2025 INSC 1222

**REPORTABLE**

**IN THE SUPREME COURT OF INDIA**
**CIVIL APPELLATE JURISDICTION**

**Civil Appeal No. _____ / 2025**
**(Arising out of SLP (C) No(s). 33701/2018)**

The State of West Bengal and Others ...Appellants

versus

M/S Santi Ceramics Pvt. Limited and Another ...Respondents

**JUDGMENT**

**SURYA KANT, J.**

Leave granted.

**2.** The instant appeal has been preferred by the State of West Bengal against the judgment dated 11.10.2018 passed by a Division Bench of the High Court of Calcutta (**High Court**) in MAT No. 1260/2017 (**Impugned Judgment**). By way of the Impugned Judgment, the High Court has upheld the order of the learned Single Judge in W.P. No. 29621/2016, directing the State to restore 28 Bighas of land (**Subject Land**), including all structures erected thereon, to M/s Santi Ceramics Private Limited (**Respondent No.1**).

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Date: 2025.10.13 14:07:42 IST
Reason:

The controversy arises in the aftermath of this Court's judgment in ***Kedar Nath Yadav v. State of West Bengal***[1], whereby the

1 AIR 2016 SC 4156.

land acquisition proceedings for establishing the manufacturing plant of TATA Motors' then flagship car "NANO" were quashed. To explicate, in 2006, pursuant to TATA Motors' decision to establish this facility in Singur, Hooghly District, West Bengal, the Appellants had initiated acquisition spanning over 1000 acres (**Singur Project**). The acquisition encompassed agricultural lands and lands converted for non-agricultural purposes. The instant appeal concerns restoration of the Subject Land, which formed part of the acquisition. The High Court has accorded restoration in favour of Respondent No.1 on ground of parity with cultivators to whom such a relief was granted by this Court in ***Kedar Nath Yadav (supra).***

## *A. FACTS*

**4.** To appreciate the genesis of the dispute at hand, it is necessary to examine the factual matrix, which is set out below:

**4.1.** Respondent No.1 purchased the Subject Land in the year 2001-2002 with the objective of establishing a manufacturing facility for the production of ceramic electrical insulators. The Subject Land at the time was statedly an agricultural land. Upon application by Respondent No.1, the District Land and Land Reforms Officer, Hooghly, granted approval on 09.04.2003 for its conversion to industrial use, thereby enabling the formalization of commercial operations on the premises.

**4.2.** Following the approval, Respondent No.1 established a manufacturing unit, replete with necessary infrastructure, plant and machinery, and commenced industrial operations. This trajectory of events took a decisive turn on 21.07.2006 when the Land Acquisition Collector, Hooghly (**LAC**), issued notifications under Section 4 of the Land Acquisition Act, 1894 (**1894 Act**), initiating acquisition proceedings for the Singur Project.

**4.3.** In response, Respondent No.1 filed objections under Section 5-A(1) of the 1894 Act on 21.08.2006, seeking exclusion of its operational manufacturing unit from the acquisition. The objections were rejected by LAC, whereupon the Appellants issued a declaration under Section 6 of the 1894 Act on 30.08.2006. Pursuant to the declaration, the LAC passed the award for the Subject Land on 25.09.2006, quantifying total compensation at INR 14,54,75,744, comprising INR 5,46,75,744 for land value and INR 9,08,00,000 for structures. The said compensation was duly deposited, and the Appellants thereafter took possession of the acquired land, which was thereupon handed over to TATA Motors.

**4.4.** The Singur Project soon evolved into a matter of considerable public interest and legal controversy, generating widespread protests by affected farmers against displacement from their holdings. The acquisition, impacting fertile agricultural land, highlighted the tension between industrial development and farming communities. Among the various affected parties, one Kedarnath Yadav approached the High Court through a Public Interest Litigation **(PIL)** in W.P. No. 23836 (W) of 2006, challenging the acquisition proceedings. Several similar writ petitions were filed by other affected parties, which were then

clubbed together and dismissed by a common judgment dated 18.01.2008, rendered by a Division Bench of the High Court. The acquisition was upheld after holding that it was in public interest and for public purpose.

