

UNION OF INDIA & ORS
v.
SHIV RAJ & ORS.
(Civil Appeal Nos. 5478-5483 of 2014)

MAY 7, 2014

[DR. B.S. CHAUHAN, J. CHELAMESWAR AND
M.Y. EQBAL, JJ.]

Land Acquisition Act, 1894:

s.5-A – Right of land owners to file objections – Held: The rule of natural justice is ingrained in the scheme of s.5-A of the Act with a view to ensure that before any person is deprived of his land by way of compulsory acquisition, he must get an opportunity to oppose the decision of the State Government and/or its agencies/instrumentalities to acquire the particular parcel of land – s.5-A embodies a very just and wholesome principle that a person whose property is being or is intended to be acquired should have a proper and reasonable opportunity of persuading the authorities concerned that acquisition of the property belonging to that person should not be made.

s.5-A – Duty of Land Acquisition Collector – Held: Land Acquisition Collector is duty-bound to objectively consider the arguments advanced by the objector and make recommendations, duly supported by brief reasons, as to why a particular piece of land should or should not be acquired and whether the plea put forward by the objector merits acceptance – s.5-A confers a valuable right in favour of a person whose lands are sought to be acquired – Hearing given to a person must be an effective one and not a mere formality – Formation of opinion as regard the public purpose as also suitability thereof must be preceded by application of mind having due regard to the relevant factors and rejection

A of irrelevant ones – The very person/officer, who accords the hearing to the objector must also submit the report/ take decision on the objection and in case his successor decides the case without giving a fresh hearing, the order would stand vitiated having been passed in violation of the principles of natural justice.

B s.5-A – Objections filed by tenure-holders u/s.5-A – Not considered by the statutory authority in strict compliance of principles of natural justice – Subsequent proceedings rightly quashed.

C s.5-A – Major chunk of land notified u/s.4 notification – Writ petition challenging the acquisition proceedings – Land acquisition proceedings quashed – State Government not challenging the same and the decision attained finality – For D about a decade following the said judgment, proceedings in other cases were also quashed and those decisions were not challenged and thus, also attained finality – Also large number of cases filed before Supreme Court stood dismissed as the State did not take steps to serve the land owners – In E such a fact scenario, where in respect of major chunk of land, the land acquisition proceedings had been quashed long back and which had attained finality, the scheme of planned development of Delhi cannot be executed at such a belated stage in view of the fact that vacant land in continuous stretch F may not be available.

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

G s.24 – Proceedings initiated under Land Acquisition Act, 1894 – In view of sub-section (2) of s.24 of the Act of 2013, if the physical possession of the land has not been taken by the Acquiring Authority though the award is passed and if the compensation has not been paid to the land owners or has not been deposited before the appropriate forum, the H proceedings initiated under the Act, 1894 is deemed to have

been lapsed – In the instant case, admittedly, the award was made on 5.6.1987 and possession was not taken till date though compensation was deposited with the Revenue Department – Deposit of amount of compensation in state's revenue account is of no avail and cannot be termed as deemed payment – Therefore, proceedings initiated under the Act, 1894 deemed to have been lapsed – Land Acquisition Act, 1894.

A huge chunk of land covering 11 villages was notified under Section 4 of the Land Acquisition Act, 1894 in the year 1980. Respondents-tenure holders filed their objections under Section 5-A of the 1894 Act. However, the declaration was made under Section 6 of the 1894 Act without considering and disposing of the objections. The respondents filed writ petitions before the High Court. The High Court held that where objections had been filed and had been heard by one Collector and the report had been submitted by another collector, the proceedings stood vitiated being in violation of principle of natural justice. The instant appeals were filed challenging the order of the High Court.

Dismissing the appeals, the Court

HELD: 1. The rules of natural justice have been ingrained in the scheme of Section 5-A of the Land Acquisition Act, 1894 with a view to ensure that before any person is deprived of his land by way of compulsory acquisition, he must get an opportunity to oppose the decision of the State Government and/or its agencies/instrumentalities to acquire the particular parcel of land. Section 5-A(2) of the Act 1894, which represents statutory embodiment of the rule of audi alteram partem, gives an opportunity to the objector to make an endeavour to convince the Collector that his land is not required for the public purpose specified in the notification issued under Section 4(1) of the Act 1894 or that there are other valid

A reasons for not acquiring the same. Thus, section 5-A of
the Act 1894 embodies a very just and wholesome
principle that a person whose property is being or is
intended to be acquired should have a proper and
reasonable opportunity of persuading the authorities
B concerned that acquisition of the property belonging to
that person should not be made. On the consideration of
the said objection, the Collector is required to make a
report. The State Government is then required to apply
mind to the report of the Collector and take final decision
C on the objections filed by the landowners and other
interested persons. Then and then only, a declaration can
be made under Section 6(1) of the Act 1894. Therefore,
Section 5-A of the Act 1894 confers a valuable right in
favour of a person whose lands are sought to be
D acquired. It is trite that hearing given to a person must
be an effective one and not a mere formality. Formation
of opinion as regard the public purpose as also suitability
thereof must be preceded by application of mind having
due regard to the relevant factors and rejection of
E irrelevant ones. The State in its decision making process
must not commit any misdirection in law. It is also not in
dispute that Section 5-A of the Act, 1894 confers a
valuable important right and having regard to the
provisions, contained in Article 300A of the Constitution
of India has been held to be akin to a fundamental right.
F Thus, the limited right given to an owner/person
interested under Section 5-A of the Act, 1894 to object to
the acquisition proceedings is not an empty formality and
is a substantive right, which can be taken away only for
good and valid reason and within the limitations
G prescribed under Section 17(4) of the Act, 1894. [Paras
8, 9 and 10] [764-E-H; 765-A-G]

