
State of Tamil Nadu Vs M/s. Arooran Sugars Ltd.

Civil Appeal No. 134 of 1980

Court: Supreme Court of India

Date of Decision: Oct. 31, 1996

Acts Referred:

Constitution of India, 1950 " Article 13, 14, 31#Tamil Nadu Land Reforms (Fixation of Ceiling on Land) Act, 1961 " Section 12, 14, 16, 17, 18#Tamil Nadu Land Reforms (Fixation of Ceiling on Land) Amendment Act, 1978 "

Citation: (1996) 8 AD 473 : AIR 1997 SC 1815 : (1997) AIRSCW 1188 : (1996) 10 JT 116 : (1997) 2 LW 302 : (1997) 2 MLJ 111 : (1996) 8 SCALE 71 : (1997) 1 SCC 326 : (1996) 8 SCR 193 Supp

Hon'ble Judges: S.Saghir Ahmad, J; N.P. Singh, J; M.M. Punchhi, J; M.K. Mukharji, J; Kuldip Singh Singh, J

Bench: Full Bench

Advocate: K.K. Venugopal, A.K. Ganguly, V. Krishnamurthy, V. Ramasubramaniam, P. Murugan, for the Appellant; F.S. Narinan, Subhash Sharma, N. Sriprakash, E.R. Kumar, P.H. Parekh, for the Respondent

Final Decision: Allowed

Judgement

@JUDGMENTTAG-ORDER

1. The State of Tamil Nadu is the appellant in these appeals. Civil Appeal No. 134 of 1980 has been filed against the judgment of the High Court

of Madras in Writ Petition 1464 of 1974, whereas Civil Appeal Nos. 352-354 of 1980 have been filed against the judgment of the same High

Court in Writ Petition 2341-2343 of 1978. All the Writ Petitions had been filed on behalf of the respondent which were allowed by the High

Court.

2. The respondent, a public limited Company which owned and possessed 3421.14 acres of land, was engaged in composite and integrated

activity of raising sugarcane on the aforesaid land and crushing it in its sugar factory. The Tamil Nadu Reforms (Fixation of Ceiling on Land) Act,

1961 (Act 58 of 1961), (hereinafter referred to as the Principal Act) was published in the Tamil Nadu Government Gazette on 2.5.1962.

According to the said Act, a ceiling of 30 standard acres of agricultural land was fixed as the maximum holding. u/s 18(1) of the Principal Act, the

surplus land has to be notified as required for public purposes and on such publication in view of Section 18(3) of the Act land specified in the

notification shall be deemed to have been acquired for a public purpose and shall vest in the Government free from all encumbrances with effect

from the date of such publication and all right, title and interest of all persons in such land shall be deemed to have been extinguished. The relevant

part of Section 18 of the Act is as follows:

18. Acquisition of surplus land. (1) After the publication of the final statement u/s 12 or 14, the Government shall, subject to the provisions of

Sections 16 and 17, publish a notification to the effect that the surplus land is required for a public purpose.

(2) ...

(3) On the publication of the notification under Sub-section (1), the land specified in the notification together with the trees standing on such land

and buildings, machinery plant or apparatus, constructed, erected or fixed on such land and used for agricultural purposes shall, subject to the

provisions of this Act, be deemed to have been acquired for a public purpose and vested in the Government free from all encumbrances with effect

from the date of such publication and all right, title and interest of all persons in such land shall, with effect from the said date, be deemed to have

been extinguished:

Provided that where there is any crop standing on such land on the date of such publication, the authorized officer may, subject to such conditions

as may be prescribed, permit the harvest of such crop by the person who had raised such crop.

3. Section 50(1) of the Act provides for payment of amount at the rates specified in Schedule III thereto, to person whose right, title or interest in

any land is acquired by the Government.

4. Tamil Nadu Land Reforms (Reduction of Ceiling on Land) Act 17 of 1970, reduced the ceiling from 30 to 15 standard acres with effect from

15.2.1970. Under the Principal Act there was provision for grant of exemption to the lands held by sugar factories in excess of the ceiling area.