**4.5.** Subsequently, in 2010, TATA Motors abandoned the Singur Project and withdrew from the site, with the Appellants regaining possession of the acquired land. Parallelly, the dismissal of the petitions by the High Court was assailed before this Court, culminating in the judgment dated 31.08.2016 in ***Kedar Nath Yadav (supra)***. While both judges on the Bench delivered separate opinions with divergent reasoning, they concurred on quashing the acquisition proceedings on the following grounds:

**i)** Violation of Section 5-A procedures as the LAC mechanically rejected objections without proper consideration and failed to conduct an effective inquiry;

**ii)** Non-application of mind by the authorities as both the LAC and State Government failed to objectively consider the objections and recommendations as mandated under the 1894 Act;

**iii)** Procedural defects in compensation proceedings as awards were passed without following due process under Section 11 of the 1894 Act; and

**iv)** Disproportionate impact on agricultural communities as the acquisition affected fertile agricultural land and displaced poor agricultural workers who lacked the means to challenge governmental action.

**4.6.** Consequently, this Court directed restoration of land to the original landowners/cultivators by the State within a period of twelve weeks.

**4.7.** Respondent No.1 till then had no grievance and did not challenge the acquisition of the Subject Land before any forum. However, as soon as this Court delivered judgment in ***Kedar Nath Yadav (supra)***, Respondent No.1 also submitted a representation on 28.11.2016, to the Appellants stating that the Subject Land had not been returned within the prescribed period of twelve weeks as postulated by this Court in ***Kedar Nath Yadav (supra)***, and sought the handing over of the possession of the land, structures, and plant & machinery. The Appellants, however, did not restore the possession to Respondent No.1.

**4.8.** Aggrieved, Respondent No.1 filed Writ Petition No. 29621/2016 before the High Court, seeking restoration of possession of the Subject Land along with all structures and machinery. Respondent No.1 also claimed monthly compensation of INR

5,00,000 from December, 2016 onwards, alleging pecuniary loss on account of being deprived of the use of its industrial property.

**4.9.** The High Court allowed the petition *vide* judgment dated 24.04.2017 and reasoned that:

**i)** This Court's direction in ***Kedar Nath Yadav (supra)*** applied to all landowners without distinction between 'cultivators' and 'business entities', and Respondent No.1 could not be excluded merely for being a corporate house; and

**ii)** The intact structures should be returned with the Subject Land as 'land' under the 1894 Act included attached structures.

**4.10.** The High Court accordingly directed the District Magistrate, Hooghly to deliver possession within six weeks while declining the prayer seeking compensation for delay.

**4.11.** The appeal against the afore-cited decision was dismissed by the Division Bench *vide* the Impugned Judgment, holding that the expression "landowners/cultivators" in ***Kedar Nath Yadav (supra)*** ought to be construed widely to include all persons whose lands were acquired, whether they used it for industrial or

cultivation purposes, with no separate class created while granting restoration.

**4.12.** Being aggrieved, the Appellants have preferred the instant appeal. It may be noted that this Court, *vide* order dated 04.02.2019, granted an interim stay on the operation of the Impugned Judgment, which continues to operate till date.

## ***B. CONTENTIONS ON BEHALF OF APPELLANTS***

**5.** Mr. Harin P Rawal and Mr. Ashok Kumar Panda, Learned Senior Counsel appearing for the Appellants, strenuously argued that the High Court committed a grave error in extending restoration to Respondent No.1. It was contended that this Court's decision in ***Kedar Nath Yadav (supra)*** was designed with specific protective intent for vulnerable agricultural communities who lacked resources to challenge governmental action. Respondent No.1, operating as an industrial manufacturing concern with substantial assets, fell entirely outside this protective framework and could not invoke the same judicial safeguards extended to disadvantaged segments of the society.

**6.** It was further highlighted that Respondent No.1 raised no grievance against the acquisition of Subject Land before or after the award had been passed by the LAC. Learned Senior Counsel

pointed out that the acquisition attained finality in 2006 and was first questioned by Respondent No.1 only in 2016, after this Court's judgment in ***Kedar Nath Yadav (supra).***

**7.** Our attention was also drawn to Respondent No.1's voluntary acceptance of INR 14,54,75,744 as compensation without demur, and it was contended that the same constitutes a clear acquiescence to the acquisition process. Learned Senior Counsel submitted that this conduct, combined with the principle of estoppel, precluded any afterthought claim for restoration of property for which full consideration had already been received and retained. It was emphasized that permitting such claims would open the floodgates for numerous commercial entities seeking similar relief, thereby transforming a narrowly tailored remedy into a general relief scheme with catastrophic fiscal implications for the Appellants.