H 2. The Land Acquisition Collector is duty-bound to
objectively consider the arguments advanced by the
objector and make recommendations, duly supported by

brief reasons, as to why a particular piece of land should or should not be acquired and whether the plea put forward by the objector merits acceptance. In other words, the recommendations made by the Land Acquisition Collector should reflect objective application of mind to the entire record including the objections filed by the interested persons. [Para 11] [765-H; 766-A]

J.E.D. Ezra v. Secy. of State for India (1902-1903) 7 CWN 249; *Nandeshwar Prasad v. U.P. Government* AIR 1964 SC 1217; 1964 SCR 425; *Munshi Singh & Ors. v. Union of India* AIR 1973 SC 1150; 1973 (1) SCR 973; *Union of India & Ors. v. Mukesh Hans* AIR 2004 SC 4307; *Hindustan Petroleum Corporation Ltd v. Darius Shahpur Chenai and Ors.*, AIR 2005 SC 3520; 2005 (3) Suppl. SCR 388; *Anand Singh & Anr v. State of U.P. & Ors.* (2010) 11 SCC 242; 2010 (9) SCR 133; *Dev Sharan v. State of U.P.* (2011) 4 SCC 769; 2011 (3) SCR 728; *Raghubir Singh Sehrawat v. State of Haryana* (2012) 1 SCC 792; 2011 (14) SCR 1113; *Usha Stud and Agricultural Farms (P) Ltd. v. State of Haryana* (2013) 4 SCC 210; 2013 (5) SCR 645; *Women's Education Trust v. State of Haryana* (2013) 8 SCC 99; *Rasid Javed & Ors. v. State of U.P. & Anr.*, AIR 2010 SC 2275 : 2010 (7) SCR 535; *Automotive Tyre Manufacturers Association v. Designated Authority & Ors.*, (2011) 2 SCC 258; 2011 (1) SCR 198 – relied on.

3. The very person/officer, who accords the hearing to the objector must also submit the report/ take decision on the objection and in case his successor decides the case without giving a fresh hearing, the order would stand vitiated having been passed in violation of the principles of natural justice. [Para 15] [767-C]

Bharat Kumar v. State of Haryana & Ors 2014 (3) SCALE 393 – relied on.

4. Sub-section (2) of Section 24 commences with a

A non-obstante clause. It is a beneficial provision. In view of this provision, if the physical possession of the land has not been taken by the Acquiring Authority though the award is passed and if the compensation has not been paid to the land owners or has not been deposited before the appropriate forum, the proceedings initiated under the Act, 1894 is deemed to have been lapsed. Admittedly, the award was made on 5.6.1987 and possession was not taken till date though compensation has been deposited with the Revenue Department, which cannot be termed as 'deemed payment' as has been held in case of *Pune Municipal Corporation. [Paras 18 and 20] [770-G-H; 771-A; 773-B]

*Pune Municipal Corporation and Anr. v. Harakchand Misirimal Solanki and Ors., (2014) 3 SCC 183: 2014 (1) SCR 783 – relied on.

5. In ****Balak Ram Gupta v. Union of India**, Full Bench of High Court of Delhi quashed the land acquisition proceedings in the said case exclusively on the ground that objections filed by the petitioner therein had been heard by one Land Acquisition Collector, however, the report was submitted by another. The land covered in these instant appeals stood covered by the same notification/declaration, same award and the objections had been dealt with by the same land acquisition collector and the report had been submitted by the same successor. Admittedly, the appellants accepted that judgment, and the same attained finality as the said judgment was never challenged by filing any S.L.P. before this court. In the light of aforesaid judgment, a large number of writ petitions were allowed and the land acquisition proceedings arising out of the same notification/declaration were quashed. Subsequently, this Court dealt with the same issue arising out of the same acquisition proceedings and held that the judgment of quashing the acquisition proceedings would apply only

