

THE CHAIRMAN & MANAGING DIRECTOR, TNHB &  
ANR.

v.

S. SARASWATHY & ORS.

(Civil Appeal Nos.736-737 of 2008)

MAY 11, 2015

**[VIKRAMAJIT SEN AND PRAFULLA C. PANT, JJ.]**

*Land Acquisition Act, 1894 – ss. 4 and 6 – Land Acquisition proceedings by State Housing Board – Issuance of Notification and declaration – Land falling under the said Survey owned by three persons-VP, AJ and ASN – Said persons had obtained approved layout plan from the Director Town Planning for the said Survey, few months before issuance of Notification – Award passed by the State – PV, son of VP received compensation and possession of the land taken over by the State – However, after three years, PV sold one of its plot to the respondents – Meanwhile, ASN had filed writ petitions along with others and High Court quashed the declaration issued u/s. 6 but left the Notification issued u/s. 4 intact – This Court held that the order of the High Court in absence of challenge by the State became final and the acquisition itself is quashed – Second batch of writ petitions by PV on determination of compensation, dismissed by the High Court – No appeal thereagainst as such acquisition proceedings qua the writ petitioners in the said batch attained finality – Thereafter, another batch of writ petitions by respondents, seeking protection of their possession and enjoyment over the suit land and direction to the Housing Board to issue them No Objection Certificate to enable them to put construction on the suit land – Case of the respondents that order passed in ASN case had the effect of quashing the acquisition proceedings in toto and that ASN*

A was co-owner with PV of the property in the said survey and was authorize by PV to initiate all subsequent proceedings – Writ petitions allowed by the High Court – Said order upheld by the Division Bench – On appeal, held: Unless the Declaration u/s. 6 or the Notification u/s. 4 is not explicitly  
B quashed in toto or in its wholeness by the Court, the benefits of relief granted by the Court would be effective only qua the parties before it – Those who failed to challenge the acquisition proceedings, cannot, thereafter, follow those who  
C challenged the acquisition before the Court at the appropriate time and thereafter obtained favourable orders – Respondents including their vendor, PV, cannot be permitted to take any advantage of the orders passed by this Court in ASN's case – This Court in ASN case annulled the  
D Notification issued u/s. 4 on the premises of limitation which would mean that the rest of the acquisition proceedings was left untouched by this Court in ASN – Further, respondents had purchased the suit land after the Award had been passed and possession of the land had been taken by the State,  
E they could not have acquired any rights against the State – PV did not bring down the acquisition proceedings qua his land, but on the contrary, by accepting compensation, had manifested his acceptance of the Award – Thus, once the land stood vested in the State u/s.16, PV and his vendees-  
F respondents, could not have created and engineered rights or interests in the property against the State, except the right of seeking and receiving enhanced compensation – Furthermore, there is no evidence to support the claim that ASN as a co-owner or even otherwise, had challenged the  
G acquisition proceedings qua the entire Survey on behalf of himself and PV also – Thus, the order passed by the High Courts is set aside.

H A. Viswanatha Pillai v. The Special Tahsildar for Land Acquisition No. IV (1991) 4 SCC 17 and Jalandhar Improvement Trust v. State of Punjab (2003) 1 SCC 526 – distinguished.

**A**  
A. S. Naidu. v. State of Tamil Nadu SLP Nos. 11353-55 of 1988; *Abhey Ram v. Union of India* 1997 (3) SCR 931: (1997) 5 SCC 421; *Tamil Nadu Housing Board v. L. Chandrasekaran* (2010) 2 SCC 786; *Shyam Nandan Prasad v. State of Bihar* 1993 (1) Suppl. SCR 533: (1993) 4 SCC 255; *Delhi Admin. v. Gurdip Singh Uban* 1999 (1) Suppl. SCR 650: (1999) 7 SCC 44; *Delhi Admn. v. Gurdip Singh Uban* 2000 (2) Suppl. SCR 496: (2000) 7 SCC 296 – referred to. **B**