***C. CONTENTIONS ON BEHALF OF RESPONDENT NO.1***

**8.** *Per Contra,* Mr. Sridhar Potaraju, Learned Senior Counsel appearing on behalf of Respondent No.1, vehemently opposed the instant appeal by challenging the Appellants' interpretation of ***Kedar Nath Yadav (supra)***. He asserted that the judgment contained no artificial distinction between different categories of

landowners, with the terminology "landowners/cultivators" encompassing every person whose land was subjected to the procedurally flawed acquisition. Learned Senior Counsel emphasized that the original notifications under Section 4 of the 1894 Act addressed all affected persons uniformly as "owners of land," offering identical packages without regard to their agricultural or commercial status.

**9.** It was further contended that Respondent No.1 was a *bona fide* manufacturing enterprise that had proactively filed comprehensive objections under Section 5-A accompanied by detailed inventories of assets, which had been summarily rejected without proper consideration. Drawing reference to the compensation structure where INR 9,08,00,000 was specifically allocated for structures, it was argued that this demonstrated governmental recognition of structural entitlement. Learned Senior Counsel, thus, urged that the appeal represents an attempt to deny legitimate dues through selective application of binding precedent and accordingly, prayed for the dismissal of the instant appeal.

## ***D. ANALYSIS***

**10.** Having heard learned senior counsel for the parties and after perusal of the material on record, we are of the considered view

that the short question that falls for our consideration is: whether this Court's ruling in ***Kedar Nath Yadav (supra)***, which directed restoration of acquired land to original landowners/cultivators, extends to Respondent No.1 as well?

**11.** That being said, our determination of this question necessitates the analysis on following counts:

**i)** The intended scope and beneficiaries of this Court's decision in ***Kedar Nath Yadav (supra)*** and whether Respondent No.1 also falls within that ambit;

**ii)** The procedural principles governing the applicability of judicial orders quashing acquisition proceedings to parties who did not participate in the original litigation; and

**iii)** The legal consequences of long delay in questioning the acquisition and acceptance of compensation without demur.

**12.** Turning to the first aspect, this Court's judgment in ***Kedar Nath Yadav (supra)*** arose from a contentious acquisition initiative that sparked widespread resistance and prolonged litigation challenging the State's exercise of its power. The Court's ultimate determination to quash the acquisition and direct restoration was predicated upon systematic procedural failures under

Section 5-A of the 1894 Act. However, its approach in fashioning this remedy was informed by considerations that extended beyond procedural compliance alone.

**13.** Crucially, the remedial framework in ***Kedar Nath Yadav (supra)*** was anchored in its recognition that the acquisition disproportionately affected vulnerable communities lacking financial resources and institutional access to challenge governmental action. This determination stemmed from an understanding that certain segments of society remain disadvantaged in asserting their rights against the State. In para 63, this Court specifically observed:

> ***63.*** *In this day and age of fast paced development, it is completely understandable for the state government to want to acquire lands to set up industrial units.* ***What, however, cannot be lost sight of is the fact that when the brunt of this 'development' is borne by the weakest sections of the society, more so, poor agricultural workers who have no means of raising a voice against the action of the mighty state government, as is the case in the instant fact situation, it is the onerous duty of the state Government to ensure that the mandatory procedure laid down under the L.A. Act and the Rules framed there under are followed scrupulously otherwise the acquisition proceedings will be rendered void ab initio in law****. Compliance with the provisions of the L.A. Act cannot be treated as an empty formality by the State Government, as that would be akin to handing over the eminent domain power of State to the executive, which cannot be permitted in a*

*democratic country which is required to be governed by the rule of law. ……."*

[**Emphasis Supplied**]

**14.** This Court's identification of "poor agricultural workers" as the "weakest sections of society" established the jurisdictional boundary of relief. Subsistence farmers dependent entirely on inherited land face destitution when acquisition bypasses mandatory safeguards—they possess no alternative livelihood, lack resources to navigate administrative procedures or afford prolonged litigation. The remedy provided by this Court addressed this structural vulnerability.