This provision was deleted by Tamil Nadu Amendment Act 41 of 1971, which came into force from 15.1.1972. Because of such amendment even

the sugar factories in general could not hold land in excess of 15 standard acres. The respondent filed its return u/s 8 of the Principal Act on

6.4.1972. The Additional Authorised Officer (Land Reforms), Tiruvarur, published the draft statement u/s 10(1) of the Principle Act on

19.4.1972. The minimum compensation payable for excess lands vesting in the Government was 9 times of the net annual income. As such when

the respondent filed its return on 6.4.1972, it was entitled to compensation at the rate of 9 times of the net annual income. However, the Tamil

Nadu Land Reforms (Fixation of Ceiling on Land) Fourth Amendment Act, 1972 (Act 39 of 1972) which came in force with effect from

21.12.1972 amended Schedule III of the Principal Act reducing the minimum multiples from 9 times to 2 times. The said Amending Act 39 of

1972 purported to reduce the multiple of compensation which was payable in respect of lands which vested in the Government after 21.12.1972.

A notification u/s 18(1) of the Principal Act was published on 4.4.1973 declaring as surplus an extent of 3414.87 acres of land held by the

respondent. Possession over such excess land were taken over by the State Government between 6.4.1973 and 26.4.1973. The Draft

Compensation Assessment Roll was published by the State Government on 5.12.1973 determining the amount payable to the respondent in

respect of the surplus lands applying the rate of 2 times the net annual income.

5. On 15.2.1974, the Tamil Nadu Land Reforms (Fixation of Ceiling on Land) Sixth Amendment Act 1972 (Act 7 of 1974) was published in the

Tamil Nadu Government Gazette. Sub-section (2) of Section 3 of Act 7 of 1974 amended Sub-section (3) of Section 18 of the Principal Act on

and from 1.3.1972. The relevant part thereof is as follows:

3(2) in Section 18 of the principal Act,-

(a) in Sub-section (3), for the words ""with effect from the date of such publication"", the words ""with effect from the date of the commencement of

this Act,"" had been substituted;

(b) ...

(c) ...

6. The effect of substitution of Sub-section (3) of Section 18 of the Principal Act shall be that whereas under the original Sub-section (3) of

Section 18 of the Principal Act only on publication of the notification under Sub-section (1) of Section 18, the land specified in the notification

together with the trees standing on such land and buildings, machinery plant etc., was deemed to have been acquired for a public purpose and

vested in the Government free from all encumbrances "with effect from the date of such publication"; because of the substitution of Sub-section (3)

of Section 18 of the Principal Act by Act 7 of 1974 the lands in question shall deemed to have vested in the Government "with effect from the date

of the commencement" of Act 7 of 1974, i.e. with effect from 1.3.1972. It can be said that as Sub-section (3) of Section 18 stood prior to

amendment by Act 7 of 1974 on publication of the notification u/s 18(1), the vesting of the respondent's sugarcane land in the State Government

had taken place with effect from 4.4.1973, but in view of the substituted Sub-section (3) of Section 18 by Act 7 of 1974, it shall be deemed that

the vesting of the excess lands took place with effect from 1.3.1972. In Section 3 of the Principal Act by Act 7 of 1974 a new subsection (3-A)

was also introduced which is as follows:

(3-A)(a) Every person who, after the date of the commencement of this Act, was in possession of, or deriving any benefit from the property vested

in the Government under Sub-section (3) shall be liable to pay to the Government, for the period, after such commencement, for which he was in

such possession or deriving such benefit, an amount as compensation for the use, occupation or enjoyment of that property as the authorised

officer may fix in the prescribed manner. Such officer shall take into consideration such facts as may be prescribed.

(b) Any amount payable to the Government under clause (a) shall be recoverable as arrears of land revenue.

7. According to the respondent, in view of the amendment introduced by Act 7 of 1974, antedating the date of vesting from 4.4.1973 to 1.3.1972

the respondent was entitled to the payment applying the multiple of 9 times of the net annual income instead of multiple of 2 times which was

introduced by aforesaid Act 39 of 1972 with effect from 21.12.1972. Writ Petition No. 1464 of 1974 was filed on behalf of the respondent

challenging the Draft Compensation Assessment Roll aforesaid, before the High Court which was admitted by the High Court.