to the land of those persons who had challenged acquisition proceedings and not to all the land covered by the said notification/declaration. The appellants had been under the impression that the judgment delivered by the Full Bench in ****Balak Ram Gupta**, laid down the law applicable to other persons also whose land stood covered by the said notification/declaration. In the instant batch of writ petitions filed before the High Court, relying on the decision in *****Gullapalli Nageswarā Rao**, the Court was of the opinion that where the objections were heard by one collector but the report was made by another, such procedure was not in strict compliance of requirements of Section 5-A of the Act 1894. The issue of prejudice caused to a party in case of violation of principles of natural justice arises in cases dealing with un-codified procedure. The mandatory language of Section 5-A of the Act 1894 made it essential that the collector who hears the land owner must submit the report and, hence, no question of prejudice could be said to be applicable in determining the violation of principles of natural justice. In the instant cases, there had been challenge to the acquisition proceedings on various grounds including the manner in which objections under Section 5-A of the Act 1894 had been decided. In some cases, the High Court allowed amendment to the writ petitions and such order had never been challenged by the appellants. In a case where on the basis of submissions advanced in the court on behalf of the parties, the court summons the original record to find out the truth, pleadings remain insignificant. In the instant cases, the High Court was satisfied after examining the original record that objections had been dealt with in flagrant violation of law and in such a fact-situation, the prejudice doctrine for non-observation thereof would not be attracted. Here is no cogent reason to differ from such a view. [Paras 22, 23, 27 and 28] [773-F-H; 774-A-D; 775-G-H; 776-A-E]

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A ****Gullapalli Nageswara Rao & Ors. v. Andhra Pradesh State Road Transport Corporation & Anr.*, AIR 1959 SC 308: 1959 Suppl. SCR 319 – relied on.

B ***Balak Ram Gupta v. Union of India* (117) 2005 DLT 753 (FB) – referred to.

6. It is evident from the record that in respect of a major chunk of land which stood covered under the same Section 4 notification, the land acquisition proceedings had been quashed in a batch of 74 Writ Petitions having been filed before the High Court and the appellants, for the reasons best known to it, did not challenge the same and resultantly, the same has attained finality. For about a decade following the said judgment in ***Balak Ram Gupta*, proceedings in other cases were also quashed and those decisions were not challenged and have thus, also attained finality. A large number of cases filed before this court stood dismissed vide order dated 10.12.2008, as the petitioners did not take steps to serve the respondents. In such a fact scenario, where in respect of major chunk of land, the land acquisition proceedings had been quashed long back and which has attained finality, the scheme of planned development of Delhi cannot be executed at such a belated stage in view of the fact that vacant land in continuous stretch may not be available. [Para 29] [776-F-H; 777-A-C]

G *Abhey Ram & Ors. v. Union of India & Ors.* AIR 1997 SC 2564: 1997 (3) SCR 931; *Delhi Administration v. Gurdip Singh Uban & Ors.* (2000) 7 SCC 296 : 2000 (2) Suppl. SCR 496; *Om Parkash v. Union of India & Ors.* AIR 2010 SC 1068: 2010 (2) SCR 447 – relied on.

Case Law Reference:

1959 Suppl. SCR 319 Relied on Para 1

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(1902-1903) 7 CWN 249	Relied on	Para 6	A
1964 SCR 425	Relied on	Para 7	
1973 (1) SCR 973	Relied on	Para 11	
AIR 2004 SC 4307	Relied on	Para 11	B
2005 (3) Suppl. SCR 388	Relied on	Para 11	
2010 (9) SCR 133	Relied on	Para 11	
2011 (3) SCR 728	Relied on	Para 11	
2011 (14) SCR 1113	Referred to	Para 11	C
2013 (5) SCR 645	Relied on	Para 11	
(2013) 8 SCC 99	Relied on	Para 11	
2010 (7) SCR 535	Relied on	Para 13	D
2011 (1) SCR 198	Relied on	Para 14	
2014 (1) SCR 783	Relied on	Para 17	
2014 (3) SCALE 393	Relied on	Para 18	E
(117) 2005 DLT 753 (FB)	Referred to	Para 22	
1997 (3) SCR 931	Relied on	Para 23	
2000 (2) Suppl. SCR 496	Relied on	Para 24	F
2010 (2) SCR 447	Relied on	Para 25	

CIVIL APPELLATE JURISDICTION : Civil Appeal Nos. 5478-5483 of 2014.

From the Judgment and Order dated 11.05.2007 of the High Court of Delhi at New Delhi in WPC No. 2529 of 1985, 889 of 1986, 988 of 1986, 2155 of 1987, 2645 of 1987 and 2747 of 1987. G

P. P. Malhotra, ASG, J. S. Attri, Geeta Luthra, Sanjay H

- A Poddar, Vinay Bhasin, Mukul Rohatgi, Gopal Jain, Shyam Divan, A. Sharan, Sandeep Bajaj, Siddharth Panda, D. S. Mahra, Anshuman Nayak, Shadman Ali, Gaurav Sharma, Chetan Chawla, Govind Kumar, Sonia Malhotra, Priyanka Bharihoke, Yasir Rauf, Pradeep Misra, Daleep Kr. Dhayani, D.
- B N. Goburdhan, Narendra Goyal, Naina Dubey, Rohit Bhardwaj, Anil Katiyar, H. S. Raina, Bhargava V. Desai, Shreyas Mehrotra, R. N. Karanjawala, Manik Karanjawala, Ruby Singh Ahuja, Krishna Hariyani, Rohit Sharma, Aakanksha Munjhal, Karanjawala & Co., S. S. Khanduja, Archana Sharma,
- C Meenakshi Kalra, Shobha, Yash Pal Dhingra, Indra Sawhney, Simran Mehta, Arvind Minocha, Veena Minocha, Sumit Bansal, Ateev Mathur, Richa Oberoi, Jagjit Singh Chhabra, Pankaj Gupta, Anusuya Salwan, S. Janani, Kunal Kohli, G. Umapathy, Rakesh K. Sharma, Venkatasubramanian, S.
- D Ramasubramanian, R. Mekhala, P. V. Yogeswaran, Manish Kumar, Amit Kumar, Piyush Kaushik, N. S. Vasisht, Pradeep Misra, Daleep Kr. Dhayani, Gagan Gupta, Ateev P. Mathur, Vishnu B. Saharya (for Saharya & Co.), for the appearing parties.

