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* IN THE HIGH COURT OF DELHI AT NEW DELHI

Date of Decision: 2nd February, 2026.
Uploaded on: 5th February, 2026.

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W.P.(C) 787/2026

HITESH SOOD AND ANR

.....Petitioners

Through: Ms. Gunjan Sinha Jain & Ms. Muskaan Gopal, Adv.

versus

UNION OF INDIA THROUGH SECRETARY & ORS.

.....Respondents

Through: Mr. Sanjay Kumar Pathak, SC with Mrs. K. Kaomudi Kiran Pathak, Mr. Sunil Kumar Jha, Mr. Divakar Kapil, and Miss. Joohu Kumari, Advs. for Respondent No.2 & 4

Ms. Manika Tripathy SC for DDA with Mr. Gautam Yadav, Advs.

Mr. Vikrant N Goyal, Ms. Laavanya GP, Mr. Piyush Wadhwa, Mr. Yash Basoya, Mr. Kunal Dixit, Advs. for UOI

CORAM:

JUSTICE PRATHIBA M. SINGH

JUSTICE MADHU JAIN

JUDGMENT

Prathiba M. Singh, J.

1. This hearing has been done through hybrid mode.

CM APPL. 3899/2026 (Exemption)

2. Allowed, subject to all just exceptions. The application is disposed of.



W.P.(C) 787/2026

3. The present petition is a clear example of the long and arduous journey land owners have to undergo for obtaining compensation, when land is acquired. The writ petition has been filed by the Petitioners under Articles 226 of the Constitution of India seeking the following prayers:

- “a. Issue a Writ of Mandamus or any other writ/order/direction to the Respondents to re-determine the compensation payable to the Petitioner strictly in accordance with the directions contained in the Order dated 27.07.2005 passed by this Hon’ble Court in W.P. No. 587 of 1987; and/or*
- b. Declare that the Award dated 11.07.2005 is unlawful and invalid; and/or*
- c. Declare that the Petitioners are entitled to compensation as per the provisions of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 and direct the Respondents to pay such compensation, after determination under the Act, 2013; and/or*
- d. Award costs of the present petition, including litigation costs borne by the Petitioner since 1987.*
- e. Pass such other order(s) as this Hon’ble Court may deem fit in the interest of justice.”*

FACTUAL BACKGROUND

4. The subject matter of the present petition is a plot of 512 square yards in *Kharsa* no. 21, Revenue Estate of Village Hamayunpur, Tehsil Mehrauli, New Delhi (*hereinafter, ‘the land’*).



5. It is not in dispute that the land originally belonged to Mr. H.P. Sood, who is the grandfather of Petitioner No.1-Hitesh Sood, Mr. Manjit, Mr. A.K. Sood and Petitioner No. 2-Mrs. Jayant Gondal. The initial owners, Mr. H.P. Sood, Mr Manjit, Mr. AK Sood are stated to have since passed away, as shown in the table below:

S.no.	Name	Date of death
1.	Mr. H.P. Sood	19.11.1993
2.	Mr. Manjit	23.04.2003
3.	Mr. A.K. Sood	08.05.2003

6. A notification under Section 4 of the Land Acquisition Act, 1894 (*hereinafter, 'Act, 1894'*) was issued on 3rd September, 1957. This was followed by a declaration dated 4th January, 1969 under Section 6 of the Act, 1894 which was notified in the official gazette *vide* Notification No. F. 15(84) 57 L&H on 6th January, 1969.

7. According to the Petitioners, the possession of the land was forcibly taken and repeated representations had been filed by the predecessors of Petitioner No.1 seeking declaration that the possession of the land having been taken forcefully and the compensation having not being paid, the land ought to revert to the Petitioners.