**Case Law Reference**

1997 (3) SCR 931	Referred to.	Para 9	<b>C</b>
(2010) 2 SCC 786	Referred to.	Para 10	
1993 (1) Suppl. SCR 533	Referred to.	Para 10	
1999 (1) Suppl. SCR 650	Referred to.	Para 10	
2000 (2) Suppl. SCR 496	Referred to.	Para 10	<b>D</b>
(1991) 4 SCC 17	Distinguished.	Para 16	
(2003) 1 SCC 526	Distinguished.	Para 16	

CIVILAPPELLATE JURISDICTION : Civil Appeal Nos. 736-737 of 2008 **E**

From the Judgment and Order of the High Court of Judicature at Madras dated 07.04.2006 and 27.09.2006 in W.A. No. 613 of 1997 and Review Application No. 118 of 2006 in W.A. No. 613 of 1997 respectively.

with **F**

C. A. Nos. 553-554, 555-556, 706-707, 709-710, 712, 739-740, 741-742, 743-744, 745-746, 747-748, 828-829 and 833-834 of 2008

Dhruv Mehta, Subramonium Prasad, AAG, M. Yogesh Kanna, A. Santha Kumaran, S. Thananjayan, D. K. Singh, Pradeep Shukla, Archita Phoolenn, Abhijit Sengupta, ATM Sampath, V. Balaji, Atul Sharma, P. Narasimhan, B. K. Pal, Dinesh Kumar Garg, Abhishek Garg, Dhananjay Garg, Deepak Mishra, P. B. Suresh, Vipin Nair, Udayaditya Banerjee, Temple Law Firm, N. Shoba, Sriram J. Thalpathy, V. Adhimoalam, S. Vinod, M. K. Madan for the appearing Parties. **H**

A The Judgment of the Court was delivered by

**VIKRAMAJIT SEN, J.** 1. The Appellant, Tamil Nadu Housing Board, is taking exception to the Judgment dated 07.04.2006 passed by the High Court in the Writ Appeal Nos. 603 to 615 of 1997 and the Judgment dated 27.09.2006 passed in the Review Application Nos. 108 to 120 of 2006 in the Writ Appeal Nos. 603 to 615 of 1997, whereby the High Court had directed the Appellant Government/State to issue No Objection Certificates to the contesting Respondents before us.

2. The Government of Tamil Nadu initiated land acquisition proceedings on behalf of the Tamil Nadu Housing Board to acquire 513.-52 acres of land including the land in question, in and around Chennai, under the Land Acquisition Act, 1894 (hereinafter 'the Act') for the purpose of Ambattur Neighborhood Housing Scheme. Notification under Section 4 of the Act was issued on 23.10.1975 and published on 12.11.1975, followed by the Declaration under Section 6 of the Act issued and published on 09.11.1978 and 10.11.1978 respectively. The land in question in the present Appeals, in all 1 acre and 10 cents, owned originally by V. Perumal, forms part of Survey Nos. 271/1 and 271/5 of the village Mogappair. The total area of the land falling under the said Survey No. 271 is 4 acres and 10 cents: the said 1 acre and 10 cents owned by V. Perumal and another 3 acres owned by A. J. Ponnial and A. S. Naidu. The aforementioned three persons had obtained an approved layout plan from the Director of Town Planning on 07.03.1975 with respect to the said Survey No. 271.

3. When the Notifications for acquisition came to be passed, two batches of writ petitions were filed before the High Court; the first batch consisted of W.P. No. 7625 of 1982 filed by P. Velu, son of V. Perumal, while the second

batch included W.P. Nos. 7499 and 8328 of 1983 filed by A. S. Naidu. The former batch assailed the Constitutional validity of Sections 11(1) and 23(1) of the Act and contended that the compensation determined as on the date of publication of a notification under Section 4 of the Act was inequitable and arbitrary. The second batch laid an assault to the Notifications published under the Act in their entirety. It should be noted immediately that the statute has subsequently been amended to mandate that an Award has to be passed within two/three years, thereby substantially addressing the grievance of compensation being a pittance owing to it being calculated after several years of the Notification.