8. It may be pointed out that the learned Counsel appearing for the appellant-State, could not explain as to what was the purpose of enacting Act

7 of 1974 aforesaid and what object it purported to achieve. He simply stated that letter the legislature itself restored the original position by

enacting Tamil Nadu Land Reforms (Fixation of Ceiling on Land) Amendment Act 78 (Act 25 of 1978). Section 4 of that Act is as follows:

4. Tamil Nadu Act 58 of 1961, as subsequently modified, to have effect subject to modifications-The principal Act, shall, on and from the 1st day

of March 1972, have effect as if-

(1) in Section 18 of the principal Act,-

(a) in Sub-section (3), for the words ""with effect from the date of the commencement of this Act"", the words ""with effect from the date of such

publication"" had been substituted;

(b) ...

(c) Sub-section (3-A) had been omitted.

...

9. In view of the Section 4 aforesaid, in Sub-section (3) of Section 18 of the Principal Act the words ""with effect from the date of such publication

was again substituted for the words ""with effect from the date of commencement of this Act"" which had been introduced by Act 7 of 1974. Sub-

section (3-A) which had been introduced by Act 7 of 1974 was also omitted. Sections 5 and 6 of Act 25 of 1978 which are relevant provided:

5. Certain provision of Tamil Nadu Act 7 of 1974 not to have effect-

(1) Notwithstanding anything contained in the Tamil Nadu Land Reforms (Fixation of Ceiling on Land) Sixth Amendment Act, 1972 (Tamil Nadu

Act 7 of 1974) (hereinafter in this section referred to as the 1972 Act), or in any judgment, decree or order of any court or other authority, Sub-

section (2) of Section 3 of the 1972 Act shall be omitted and shall be deemed always to have been omitted and accordingly the modifications

made to Section 18 of the principal Act by the said Sub-section (2),-

(a) shall be deemed never to have been made and the provisions of the said Section 18 of the principal Act as they stood prior to the said

modifications shall continue in force and shall be deemed always to have continued in force; and

(b) shall be deemed never to have had the effect of vesting in the State Government the surplus lands specified in any notification published under

Sub-section (1) of the said Section 18 of the principal Act on or after the 2nd May 1962 and before the date of publication of this Act in the Tamil

Nadu Government Gazette, from a date earlier to the date of the publication of the notification under the said Sub-section (1) and shall be deemed

always to have had the effect of vesting in the State Government such surplus lands, only with effect from the date of the publication of such

notification. (2) Anything done or any action taken under the principal Act in pursuance of the provisions of Sub-section (1) of Section 3 of the

1972 Act, shall be re-opened and determined in accordance with provisions of the principal Act, as modified by this Act.

6. Vesting of certain surplus lands and validation-Notwithstanding anything contained in any judgment, decree, or order of any court or other

authority, (a) where before the date of publication of this Act in the Tamil Nadu Government Gazette, a notification under Sub-section (1) of

Section 18 of the principal Act has been published, the surplus land specified in such notification shall be deemed to have vested in the State

Government, with effect from the date of such publication only, and accordingly the provisions of the principal Act, as modified by Section 4 of this

Act, shall for all purposes apply and be deemed always to have been applied in respect of such surplus lands so vested; and

(b) all acts done and proceedings taken by any officer or authority under the principal Act, on the basis that compensation in respect of surplus

lands referred to in Clause (a) shall be payable only according to the rates specified in Schedule III of the principal Act, as in force on the date of

publication of the said notification, shall, for all purposes be deemed to be and to have always been validly done or taken in accordance with law,

as if Section 4 of this Act had been in force at all material times when such acts or proceedings were done or taken.

10. As already mentioned the respondent filed Writ Petition No. 1464 of 1974 claiming compensation applying the multiple of 9 times instead of 2

times and for a direction to the authorised officer to prepare the Draft Compensation Assessment Roll in respect of the lands which had vested

taking into account the provisions of aforesaid Act 7 of 1974. This stand was taken on behalf of the respondent because the effect of Act 7 of

1974 was that vesting was to take effect with effect from 1.3.1972 as provided in Section 3 of Act 7 of 1974. On 1.3.1972, admittedly aforesaid