8. The representations made by Petitioners' predecessors were unheard. This led to filing of the writ petition *i.e., W.P.(C) 587/1987* titled **H.P. Sood v. UOI & Ors.** In **W.P.(C) 587/1987**, the prayer that was sought is as under:

“(a) Issue a writ of mandamus, prohibition and



certiorari or any other appropriate writ, order or direction to the respondents either to assess the market value of the land of the petitioner on the basis of notifications issued earlier under sections 4 and 6 of the Act (Annexures-P-II and P-III) or in case the said notifications have lapsed by afflux of time as under the Land Acquisition (Amendment) Act 1984, the respondents be directed to issue fresh notifications under sections 4 and 6 of the Act and announce award in respect of the land of the petitioner bearing khasra No. 21 min measuring 512 sq. yards situated in the revenue estate of village Hamayun Pur, Tehsil Mehrauli, Delhi;

(b) declare that the action of the respondents is in violation of the fundamental rights guaranteed under Articles 14 and 19 of the Constitution of India;

(c) such other appropriate writ, order or direction as this Hon'ble Court may in the circumstances of the case, deem fit and proper be issued; and

(d) the costs of this petition may also be awarded in favour of the petitioner and against the respondents.”

9. During the pendency of **W.P.(C) 587/1987**, another preliminary notification under Section 4 of the Act, 1894 for acquiring the same land, was issued on 1st June, 2004. This was followed by a Notification under Section 6 of the Act, 1894 on 14th July, 2004, wherein Respondent invoked provisions under Section 17 of the Act, 1894, on the ground of emergency and sought to re-justify the acquisition of the land without tendering the mandatory 80% compensation. It is relevant to point out that in terms of these notifications, an award bearing no. 27/DC(S)/2005-06 dated 11th July, 2005 was passed by



the LAC (*hereinafter, 'the award'*). The total land holding which was sought to be acquired was only 512 sq. yards (0-10) in *Khasra* no. 21 min. The aforesaid notifications also came to be challenged by way of an amended petition.

10. Pursuant thereto, *vide* order dated 27th July, 2005 in **W.P.(C) 587/1987** (*hereinafter, 'order dated 27th July, 2005'*), the **W.P.(C) 587/1987** was finally disposed of in the following terms:

"A plot of land measuring 512 Sq. Yd. situate in Khasra No. 21 min was notified for acquisition by the respondents in terms of a preliminary notification dated 3 September, 1957. A final declaration under Section 6 of the Act followed and was published on 4th January, 1969. Possession of the property was, according to the petitioner, taken over forcibly by respondent No. 3 in the year 1976. An award pursuant to the notifications mentioned above was not however made within the statutory period of two years even after Section 11A of the Act was introduced in the year 1984. The legal effect of the non-making of the award therefore was that the notifications lapsed with the passage of time.

The petitioner had, in the above backdrop, filed the present writ petition inter alia for a mandamus directing the respondents to either assess the market value of the land on the basis of the notification issued by them or to issue fresh notifications for the acquisition of the property. He had also prayed for a declaration that the action of the respondents in taking possession of the land without an award and without payment of compensation was illegal..

During the pendency of the above petition, the respondents issued another preliminary notification on 1st June, 2004 followed by a declaration under



Section 6 on 14th July, 2004. The respondents also invoked the provisions of Section 17 on the ground that there was an emergency and claimed to have re-taken the possession of the land.

The petitioner had, in the meantime, filed an amended petition in which he had confined his reliefs only to the following:

- a) to direct the respondents to give a plot measuring around 512 Sq. Yds., to the petitioner in as near proximity as feasible to the place where the original place of land was located.*
- b) to pay proper compensation as determined by this Hon'ble Court for the petitioner having been deprived of using the said plot for his own personal use since the year 1977 till date.*

