

**Mrugendra Indravadan Mehta and Others**

**v.**

**Ahmedabad Municipal Corporation**

(Civil Appeal Nos. 16956-16957 of 2017)

10 May 2024

**[A.S. Bopanna and Sanjay Kumar,\* JJ.]**

### **Issue for Consideration**

Trial Court decreed the suit filed by appellants-plaintiffs by accepting the alternative prayer that they should be allotted an extent of 974 sq. mts. in any Town Planning Scheme in the western zone of Ahmedabad, but rejected the main prayer for compensation with interest. Whether the High Court was justified in allowing the first appeal filed by the respondent-Corporation and non-suiting the plaintiffs; Impugned judgment if liable to be set aside as contended by the plaintiffs, on the ground that no points for determination were framed therein, as required by Order 41 Rule 31, Code of Civil Procedure, 1908.

### **Headnotes<sup>†</sup>**

**Code of Civil Procedure, 1908 – Or. 41, r.31 – Gujarat Town Planning and Urban Development Act, 1976 – ss.52, 54, 70, 71, 81, 82 – Plaintiffs’ father owner of various plots surrendered land pursuant to a Town Planning Scheme – The Corporation allotted two separate final plots out of which possession of one was delivered to the plaintiffs’ father however, the possession of the other plot i.e. Final Plot No.463 was not delivered – Town Planning Scheme was varied later but without any alternative plot being allotted in lieu of Final Plot No.463 – However, under the second varied scheme, plaintiffs were offered Final Plot No.187 which had a smaller area by 974 sq. mts., and as per them they were offered meagre compensation @ ₹25/- per sq. mt. for the deducted area of 974 sq. mts. – Suit filed by plaintiffs against Corporation seeking compensation with interest or, alternatively, for allotment of land, i.e., an extent of 974 sq. mts., in any Town Planning Scheme in the western zone of Ahmedabad – Suit decreed by Trial Court accepting the alternative prayer, main prayer for compensation was rejected – Appeal filed by the Corporation was allowed by High Court,**

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**cross-objection filed by the plaintiffs were rejected – Plea of the plaintiffs *inter alia* that the judgment of the High Court is liable to be set aside on the ground that no points for determination were framed therein, as required by Or. 41, r.31 CPC:**

**Held:** Mere omission to frame the points for determination would not vitiate the judgment of the first appellate Court, provided that the first appellate Court recorded its reasons based on the evidence adduced by both parties – Thus, even if the first appellate Court does not separately frame the points for determination arising in the first appeal, it would not prove fatal as long as that Court deals with all the issues that actually arise for deliberation in the said appeal – Substantial compliance with the mandate of Order 41 Rule 31 CPC in that regard is sufficient – High Court did set out all the issues framed by the Trial Court in the body of the judgment and was, therefore, fully conscious of all the points that it had to consider in the appeal – Further, no particular issue that was considered by the Trial Court was left out by the High Court while adjudicating the appeal – No merit in the contention that the impugned judgment is liable to be set aside on this preliminary ground, warranting reconsideration of the first appeal by the High Court afresh – Furthermore, on merits, plaintiffs, being well aware of the fact that Final Plot No. 187 allotted to them under the second varied Town Planning Scheme, was of lesser area, accepted the same without any protest and without agitating a right to a larger area in the light of the initial allotment of Plot No.463, and their conduct in depositing ₹24,350/- thereafter, implying receipt of the compensation amount for the shortfall area of 974 sq. mts. @ 25/- per sq. mt., foreclosed their right, if any, to either challenge the allotment of a plot of lesser area or to seek more compensation – Further, upon the preparation or variation of a Town Planning Scheme, the rights in the earlier plots of land would stand extinguished – Thus, such rights, if any, which became extinct cannot be the basis for a later cause of action – Also, the quantification of compensation @ 25/- per sq. mt. for the shortfall area of 974 sq. mts., which is relatable to the power of the Town Planning Officer u/s.52(3)(x), was a decision which was amenable to appellate review u/s.54 however, admittedly the plaintiffs did not avail such remedy – Plaintiffs' claim for damages/compensation was also not supported by material evidence – Further, as there was never any guarantee that a plot owner who surrendered his land pursuant to a Town Planning Scheme would be allotted any land after reconstitution of the plots, the plaintiffs cannot assert

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any vested right in that regard – High Court justified in allowing the first appeal filed by the Corporation and non-suiting the plaintiffs in entirety – Impugned judgment not interfered with. [Paras 29-31, 34, 35, 39, 41 and 42]

**Gujarat Town Planning and Urban Development Act, 1976 – ss.70, 71 – Plaintiffs argued that variation of the Town Planning Scheme as permitted u/ss.70 and 71 must be read together:**

**Held:** No merit in this submission – Section 70 deals with the power to vary a Town Planning Scheme on the ground of error, irregularity or informality while Section 71 is general in nature and states that, notwithstanding anything contained in Section 70, a Town Planning Scheme may at any time be varied by a subsequent scheme made, published and sanctioned in accordance with the provisions of the Act of 1976 – The very fact that Section 71 begins with a non-obstante clause referring to Section 70, manifests that the power thereunder is not fettered in any manner, unlike the power under Section 70 which can only be exercised on the grounds of error, irregularity or informality – Further, Section 71 postulates that the variation of the Town Planning Scheme is to be made, published and sanctioned in accordance with the provisions of the Act of 1976, which would mean that the entire exercise would be undertaken afresh upon such variation, including reconstitution of the plots under Section 45 – Therefore, further reduction of a plot notified in the original Town Planning Scheme is implicit in the general power of variation vesting in the authority under Section 71 of the Act of 1976. [Para 37]

**Gujarat Town Planning and Urban Development Act, 1976 – Scheme – Chapter 5 – Town Planning Schemes – ss.40-76 – Discussed.**

**Gujarat Town Planning and Urban Development Act, 1976 – s.45 – Reconstitution of plots – Plaintiffs contended that the 1976 Act does not contemplate a second reduction in the reconstituted plot area:**

**Held:** Said argument does not merit acceptance – Section 45 deals with reconstitution of plots – A plot owner who has surrendered his original land for the purposes of the Town Planning Scheme is not even assured of allotment of a reconstituted plot in lieu thereof – In such an event, he is entitled only to compensation – Therefore, there is no guaranteed right vesting in a plot owner who surrendered his land in accordance with the Town Planning Scheme that he would

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be allotted another plot of land in lieu thereof, much less, a plot of the same area – It is an admitted fact that, when the plaintiffs' father surrendered an extent of 19823 sq. yds./16575 sq. mts., he was allotted a lesser extent of 15576 sq. yds./13023 sq. mts in two plots in the original Town Planning Scheme, with a deduction of 21.40% – As there was never any guarantee that a plot owner who surrendered his land pursuant to a Town Planning Scheme would be allotted any land after reconstitution of the plots, the plaintiffs cannot assert any vested right in that regard. [Paras 38, 41]

**Case Law Cited**

*Union of India and Another v. Smt. Shanti Devi and Others* [\[1984\] 1 SCR 217](#) : (1983) 4 SCC 542; *N. Nagendra Rao and Co. v. State of A.P.* [\[1994\] Supp. 3 SCR 144](#) : (1994) 6 SCC 205 – held inapplicable.