4. In the batch matter concerning A. S. Naidu, the parties fought a strenuous battle which resulted in a lengthy discourse and an elaborate order of the High Court. The writ petitioners therein averred that the remarks, which were offered by the requisitioning body, i.e. the Housing Board, upon furnishing to it the Objections of the landowners, had not been communicated to the latter. Such remarks along with the Objections of the landowners formed the basis for enquiry under Section 5A of the Act; ergo, knowledge of those remarks or contentions of the requisitioning body were crucial for the landowners to sustain their objections. This contention of the writ petitioners that Rule 3(b) of the Tamil Nadu Land Acquisition Rules has been infringed because of non-furnishing of the said remarks to the landowners found favour with the High Court. The High Court reasoned that the furnishing of the remarks to the landowners was not just another formality or discretionary procedure to be waived of at the whims of the Authorities; and their non-communication had the effect of "setting at naught the very purpose of the enquiry". Another contributory factor buttressing the case of the writ petitioners was that the Declaration under Section 6 was not in conformity with the proviso of Section 6(1) of the

A Act, which prescribes that where land is being acquired for  
the benefits of a Local Authority, a part of the compensation  
payable for the acquisition shall have to be borne from the  
fund controlled or managed by the concerned Local Authority.  
B Since the Tamil Nadu State Housing Board, i.e. the  
beneficiary of the subject acquisition proceedings, was held  
by the High Court to be such a Local Authority and the  
Declaration under Section 6 specifically provided that the  
entire compensation was to be paid out of public revenue  
C without any portion from the fund maintained by the Housing  
Board, it was plain that the Declaration under Section 6 of  
the Act was not in accordance with the proviso of Section  
6(1) of the Act. On these two counts thus, the Writ Petition  
of A. S. Naidu along with some of the other parties was partly  
D allowed by the High Court by granting the relief of quashing  
of the said Declaration vide Order dated 08.01.1988. The  
Court, however, left the Notification issued under Section 4  
of the Act intact, and it declined relief to those writ petitioners,  
who acquired ownership of the land under acquisition after  
E the issuance of the Notification under Section 4 of the Act.

5. A. S. Naidu, thereafter, approached this Court in  
SLP Nos. 11353-55 of 1988 (**A. S. Naidu. v. State of Tamil  
Nadu**), challenging the Judgment dated 08.01.1988, to the  
F extent the High Court refused to interfere with the Notification  
issued under Section 4 of the Act. However, the State  
accepted the decision of the High Court and initiated fresh  
enquiry proceedings including rehearing of the objections  
preferred under Section 5A. When the matter reached this  
G Court, it opined that the three year limitation period to publish  
a fresh Declaration under Section 6 of the Act, as amended  
by the Act 68 of 1984, had already lapsed, especially in view  
of non-assailment of the Judgment dated 08.01.1988 by the  
State, and held it to have attained finality. In this backdrop,  
H this Court observed vide Order dated 21.08.1990 that:

“4. On the date the declaration was made there were hardly two days left for completion of three years and after the High Court order on 8-1-1988, the period has already lapsed but no declaration has been published and the same can no longer be made on the basis of preliminary notification at present. In the absence of challenge by the State, the order of the High Court against it has become final. A B

5. We are of the view that in these circumstances it would no more be available to the State to make the requisite declaration under Section 6 of the Act. The acquisition itself is quashed but we make it clear that it is open to the State Government in case it is satisfied that acquisition is necessary in public interest, it is free to exercise its power of eminent domain and make a fresh preliminary notification. The special leave petitions are disposed of accordingly.” C D

