mishra, B.K.Satija, Ms. Swarupama Chaturvedi, Shubhendu Anand, Rajan Kumar Chaurasia, Ishaan Sharma, Sudhakar Kulwant,

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A Sunil Kumar Srivastava, Brajesh Kumar, Prashant Rawat, Tathagat Sharma, Atul Dong, Ranjan Chorasias, Arvind Kumar Sharma, Advs. for the Appellant.

Gopal Sankaranarayan, Sr. Adv., Brijesh C, Deepayan Mandal, Prins Kumar, Mridul Bansal, Naman Varma, Advs. for the Respondents.

B The Judgment of the Court was delivered by

M. R. SHAH, J.

1. Leave granted.

C 2. Feeling aggrieved and dissatisfied with the impugned judgment and order dated 13.12.2017 passed by the High Court of Delhi at New Delhi in Writ Petition (C) No. 11476 of 2016 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 and Resettlement Act, 2013 (hereinafter referred to as “Act, 2013”), the Delhi Development Authority has preferred the present appeal.

D 3. We have heard Shri Nitin Mishra, learned counsel appearing on behalf of the appellant and Shri Gopal Sankaranarayan, learned Senior Advocate appearing on behalf of the contesting respondent no.1 – original writ petitioner at length. We have also gone through and considered the averments in the original writ petition as well as the impugned judgment and order passed by the High Court.

E 3.1 From the impugned judgment and order passed by the High Court it appears that though it was the specific case on behalf of the Authority and so stated in the counter that the possession of the land in question was taken on 27.09.2012 and that the original writ petitioner was not the recorded owner and the land absolutely vested in the Gaon Sabha, thereafter the High Court has declared the acquisition with respect to the land in question as deemed to have lapsed under Section 24(2) of the Act, 2013 solely on the ground that the compensation has not been paid to the petitioner. While passing the impugned judgment and order the High Court has heavily relied upon the earlier decision of this Court in the case of **Pune Municipal Corporation and Anr. Vs. Harakchand Misirimal Solanki and Ors., (2014) 3 SCC 183.**

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3.2 However, it is required to be noted and even as observed and recorded by the High Court the entire compensation with respect to the land in question was deposited with the Treasury. It is required to be noted that even in the writ petition in paragraph 4 it was stated that in perusal of the award no.09/2008-09, the representatives of the respondents took the possession of the land of the petitioner on 27.09.2012. Even the possession proceeding was also annexed with the writ petition. In light of the aforesaid facts, the impugned judgment and order passed by the High Court declaring the land acquisition proceedings as deemed to have lapsed under Section 24(2) of the Act, 2013 is required to be considered.

3.3 As observed hereinabove and from the impugned judgment and order passed by the High Court, the High Court has heavily relied upon the decision of this Court in the case of **Pune Municipal Corporation and Anr. (supra)**. The decision of **Pune Municipal Corporation and Anr. (supra)** has been subsequently specifically overruled by the Constitution Bench of this Court in the case of **Indore Development Authority versus Manoharlal and others, (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 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 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 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.

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

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A **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.

B **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.

C **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.

D **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.

F **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

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24(2) due to non-payment or non-deposit of compensation in court. A
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.

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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).

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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.

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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.”

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4. In view of the law laid down by this Court in the case of Indore
Development Authority (supra) and applying the same to the facts in the
case on hand the impugned judgment and order passed by the High
Court declaring that the acquisition with respect to the land in question is
deemed to have lapsed is unsustainable. Under the circumstances the

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- A impugned judgment and order passed by the High Court deserves to be quashed and set aside.

In view of the above and for the reason stated above present appeal is allowed. The impugned judgment and order passed by the High Court declaring that the acquisition with respect to the land in question is

- B deemed to have lapsed is hereby quashed and set aside.

The original writ petition preferred by the respondent – original writ petitioner filed before the High Court stands dismissed. No costs.

Ankit Gyan
(Assisted by : Abhishek Pratap Singh, LCRA)

Appeal allowed.