*State of Gujarat v. Shantilal Mangaldas and Others* [\[1969\] 3 SCR 341](#) : (1969) 1 SCC 509; *Prakash Amichand Shah v. State of Gujarat and Others* [\[1985\] Supp. 3 SCR 1025](#) : (1986) 1 SCC 581; *Ahmedabad Municipal Corporation and Another v. Ahmedabad Green Belt Khedut Mandal and Others* [\[2014\] 11 SCR 855](#) : (2014) 7 SCC 357; *Maneklal Chhotatal and Others v. M.G. Makwana and Others* [\[1967\] 3 SCR 65](#) : AIR 1967 SC 1373; *Malluru Mallappa (Dead) through Lrs. v. Kuruvathappa and Others* [\[2020\] 2 SCR 789](#) : (2020) 4 SCC 313; *Santosh Hazari v. Purushottam Tiwari (Deceased) by Lrs.* [\[2001\] 1 SCR 948](#) : (2001) 3 SCC 179; *Laliteshwar Prasad Singh and Others v. S.P. Srivastava (Dead) thru. Lrs.* [\[2016\] 11 SCR 1](#) : (2017) 2 SCC 415; *G. Amalorpavam and others v. R.C. Diocese of Madurai and Others* [\[2006\] 2 SCR 899](#) : (2006) 3 SCC 224 – referred to.

*Bhupendra Kumar Ramanlal and Others v. State of Gujarat and Others* (1995) 1 GLH 1124 : (1996) AIHC 109 – approved.

**List of Acts**

Code of Civil Procedure, 1908; Gujarat Town Planning and Urban Development Act, 1976; Gujarat Town Planning and Urban Development Rules, 1979.

**Digital Supreme Court Reports****List of Keywords**

Order 41 Rule 31 Code of Civil Procedure, 1908; Town Planning and Urban Development; Town Planning Scheme; Variation of a Town Planning Scheme; Original Town Planning Scheme; Plot owner surrendered land pursuant to Town Planning Scheme; Vacant possession; Compensation; Points for determination not framed; Alternative plot; Second varied scheme; Allotment of land; Cross-objection; First appellate Court; Allotment of a plot of lesser area; Right to a larger area; Initial allotment; Reconstitution of plots; Reduction in the reconstituted plot area; Allotment of a reconstituted plot; Rights in the earlier plots of land extinguished; Market value of land in question at relevant point of time.

**Case Arising From**

CIVIL APPELLATE JURISDICTION: Civil Appeal Nos. 16956-16957 of 2017

From the Judgment and Order dated 18.06.2013 of the High Court of Gujarat at Ahmedabad in FA No. 3596 of 2009 and CRO No. 81 of 2010

**Appearances for Parties**

Huzefa Ahmadi, Sr. Adv., Amit Thakkar, Mrugen Purohit, Mahesh Agarwal, Ankur Saigal, Ms. S. Lakshmi Iyer, Ms. Kamakshi Sehgal, E. C. Agrawala, Advs. for the Appellants.

Preetesh Kapur, Sr. Adv., Ms. Hemantika Wahi, Ms. Jesal Wahi, Advs. for the Respondent.

**Judgment / Order of the Supreme Court****Judgment**

**Sanjay Kumar, J.**

1. These two appeals arise out of the common judgment dated 18.06.2013 passed by a Division Bench of the High Court of Gujarat at Ahmedabad in First Appeal No. 3596 of 2009 and Cross-Objection No. 81 of 2010 in First Appeal No. 3596 of 2009. Thereby, the Division Bench allowed the first appeal filed by the Ahmedabad Municipal Corporation (for brevity, 'the Corporation') and dismissed the cross-objection filed by the respondents in the first appeal. Aggrieved thereby, the said respondents filed these appeals.

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2. The Corporation filed the aforesaid first appeal challenging the judgment and decree dated 17.12.2008 passed by a learned Judge of the City Civil Court, Ahmedabad, in Civil Suit No. 4583 of 1998. The said suit was filed by the appellants herein against the Corporation seeking compensation of ₹1,63,97,673/- with interest thereon @ 18% p.a. or, in the alternative, allotment of land, i.e., an extent of 974 sq. mts., in any Town Planning Scheme in the western zone of Ahmedabad.
3. The suit averments of the appellants (hereinafter, referred to as 'the plaintiffs') were as follows: The plaintiffs' father was the owner of original Plot Nos. 144, 150/P and 151/P in Survey Nos. 155, 209 and 210/P respectively, admeasuring 19823 sq. yds./16575 sq. mts. While so, the Corporation prepared Town Planning Scheme No.6, Paldi, under the provisions of the Gujarat Town Planning and Urban Development Act, 1976 (for brevity, 'the Act of 1976'). The scheme came into force from 01.08.1963, whereupon the plaintiffs' father was required to contribute 21.40% of his lands, i.e., 4247 sq. yds./3552 sq. mts., to the Corporation for public purposes. For the remaining extent of 15576 sq. yds./13023 sq. mts., the Corporation allotted two separate final plots, viz., Final Plot No. 478, admeasuring 11686 sq. yds./9771 sq. mts., and Final Plot No. 463, admeasuring 3890 sq. yds./3252 sq. mts. The vacant possession of Final Plot No. 478 was delivered to the plaintiffs' father but the Corporation failed to deliver possession of Final Plot No. 463 owing to its occupation by slum dwellers. Town Planning Scheme No. 6 was varied thereafter in 1983 but without any alternative plot being allotted in lieu of Final Plot No. 463. The Corporation then prepared a second varied scheme in the year 1986, viz., Town Planning Scheme No. 6, Paldi (second varied), which came into force on 26.04.1991. Thereunder, Final Plot No. 463 was taken back for the purpose of slum upgradation and the plaintiffs were offered Final Plot No. 187, admeasuring 2724 sq. yds./2278 sq. mts. In effect, the land allotment in their favour was reduced by 974 sq. mts., when compared with the area of the initially allotted plot. The plaintiffs claimed that they were offered meagre compensation @ ₹25/- per sq. mt. for the deducted area of 974 sq. mts, though the value of the land in 1991 was about ₹6000/- per sq. mt. in Paldi area. Even after the second variation of the scheme, in which Final Plot No. 187 was allotted to them, the Corporation failed to give vacant possession thereof, due to litigation between the Corporation

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and the occupant of the said plot. Ultimately, the Corporation was able to handover possession of Final Plot No. 187 to them only on 31.01.1996, after the litigation came to an end. Thus, from 01.08.1963, the date on which Town Planning Scheme No. 6, Paldi (Principal Scheme), came into force, the plaintiffs were deprived of possession and enjoyment of 3890 sq. yds. of land, as was promised initially, as the Corporation was not in a position to allot the said land to them and on 31.01.1996, they were finally delivered possession of Final Plot No. 187 admeasuring only 2278 sq. mts. The compensation awarded to them for the shortfall of 974 sq. mts. @ ₹25/- per sq. mt. was an eye wash in view of the prevailing prices of land in Paldi area in the year 1991. The plaintiffs stated that they were, therefore, constrained to sue for compensation for the damages suffered by them due to the failure of the Corporation in discharging its duties under the Act of 1976.

4. Further, the plaintiffs pointed out that, in Town Planning Scheme No. 6, Final Plot No. 187 was reserved for construction of a school but the Corporation permitted one Pulkit Trust to use it as a playground in 1970. In the first variation of the scheme, Final Plot No. 187 was reserved for a Civic Centre. Litigation cropped up between Pulkit Trust and the Corporation and during the pendency thereof, the Corporation prepared the second varied scheme, whereby the plaintiffs were allotted Final Plot No. 187 though it was still in the occupation of Pulkit Trust. The Corporation issued Notice dated 27.04.1992 under Section 68 of the Act of 1976 proposing to evict Pulkit Trust from the land. After considering the objections raised by Pulkit Trust, the Corporation informed it on 27.09.1994 that the same were not accepted. Thereupon, Pulkit Trust filed Civil Suit No. 5415 of 1994, which ultimately culminated with the dismissal of the SLP filed by it before this Court in 1995.
5. The plaintiffs further stated that, in the meantime, a public interest litigation was instituted before the High Court of Gujarat *vide* Special Civil Application No. 3980 of 1992. The plaintiffs also joined the litigation thereafter as necessary parties. This case was finally dismissed by the High Court on 3/4.04.1995. The plaintiffs stated that they had suffered huge monetary losses as they were deprived of the benefit of enjoying the property since 1963 and the failure of the Corporation in allotting them suitable land, at the time the scheme was implemented, amounted to failure in discharge of its statutory obligation and duty

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under Sections 65, 68, 84 and 85 of the Act of 1976. The plaintiffs claimed that the market rate of the land allotted to the plaintiffs was about ₹150/- per sq. yd. in the year 1963 and, therefore, the value of 3890 sq. yds. would come to ₹5,83,500/-. They asserted that if this amount had been invested at 10% p.a. compound rate of interest, it would come to ₹1,63,97,673/-. They prayed for compensation of ₹1,63,97,673/-. They further stated that, the scheme was framed as per the provisions of the Act of 1976, whereby deduction of 21.40% of their land was necessitated, but they were finally allotted land with a further deduction of 974 sq. mts. illegally. They, therefore, sought allotment of that land in the alternative.