E The Judgment of the Court was delivered by

DR. B.S. CHAUHAN, J. 1. These appeals have arisen from the impugned judgment and order dated 11.5.2007 passed by the High Court of Delhi in Writ Petition (Civil) Nos. 2529 of 1985; 889 of 1986; 988 of 1986; 2155 of 1987; 2645 of 1987; and 2747 of 1987, by which and whereunder, the High Court has quashed the land acquisition proceedings in view of the fact that the objections filed by the respondents-tenure holders under Section 5A of Land Acquisition Act, 1894 (hereinafter referred to as 'the Act 1894'), had not been considered by the statutory authorities in strict compliance of principles of natural justice and thus, the subsequent proceedings stood vitiated, relying on the main judgment and order of the same date passed in Writ Petition (Civil) No.424 of 1987 titled *Chatro Devi v. Union of India*.

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2. Facts and circumstances, giving rise to these appeals are that: A

A. The land of the respondents-tenure holders being survey no. 619/70, etc. admeasuring 50,000 bighas situated in revenue village Chhatarpur, stood notified under Section 4 of the Act 1894 on 25.11.1980 for public purposes, namely, the "planned development of Delhi" and objections under Section 5A were invited from the persons interested within 30 days of the said Notification. B

B. Respondents - persons interested, filed their objections under Section 5A of the Act 1894. However, without considering and disposing of the same, declaration under Section 6 of the Act 1894 was made on 7.6.1985. Notices under Sections 9 of the Act 1894 were also issued on 30.12.1986 to the persons interested. It was at this stage that the tenure holders filed writ petitions before the High Court challenging the acquisition proceedings contending that proceedings could not be continued without disposing of the objections filed by them under Section 5A of the Act 1894. Admittedly, the Award No. 15/1987-88 was made by the Land Acquisition Collector on 5.6.1987. C D E

C. In respect of the land covered by the same notification under Section 4 of the Act 1894, a very large number of writ petitions had been filed. The said writ petitions filed on different grounds were decided by different Benches at different points of time. So far as the present group of cases is concerned, the matter was heard at length and a Division Bench of the Delhi High Court examined the contentions raised on behalf of the tenure holders/persons interested which vide judgment and order dated 3.3.2005 held that the notification under Section 6 of the Act 1894 was within the period stipulated for the purpose after excluding the period during which the interim stay order passed by the High Court remained into operation and where the objections have not been filed, the impugned declaration under Section 6 of the Act 1894 could not be assailed on the F G H

- A ground of invalidity of inquiry under Section 5A of the Act 1894. However, on the said issue in the cases where the objections had been filed by the tenure holders and they had been given personal hearing by one Collector but the report was submitted by his successor i.e. another Collector, the Division Bench
- B differed in opinion whether the report could be held to be legal or not, mainly relying upon the Constitution Bench judgment of this Court in *Gullapalli Nageswara Rao & Ors. v. Andhra Pradesh State Road Transport Corporation & Anr.*, AIR 1959 SC 308 wherein it has categorically been held that the Authority
- C which hears the objectors must pass the order. In case an Authority hears the objectors and demits the office or stands transferred, his successor should hear the parties afresh and not giving the opportunity of fresh hearing by the successor officer would amount to failure of principles of natural justice and his order would stand vitiated.
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- D. In view thereof, the matter was referred to the third Judge vide order dated 3.3.2005 and vide judgment and order dated 20.12.2006, the Hon'ble third Judge held that in such a situation where objections had been filed and had been heard
- E by one Collector and the report had been submitted by another Collector, the proceedings stood vitiated being in violation of principles of natural justice.

- E. In view of the majority opinion, as is evident from the order dated 11.5.2007, the proceedings in such an eventuality
- F stood quashed by the impugned judgment and order.

Hence, these appeals.

3. Shri P.P. Malhotra, learned Additional Solicitor General;
- G Ms. Geeta Luthra and Shri Sanjay Poddar, learned Senior Counsel, have addressed a large number of legal and factual issues and also submitted that the judgment and order of the High Court are not sustainable in the eyes of law. Therefore, the question quashing the land acquisition proceedings in such
- H circumstances did not arise. More so, the commencement of

the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 (hereinafter referred to as the Act 2013) would not take away the proceedings initiated under the Act 1894 by operation of law as provided under Section 24 of the Act 2013. In the instant case, in case, the appeals succeed on the main ground as to whether the successor officer could submit the report on 5A objections there could be no prohibition for the appellants to proceed with the land acquisition proceedings initiated in 1980. The objections raised were vague and had been in respect of limitation and were not specific in nature. None of the writ petitioners had raised the issue about violation of principles of natural justice in the writ petitions, though some of them amended their writ petitions but at a subsequent stage. Some of the writ petitions had been filed by persons who came into possession of the land subsequent to Section 4 notification.