**15.** Notably, the aforesaid classification carries decisive legal significance. By grounding relief in structural incapacity rather than extending automatic restoration to all affected parties, this Court prevented undermining finality in land acquisition proceedings while ensuring protection for the genuinely defenceless. Extraordinary judicial intervention is warranted when systemic barriers prevent certain classes from accessing ordinary remedies, not when parties possess adequate means to vindicate their rights. Relief conceived to prevent impoverishment among the disadvantaged cannot extend to commercial enterprises with financial capacity and institutional sophistication.

**16.** Against this backdrop, we have no hesitation in holding that Respondent No.1 falls squarely outside the protective framework envisaged by this Court. Unlike marginal farmers facing potential destitution from loss of their sole livelihood, Respondent No. 1 operated a 60,000 square feet manufacturing facility employing over 100 workers since 2003, having purchased and converted agricultural land for commercial purposes.

**17.** The origin of the litigation further reinforces this distinction, as the proceedings before the High Court commenced through a PIL specifically initiated to prevent poor farmers from losing their fertile agricultural land. The express objective of PIL was to safeguard cultivators whose livelihoods faced extinction through large-scale acquisition. Extending such relief to industrial entities like Respondent No.1 would thus defeat the remedy's foundational intent.

**18.** In view of the above analysis, we hold that the reasoning in ***Kedar Nath Yadav (supra)*** does not enure to the benefit of Respondent No.1. The restoration remedy was conceived for disadvantaged farming communities, not as general restitution for all affected parties.

**19.** Beyond this distinction, we are constrained to add that even the established procedural principles preclude Respondent No.1's claim. Orders quashing acquisition proceedings may operate either *in personam* or *in rem*. Where the Court quashes acquisition on grounds personal to individual objectors—such as vitiated consideration of their specific objections under Section 5-A—the relief operates *in personam* and benefits only those parties who contested the matter before judicial forums. On the other hand, where the Court declares the entire process *void ab initio* on grounds going to the root of acquisition—the relief operates *in rem*. It is thus clear that the benefits of quashing do not accrue to persons who were not parties unless the Court has struck down the entire acquisition on fundamental grounds applicable to all.[2]

**20.** It may be apposite to observe here that the objections under Section 5-A raise issues personal to each landowner. Upon rejection of such objections, the aggrieved party must approach judicial forums to challenge the same and mere filing of objections does not exhaust remedies available in law. To further simplify, claimants who do not file objections or pursue judicial challenge cannot contend that Section 5-A inquiry is vitiated, nor

2 Abhey Ram v. Union of India, (1997) 5 SCC 421, para 9-12.

can they seek quashing of Section 6 declaration on that ground.[3] It is trite law that in the event objections are not pursued through litigation, the notification becomes conclusive proof of waiver.

**21.** Applying these principles, the cause of cultivators and farmers affected by the Singur Project was espoused before the High Court, *inter-alia,* on grounds that it disproportionately affected vulnerable agricultural communities and fertile land, with procedural violations including vitiated Section 5-A inquiry and non-application of mind by authorities. Respondent No.1 filed objections under Section 5-A on 21.08.2006, which were rejected. Despite possessing financial resources and institutional access, it never pursued the appellate remedies available under the 1894 Act. It accepted the entire compensation amount of INR 14,54,75,744 without protest and remained passive while cultivators pursued litigation for years. Having chosen not to contest the acquisition through available statutory mechanisms, Respondent No.1 now seeks the same relief that was granted to disadvantaged communities through PIL—a classic free-rider problem that judicial remedies cannot encourage.

3 Delhi Administration v. Gurdip Singh Uban, (2000) 7 SCC 296, para 42-47.

**22.** Turning to the third aspect, the acquisition attained finality *qua* Respondent No.1 through its own inaction. Respondent No.1 remained silent for an entire decade from 2006 to 2016, making no attempt to challenge the acquisition despite the award being passed on 25.09.2006. Once the proceedings conclude in the award and possession is taken without challenge, the Court would not entertain any belated grievance from the interested person.[4] In stark contrast, affected farmers brought their plight before the High Court through PIL in November, 2006 itself—challenging procedural violations at the earliest opportunity. Hence, Respondent No.1 cannot now seek parity and question what had been conclusively settled.