6. The Corporation filed its written statement in the suit, stating as under: The suit, as framed, was not maintainable and the Civil Court had no jurisdiction to entertain it and grant the reliefs prayed for therein. The suit also required to be dismissed for non-joinder of parties, as the State Government had not been impleaded therein. Even on merits, the plaintiffs were not entitled to the reliefs prayed for. The plaintiffs were allotted Final Plot No. 187, admeasuring 2278 sq. mts., under the scheme, which had been varied after following the due procedure. As regards the shortfall of land, the plaintiffs were paid compensation @ ₹25/- per sq. mt. under the scheme itself and, as such, the plaintiffs accepted possession of Final Plot No. 187 and the compensation, in respect of the remaining area of land, without protest and without challenging the same. Therefore, it was not open to them to make out a grievance either with respect to the remaining area of land and/or the quantum of compensation. If they had any grievance with respect to the quantum of compensation, they were required to prefer an appeal under Section 54 of the Act of 1976. Further, the plaintiffs could not pray for compensation for the extent of 974 sq. mts. on the basis of the original Town Planning Scheme No. 6, Paldi, as upon variation of the scheme, the original scheme ceased to be in existence and stood substituted by the varied scheme under Section 71 of the Act of 1976. The Corporation, accordingly, prayed for dismissal of the suit.
7. On the basis of the aforesaid pleadings, the Trial Court framed the following issues for consideration: -
  - ‘1) Whether the plaintiff proves that deceased father was the original owner of land bearing S. Nos. 255, 209



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and 210/P (original plot Nos. 144, 150/P and 151/P) admeasuring 19823 sq. yards in Paldi area?

- 2) Whether the plaintiff proves that they required to be allotted 155/6 sq. yards by Ahmedabad Municipal Corporation due to enforcement of Town Planning Scheme?
- 3) Whether the plaintiff proves that one final plot was allotted on the original plot itself and another final plot admeasuring about 3890 sq. yards bearing S. No. 403 was allotted to other side?
- 4) Whether the plaintiff proves that the defendant failed perform its legal obligation to give vacant and peaceful possession of Final Plot No. 463 due to alleged reasons?
- 5) Whether the plaintiff proves that the defendant offered Final Plot No. 187 admeasuring 2278 sq. mts.?
- 6) Whether the plaintiff proves that the defendant offered a meagre compensation for the deducted area of 972 sq. meter. Even though the real value of the land in 1991 was about Rs. 6000/- per sq. meter, in Paldi area?
- 7) Whether the plaintiff proves that the defendant handed over and allotted the possession of Final Plot No. 187 on dt. 3196 after litigation as alleged in the plaint?
- 8) Whether the plaintiff proves that the compensation awarded, for the difference of 974 sq. meter. At the rate of Rs. 25 per sq. meter, was merely an eye wash in view of the prevailing prices of land in Paldi area in the year 1991?
- 9) Whether the plaintiff proves that as alleged plots handed over to him on different dates, so he suffered huge monetary loss and deprived of benefit on enjoyment of their property since 1963?
- 10) Whether the plaintiff proves that the prevailing market rate of the allotted land to them was about Rs. 150/- per sq. yard in 1963? And value of 3890 sq. yards land would come to Rs. 5,83,500?

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- 11) Whether the plaintiffs prove that they are entitled to the interest at the rate of 10% p.a. on Rs. 5,83,500/- which have turned out in investment at compound rate of interest comes to Rs. 1,63,97,673/- as alleged?
  - 11A) Whether the plaintiff is entitled to be allotted remaining land of 974 sq. meter by the defendant as prayed for in para 10(A) of plaint?
  - 12) Whether the defendant proves that the suit is bad and illegal for non-joinder of necessary parties as alleged?
  - 13) Whether the defendant proves that the suit is not maintainable as alleged?
  - 14) Whether the defendant proves that the plaintiff had not raised any objection at the proper time as alleged?
  - 15) Whether the defendant proves that the plaintiff is not entitled to any special notice as alleged?
  - 16) Whether the defendant proves that in plaintiff's case they followed all the necessary procedure as alleged?
  - 17) Whether the defendant proves that this Court has no jurisdiction to try this suit?
  - 18) What order and what decree?
8. After considering the evidence, oral and documentary, and the arguments of both sides, the Trial Court answered Issue Nos. 1,2,3,4,5,7, 8,9 and 11A in the affirmative and Issue Nos. 6,10,11,12,13,14,15,16 and 17 in the negative. Significantly, the Corporation adduced no oral or documentary evidence. As regards Issue Nos. 4 and 5, pertaining to the offer and allotment of Final Plot No. 187, admeasuring 2278 sq. mts., the Trial Court noted that Resolution dated 15.10.1986 was passed by the Town Planning Committee, in which it was stated that in the place of Final Plot No. 463, it was advised that the same area in Final Plot No. 187 is to be allotted. The Trial Court also noted the Resolution passed by the Corporation on 30.10.1986 that the plaintiffs would be allotted the same area of land which was earlier allotted in Final Plot No. 463. The Trial Court further noted the correspondence thereafter, which reflected that Final Plot No. 187 was being allotted to the plaintiffs and that the change of allotment of plots resulted in a reduction of

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974 sq. mts. of land. The Trial Court accordingly answered Issue Nos. 4 and 5 in the affirmative. As regards Issue No. 6, pertaining to the compensation for the reduced area of 974 sq. mts., the Trial Court noted that though the plaintiffs pleaded that, in the year 1991 the value of the land in Paldi area was about ₹6000/- per sq. mt., they did not produce a single document or corroborative evidence to prove that fact. The issue was, therefore, answered in the negative.

9. As regards Issue Nos. 8 and 9 as to whether the compensation @ ₹25/- per sq. mt. was merely an eye wash and whether the plaintiffs suffered huge monetary losses, the Trial Court noted that Final Plot No. 187 had been allotted to the plaintiffs in the place of Final Plot No. 463, which was initially allotted to them in the year 1963 and for which the rate was shown as ₹25/- per sq. mt. The Trial Court noted that 33 years after the allotment of Final Plot No. 463, Final Plot No. 187 was handed over to the plaintiffs in January, 1996, and the same rate of ₹25/- per sq. mt. was adopted for the compensation. The Trial Court, accordingly, agreed with the plaintiffs that the said rate was meagre and, therefore, the compensation offered at that rate was merely an eye wash. As Final Plot No. 187 was handed over to the plaintiffs 33 years after the allotment of the first plot and as Paldi area could be considered a posh area, the Trial Court affirmed that the plaintiffs had suffered monetary loss by the deprivation of the benefit of enjoying the property since 1963. Issue Nos. 8 and 9 were accordingly answered in the affirmative.
10. As the plaintiffs failed to adduce evidence in support of their claim as to the market value of the land but as they had proved that the Corporation failed to allot the remaining extent of 974 sq. mts. due to total negligence, they were held entitled to get that extent of land. Issue Nos. 10 and 11 were answered in the negative but Issue No. 11A was answered in the affirmative. Issue No. 12, pertaining to the maintainability of the suit, was answered in favour of the plaintiffs and in the negative.
11. Issue Nos. 13,14,15,16 and 17 were taken up together and the Trial Court answered all of them also in the negative. As regards the bar under Section 105 of the Act of 1976, the Trial Court opined that this provision was not intended to protect injustice caused to the parties and as the Corporation had failed to provide the second final plot till

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the year 1996 and the same was given with a short fall in area and with meagre compensation therefor, the said actions were not in good faith and the statutory provision would not protect the Corporation.