4. On the contrary, Shri Mukul Rohatgi, Shri Shyam Diwan and Shri Vinay Bhasin, learned senior counsel appearing on behalf of the respondents, have vehemently opposed the appeals contending that in view of the fact that the acquisition proceedings stood quashed finally by the impugned judgment dated 11.5.2007 and a period of 7 years has lapsed and the possession is still with the tenure holders. In view of the Act 2013 coming into force, the proceedings have lapsed by virtue of the provisions contained in Section 24 of the said Act. The issues raised herein on behalf of the Union of India had not been raised before the High Court. Amendments were allowed by the High Court in a very large number of writ petitions about violation of principles of natural justice i.e. the objections under Section 5-A were not disposed of in accordance with law.

5. We have considered the rival submissions made by the learned counsel for the parties and perused the record.

6. Section 5-A of the Act 1894 was not there in the original statute.

A In *J.E.D. Ezra v. Secy. of State for India* (1902-1903) 7
 CWN 249, the Calcutta High Court expressed its inability to
 grant relief to the owner of the property whose land was sought
 to be acquired without giving any opportunity of hearing
 observing that there was no provision in the Act requiring
 B observance of the principles of natural justice. It was subsequent
 to the said judgment that the Act was amended incorporating
 Section 5-A w.e.f. 1.1.1924. The Statement of Objects and
 Reasons for the said amendment provided that the original Act
 did not oblige the Government to enquire into and consider any
 C objection of the persons interested nor the Act provided for right
 of hearing to the person whose interest stands adversely
 affected.

D 7. In *Nandeshwar Prasad v. U.P. Government*, AIR 1964
 SC 1217, this Court dealt with the nature of objections under
 Section 5-A of the Act 1894 observing as under:

E *"13. The right to file objections under Section 5-A is a
 substantial right when a person's property is being
 threatened with acquisition and we cannot accept that that
 right can be taken away as if by a side wind..."*

F 8. The rules of natural justice have been ingrained in the
 scheme of Section 5-A of the Act 1894 with a view to ensure
 that before any person is deprived of his land by way of
 compulsory acquisition, he must get an opportunity to oppose
 the decision of the State Government and/or its agencies/
 instrumentalities to acquire the particular parcel of land.

G Section 5-A(2) of the Act 1894, which represents statutory
 embodiment of the rule of audi alteram partem, gives an
 opportunity to the objector to make an endeavour to convince
 the Collector that his land is not required for the public purpose
 specified in the notification issued under Section 4(1) of the Act
 1894 or that there are other valid reasons for not acquiring the
 same. Thus, section 5-A of the Act 1894 embodies a very just
 H and wholesome principle that a person whose property is being

or is intended to be acquired should have a proper and reasonable opportunity of persuading the authorities concerned that acquisition of the property belonging to that person should not be made.

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On the consideration of the said objection, the Collector is required to make a report. The State Government is then required to apply mind to the report of the Collector and take final decision on the objections filed by the landowners and other interested persons. Then and then only, a declaration can be made under Section 6(1) of the Act 1894.

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9. Therefore, Section 5-A of the Act 1894 confers a valuable right in favour of a person whose lands are sought to be acquired. It is trite that hearing given to a person must be an effective one and not a mere formality. Formation of opinion as regard the public purpose as also suitability thereof must be preceded by application of mind having due regard to the relevant factors and rejection of irrelevant ones. The State in its decision making process must not commit any misdirection in law. It is also not in dispute that Section 5-A of the Act, 1894 confers a valuable important right and having regard to the provisions, contained in Article 300A of the Constitution of India has been held to be akin to a fundamental right.

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10. Thus, the limited right given to an owner/person interested under Section 5-A of the Act, 1894 to object to the acquisition proceedings is not an empty formality and is a substantive right, which can be taken away only for good and valid reason and within the limitations prescribed under Section 17(4) of the Act, 1894.

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11. The Land Acquisition Collector is duty-bound to objectively consider the arguments advanced by the objector and make recommendations, duly supported by brief reasons, as to why the particular piece of land should or should not be acquired and whether the plea put forward by the objector

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A merits acceptance. In other words, the recommendations made by the Land Acquisition Collector should reflect objective application of mind to the entire record including the objections filed by the interested persons.

B (See : *Munshi Singh & Ors. v. Union of India*, AIR 1973 SC 1150; *Union of India & Ors. v. Mukesh Hans*, AIR 2004 SC 4307; *Hindustan Petroleum Corporation Ltd v. Darius Shahpur Chenai and Ors.*, AIR 2005 SC 3520; *Anand Singh & Anr v. State of U.P. & Ors.*, (2010) 11 SCC 242; *Dev Sharan v. State of U.P.*, (2011) 4 SCC 769; *Raghubir Singh Sehrawat v. State of Haryana*, (2012) 1 SCC 792; *Usha Stud and Agricultural Farms (P) Ltd. v. State of Haryana*, (2013) 4 SCC 210; and *Women's Education Trust v. State of Haryana*, (2013) 8 SCC 99).