6. Meanwhile certain developments occurred, having crucial bearing on the present matter. The State passed Award No. 9 of 1983 on 20.06.1983 with respect to 22.91 acres of land, which included the suit land as well as the land of A. S. Naidu. Pursuant to that Award, P. Velu, son of V. Perumal, received the compensation of Rs. 26615 and the possession of the land was taken without opposition, by the State on 01.07.1983. Despite the acquisition of the suit land having been completed in all respects thereto, P. Velu illegally divided the suit land into twelve plots and sold them in the year 1987 to the contesting Respondents before us vide registered Sale Deeds, after over three years of vesting of land into the State. The Respondents are educated, some of them are even Advocates and would be expected to have made a title search. Subsequent to the passing of the Judgment dated 08.01.1988 by the High Court and the Order dated 21.08.1990 by this Court, the second batch of Writ E F G H

- A Petition of P. Velu proved futile and eventually came to be rejected by the High Court on 22.07.1994, both on the grounds of merits and delay. At this juncture, it merits a mentioning that the batch of writ petitions including that of P. Velu was principally concerned with the issue of fair determination of compensation at market value of the property on the date of passing of the Award, instead of taking the date of issuance of notification under Section 4 of the Act as the pivotal point. No appeal arose from the dismissal of these writ petitions, thus rendering finality to the acquisition proceedings qua the writ petitioners in that batch.

7. In 1996, the contesting Respondents before us, who are the vendees of P. Velu, filed another batch of writ petitions seeking protection of their possession and enjoyment over the suit land, and direction to the respondents therein to issue them No Objection Certificates to enable them to put up constructions on the suit land. There is no denial and rebuttal by them that they had bought the suit land from P. Velu after the Award had been passed. Nonetheless, they put forth their case before the High Court premised entirely on the cornerstone of the Order dated 21.08.1990 passed by this Court in **A. S. Naidu**, which they contended had the effect of quashing the acquisition proceedings *in toto*. They further maintained that A. S. Naidu, allegedly a co-owner with P. Velu of the land property in Survey No. 271, was authorized by P. Velu to take all the necessary steps to get approvals for the planned layout as well as to initiate subsequent proceedings in order to protect their common interest in the Survey No. 271. The Single Judge of the High Court vide common Judgment dated 19.02.1997 allowed the Writ Petitions of the Respondents, believing that this Court had quashed the acquisition proceedings in totality; and it also followed some earlier order

of the High Court. The Division Bench while dismissing the Appeals preferred by the Appellant vide common impugned Judgment dated 07.04.2006 was of the opinion that the original owner of the suit land and the vendor of the Respondents was A. S. Naidu. When this factual error was brought to its notice in the Review Applications, the Division Bench then reiterated the observations of the Single Judge that this Court had quashed the entire acquisition proceedings as far back in 1990, and since no proceedings had been initiated thereafter, the question of who the original owner was made no material difference. It thus affirmed the order and direction of the Single Judge and dismissed the Review Applications vide common impugned Judgment dated 27.09.2006.

8. The Respondents contend that even if the benefits of the Order dated 21.08.1990 passed by this Court in **A. S. Naidu** is confined only to the parties to those proceedings before this Court, they may nevertheless submit that acquisition in respect of the entire Survey No. 271 had been challenged by A.S. Naidu, for himself and also on behalf of P. Velu and the view taken by this Court should enure to their benefit.

9. We will first consider what implication the Order dated 21.08.1990 passed by this Court has on the case in hand. The High Court was of the opinion that the Order dated 21.08.1990 had an all-encompassing import and it annulled the entire acquisition proceedings. In that respect, we can gainfully extract from the Order passed by a three-Judge Bench of this Court in **Abhey Ram v. Union of India**, (1997) 5 SCC 421:

“10. The question then arises is whether the quashing of the declaration by the Division Bench in respect of the other matters would enure the benefit to the

A appellants also. Though, prima facie, the argument of  
the learned counsel is attractive, on deeper  
consideration, it is difficult to give acceptance to the  
contention of Mr Sachar. When the Division Bench  
expressly limited the controversy to the quashing of  
B the declaration qua the writ petitioners before the  
Bench, necessary consequences would be that the  
declaration published under Section 6 should stand  
upheld.