12. The Trial Court, accordingly, decreed the suit by accepting the alternative prayer made by the plaintiffs that they should be allotted an extent of 974 sq. mts. in any Town Planning Scheme in the western zone of Ahmedabad, but rejected the main prayer for compensation of ₹1,63,97,673/- with interest thereon. The plaintiffs were, however, directed to repay the amount of compensation received by them @ ₹25/- per sq. mt. for the extent in question.
13. Assailing the aforestated judgment and decree, the Corporation preferred the subject first appeal before the High Court while the plaintiffs filed their cross-objection therein, apropos the rejection of their main prayer for compensation to the tune of ₹1,63,97,673/-. Before doing so, the plaintiffs deposited ₹24,350/-, being the amount awarded towards compensation for 974 sq. mts. of land @ ₹25/- per sq. mt., as directed by the Trial Court. Thereafter, by the impugned judgment, the High Court held in favour of the Corporation by allowing its appeal and against the plaintiffs by rejecting their cross-objection.
14. Perusal of the impugned judgment reflects that the High Court noted the contentions of both parties and then extracted the issues framed by the Trial Court *in extenso*. The High Court, however, did not frame the points that arose for determination in the appeal, in terms of Order 41 Rule 31 CPC. The High Court then referred to the arguments advanced on behalf of the parties and started the discussion on merits from para 5.1 of the judgment. The High Court observed that compensation had been paid for the shortfall of 974 sq. mts. @ ₹25/- per sq. mt. and noted that it was not in dispute that the said compensation amount had been accepted without protest. The High Court also noted that the plaintiffs had not challenged the second varied Town Planning Scheme No. 6, Paldi, under which they were allotted Final Plot No. 187, admeasuring 2278 sq. mts., in lieu of the originally allotted Final Plot No. 463, admeasuring 3890 sq. yds. The High Court also took note of the fact that the plaintiffs supported the second varied scheme before the Division Bench of the High Court in Special Civil Application No. 3980 of 1992 and concluded that they could not make out a grievance with regard to the non-delivery of the remaining 974 sq. mts. of land.

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15. Reference was made by the High Court to Section 71 of the Act of 1976, which allowed variation of a Town Planning Scheme and it was held that any right with respect to the remaining 974 sq. mts., on the basis of the original Town Planning Scheme No. 6, Paldi, no longer remained in existence after such variation. The High Court, accordingly, held that the Trial Court had erred in directing the Corporation to allot 974 sq. mts. of land in any other scheme in the western zone of Ahmedabad. The High Court also took note of the fact that the Trial Court had opined that the compensation paid to the plaintiffs for the shortfall of 974 sq. mts. @ ₹25/- per sq. mt. was inadequate, which had led to the direction to the Corporation to allot an equivalent extent of land in any other Town Planning Scheme, while directing the plaintiffs to return the amount of compensation paid to them. The High Court, thereupon, observed that once the plaintiffs accepted Final Plot No. 187 and the compensation for the 974 sq. mts. of land @ ₹25/- per sq. mt. under the second varied Town Planning Scheme, No. 6, Paldi, without protest, it was not open to the Trial Court to pass any order which would tantamount to further varying the scheme when it was not even challenged by the plaintiffs.
16. As regards the inaction on the part of the Corporation in handing over vacant possession of Final Plot No. 463, the High Court observed that once the original Town Planning Scheme was varied, it was not open to the plaintiffs to assert any grievance in relation to the plot allotted to them under that scheme. As regards the inadequacy of compensation, the High Court held that the Trial Court could not have gone into that issue as no appeal was preferred by the plaintiffs under Section 54 of the Act of 1976, if they were unhappy with the quantum of compensation.
17. Insofar as the cross-objection filed by the plaintiffs is concerned, the High Court noted that the Trial Court had not accepted their prayer to award them compensation of ₹1,63,97,673/- as they had failed to prove, by leading evidence, that at the relevant time in 1963 the market price of the land was ₹150/- per sq. mt. The High Court further held that it was not open to them to claim any damages, having accepted the smaller plot allotted to them under the varied scheme and the compensation for the shortfall of 974 sq. mts. @ ₹25/- per sq. mt. without protest. The High Court, accordingly, concluded that the cross-objection deserved to be dismissed. It is on this basis that

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the High Court allowed the first appeal filed by the Corporation and dismissed the cross-objection of the plaintiffs.

18. Before we proceed further, it would be apposite to take note of the statutory milieu pertinent to this case and the case law relevant thereto. Chapter 5 of the Act of 1976 is titled 'Town Planning Schemes' and comprises Sections 40 to 76. Section 40 deals with the making and the contents of a Town Planning Scheme and empowers the appropriate authority to make one or more Town Planning Scheme(s) for a development area. Section 40(3) states that a Town Planning Scheme may make provision for the matters enumerated in clauses (a) to (m) thereunder. Clause (jj) therein was, however, substituted with effect from 01.05.1999. Clause (a) refers to laying out or re-laying out of land, either vacant or already built upon, while clause (d) relates to the construction, alteration and removal of buildings, bridges and other structures. Clause (e) relates to the allotment or ear-marking of land for roads, open spaces, gardens, recreation grounds, schools, markets, green-belts, dairies, transport facilities and public purposes of all kinds. Section 41 requires the appropriate authority, in consultation with the Chief Town Planner, to declare its intention to make a Town Planning Scheme in respect of a particular area and, within 21 days from the date of such declaration, publish the same in the prescribed manner and dispatch a copy thereof to the State Government, along with a plan showing the area which it proposes to include in the Town Planning Scheme. A copy of such plan shall be open to public inspection at the office of the appropriate authority. Section 42 deals with the making and publication of a draft scheme and states that, within 9 months from the date of declaration of intention under Section 41, the appropriate authority shall make a draft scheme of the area in respect of which the said declaration was made and publish the same in the Official Gazette along with the draft regulations for carrying out the provisions of the scheme. Section 44 details the contents of the draft scheme and provides that it should contain the particulars enumerated under Clauses (a) to (h). Clause (a) pertains to the area, ownership and tenure of each original plot while clause (b) relates to the particulars of land allotted or reserved under Section 40(3)(e). Clause (c) relates to the extent to which it is proposed to alter the boundaries of the original plot and clause (e) requires a full description of all the details of the scheme under Section 40(3), as may be applicable.

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- 19.** Section 45 of the Act of 1976 pertains to the reconstitution of plots and Section 45(1) states that, in the draft scheme referred to in Section 44, the size and shape of every plot shall be determined, so far as may be, to render it suitable for building purposes and where the plot has already been built upon, to ensure that the building, as far as possible, complies with the provisions of the scheme as regards open spaces. Section 45(2) states that, for the purposes of sub-section (1), the draft scheme may contain proposals as to the details mentioned under clauses (a) to (e). This provision reads as under: -

‘(2) For the purposes of sub-section (1), the draft scheme may contain proposals-

- (a) to form a final plot by the reconstitution of an original plot by the alteration of its boundaries, if necessary;
- (b) to form a final plot from an original plot by the transfer of any adjoining lands;
- (c) to provide with the consent of the owners that two or more original plots which are owned by several persons or owned by persons jointly be held in ownership in common as a final plot, with or without alteration of boundaries;
- (d) to allot a final plot to any owner dispossessed of land in furtherance of the scheme; and
- (e) to transfer the ownership of a plot from one person to another.’