Appearing for the petitioner, Mr. Kalra strenuously argued that the respondents had determined and offered to pay a sum of Rs.1,72,725.95 only representing 80% of the estimated compensation determined by the Collector under Section 17(3A) of the Act. Relying upon a Division Bench of this Court in Smt. Krishna Kumari Uppal vs. Union of India & Ors, WP(C) 768/2004 disposed of on 7th May. 2004, the learned counsel argued that compensation payable under Section 17(3A) supra could not in terms of quantum be absurd or farcical. He urged that this Court could, on the analogy of the said judgment, determine proper compensation payable to the petitioner and direct its release by the respondents under Section 17(3A) of the Act. He also urged that the petitioner had a claim for allotment of an alternative site which the respondents had not considered and that this Court could issue a direction for the allotment of an alternative site in lieu of



monetary compensation

*On behalf of the respondents, it was on the other hand submitted by Mr. Poddar that the amount determined by the Collector on the basis of an estimate drawn under Section 17(3A) was indeed inadequate and therefore could not be supported by him. He submitted that while the amount offered to the petitioner may not, keeping in view the prevailing market prices and the decision of this court, be a reasonable estimate, this court ought not to embark upon any process of determination of the compensation itself. He urged that the determination of compensation could be remitted back to the Collector with such directions as the court may deem fit. He submitted that in the event of the matter being sent back, the Collector would have no difficulty in estimating the compensation, afresh keeping in view, the decision of this court in **Krishna Kumari Uppal's** case referred to above, and other relevant circumstances.*

*On behalf of the Delhi Development Authority, it was contended that the prayer for allotment of an alternative site was not supported by any legal entitlement of the petitioner. It was urged that the petitioner was entitled to demand and receive the market value of the land determined in terms of Section 23 of the Act and in case he was dissatisfied with the determination of the collector, the issue could be referred to the Civil Court under Section 18 for an appropriate adjudication of the matter. Relying upon the Division Bench's decision of this court in **Udey Singh vs. Union of India & Ors. 112 (2004) DLT 739 (DB)**, it was submitted that even if the possession of the land in question had been taken prior to the initiation and proper completion of the acquisition proceedings, the same did not render the*



said proceedings illegal. The Collector could, in such a situation, determine compensation payable to the land owner and award damages considered just and proper for wrongful occupation.

The prayer for allotment of an alternate plot of land is de hors the provisions of the Land Acquisition Act. The Act does not envisage or oblige the acquiring authority or the beneficiary to arrange or offer to the owner an alternative site of the same or similar value. It is a different matter altogether if the State formulates a scheme for rehabilitation of those uprooted on account of the acquisition, and offers assistance in the form of allotment of sites as a part of such rehabilitation scheme. No such scheme has been brought to our notice in the instant case. Even if one were to assume that there is any such scheme, the petitioner's remedies lies in invoking the same before the authorities and persuading them to examine his claim for an allotment.

In the absence of any legal obligation on the part of the respondents to provide an alternative site, we have no hesitation in rejecting the prayer for a mandamus for making any such allotment.

Mr. Kalra however argued that the present is not a simple case of acquisition but a case where possession of the land held by the petitioner was wrongfully taken from him. He submitted that the wrongful occupation of the land could not be legitimised by the respondents by initiating acquisition proceedings nor could such acquisition proceedings legalise post facto the possession of the respondents over the same. The answer to that submission is in our view provided by two decisions of the Supreme Court in Union of India vs. Budh



Singh & Ors. (1995) 6 SCC 233 and R.L. Jain (D) by. LRs v. DDA & Ors. IT 2004 (3) SC 272. In the later of the two decisions, the Supreme Court has, while dealing with a similar situation, observed thus:

"In a case where the land owner is dis-possessed prior to the issuance of preliminary notification under Section 4(1) of the Act the government merely takes possession of the land but the title thereof continue to vest with the land owner. It is fully open for the land owner to recover the possession of his land by taking appropriate legal proceedings. He is therefore only entitled to get rent or damages for use and occupation for the period the government retains possession of the property. Where possession is taken prior to the issuance of the preliminary notification, in our opinion, it will be just and equitable that the Collector may also determine the rent or damages for use of the property to which the land owner is entitled while determining the compensation amount payable to the land owner for the acquisition of the property. The provision of section 48 of the Act lend support to such a course of action. For delayed payment of such amount appropriate interest at prevailing bank rate may be awarded."