C 11. It is seen that before the Division Bench judgment  
was rendered, the petition of the appellants stood  
dismissed and the appellants had filed the special leave  
petition in this Court. If it were a case entirely relating  
to Section 6 declaration as has been quashed by the  
D High Court, necessarily that would enure the benefit to  
others also, though they did not file any petition, except  
to those whose lands were taken possession of and  
were vested in the State under Sections 16 and 17(2)  
of the Act free from all encumbrances. But it is seen  
E that the Division Bench confined the controversy to the  
quashing of the declaration under Section 6 in respect  
of the persons qua the writ petitioners before the  
Division Bench. Therefore, the benefit of the quashing  
of the declaration under Section 6 by the Division Bench  
F does not enure to the appellants.

12. It is true that a Bench of this Court has considered  
the effect of such a quashing in *Delhi Development  
Authority v. Sudan Singh* (1997) 5 SCC 430. But,  
G unfortunately, in that case the operative part of the  
judgment referred to earlier has not been brought to  
the notice of this Court. Therefore, the ratio therein has  
no application to the facts in this case. It is also true  
that in *Yusufbhai Noormohmed Nendoliya v. State of  
H Gujarat* (1991) 4 SCC 531 this Court had also observed

that it would enure the benefit to those petitioners. In view of the fact that the notification under Section 4(1) is a composite one and equally the declaration under Section 6 is also a composite one, unless the declaration under Section 6 is quashed in toto, it does not operate as if the entire declaration requires to be quashed. It is seen that the appellants had not filed any objections to the notice issued under Section 5-A." (Emphasis supplied)

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10. We also have the advantage of a Judgment dated 29.01.2010 passed by a Coordinate Bench of this Court in Civil Appeal Nos. 3148-49 of 2002, titled as Tamil Nadu Housing Board v. L. **Chandrasekaran** (2010) 2 SCC 786. **Chandrasekaran** was also seized of the acquisition proceedings we are dealing with, although involving the issue of release of land under Section 48 of the Act, but in respect of different survey numbers. The respondents therein pressed several grounds but finally rested their claim on the basis of the Order dated 21.08.1990 passed by this Court in the case of **A.S. Naidu**. One of the issues before this Court was to decide whether the Order passed by this Court in **A. S. Naidu** had the effect of nullifying the acquisition in its fullness. This Court observed in **Chandrasekaran** that it was not possible to return a finding that while disposing of the special leave petitions preferred by **A.S. Naidu** this Court had quashed the entire acquisition proceedings. This Court underscored that **A.S. Naidu** did not even make a prayer before the High Court for quashing the preliminary Notification issued under Section 4 of the Act, and it observed: "...in the absence of a specific prayer having been made in that regard, neither the High Court nor this Court could have quashed the entire acquisition." The Court then took into account the cases of **Shyam Nandan Prasad v. State of Bihar** (1993) 4 SCC 255, **Abhey Ram**, Delhi Admin.

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A v. Gurdip Singh Uban (1999) 7 SCC 44 and Delhi Admn. v. Gurdip Singh Uban (2000) 7 SCC 296 and reiterated the established and consistent view of this Court that quashing of acquisition proceedings at the instance of one or two landowners does not have the effect of nullifying the entire acquisition. Since the observations contained in **Chandrasekaran** are apposite for our purposes, we think it advantageous to extract the following paragraphs therefrom:

C 15. The first issue which requires consideration is whether the order passed by this Court in *A.S. Naidu* case has the effect of nullifying the acquisition in its entirety. In this context, it is apposite to mention that neither the appellant Board nor have the respondents placed before the Court copies of the writ petitions in which the acquisition proceedings were challenged, order(s) passed by the High Court and the special leave petitions which were disposed of by this Court on 21-8-1990 and without going through those documents, it is not possible to record a finding that while disposing of the special leave petitions preferred by A.S. Naidu and others, this Court had quashed the entire acquisition proceedings. So far as A.S. Naidu is concerned, he did not even make a prayer before the High Court for quashing the preliminary notification issued under Section 4(1) of the Act.