- 20.** Section 47 of the Act of 1976 provides for objections being raised against the draft scheme and states that such objections are to be made in writing within one month from the date of publication of the draft scheme and the same should be considered by the appropriate authority. Further, before submitting the draft scheme to the State Government, the appropriate authority may modify the scheme as it thinks fit. Section 48 empowers the State Government to sanction the draft scheme. Section 50 requires the State Government to appoint a Town Planning Officer within one month from the date on which the draft scheme has been sanctioned and notified in the Official Gazette and the duties of such Town Planning Officer are set out in Section 51. Thereunder, the Town Planning Officer is required, within twelve

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months from the date of his appointment, to sub-divide the Town Planning Scheme into a preliminary scheme and a final scheme, following the prescribed procedure. Section 52 details the contents of the preliminary and final schemes. Insofar as a preliminary scheme is concerned, the Town Planning Officer is required, under Section 52(1), to give notice in the prescribed manner to the persons affected by the scheme and define and demarcate the areas allotted to or reserved for a public purpose or for the purpose of the appropriate authority and the final plots. Under Section 52(1)(iii), the Town Planning Officer is empowered to provide for the total or partial transfer of any right in an original plot to a final plot or provide for the transfer of any right in an original plot in accordance with the provisions of Section 81. Section 52(2) requires the Town Planning Officer to submit the preliminary scheme so prepared to the State Government for sanction and to, thereafter, prepare and submit to the State Government the final scheme in accordance with the provisions of Section 52(3).

21. In the said final scheme, the Town Planning Officer is required, under Section 52(3), to fix the difference between the total of the values of the original plots and the total of the values of the plots included in the scheme, in accordance with the provisions of Section 77(1) (f). Under Clause (iii) of Section 52(3), the Town Planning Officer is required to estimate the sums payable as compensation on each plot used, allotted or reserved for a public purpose or for the purpose of the appropriate authority, which is beneficial partly to owners or residents within the area of the scheme and partly to the general public, which shall be included in the costs of the scheme. Clauses (iv) to (ix), thereafter, deal with the Town Planning Officer's power to calculate and determine the contribution to be made by the plot owners in relation to the plots used, allotted or reserved for public purposes or for the purpose of the appropriate authority which is beneficial partly to the owners or residents within the area of the scheme and partly to the general public. This would also include the calculation of the contribution to be levied on each plot owner under the final scheme. Section 52(3)(x) requires the Town Planning Officer to estimate, with reference to claims made before him, after giving due notice in the prescribed manner and form, the compensation to be paid to the owner of any property or right injuriously affected by the making of the Town Planning Scheme, in accordance with the provisions of Section 82. Section 54 provides for an appeal



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against any decision of the Town Planning Officer under Section 52(3)(iii), (iv), (vi), (vii), (viii) and (x) which are to be communicated forthwith to the party concerned and such party, if aggrieved thereby, is entitled to file an appeal within one month from the date of such communication before the Board of Appeal, constituted under Section 55. Section 67(a) refers to the effect of a preliminary scheme and states that, on the day on which the preliminary scheme comes into force, all lands required by the appropriate authority shall, unless it is otherwise determined in such scheme, vest absolutely in the appropriate authority, free from all encumbrances. Section 67(b) states that upon the preliminary scheme coming into force, all rights in the original plots, which have been reconstituted into final plots, shall determine and the final plots shall become subject to the rights settled by the Town Planning Officer. Section 68 empowers the appropriate authority to summarily evict any person continuing to occupy land which he is not entitled to occupy under the preliminary scheme, in accordance with the prescribed procedure, after such preliminary scheme comes into force. Section 70 empowers the appropriate authority to apply in writing to the State Government for variation of the preliminary or final scheme after it has come into force, if the said authority considers that the scheme is defective on account of an error, irregularity or informality. Section 71 is titled 'Variation of Town Planning Scheme by another scheme'. It begins with a non-obstante clause and reads as under: -

**'71. Variation of town planning scheme by another scheme.** -Notwithstanding anything contained in Section 70, a town planning scheme may at any time be varied by a subsequent scheme made, published and sanctioned in accordance with the provisions of this Act.'

22. Section 81 is titled 'Transfer of right from original to final plot or extinction of such right' and states that any right in an original plot which, in the opinion of the Town Planning Officer, is capable of being transferred wholly or in part, without prejudice to the making of a Town Planning Scheme, to a final plot shall be so transferred and any right in an original plot which, in the opinion of the Town Planning Officer, is not capable of being so transferred, shall be extinguished. Section 82 is titled 'Compensation in respect of property or right injuriously affected by the scheme' and states that the owner of any property or right which is injuriously affected by the making

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of a Town Planning Scheme shall, if he makes a claim before the Town Planning Officer within the prescribed time, be entitled to be compensated in respect thereof by the appropriate authority or by any person benefited or partly by the appropriate authority and partly by such person, as the Town Planning Officer may in each case determine. The *proviso* thereunder states that the value of such property or right shall be deemed to be its market value on the date of declaration of the intention to make a scheme or the date of the notification issued by the State Government under Section 43(1) without reference to improvements contemplated in the scheme, as the case may be. Section 84 deals with cases in which the amount payable to the owner exceeds the amount due from him and states that, if the owner of an original plot is not provided with a plot in the preliminary scheme or if the contribution to be levied on him under Section 79 is less than the total amount to be deducted therefrom under any of the provisions of the Act of 1976, the net amount of his loss shall be payable to him by the appropriate authority in case or in such other manner as may be agreed upon by the parties. Section 105 is titled 'Bar of legal proceedings' and states that no suit, prosecution or other legal proceeding shall lie against the State Government, the appropriate authority or any public servant or person duly appointed or authorized under the Act of 1976 in respect of anything in good faith done or purported to be done under the provisions thereof or any rules or regulations made thereunder.

23. Section 118 of the Act of 1976 empowers the State Government to make rules consistent with the provisions of that statute to carry out the purposes thereof. In exercise of such power, the Gujarat Town Planning and Urban Development Rules, 1979, were framed. Rule 16 thereof prescribes the procedure to be followed for publication of the declaration under Section 41 of the Act of 1976. Rule 17 states that, for the purpose of making the draft scheme under Section 42 of the Act of 1976, the appropriate authority shall call a meeting or meetings of the owners of the lands included in the Town Planning Scheme, by a public notice as well as by individual notice to every owner whose address is known to the appropriate authority, and explain in such meeting the tentative proposals of the draft scheme for eliciting public opinion and suggestions on the said proposals. Thereafter, the appropriate authority is empowered to take into consideration all such suggestions and objections raised on the proposals for making the

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draft scheme under Section 42. Rule 26 details the procedure to be followed by the Town Planning Officer under Sections 51 and 52(1) of the Act of 1976. Rule 26(1) requires the Town Planning Officer to give notice in Form H of the date on which he would commence his duties for preparing the preliminary scheme and final scheme and he shall also state the time within which the owner of any property or right which is injuriously affected by the making of the scheme, who would be entitled under Section 82, to make a claim for compensation before him. Under Rule 26(4), the Town Planning Officer is required to give every person, interested in any land affected by a scheme, sufficient opportunity of stating their views and not give a decision till he has duly considered their representations, if any. Rule 37 states that a claim under Section 82 shall be made within three months from the date fixed in the notice given under Rule 26(1).