In the light of the above authoritative pronouncements and the view taken by the Division Bench of this court in Udey Singh's case (Supra), we have no hesitation in holding that just because possession of the land was taken in anticipation of initiation or completion of the proceedings, the same are not liable to be interfered with. Any such proceedings cannot even be dubbed as mala fide particularly when the law recognizes a proper remedy for the owner in the form of damages to be



awarded by the Collector for any such wrongful occupation.

That leaves us with the only other question whether the estimated compensation offered by the petitioner is the instant case is indeed ridiculously low and farcical for purposes of Section 17(3A). Mr.Poddar's fair concession at the bar that it is indeed so relieves us of the burden of giving any reason why the amount offered is illusory. Mr.Poddar was candid in his statement that the amount offered by the Collector was wholly inadequate keeping in view the attendant circumstances including the rate fixed by the Government at the relevant point of time. That being so, the Collector would have to re-examine and re-determine the estimated compensation payable to the petitioner and tender 80% of the same to the petitioner.

The respondent has along with the affidavit submitted to this court a cheque dated 3 May, 2005 for a sum of Rs.1.72,725/-drawn in favour of the Registrar General representing 80% of the estimated compensation. Mr. Poddar submits that the said cheque could be deemed cancelled so that a fresh cheque for the consolidated amount due to the petitioner can be issued within such period that this court may deem fit. Is the circumstances, we dispose of this petition with the following observations:

(a) The respondent Collector Land Acquisition shall within two weeks from today, re-determine the estimated compensation payable to the petitioner taking into consideration the decision of this court in WPC 768/2004 referred to earlier and the Government rates fixed for land situate in the vicinity.



(b) Upon re-determination, 80% of the amount so estimated shall be released in favour of the petitioner forthwith.

(c) The Respondent Collector shall, in addition, expedite making of the award and determine compensation payable to the petitioner including damages, if any, keeping in view the observations of the Supreme Court in Budh Singh's and R.L. Jain's case and the Division Bench of this Court in Udev Singh's case (supra).

(d) Since the Collector has already issued a notice to the petitioner inviting claims from him, we direct that the petitioner shall file his claim within four weeks from today falling which the Collector shall be free to proceed with the determination of compensation in the absence of the same.

No Costs.

Order dasti to all the parties. ”

11. In terms of the above order, the sum of Rs. 1,72, 725.95/- was offered to the Petitioners in **W.P.(C) 587/1987** as 80% of the estimated compensation. The challenge by the Petitioners in **W.P.(C) 587/1987** was that the quantum of compensation was absurd and farcical. The prayer at that stage was even for allotment of an alternate site. After considering the entire matter, the Division Bench of this Court, at that time, had observed that the possession of the land could not be disturbed and in so far as the compensation is concerned, it was directed that Respondent No.-4 Land Acquisition Collector (*hereinafter, 'LAC'*) to re-determine the estimated compensation of the land and tender 80% of the same to the Petitioner in **W.P.(C) 587/1987**. On the



submission made by Id. Counsel for LAC, even the Cheque which was deposited by Respondent No.3 in the present petition- Delhi Development Authority (*hereinafter, 'DDA'*) before the Court was deemed to be cancelled so that a fresh cheque for the consolidated amount, after the re-determination of compensation of the land, can be issued to the Petitioners in **W.P.(C) 587/1987**.

12. Under these circumstances, the ultimate direction was for re-determination of the estimated compensation of the land, based upon the market rates.

13. The arduous journey of the Petitioners ought to have ended here and the LAC ought to have proceeded in accordance with order dated 27th July, 2005.

14. However, from 2006 to 2019, despite repeated follow ups by the Petitioners, the LAC did not conduct any re-determination of the compensation of the land. The Petitioners had also filed an RTI Application before the concerned Revenue Department for ascertaining the status of re-determination of compensation of the land, but no satisfactory response was received by the Petitioners.