**23.** Insofar as reference to the PIL jurisdiction in ***Kedar Nath Yadav (supra)*** is concerned, we are afraid the same may not be applicable to the facts of the instant case. We say so because PIL enables representation of similarly situated vulnerable persons who lack means to approach courts individually. When cultivators challenged the Singur acquisition through PIL, all farmers/cultivators across the acquisition were represented. Having failed to pursue legal remedies when available, Respondent No.1—a party possessing financial resources and

4 Municipal Corporation of Greater Bombay v. Industrial Development Investment Co. Pvt. Ltd., (1996) 11 SCC 501, para 19.

institutional access to statutory remedies falls outside this representative framework designed for disadvantaged communities.

**24.** Additionally, the temporal dimension presents a further bar. Nearly two decades have elapsed since the acquisition. Following TATA Motors' withdrawal of the project in 2010, the acquired land vested back with the Appellants free from all encumbrances. Pursuant to the judgment in ***Kedar Nath Yadav (supra)***, extensive survey operations were undertaken to restore land to cultivators. Learned Senior Counsel for the Appellants have informed this Court that structures originally on the Subject Land were modified during these restoration efforts to enable demarcation and distribution of individual holdings to farmers. After nearly two decades and such modifications undertaken to restore land to farmers, the relief cannot be granted.

**25.** For the foregoing reasons, we hold that Respondent No.1 cannot claim the benefit of this Court's directions in ***Kedar Nath Yadav (supra).*** Having accepted monetary settlement without challenge and remained passive during litigation spanning several years, it cannot now seek benefits from relief secured by others. The confluence of its commercial status, nature of the relief, and the

practical impossibility of restoration due to intervening modifications collectively defeats this claim.

## *E. CONCLUSION AND DIRECTIONS*

**26.** Permitting industrial entities to claim restoration benefits from litigation they chose not to pursue would establish an undesirable precedent. Such an approach would incentivize strategic inaction, encouraging parties to remain dormant during protracted litigation only to emerge as claimants after favourable outcomes are secured by others. This would undermine both the targeted nature of remedial relief and the fundamental principle that legal benefits flow from active pursuit of remedies, not passive opportunism.

**27.** In view thereof, the instant appeal is allowed and the Impugned Judgment dated 11.10.2018 passed by the Division Bench as well as the judgment dated 24.04.2017 of the learned Single Judge of the High Court are hereby set aside. Consequently, the Writ Petition filed by Respondent No.1 insofar as it pertained to challenge to the acquisition of Subject Land is hereby dismissed. However, considering that Respondent No.1 has claimed to have had standing structures on the Subject Land at the time of acquisition, we issue the following directions:

**i)** Respondent No.1 is permitted to remove any remaining structures, plant, and machinery from the Subject Land within three months from the date of this judgment, in the presence of officials designated by the District Magistrate, Hooghly; or

**ii)** Alternatively, Respondent No.1 may request the Appellants to put the structures, machinery and other movable and immovable articles belonging to it for public auction. In such event, Respondent No.1 shall be entitled to the auction proceeds after deducting expenses incurred on the auction process. Respondent No.1 shall not then claim any compensation from Appellants.

**iii)** The LAC shall calculate the compensation for structures after deducting the salvage value of materials removed by Respondent No.1 from the compensation already paid for such structures. However, recovery of any excess payment made to Respondent No.1 shall not be effected by the Appellants.

**iv)** Since Respondent No.1 was granted possession of the Subject Land pursuant to the Impugned Judgment which has been set aside, the Appellants are directed to carry out fresh demarcation to identify the precise boundaries of the acquired area. Thereafter, the Appellants shall resume possession of the Subject Land, subject to compliance with the other directions.

**v)** The assessment exercise under clauses (**ii**), (**iii**) & (**iv**) shall be completed within four months from the date of this judgment.

**28.** Ordered accordingly. Pending applications, if any, also stand disposed of in the above terms.

**.....J.**
**(SURYA KANT)**

**.....J.**
**(JOYMALYA BAGCHI)**

**NEW DELHI;**
**Dated: 13.10.2025**