24. Now, a quick recce of precedential thought on the Act of 1976 and the like. In [State of Gujarat vs. Shantilal Mangaldas and others](#)<sup>1</sup>, a Constitution Bench had occasion to consider the provisions of the Bombay Town Planning Act, 1955. The provisions of that enactment were earlier applicable in the State of Gujarat and are in *pari materia* with those of the Act of 1976. Section 53 of the Bombay Town Planning Act, 1955, provided that all lands required by the local authority shall, on the day on which the final scheme comes into force, vest absolutely in the local authority free from all encumbrances, unless it is otherwise determined in such scheme, and that all rights in the original plots which have been reconstituted shall determine and the reconstituted plots shall become subject to the rights settled by the Town Planning Officer. In effect, this provision is identical to Section 67 of the Act of 1976. The argument advanced in that case before the High Court, which had found favour with it in holding Section 53 *ultra vires*, was that when a plot is reconstituted and out of that plot, a smaller area is given to the owner and the remaining area is utilized for a public purpose, the area so utilized vests in the local authority but as the Act did not provide for giving compensation, which is a just equivalent of the land expropriated on the date of extinction of interest, the guaranteed right under Article 31(2) of the Constitution stood infringed. Negating this contention, the Constitution Bench held that Section 53 did not provide that a reconstituted plot is transferred

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1 [\[1969\] 3 SCR 341](#) : (1969) 1 SCC 509

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or is deemed to be transferred from the local authority to the owner of the original plot, as it provides for statutory readjustment of the rights of the owners of the original plots of land. The Bench pointed out that when the scheme comes into force, all rights in the original plots stand extinguished and, simultaneously therewith, ownership springs in the reconstituted plots. Noting that there is no vesting of original plots in the local authority nor transfer of the rights of the local authority in the reconstituted plots, the Bench observed that a part or even the whole plot belonging to an owner may go to form a reconstituted plot which may be allotted to another person or may be appropriated to public purposes under the scheme. The Bench further observed that the source of the power to appropriate the whole or a part of the original plot in forming a reconstituted plot is statutory and it does not predicate ownership of the plot in the local authority and no process - actual or notional - of transfer is contemplated in that appropriation. The Bench ultimately held that the concept that lands vest in the local authority when the intention to make a scheme is notified is against the plain intendment of the Act. Significantly, while considering the provision in the Bombay Town Planning Act, 1955, pertaining to the method of adjustment of contribution against compensation receivable by an owner of land, viz., Section 67, the Bench noted that the said provision states that the difference between the market value of the plot, with all the buildings and works thereon, on the date of declaration of the intention to make a scheme and the market value of the plot as reconstituted on the same day and without reference to the improvements contemplated in the scheme, is to be the compensation due to the owner and in the event the owner of the original land is not allotted a plot at all, he shall be paid the value of the original plot on the date of declaration of the intention to make a scheme.

25. In [\*Prakash Amichand Shah vs. State of Gujarat and others\*](#)<sup>2</sup>, another Constitution Bench again dealt with the provisions of the Bombay Town Planning Act, 1955. It was observed therein that, on the final scheme coming into force, the lands affected by the said scheme which are needed by the local authority for the purposes of the scheme automatically vest in the local authority and there is no need to set in motion the provisions of the Land Acquisition Act, 1894.

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2 [\[1985\] Supp. 3 SCR 1025](#) : (1986) 1 SCC 581

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The Bench pointed out that the Town Planning Officer is authorized to determine whether any reconstituted plot can be given to a person whose land is affected by the scheme, as all rights of private owners in the original plots would determine and certain consequential rights in favour of the owners would arise therefrom. The Bench noted that, if reconstituted or final plots are allotted to them in the scheme, they become owners of such final plots, subject to the rights settled by the Town Planning Officer in the final scheme, and in some cases the original plot of an owner might be completely allotted by the local authority for a public purpose and such private owner may be paid compensation or given a reconstituted plot in some other place. Significantly, it was noted that such a reconstituted plot may be a smaller or a bigger plot and, in some cases, it may not be possible to allot a final plot at all. Reference was made to the provisions of the said Act, which provided for certain financial adjustments regarding payment of money to the local authority or to the owners of the original plots and it was noted that the development and planning carried out under the Act is primarily for the benefit of the public and the local authority is under an obligation to function according to the Act and bear a part of the expenses of the development. The Bench observed that, in one sense, it is a package deal.

26. In [\*Ahmedabad Municipal Corporation and another vs. Ahmedabad Green Belt Khedut Mandal and others\*](#)<sup>3</sup>, a 3-Judge Bench of this Court considered the provisions of the Act of 1976. It was observed that the provisions of the Act of 1976, read conjointly, give a clear picture that the Town Planning Scheme is just like consolidation proceedings as the land belonging to various persons is first put into a pool and then allocated for different purposes and, in such a way, after having all deductions, the loss and profit of individual tenure-holders is to be calculated. It was noted that a Town Planning Scheme would provide for pooling the entire land covered by the scheme and, thereafter, reshuffling and reconstituting of plots and the market value of the original plots and final plots is to be assessed and the authority has to determine as to whether a land owner has suffered some injury or has gained from such process. It was also pointed out that reconstitution of plots is permissible, as provided under the scheme of the Act and as is evident from a reading of Sections

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3 [2014] 11 SCR 855 : (2014) 7 SCC 357

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45(2)(a),(b),(c) and Section 52(1)(iii), in accordance with Section 81 of the Act of 1976. The Bench observed that, if by reconstitution of the plots, anybody suffers injury, the statutory provisions provide for compensation under Section 67(b) read with Section 82 of the Act of 1976. It was further noted that, by such reconstitution and readjustment of plots, there is no vesting of land in the local authority and the Act of 1976 provides for payment of non-monetary compensation and that mode was approved by the Constitution Bench in [Shantilal Mangaldas](#) (*supra*), wherein this Court held that when the scheme comes into force, all rights in the original plots are extinguished and, simultaneously therewith, ownership springs in the reconstituted plots. Reference was also made to [Maneklal Chhotalal and others vs. M.G. Makwana and others](#)<sup>4</sup>, wherein it was observed that, even if an original plot owner is allotted a smaller extent of land in the final plot and has to pay certain amount as contribution, having regard to the scheme and its objects, it is inevitable and would not amount to deprivation. The 3-Judge Bench, accordingly, observed that it is evident that in case a land owner is not provided with a final plot, the amount of his loss would be payable to him as required under Section 82 of the Act of 1976. Again referring to [Shantilal Mangaldas](#) (*supra*), it was noted that there is no necessity to acquire the land as the title of the owners is readjusted upon the scheme being sanctioned and the lands required for any of the purposes of the scheme need not be acquired otherwise than under the Act, for it is a settled rule of interpretation of statutes that when power is given thereunder to do a certain thing in a certain way, the thing must be done in that way or not at all.

27. This being the legal position *vis-à-vis* the Act of 1976, it was contended before us by the plaintiffs that the impugned judgment of the High Court is liable to be set aside on the short ground that no points for determination were framed therein, as required by Order 41 Rule 31 CPC. Reliance was placed on [Malluru Mallappa \(Dead\) through Lrs. vs. Kuruvathappa and others](#)<sup>5</sup>, wherein this Court observed that the first appellate Court is required to set out the points for determination, record the decision thereon and give its own reasoning. It was further observed that, even when the said Court affirms the

4 [\[1967\] 3 SCR 65](#) : AIR 1967 SC 1373

5 [\[2020\] 2 SCR 789](#) : (2020) 4 SCC 313

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judgment of the Trial Court, it has to comply with the requirements of Order 41 Rule 31 CPC as non-observance thereof would lead to an infirmity in its judgment. However, it may be noted that no absolute proposition was laid down therein to the effect that failure to frame points for determination, in itself, would render the first appellate Court's judgment invalid on that ground.