15. The Petitioners then filed an application being **C.M.8142/2020** in **W.P.(C) 587/1987**, wherein, the Petitioners sought for an appropriate direction to be passed to the Respondents to comply with the order dated 27th July, 2005. While the Court was considering the aforesaid application, reply dated 4th July, 2023 was filed by LAC and a shocking fact came to the knowledge of the Petitioners *i.e.*, the passing of 'the award' bearing No. 27/DC/(S)/2005-2006 dated 11th July, 2005, awarding a sum of Rs. 2,37,973.23/- for the land. The same was passed 16 days prior to the order



dated 27th July, 2005.

16. In the reply to the application, dated 4th July, 2023, the LAC primarily opposed the grant of relief on the ground that the Petitioners had approached belatedly. Additionally, the LAC also informed the Court that the DDA had taken possession of the Land on 6th August, 2004. The relevant portion of the reply of the LAC is set out below:

“ [...]”

9. That as per available records in the office of the LAC, the land measuring 10 biswa (512 sq. Yards) out of Khasra No. 21 min situated in village Humayun Pur, Delhi was notified vide notification dated 01.06.2004 issued under Section 4 and 17 of the Land Acquisition Act, 1894(hereinafter referred as “the Act”). Declaration under section 6 of the Act was issued on 14.07.2004 along with notification under Section 17 of the Act dated 14.07.2004. It is submitted that notices under section 9 and 10 of the Act were also issued to all the land owners and interested persons. However, no compensation claim was filed by the interested persons/owners. Since no claim for compensation was filed by the interested persons despite notices under section 9 and 10 of the Act, the Land Acquisition Collector (South)had taken cognizance of the indicative price fixed for agricultural land as Rs. 15.70 Lakh per Acre as conveyed vide letter No. F.9(20)/80/L&B/LA/6696 dated 09.08.2001 and assessed the market value of the acquired land as on date of notification under section 4 of the Act @ Rs.15.70 Lakh Per Acre. Since land was vacant, no compensation for trees, walls and structures were assessed. It has been mentioned in the Award itself that Possession of land was taken by DDA on 06.08.2004. After completing all formalities the



Land Acquisition Collector announced the Award No. 27/DC/(S)/2005-2006 dated 11.07.2005 under Section 11 of the Act. Truecopy of the Award No. 27/DC/(S)/2005-2006 dated 11.07.2005 is annexed herewith as ANNEXURE R-4/1.

10. That it is submitted that inadvertently the fact that award had already been announced on 11.07.2005 under Section 11 of the Act could not be brought to the notice of this Hon'ble Court prior to or at the time of hearing of the writ petition on 27.07.2005 when the same was disposed of on the basis of the concessions made by the learned counsel for the answering respondent which concession apparently was given in ignorance of the fact that the award in respect of the acquired had already been passed by the land acquisition collector.”

17. Another aspect of the reply dated 4th July, 2023 was that the LAC sought to resile from the statement made by the ld. Counsel for the LAC on 27th July, 2005, and took the position that the said statement was made in ignorance of the fact that the Award had been passed.

18. The said reply is, however, completely silent as to in what manner the Award was communicated to the Petitioners and what steps have been taken pursuant to the passing of the award.

19. In application ***C.M.8142/2020***, the Petitioners relied upon the judgment of the Supreme Court in ***Indore Development Authority (LAPSE-5 J.) v. Manoharlal, (2020) 8 SCC 129*** to contend that irrespective of whether the award is passed or not, in case possession of land is taken and no compensation is paid to the Petitioners, the Petitioners are entitled to be paid



higher compensation under the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 (*hereinafter, 'the Act, 2013'*).

20. Thereafter, the application **C.M.8142/2020** was disposed of by the Court on 14th November, 2025, permitting the Petitioners to take recourse to legal remedies and all right and contentions were left open. The copy of the order dated 14th November, 2025 reads as under:

“1. Application is not pressed and as such stands disposed of.

2. However, we reserve a right in favour of applicant to prefer a fresh petition or take recourse to such legal remedy as is permissible and available in law. All rights and contentions shall remain open.

3. Order be uploaded on the website of this Court.”

21. Pursuant to the liberty granted by the Court in application **C.M.8142/2020**, the present writ petition has been preferred by the Petitioners.