Amendment Act 39 of 1972 by which the compensation amount payable for the surplus lands was reduced from 9 times to 2 times of the net

annual income had not come into force, it came into force with effect from 21.12.1972. As such if by virtue of Act 7 of 1974 if the vesting had

taken place with effect from 1.3.1972 the date of the commencement of Act 7 of 1974, it shall be deemed that vesting had taken place prior to

21.12.1972 when admittedly Schedule III provided for payment by applying the multiple of 9 times. The High Court by its order dated 8.10.1976

quashed the Draft Compensation Assessment Roll published, treating the vesting of the surplus lands with effect from 1.3.1972 because of Act 7

of 1974. Civil Appeal No. 134/80 is directed against aforesaid order of the High Court dated 8.10.1976. The respondent also filed Writ Petition

No. 624 of 1978 for issuance of mandamus to the authorised officer on basis of the aforesaid judgment and order of the High Court dated

8.10.1976 in Writ Petition No. 1464/74 to prepare the Draft Assessment Roll as per that judgment. The High Court by its order dated 3.3.1978

directed the authorised officer to prepare the Assessment Roll accordingly.

11. The aforesaid Act 25 of 1978 was published in the Tamil Nadu Government Gazette on 18.5.1978 and took effect on and from 1.3.1972. It

restored parts of Sub-section (3) of Section 18 as it stood prior to the amendment in that sub-section by Act 7 of 1974. It reiterated that the date

of vesting of the surplus lands shall be date of the publication of the notification under Sub-section (1) of Section 18 of the Act. So far the

respondent is concerned, such notification under Sub-section (1) of Section 18 had been published on 4.4.1973, i.e. after 21.12.1972 from which

date because of Amendment Act 39 of 1972 the compensation amount payable for the surplus lands had been reduced from 9 times to 2 times of

the net annual income. Section 5 of Act 25 of 1978 also contained non-abstains clause with a deeming fiction saying that notwithstanding anything

contained in the Tamil Nadu Land Reforms (Fixation of Ceiling on Land) Sixth Amendment Act 1972 (Act 7 of 1974) or any judgment, decree or

order of any court, Sub-section (2) of Section 3 of the aforesaid 1972 Act shall be omitted and shall be deemed always to have been omitted.

Section 6 thereof said that notwithstanding anything contained in any judgment, decree or order of any court where before the date of the

publication of the said Act in Tamil Nadu Government Gazette a notification under Sub-section (1) of Section 18 of the Principal Act had been

published the surplus lands specified in such notification "shall be deemed to have vested in the State Government with effect from the date of such

publication only..." and the provisions of the principal Act as modified by Section 4 of Act 25 of 1978 shall for all purposes apply and be deemed

always to have applied in respect such surplus lands so vested and compensation in respect of surplus land shall be paid only according to the rates

specified in Schedule III of the principal Act as in force on the date of the publication of such notification. In other words, Sections 5 and 6 of Act

25 of 1978 purported to efface and obliterate the amendment which had been introduced in Sub-section (3) of Section 18 by Act 7 of 1974 and

purported to validate the notification which had been issued on 4.4.1973 under Sub-section (1) of Section 18 of the principal Act declaring

3414.78 acres of the land belonging to the respondent as surplus. It need not be pointed out that this was done because the multiple of 9 times was

reduced to 2 times by Act 39 of 1972 with effect from 21.12.1972. If the vesting had taken place by effect of amended Sub-section (3) of Section

18 by Act 7 of 1974 with effect from 1.3.1972, the date of the commencement of the said Act, then the respondent was entitled for compensation

applying the multiple of 9 times.

12. Writ Petition Nos. 2341-2343 of 1978 were filed on behalf of the respondent questioning the validity of the aforesaid provision of Act 25 of

1978 and for a direction that such provisions which were introduced by the said Act had no effect on the right of the respondent to receive

compensation applying the minimum multiple of 9 times of the net annual income. Those Writ Petitions were allowed by a Division Bench of the

High Court on 20.7.1979. Civil Appeal Nos. 352-354/80 have been filed against the said judgment.