28. Reference was also made to *Santosh Hazari vs. Purushottam Tiwari (Deceased) by LRs*<sup>6</sup>, wherein this Court held that a first appeal is a valuable right and unless restricted by law, the whole case would be open for rehearing before it, both on questions of fact and law, and, therefore, the judgment of the first appellate Court must reflect conscious application of mind and it must record findings supported by reasons on all the issues arising, along with the contentions put forth and pressed by the parties for decision of the said Court. It was further observed that, while reversing a finding of fact, the first appellate Court must come into close quarters with the reasoning of the Trial Court and then assign its own reasons for arriving at a different finding. This, *per* this Court, would satisfy the requirement of Order 41 Rule 31 CPC.
29. However, in *Laliteshwar Prasad Singh and others vs. S.P. Srivastava (Dead) thru. Lrs.*<sup>7</sup>, this Court, while affirming the aforestated principles, observed that it is well settled that the mere omission to frame the points for determination would not vitiate the judgment of the first appellate Court, provided that the first appellate Court recorded its reasons based on the evidence adduced by both parties.
30. Thus, even if the first appellate Court does not separately frame the points for determination arising in the first appeal, it would not prove fatal as long as that Court deals with all the issues that actually arise for deliberation in the said appeal. Substantial compliance with the mandate of Order 41 Rule 31 CPC in that regard is sufficient. In this regard, useful reference may be made to *G. Amalorpavam and others vs. R.C. Diocese of Madurai and others*<sup>8</sup>, wherein this Court held as under: -

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6 [2001] 1 SCR 948 : (2001) 3 SCC 179

7 [2016] 11 SCR 1 : (2017) 2 SCC 415

8 [2006] 2 SCR 899 : (2006) 3 SCC 224

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‘9. The question whether in a particular case there has been substantial compliance with the provisions of Order 41 Rule 31 CPC has to be determined on the nature of the judgment delivered in each case. Non-compliance with the provisions may not vitiate the judgment and make it wholly void, and may be ignored if there has been substantial compliance with it and the second appellate court is in a position to ascertain the findings of the lower appellate court. It is no doubt desirable that the appellate court should comply with all the requirements of Order 41 Rule 31 CPC. But if it is possible to make out from the judgment that there is substantial compliance with the said requirements and that justice has not thereby suffered, that would be sufficient. Where the appellate court has considered the entire evidence on record and discussed the same in detail, come to any conclusion and its findings are supported by reasons even though the point has not been framed by the appellate court there is substantial compliance with the provisions of Order 41 Rule 31 CPC and the judgment is not in any manner vitiated by the absence of a point of determination. Where there is an honest endeavour on the part of the lower appellate court to consider the controversy between the parties and there is proper appraisal of the respective cases and weighing and balancing of the evidence, facts and the other considerations appearing on both sides is clearly manifest by the perusal of the judgment of the lower appellate court, it would be a valid judgment even though it does not contain the points for determination. The object of the rule in making it incumbent upon the appellate court to frame points for determination and to cite reasons for the decision is to focus attention of the court on the rival contentions which arise for determination and also to provide litigant parties opportunity in understanding the ground upon which the decision is founded with a view to enable them to know the basis of the decision and if so considered appropriate and so advised to avail the remedy of second appeal conferred by Section 100 CPC.’

31. As already noted hereinabove, the High Court did set out all the issues framed by the Trial Court in the body of the judgment and was, therefore, fully conscious of all the points that it had to consider



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in the appeal. Further, we do not find that any particular issue that was considered by the Trial Court was left out by the High Court while adjudicating the appeal. In effect, we do not find merit in the contention that the impugned judgment is liable to be set aside on this preliminary ground, warranting reconsideration of the first appeal by the High Court afresh.

- 32.** As regards the merits of the matter, we may note that though the father of the plaintiffs was allotted Final Plot No. 463, admeasuring 3890 sq. yds./3252 sq. mts. in the original Town Planning Scheme No. 6, Paldi, in the year 1963, possession thereof could not be delivered to him as it was occupied by slum dwellers. It was only in the second variation of Town Planning Scheme No. 6 in August, 1986, that Final Plot No. 187 was allotted to the plaintiffs in lieu of Plot No. 463 and it had a smaller area by 974 sq. mts. Reliance was placed by the plaintiffs upon the resolutions passed by the Town Planning Committee in its meeting held on 15.10.1986 and the Corporation in its general board meeting held on 30.10.1986 respectively to contend that it was the intention of the authorities concerned to allot the same area as in Final Plot No. 463 to them. However, we find from the resolutions in question that Final Plot No. 187 was specifically mentioned therein and the intention was that this plot should be allotted to the plaintiffs. It is an admitted fact that this final plot was part of the original Town Planning Scheme No. 6, Paldi, and it was always of the same area, i.e., 2724 sq. yds/2278 sq. mts. Therefore, the mere use of the words 'same area' or 'equal area' in the resolutions had no impact as those words were used in juxtaposition to Final Plot No. 187 and the area of the said plot must have been within the knowledge of all concerned as on the dates of the resolutions, given the statutory scheme of transparency.
- 33.** Further, though so much stress was laid by the plaintiffs upon the resolutions passed by the authorities in the year 1986 to contend that the 'same area' was to be allotted to them in lieu of Plot No. 463, we may note that this mistaken impression, if at all entertained by the plaintiffs, despite the clear mention of Final Plot No. 187 in those resolutions and their own knowledge of the details of the scheme, stood dispelled in April, 1995. They were parties to the public interest litigation initiated in Special Civil Application No. 3980 of 1992 before a Division Bench of the High Court of Gujarat at Ahmedabad. The challenge therein was to the allotment of Final Plot No. 187 to them

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on the ground that the said plot was meant for a public purpose. The plaintiffs were respondent Nos. 4 and 5 in Special Civil Application No. 3980 of 1992. In the judgment rendered therein on 03/04.04.1995, the Division Bench observed that Final Plot No. 187 was to be given to the plaintiffs instead of Final Plot No. 463 which was larger. The Division Bench further observed that it was they who appeared to have lost in the bargain, because the plot of land which was now being offered to them, viz., Plot No. 187, was nearly 1200 sq. yds. lesser than Plot No. 463 and the only advantage which they got was that Plot No. 187 was free from encumbrance. Nearly nine months later, Final Plot No. 187 was actually delivered to the plaintiffs. However, in the interregnum, they raised no objection or grievance as to the reduction in the plot size and quietly waited for delivery of Final Plot No. 187. It is also an admitted fact that, shortly thereafter, in the year 1998, the plaintiffs sold the said plot to J.K. Cooperative Housing Society Limited.

34. The failure of the Corporation in handing over vacant possession of Plot No. 463 was also subjected to attack, but we find that when the said allotment was modified by the second variation of Town Planning Scheme No. 6, Paldi, in the year 1986, whereby the plaintiffs were allotted Final Plot No. 187 which was of a lesser area, they silently accepted the same and did not choose to either seek implementation of the original scheme, whereunder they were allotted a larger plot, or challenge the varied scheme, whereby they were given a smaller plot. Having accepted the plot allotted to them upon variation of the scheme without demur or protest, the plaintiffs cannot now seek to reopen the negligence and delay, if any, on the part of the Corporation prior to such variation. Further, as is evident from the edicts laid down by this Court, referred to *supra*, upon the preparation or variation of a Town Planning Scheme, the rights in the earlier plots of land would stand extinguished. That being so, such rights, if any, which have become extinct cannot be the basis for a later cause of action.
35. No doubt, even in 1986, when Final Plot No. 187 was allotted to the plaintiffs, it was not free of occupation as it had been given to Pulkit Trust for utilization as a playground. Even if this action on the part of the Corporation is held to be not in good faith, it would only entail a claim for compensation or damages, but as noted by the Trial Court as well as the High Court, the plaintiffs did not choose to adduce any evidence in support of their claim for the quantified damages of

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₹1,63,97,673/-. No document was produced by the plaintiffs in proof of the price of land in Paldi area being ₹150/- per sq. yd. in the year 1963. Though reference was made to the decision of this Court in [Union of India and another vs. Smt. Shanti Devi and others](#)<sup>9</sup> in the context of a return of 10% p.a. being anticipated from investment in land and a multiplier of 13% being adopted for the purpose of capitalization, this method of calculation would have had meaning had the value of the land in the present case at the relevant point of time been determined. However, as the plaintiffs did not adduce any evidence whatsoever in proof of their claim as to the market value of the land in question at the relevant point of time, this judgment does not further their case, insofar as their claim for compensation/damages is concerned. Reference to [N. Nagendra Rao and Co. vs. State of A.P.](#)<sup>10</sup>, in support of the plaintiffs' claim for compensation owing to the negligence of the authorities is also of no avail as the principles contained therein would have had application if the plaintiffs' claim for damages/compensation was duly supported by material evidence, which it is not.