SUBMISSIONS ON BEHALF OF THE PARTIES

22. The submissions have been made by Ms. Gunjan Sinha Jain, 1st Counsel for the Petitioners and Mr. Sanjay Kumar Pathak, 1st Counsel for the Respondent No.2 and 4- LAC.

23. The submission on behalf of 1st Counsel for the Petitioners is that pursuant to order dated 27th July, 2005, the alleged compensation which was deposited, already stood cancelled. It is also submitted that though the acquisition of the land dates back to 1969 and possession was taken forcibly,



no compensation has been paid to the Petitioners. Additionally, ld. Counsel also places reliance upon the decision of the Supreme Court in ***Indore Development (Supra)*** to argue that the Petitioners are entitled to determination of compensation under the Act, 2013.

24. Further, ld. Counsel for the Petitioners also places reliance upon Section 24 of the Act , 2013 and Section 12(2) Act, 1894.

25. On the other hand, Mr. Pathak, ld. Counsel submits that the present petition is highly belated. It is also submitted that the ld. Counsel who made the statement on 27th July, 2005, that the cheque ought to be deemed to have been cancelled, made the statement without any instruction from the LAC. It is submitted that the same was due to inter-departmental miscommunication and such instructions were not given to the ld. Counsel then.

26. He further submits that the stand of the LAC when the order dated 27th July, 2005 was passed, was in ignorance of the award which had been passed.

27. Upon a query from the Court, as to what steps did the LAC take to seek recall of the order dated 27th July, 2005, the clear stand of the LAC is that no application was filed seeking recall. However, it is submitted that in the reply dated 4th July, 2023, the relevant facts were brought to the notice of the Court as also the Petitioners.

28. It is also the submission of ld. Counsel, that the Petitioners came to know of the award, when they inspected the award file, in 2019 and no steps were taken after the order dated 27th July, 2005 was passed. In terms of paragraph (d) of the order dated 27th July, 2005 the Petitioner had to file a claim before a Collector, which the Petitioner failed to do. It is submitted that it is only in 2019, by filing a RTI application that the whole matter is attempted to be reactivated.



29. Finally, it is submitted that the non-communication of the award would not vitiate the award under Section 12(2) of the Act, 1894 and that award cannot be deemed to have been cancelled.

30. However, ld. Counsel for the Petitioner, at this juncture, submits that the order dated 27th July, 2005 is clear that if the claims are not filed, the Collector is at liberty to proceed with the determination of the compensation. Thus, the position as of today is that the possession of the land has been taken and no compensation has been paid.

ANALYSIS AND FINDINGS

31. The Court has heard ld. Counsels for the parties and considered the matter. The short question in the present petition is whether the Petitioners have been paid compensation for the land acquired in 1969. The simple answer is NO.

32. The Petitioners, having not received any compensation whatsoever for more than 55 years, cannot be made to run from pillar to post anymore. The LAC, initially, did not pay any compensation at all to the Petitioners when the first Notification was issued. Thereafter for whatever reasons it had to invoke the emergency provisions under Section 17 of the Act, 1894 to issue fresh notifications.

33. At that stage, when the matter was considered by the Division Bench on 27th July, 2005, the factum of passing of the award was not told to the Court.

34. Even if it is presumed that the ld. Counsel appearing was not aware of the award which was passed, the LAC had a bounden duty to file an application seeking recall of the order dated 27th July, 2005 or for placing the correct facts before the Court, which it did not do for more than 15 years.



35. It is only after several years, the Petitioners filed an application in 2020, after being unsuccessful in having re-determination of the compensation of the land, and moved an application. The LAC in its reply dated 4th July, 2023 was filed, disclosed the award. Even if it is presumed that the Petitioners came to know of the Award in 2019, when they inspected the file, the same cannot justify the LAC's non-communication of the Award to the Court and thereafter to the Petitioners.