D 12. This Court in *Gullapalli Nageswara Rao* (supra), held:

E *"Personal hearing enables the authority concerned to watch the demeanour of the witnesses and clear up his doubts during the course of the arguments, and the party appearing to persuade the authority by reasoned argument to accept his point of view. If one person hears and another decides, then personal hearing becomes an empty formality. We therefore hold that the said procedure followed in this case also offends another basic principle of judicial procedure."*

F (Emphasis added)

G 13. This Court in *Rasid Javed & Ors. v. State of U.P. & Anr.*, AIR 2010 SC 2275 following the judgment in *Gullapalli* (supra), supra held that a person who hears must decide and that divided responsibility is destructive of the concept of hearing is too fundamental a proposition to be doubted.

H 14. A similar view has been re-iterated by this Court in *Automotive Tyre Manufacturers Association v. Designated*

Authority & Ors., (2011) 2 SCC 258, wherein this Court dealt with a case wherein the Designated Authority (DA) under the relevant Statute passed the final order on the material collected by his predecessor in office who had also accorded the hearing to the parties concerned. This court held that the order stood vitiated as it offended the basic principles of natural justice.

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15. In view of the above, the law on the issue can be summarised to the effect that the very person/officer, who accords the hearing to the objector must also submit the report/take decision on the objection and in case his successor decides the case without giving a fresh hearing, the order would stand vitiated having been passed in violation of the principles of natural justice.

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16. Before proceeding further, it is desirable to refer to the relevant statutory provisions of the Act 2013 which reads as :

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"24. (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

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(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.

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(2) Notwithstanding anything contained in sub-section (1), in case of land acquisition proceedings initiated under the Land Acquisition Act, 1894 where an award under the said section 11 has been made five years or more prior to the commencement of this Act but the physical possession of the land has not been taken or the compensation has not

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A 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.

B Provided that where an award has been made and
compensation in respect of a majority of land holding 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
C entitled to compensation in accordance with the provisions
of this Act”

17. The provisions of the Act 2013 referred to hereinabove
have been considered by a three judge bench of this court in
Pune Municipal Corporation and Anr. v. Harakchand
D *Misirimal Solanki and Ors.*, (2014) 3 SCC 183. In the said
case, the tenure-holders had challenged the acquisition
proceedings before the Bombay High Court by filing nine writ
petitions, although two of such writ petitions had been filed
before making the award and seven had been filed after the
E award. The land acquisition proceedings had been challenged
on various grounds. The High Court allowed the writ petitions
and quashed the land acquisition proceedings and issued
certain directions including restoration of possession as in the
said case the possession had been taken from the tenure-
F holders. This Court in the appeal filed by the authority for whose
benefit the land had been sought to be acquired, and who had
been handed over the possession as the land vested in the
State, approached this Court but the Court did not enter into
the merit regarding the correctness of the judgment impugned
G therein rather held that it was not so necessary to deal with the
correctness of the judgment in view of the provisions of the Act
2013 which provide for re-compulsory acquisition of land from
the very beginning. The Court held as under:

H “11. Section 24(2) also begins with non obstante clause.

*This provision has overriding effect over Section 24(1). Section 24(2) enacts that in relation to the land acquisition proceedings initiated under 1894 Act, where an **award has been made** five years or more prior to the commencement of the 2013 Act and **either of the two contingencies is satisfied**, viz.; (i) physical possession of the land has not been taken or (ii) the compensation has not been paid, such acquisition proceedings shall be deemed to have lapsed. On the lapse of such acquisition proceedings, if the appropriate government still chooses to acquire the land which was the subject matter of acquisition under the 1894 Act then it has to initiate the proceedings afresh under the 2013 Act. The proviso appended to Section 24(2) deals with a situation where in respect of the acquisition initiated under the 1894 Act 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 the beneficiaries specified in Section 4 notification become entitled to compensation under 2013 Act.*

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*19. Now, this is admitted position that award was made on 31.01.2008. Notices were issued to the landowners to receive the compensation and since they did not receive the compensation, the amount (Rs. 27 crores) was deposited in the government treasury. **Can it be said that deposit of the amount of compensation in the government treasury is equivalent to the amount of compensation paid to the landowners/persons interested? We do not think so.** In a comparatively recent decision, this Court in Ivo Agnelo Santimano Fernandes and Ors. v. State of Goa and Anr. (2011) 11 SCC 506, relying upon the earlier decision in Prem Nath Kapur v. National Fertilizers Corpn. of India Ltd. (1996) 2 SCC 71, has held that the deposit of the amount of the*

appropriate forum, the proceedings initiated under the Act, 1894 is deemed to have been lapsed.” A

(See also: *Bimla Devi & Ors. v. State of Haryana & Ors.*, Civil Appeal Nos. 3871-3876 of 2014 decided on 14.3.2014)