36. Further, though it has been contended before us that the plaintiffs never actually received the compensation offered by the Corporation for the shortfall of 974 sq. mts. @ ₹25/- per sq. yd., it is an admitted fact that, pursuant to the judgment and decree of the Trial Court, the plaintiffs did deposit the sum of ₹24,350/-, being the compensation for 974 sq. mts. @ ₹25/- per sq. mt., as directed by the Trial Court. Had it been their case that they did not receive such compensation, they ought not to have abided by the direction of the Trial Court and deposited that amount. This voluntary act on their part precludes them from contending, at this stage, that the said compensation was never paid to them and that they had deposited the amount as it was only a paltry sum.
37. The further argument of the plaintiffs that the Act of 1976 does not contemplate a second reduction in the reconstituted plot area does not merit acceptance. Section 45 of the Act of 1976 deals with reconstitution of plots and it is a settled legal position, *per* the decisions of this Court in [Prakash Amichand Shah](#) and [Ahmedabad Green Belt](#)

9 [\[1984\] 1 SCR 217](#) : (1983) 4 SCC 542

10 [\[1994\] Supp. 3 SCR 144](#) : (1994) 6 SCC 205

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**Khedut Mandal**, referred to hereinabove, that a plot owner who has surrendered his original land for the purposes of the Town Planning Scheme is not even assured of allotment of a reconstituted plot in lieu thereof. In such an event, he is entitled only to compensation. Therefore, there is no guaranteed right vesting in a plot owner who surrendered his land in accordance with the Town Planning Scheme that he would be allotted another plot of land in lieu thereof, much less, a plot of the same area. It is an admitted fact that, when the plaintiffs' father surrendered an extent of 19823 sq. yds./16575 sq. mts., he was allotted a lesser extent of 15576 sq. yds./13023 sq. mts in two plots in the original Town Planning Scheme No. 6, Paldi, with a deduction of 21.40%.

38. Though it has been contended on behalf of the plaintiffs that variation of the Town Planning Scheme as permitted under Sections 70 and 71 of the Act of 1976 must be read together, we find no merit in this submission. Section 70 deals with the power to vary a Town Planning Scheme on the ground of error, irregularity or informality while Section 71 is general in nature and states that, notwithstanding anything contained in Section 70, a Town Planning Scheme may at any time be varied by a subsequent scheme made, published and sanctioned in accordance with the provisions of the Act of 1976. The very fact that Section 71 begins with a *non-obstante* clause referring to Section 70, manifests that the power thereunder is not fettered in any manner, unlike the power under Section 70 which can only be exercised on the grounds of error, irregularity or informality. Further, Section 71 postulates that the variation of the Town Planning Scheme is to be made, published and sanctioned in accordance with the provisions of the Act of 1976, which would mean that the entire exercise would be undertaken afresh upon such variation, including reconstitution of the plots under Section 45. Therefore, further reduction of a plot notified in the original Town Planning Scheme is implicit in the general power of variation vesting in the authority under Section 71 of the Act of 1976. Reference in this regard may be made to the Division Bench judgment of the Gujarat High Court in **Bhupendra Kumar Ramanlal and others vs. State of Gujarat and others**<sup>11</sup>, wherein It was held that Section 71 of the Act of 1976 provides for the procedure laid down in the Act of 1976 for making a Town Planning Scheme being

11 (1995) 1 GLH 1124 : (1996) AIHC 109

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followed for the purpose of varying a sanctioned scheme. We are in complete and respectful agreement with the above view expressed by the High Court.

39. Viewed thus, we find that the plaintiffs, being well aware of the fact that Final Plot No. 187 allotted to them under the second varied Town Planning Scheme No. 6, Paldi, was of lesser area, accepted the same without any protest and without agitating a right to a larger area in the light of the initial allotment of Plot No. 463, and their conduct in depositing ₹24,350/- thereafter, implying receipt of the compensation amount for the shortfall area of 974 sq. mts. @ ₹25/- per sq. mt., foreclosed their right, if any, to either challenge the allotment of a plot of lesser area or to seek more compensation. In this regard, we may also note that Section 52 deals, not only with the allotment of plots, but also the amount to be paid as compensation. Section 52(3)(x) states that the Town Planning Officer shall estimate, with reference to the claims made before him after notice has been given by him in the prescribed manner and form, the compensation to be paid to the owner of any property or right injuriously effected by the making of the Town Planning Scheme in accordance with the provisions of Section 82. Further, Section 54 provides an appellate remedy to the person aggrieved by any decision of the Town Planning Officer under Section 52(3)(x). In effect, the quantification of compensation @ ₹25/- per sq. mt. for the shortfall area of 974 sq. mts., which is relatable to the power of the Town Planning Officer under Section 52(3)(x), was a decision which was amenable to appellate review under Section 54. However, it is an admitted fact that the plaintiffs did not avail such remedy.
40. We may also note that the plaintiffs' main prayer in their suit was for quantified compensation, which they had calculated on the strength of the area of Final Plot No. 463 which could not be allotted to them, i.e., 3890 sq. yds., but their prayer, in the alternative, was for allotment of an extent of land of 974 sq. yds., which was the shortfall in area when they were allotted Final Plot No. 187 in the second varied scheme. In effect, the value of 3890 sq. yds. in Final Plot No. 463 in the original Town Planning Scheme was equated by them to an extent of 974 sq. yds. in any Town Planning Scheme in the western zone of Ahmedabad. Significantly, no evidence was led as to the values of the two final plots, viz., Final Plot No. 463, admeasuring 3890 sq. yds., and Final Plot No. 187, admeasuring 2724 sq. yds.

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The monetary value of these two plots would depend upon their situation, development, proximity and access to the main road or highway, etc., and cannot be surmised or estimated without relevant material being produced. It cannot even be assessed as to whether they were of equal monetary value. Therefore, the prayer of the plaintiffs for allotment of an extent of land equivalent to the shortfall area of Final Plot No. 463 may not have been logical as their values may not necessarily be commensurate or comparable.

41. To sum up, having sought quantified damages of ₹1,63,97,673/-, it was incumbent upon the plaintiffs to adduce evidence in support of their claim for this pre-determined sum. However, no evidence whatsoever was produced by them in support of the land values relevant to any point in time, be it of the original final plot or the final plot that was ultimately given to them. In the absence of such crucial material, the plaintiffs' prayer for compensation necessarily had to be negated. Further, as there was never any guarantee that a plot owner who surrendered his land pursuant to a Town Planning Scheme would be allotted any land after reconstitution of the plots, the plaintiffs cannot assert any vested right in that regard.
42. On the above analysis, we are of the considered opinion that the High Court was fully justified in allowing the first appeal filed by the Corporation and non-suiting the plaintiffs in entirety. The impugned judgment does not brook interference on any count.

The appeals are, therefore, bereft of merit and are accordingly dismissed.

In the circumstances, parties shall bear their respective costs.

*Result of the case: Appeals dismissed.*