36. Be that as it may, no one's property can be acquired without payment of compensation. The possession of the land has been taken. The purported cheque which was deposited earlier with the Court, clearly stood cancelled and the LAC was well aware of this position. However, the LAC made no effort whatsoever to either re-determine the compensation of the land or pay the compensation as per the award.

37. The provisions of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013, are absolutely clear. Section 24 of Act, 2013 reads as under:

“24. Land acquisition process under Act No. 1 of 1894 shall be deemed to have lapsed in certain cases.

(1) Notwithstanding anything contained in this Act, in any case of land acquisition proceedings initiated under the Land Acquisition Act, 1894,--

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

(b) where an award under said section 11 has been made, then such proceedings shall continue under the provisions of the said Land Acquisition Act, as if the said



Act has not been repealed.

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

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

38. Section 24 of the Act, 2013 has been conclusively interpreted by the Supreme Court in ***Indore Development (supra)***, where the Supreme Court has observed as under:

*“189. The fundamental consideration is that the proviso cannot supersede the main provision of Section 24(1)(b) and destroy it. The function of the proviso is to except out the pressing provisions to which it is attached. In case possession has been taken, but only a few beneficiaries have been paid, there is no lapse. Even if nobody has been paid, there is no lapse once possession has been taken. **In case compensation has not been deposited with respect to the majority of the holdings, there is no lapse, but higher compensation to all the***



beneficiaries has to follow. The provision provides equal treatment to all, not only to a few—and, in effect, is similar to Section 28-A of the 1894 Act—in case the obligation to pay or deposit has not been discharged and there is no arrangement of money to discharge the obligation either by paying or depositing in the Reference Court and, if permissible, in the treasury. Section 24(2) saves land which has been vested in the State, once award has been passed and possession of land. **However, in case compensation has not been deposited with respect to majority of landowners, in any given award, all beneficiaries have to be paid higher compensation under the new Act.**

190. It was urged that section 24(1) and 24(2) deal with different subjects. It was submitted that Section 24(1) deals with compensation, whereas section 24(2) deals with the lapsing of the acquisition. We are unable to accept the submission. **Section 24(2) also deals with payment of compensation and taking of possession. Section 24(1)(a) is concerning a situation where no award has been made, higher compensation under the new Act to follow. In section 24(1)(b) where the award is made (at the time of coming into force of the new Act) further proceedings would be under the new law; subject to Section 24(2), the provisions of the Act of 1894 would apply to such an award. Thus, the main part of section 24(2) deals with payment of compensation; also the proviso which provides for higher compensation to be paid to all is in the context of section 24(2) and cannot be lifted and added to Section 24(1)(b) in the aforesaid circumstances. What would be the majority of the landholdings has to be seen in the context, what has been acquired in the case of a single plot being acquired, and in case compensation has not been deposited with respect to that, it will constitute the majority. The majority does not depend upon the number of holdings acquired, but**



what constitutes the majority as per the acquired area under the notification.”

39. In terms of the judgment in *Indore Development (supra)* and since the notification in the present case relates to the entire land *i.e.*, 512 square yards itself, the present is a case which would be covered for the purpose of higher compensation in terms of the Act of 2013.

40. Insofar as the initial cheque deposited before this Court, which was treated as cancelled is concerned, it was submitted by Id. Counsel for the LAC, that the same occurred due to an inter-departmental miscommunication and that no such instructions had been given to the Counsel. However, this submission would be of no avail today. In terms of paragraph 202 and 203 of *Indore Development (supra)*, the Supreme Court has elaborated on the meaning of the word ‘paid’. Additionally, in terms of paragraph 205 of *Indore Development (supra)*, it has been stated that paid in terms of Section 24(2) of the Act, 2013 would not include in its ambit the expression deposited in Court in terms of Section 31(1) of the Act, 1894. The relevant paragraphs reads as under:

“202. Section 24(2) deals with the expression where compensation has not been paid. It would mean that it has not been tendered for payment under section 31(1). Though the word 'paid' amounts to a completed event however once payment of compensation has been offered/tendered under section 31(1), the acquiring authority cannot be penalized for non-payment as the amount has remained unpaid due to refusal to accept, by the landowner and Collector is prevented from making the payment. Thus, the word 'paid' used in section 24(2) cannot be said to include within its ken 'deposit' under section 31(2). For that special



provision has been carved out in the proviso to section 24(2), which deals with the amount to be deposited in the account of beneficiaries. Two different expressions have been used in section 24. In the main part of section 24, the word 'paid' and in its proviso 'deposited' have been used.