16. This is evident from the prayer made by him in Writ Petition No. 7499 of 1983, which reads as under:

G "For the reasons stated in the accompanying affidavit, it is most respectfully prayed that this Hon'ble Court may be pleased to issue a writ of certiorari or any other proceeding or any other appropriate writ or direction or order in the nature of a writ to call for the records of the first respondent relating to GOMs No. 1502, Housing

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and Urban Development Department dated 7-11-1978 published in the Tamil Nadu Government Gazette Extraordinary dated 10-11-1978 in Part II Section 2 on pp. 22 to 26 and quash the said notification issued under Section 6 of the Land Acquisition Act, 1894 insofar as it relates to the land in the petitioners' layout approved by the Director of Town Planning in LPDM/DTP/2/75 dated 7-3-1975 in Survey Nos. 254, 257, 258, 260, 268 and 271 in Mogapperi Village, No. 81, Block V, Saidapet Taluk, Chingleput District and render justice."

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From the above reproduced prayer clause, it is crystal clear that the only relief sought by Shri A.S. Naidu was for quashing the notification issued under Section 6 insofar it related to the land falling in Survey Nos. 254, 257, 258, 260, 268 and 271 in Mogapperi Village, No. 81, Block V, Saidapet Taluk and in the absence of a specific prayer having been made in that regard, neither the High Court nor this Court could have quashed the entire acquisition. This appears to be the reason why the Division Bench of the High Court, while disposing of Writ Appeals Nos. 676 of 1997 and 8-9 of 1998 observed that quashing of acquisition by this Court was only in relation to the land of the petitioner of that case and, at this belated stage, we are not inclined to declare that order dated 21-8-1990 passed by this Court had the effect of nullifying the entire acquisition and that too by ignoring that the appellant Board has already utilised portion of the acquired land for housing and other purposes. Any such inferential conclusion will have disastrous consequences inasmuch as it will result in uprooting those who may have settled in the flats or houses constructed by the appellant Board or who may have built their houses on the allotted plots or undertaken other activities.

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A 17. We may also usefully refer to the judgments of this  
Court in *Shyam Nandan Prasad v. State of Bihar*, *Abhey*  
B *Ram v. Union of India* (para 11), *Delhi Admn. v. Gurdip*  
C *Singh Uban* (paras 8, 9 and 11) and *Delhi Admn. v.*  
D *Gurdip Singh Uban*, in which it has been consistently  
held that quashing of acquisition proceedings at the  
instance of one or two landowners does not have the  
effect of nullifying the entire acquisition. Moreover, in  
the absence of challenge by L. Chandrasekaran to the  
order passed by the Division Bench of the High Court  
in Writ Appeal No. 9 of 1998, his legal representatives  
do not have the locus to contend that the order dated  
21-8-1990 passed by this Court in SLPs (C) Nos. 11353-  
55 of 1988 had the effect of nullifying the entire  
acquisition.

11. We are respectfully in accord with the observations  
of Coordinate Benches that unless the Declaration under  
Section 6 or the Notification under Section 4 of the Act is not  
explicitly quashed *in toto* or in its wholeness by the Court,  
E the benefits of relief granted by the Court would be effective  
only qua the parties before it. As already adumbrated above,  
at the time the Appeal of A. S. Naidu came to be decided,  
the three year limitation period to publish a declaration under  
F Section 6 of the Act had already expired, making it impossible  
for the Government to complete a fresh process culminating  
in another declaration; and it was for this reason that the  
acquisition was quashed by the Court.