19. In order to clarify the statutory provisions of the Act 2013 with respect to such lapsing, the Government of India, Ministry of Urban Development, Delhi Division, came up with a circular dated 14.3.2014 wherein on the basis of the legal opinion of the Solicitor General of India, it has been clarified as under: B
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“3. Interpretation of five years period:

“With regard to this issue viz., interpretation of five years period two situations have been envisaged in cases where the acquisition has been initiated under the Land Acquisition Act, 1894 viz., (1) parties whose lands have been acquired have refused to accept the compensation and (2) parties whose lands have been acquired having just parted with physical possession of the land. However, in both the above situations, as on 1.1.2014, the period of 5 years would not have ended and in such cases, the advisory seeks to clarify that the new law shall apply only if the situation of pendency continues unchanged for a period that equals to or exceeds five years. In my view, it should be further clarified that in none of the cases the period of five years would have elapsed pursuant to an award made under Section 11 from the date of commencement of the Act and that the benefit of Section 24(2) will be available to those cases which are pending and where during pendency, the situation has remained unchanged with physical possession not being handed over or compensation not having been accepted and the period equals to or exceeds five years. D
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4. Limitation:

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A As regards this item relating to the period spent during
litigation would also be accounted for the purpose of
determining whether the period of five years has to be
counted or not, it should be clarified that it will apply only
to cases where awards were passed under Section 11 of
B the Land Acquisition Act, 1894, 5 years or more prior to
1.1.2014 as specified in Section 24(2) of the Act, to avoid
any ambiguity. Since this legislation has been passed with
the objective of benefiting the land-losers, this interpretation
is consistent with that objective and also added as a matter
C of abundant caution that the period spent in litigation
challenging an award cannot be excluded for the purpose
of determining whether the period of five years has
elapsed or not. If the possession has not been taken or
compensation has not been paid due to the challenge to
D the land acquisition proceedings, the pendente lite period
will be included to determine the five year period and
including such period if the award was made five years or
more prior to the commencement of the Act, then the said
acquisition proceedings will be deemed to have elapsed
and fresh proceedings, if so desired, will have to be
E initiated in accordance with the new Act.”

The objects and reasons of the Act 2013 and particularly
clause 18 thereof fortify the view taken by this court in the
judgments referred to hereinabove. Clause 18 thereof reads as
F under:

“The benefits under the new law would be available in all
the cases of land acquisition under the Land Acquisition
Act, 1894 where award has not been made or
G possession of land has not been taken.”

(Emphasis added)

20. However, the aforesaid appeals have to be decided
in the light of above settled legal propositions. The admitted
H facts of the case remains that the Respondents-Tenure Holders

had filed objections under, Section 5A of the Act 1894 as admitted in the affidavit filed by Smt. Usha Chaturvedi, Deputy Secretary (Land Acquisition), Land and Building Department, Vikas Bhawan, New Delhi, filed in January 2014 before this court. The award no. 15/87-88 had been made on 5.6.1987 and possession has not been taken till date though compensation has been deposited with the Revenue Department, which cannot be termed as 'deemed payment' as has been held in case of *Pune Municipal Corporation & Anr.* (Supra).

21. Therefore, the appeals are liable to be dismissed in terms of the judgments referred to hereinabove.

However, Shri P.P. Malhotra, learned ASG, has insisted that the matters should also be decided on merit by examining the correctness of the judgment and order impugned.

22. The facts are not in dispute. A huge chunk of land covering 11 villages was notified under Section 4 of the Act 1894 in 1980. A large number of people had filed objections under Section 5-A of the Act 1894 and it has been admitted on oath by the officer of the appellant department that in almost all these appeals, the tenure holders or their processor in interest had filed objections under Section 5-A of the Act 1894. This is also not in dispute that most of the objections were heard by one land acquisition collector and after his transfer, the report had been submitted by his successor. In *Balak Ram Gupta v. Union of India*, (117) 2005 DLT 753 (FB); full Bench of High Court of Delhi quashed the land acquisition proceedings in the said case exclusively on the ground that objections filed by the petitioner therein had been heard by one Land Acquisition Collector, however, the report was submitted by another. The land covered in these instant appeals stand covered by the same notification/declaration, same award and the objections had been dealt with by the same land acquisition collector and the report had been submitted by the same successor.

A 23. Admittedly, the appellants accepted that judgment and
 the same attained finality as the said judgment was never
 challenged by filing any S.L.P. before this court. In the light of
 aforesaid judgment, a large number of writ petitions had been
 allowed and the land acquisition proceedings arising out of the
 B same notification/declaration had been quashed. Subsequently,
 in *Abhey Ram & Ors. v. Union of India & Ors.*, AIR 1997 SC
 2564, this Court dealt with the same issue arising out of the
 same acquisition proceedings and held that the judgment of
 quashing the acquisition proceedings would apply only to the
 C land of those persons who had challenged acquisition
 proceedings and not to all the land covered by the said
 notification/declaration. The appellants had been under the
 impression that the judgment delivered by the full bench in *Balak
 Ram Gupta* (Supra), laid down the law applicable to other
 D persons also whose land stood covered by the said notification/
 declaration.