203. The consequence of non-deposit of the amount has been dealt with in section 34 of the 1894 Act. As per section 24(2), if the amount has not been paid nor possession has been taken, it provides for lapse. Whereas the proviso indicates amount has not been deposited with respect to a majority of landholdings in a case initiated under the Act of 1894 for 5 years or more. The period of five years need not have been specified in the proviso as it is part of section 24(2) and has to be read with it, particularly in view of the colon and placement by the legislature as held above. Two different consequences of non-deposit of compensation are: (i) higher compensation in a case where possession has been taken, payment has been made to some and amount has not been deposited with respect to majority of the holdings,
(ii) in case there is no lapse, the beneficiaries would be entitled to interest as envisaged under section 34 from the date of taking possession at the rate of 9% per annum for the first year and after that @ 15% per annum.

xxx

205. The word “paid” in Section 31(1) to the landowner cannot include in its ambit the expression “deposited” in court. Deposit cannot be said to be payment made to landowners. Deposit is on being prevented from payment. However, in case there is a tender of the amount that is to mean amount is made available to the landowner that would be a discharge of the obligation to make the payment and in that event



such a person cannot be penalised for the default in making the payment. In default to deposit in court, the liability is to make the payment of interest under Section 34 of the 1894 Act. Sections 32 and 33 (which had been relied upon by the landowners' counsel to say that valuable rights inhere, in the event of deposit with court, thus making deposit under Section 31 mandatory) provide for investing amounts in the government securities, or seeking alternative lands, in lieu of compensation, etc. Such deposits, cannot fetch higher interest than the 15% contemplated under Section 34, which is in pari materia with Section 80 of the 2013 Act. Section 34 is in pari materia with Section 80 of the 2013 Act in which also the similar rate of interest has been specified. Even if the amount is not deposited in Reference Court nor with the treasury as against the name of the person interested who is entitled to receive it, if Collector has been prevented to make the payment due to exigencies provided in Section 31(2), interest is to be paid. However, in case the deposit is made without tendering it to the person interested, the liability to pay the interest under Section 34, shall continue. Even assuming deposit in the Reference Court is taken to be mandatory, in that case too interest has to follow as specified in Section 34. However, acquisition proceeding cannot lapse due to non-deposit."

41. Moreover, even the cheque which was deposited was merely for a sum of Rs. 1,72,725/-, which constituted 80% of the estimated compensation. Thus, the deposit of the said cheque cannot amount to payment of full compensation.

42. Thus, in view of the fact that no compensation has been paid and the LAC was directed to re-determine the compensation in terms of the order dated 27th July, 2005, the clock cannot be put back to presume that the amount which was deposited by way a cheque, ought to be considered as the



compensation for the Petitioners. To do so would be wholly contrary to law and manifestly inequitable, as it would disentitle the Petitioners for a fair compensation under the Act, 2013.

43. Under the circumstances, this Court is of the opinion that the compensation for the land deserves to be re-determined in accordance with the directions contained in order dated 27th July, 2005 read along with the provisions of the Act, 2013.

44. The re-determination of the compensation of the land shall be done by the LAC, within a period of three months from this order. Upon such re-determination, the compensation shall be released to the Petitioners within six months, thereafter.

45. The present petition is disposed of in these terms. Pending applications, if any, are also disposed of.

46. List for compliance on 18th May, 2026.

**PRATHIBA M. SINGH
JUDGE**

**MADHU JAIN
JUDGE**

FEBRUARY 02, 2026

ys/dj/sm