G 12. It has been repeatedly reiterated by this Court  
that those who have missed the boat in challenging the  
acquisition proceedings, who sat idle and have let the grass  
grow under their feet cannot, thereafter, be permitted to jump  
on the bandwagon of others who entered the portals of the  
H Court at the appropriate time and thereafter obtained  
favourable orders. Significantly, in *Chandrasekaran* the

Court was alive to the reality of utilization of large chunks of land by the State for housing scheme; and in this scenario, it was obviously and rightly reluctant and facially hesitant to quash the acquisition proceedings *in toto*, knowing that that would result in grave consequences to society. In this analysis, the Respondents including their vendor, P. Velu, cannot be permitted to take any advantage of the Orders passed by this Court in **A. S. Naidu**. A B

13. There could be cases however, where the acquisition proceedings are deracinated, annulled and quashed *in toto*. Such grounds could include, to wit: absence of public purpose; non publication of the substance of the notification under Section 4 as required, denuding the rights of the landowners; complete lack of consideration of the objections by the authorities, thus obscuring the public purpose; fraudulent or mala fide or colourable exercise of the power of eminent domain behind the smokescreen of public purpose; inherent defect or illegality in the issuance of the notification under Section 4; acquiring of land for a private company by illegally bypassing the extant statutory procedure etc. C D E

14. Even if we assume that the Order passed by this Court swept away the entire acquisition proceedings, the claim of the Respondents is still unsustainable. In the Judgment dated 08.01.1988 passed by the High Court in the case of **A. S. Naidu**, it has been clarified that "only those persons, who are the owners on the date of Section 4(1) Notification alone can question the validity of the acquisition...when the property was already notified for acquisition, if the petitioners had come to purchase the property, they cannot have any right to agitate with regard to procedural violation." There is thus no confusion that the relief of quashing of the Declaration under Section 6 of the Act was expressly limited to some while being plainly denied F G H

A to others, signifying thereby, that the Declaration under  
 Section 6 was left untouched in the other cases. In **A. S.  
 Naidu**, this Court annulled the Notification issued under  
 Section 4 on the premises of limitation. This would mean  
 B that the rest of the acquisition proceedings was left untouched  
 by this Court in **A. S. Naidu**.

15. The second factor, detaching the case of the  
 contesting Respondents even farther, is that since the  
 Respondents had purchased the suit land after the Award  
 C had been passed and possession of the land had been taken  
 by the State, they could not have acquired any rights against  
 the State. P. Velu did not bring down the acquisition  
 proceedings qua his land, but on the contrary, by accepting  
 compensation, had manifested his acceptance of the Award.  
 D In these circumstances, once the land stood vested in the  
 State under Section 16 of the Act, P. Velu and his vendees,  
 namely the Respondents, could not have created and  
 engineered rights or interests in the property against the  
 State, except the right of seeking and receiving enhanced  
 E compensation. We are mindful that the Land Acquisition Act,  
 1894 as applicable to the State of Tamil Nadu does not  
 specifically preclude the land owners from entering into sale  
 transactions during an ongoing acquisition proceeding. But  
 F as long as the acquisition proceedings are not invalidated,  
 any agreement creating or altering or extinguishing rights  
 with respect to the land under acquisition will not be effective  
 or efficacious against the State.

G 16. As we have noted above, the additional case of  
 the Respondents is that A. S. Naidu, as a co-owner or even  
 otherwise, had challenged the acquisition proceedings qua  
 the entire Survey No. 271 on behalf of himself and P. Velu  
 also. We are sorry to record that we have found not a grain  
 of evidence supporting their specious claim. The cases of  
 H **A. Viswanatha Pillai v. The Special Tahsildar for Land**