24. In *Delhi Administration v. Gurdip Singh Uban & Ors.*,
 (2000) 7 SCC 296, this court again dealt with the same
 acquisition proceedings and observed that if a tenure holder
 E had not filed objections under Section 5-A of the Act 1894, he
 cannot challenge the acquisition proceedings on the ground that
 objections had not been disposed of in accordance with law.

25. In *Om Parkash v. Union of India & Ors.*, AIR 2010 SC
 F 1068, this Court dealt with the cases arising out of the same
 acquisition proceedings, however, this batch of matters had
 expressly been separated from that batch and in those cases,
 the acquisition proceedings were not quashed on the ground
 that the acquisition proceedings had been challenged at a
 G belated stage.

26. In the present batch of writ petitions filed before the
 High Court, the matter came to be heard by a Division Bench.
 One of the Hon'ble Judges vide his separate judgment was of
 the opinion that the proceedings would not lapse on the ground
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that the declaration under Section 6 of the Act 1894 had been made after a period of more than three years for the reason that it was covered by sub-section (2) i.e. on account of various stay orders passed by different courts at different times in relations to the said proceedings. Further, though principles of natural justice is an inbuilt element of procedure but per se violation of these principles would not ipso facto vitiate the proceedings unless any prejudice is shown to have been caused to the parties, which was not the pleaded case of the objectors. Also judicial review of administrative decision was impressible except on very limited grounds i.e. absence of any material forming the basis of decision making and the courts could not go into the question as to what material weighed before the authority.

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The other Hon'ble Judge comprising the Bench vide his separate and dissenting judgment was of the opinion that the decision in *Balak Ram Gupta* (Supra) was still a good law. On the issue as to validity of the inquiry under Section 5-A of the Act 1894, His Lordship was of the opinion that inquiry under Section 5-A of the Act 1894 was a substantial right and could not be taken away as a side wind. Relying on earlier judgments of the High Court of Delhi, the Hon'ble Judge was of the opinion that a report on objections should be made by the same collector who had the opportunity to hear such objections and any deviation would vitiate the further proceedings. As the Hon'ble Judges differed, the matter was referred to a third Hon'ble Judge.

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27. In pursuance to the above reference, the matter came up before the third Hon'ble Judge, who delivered the judgment cited as 137 (2007) DLT 14. Relying on the decision in *Gullapalli Nageswara Rao* (Supra), the Court was of the opinion that where the objections were heard by one collector but the report was made by another, such procedure was not in strict compliance of requirements of Section 5-A of the Act 1894. The issue of prejudice caused to a party in case of

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- A violation of principles of natural justice arises in cases dealing with un-codified procedure. The mandatory language of Section 5-A of the Act 1894 made it essential that the collector who hears the land owner must submit the report and, hence, no question of prejudice could be said to be applicable in determining the violation of principles of natural justice.

28. In the instant cases, there had been challenge to the acquisition proceedings on various grounds including the manner in which objections under Section 5-A of the Act 1894 had been decided. In some cases, the High Court allowed amendment to the writ petitions and such order had never been challenged by the appellants. In a case where on the basis of submissions advanced in the court on behalf of the parties, the court summons the original record to find out the truth, pleadings remain insignificant. In the instant cases, the High Court was satisfied after examining the original record that objections had been dealt with in flagrant violation of law and in such a fact-situation, the prejudice doctrine for non-observation thereof would not be attracted.

We do not see any cogent reason to differ from such a view. No judgment had been brought to our notice on the basis of which it can be held that the decision of the Constitution Bench of this Court in *Gullapalli Nageswara Rao* (Supra) is not a good law.

29. It is evident from the record that in respect of a major chunk of land which stood covered under the same Section 4 notification, the land acquisition proceedings had been quashed in a batch of 74 Writ Petitions having been filed before the Delhi High Court and the appellants, for the reasons best known to it, did not challenge the same and resultantly, the same has attained finality. For about a decade following the said judgment in *Balak Ram Gupta v. Union of India & Ors.*, 37 (1989) DLT 150, proceedings in other cases have also been quashed and those decisions have not been challenged and

have thus, also attained finality. A large number of cases filed before this court and particularly SLP (C) Nos. 208, 211 & 212 of 2008 stood dismissed vide order dated 10.12.2008, as the petitioners did not take steps to serve the respondents therein as is evident from the Office Report dated 25.6.2013. In such a fact scenario, where in respect of major chunk of land, the land acquisition proceedings had been quashed long back and which has attained finality; it is beyond our comprehension as to whether the scheme of planned development of Delhi can be executed at such a belated stage in view of the fact that vacant land in continuous stretch may not be available.

30. In view of above, we do not see any force in these appeals even on merit and the same are liable to be dismissed. In view of the findings and particularly in view of the interpretations given to Section 24(2) of the Act 2013 in the judgments referred to herein above, it is not necessary to entertain any other ground whatsoever at the behest of the appellants. Thus, the appeals are devoid of any merit and are dismissed. No order as to costs.

Devika Gujral

Appeals dismissed.