13. Mr. Venugopal, the learned Counsel appearing for the appellant-State, took a stand that as Civil Appeal No. 134/80 has been filed on behalf

of the State challenging the validity of the judgment and order of the High Court dated 8.10.1976 in Writ Petition No. 1464/74 directing payment

of compensation to the respondent applying the provisions of Act 7 of 1974, after coming into force of the Act 25 of 1978 it shall be deemed that

the basis of the judgment in Writ Petition No. 1464/74 has been taken away as such the respondent cannot claim compensation by applying the

multiple of 9 times. It was also submitted on behalf of the appellant-State that the provisions of Act 25 of 1978 being constitutional and valid, High

Court should have dismissed the Writ Petition Nos. 2341-2343 of 1978 filed on behalf of the respondent questioning the validity of Act 25 of

1978.

14. It may be mentioned at the outset that none of the two judgments of the High Court dated 8.10.1976 and 20.7.1979 in Writ Petition No.

1464/74 and Writ Petition Nos. 2341-2343/78 have become final. Civil Appeal No. 134 of 1980 and Civil Appeal Nos. 352-354 of 1980 are

directed against the aforesaid judgments dated 8.10.1976 and 20.7.1979. In this background, it has to be examined whether Sections 4, 5 and 6

of Act 25 of 1978 with non-obstinate clause and deeming provisions have taken away the effect of the aforesaid judgment of the High Court dated

8.10.1976 directing the appellant-State to apply 9 times multiple in view of the amendments introduced by Act 7 of 1974. The other aspect is as

to whether in view of the provisions aforesaid of Act 25 of 1978, this Court while considering the appeal against aforesaid judgment dated

8.10.1976 in Writ Petition No. 1464/74 has now to proceed as if the amendments in the principal Act by Act 7 of 1974 had never been

introduced. There is no dispute in respect of legislative competence of the legislature to enact Act 25 of 1978. The only dispute is whether

provisions of that Act has achieved the desired result.

15. Sections 5 and 6 of Act 25 of 1978 contain deeming fiction in its different clauses while purporting to omit and remove the amendments which

had been introduced by Act 7 of 1974 in the Principal Act. The role of a provision in a statute creating legal fiction is by now well settled. When a

statute creates legal fiction saying that something shall be deemed to have been done which in fact and truth has not been done, the Court has no

examine and ascertain as to for what purpose and between that persons such a statutory fiction is to be resorted to. Thereafter courts have to give

full effect to such a statutory fiction and it has to be carried to its logical conclusion. In the well-known case of East End Dwellings Co. Ltd. v.

Finsbury Borough Council [1952] AC 109 Lord Asquith while dealing with the provisions of the Town and Country Planning Act, 1947,

observed:

If you are bidden to treat an imaginary state of affairs as real, you must surely, unless prohibited from doing so, also imagine as real the

consequences and incidents which, if the putative, state of affairs had in fact existed, must inevitably have flowed from or accompanied it.... The

statute says that you must imagine a certain state of affairs; it does not say that having done so, you must cause or permit your imagination to

boggle when it comes to the inevitable corollaries of that state of affairs.

16. That statement of law aforesaid in respect of a statutory fiction is being consistently followed by this Court. Reference in this connection may

be made to the cases of 281387 ; 267363 ; 291625 ; 274270 and 270767 .

17. Section 5 of Act 25 of 1978 provides that notwithstanding anything contained in Act 7 of 1974, or in any judgment, decree or order of any

court, or other authority, Sub-section (2) of Section 3 of the aforesaid Act "shall be omitted and shall be deemed always to have been omitted and

the modifications made to Section 18 of the principal Act" by the said Sub-section (2)-

(a) "shall be deemed never to have been made and the provisions of the said Section 18 of the principal Act as they stood prior to the said

modifications shall continue in force and shall be deemed always to have continued in force", and

(b) "shall be deemed never to have had the effect of vesting in the State Government the surplus lands specified in any notification published under

Sub-section (1) of the said Section 18 of the principal Act on or after the 2nd May 1962 and before the date of publications of this Act in the

Tamil Nadu Government Gazette, from a date earlier to the date of the publication of the notification under the said Sub-section (1) and shall be

deemed always to have had the effect of vesting in the State Government such surplus lands, only with effect from the date of the publication of

such notification."

18. The legislature by different deeming clauses and through statutory fiction requires the Court to treat that amendments so introduced by Act 7 of

1974 had never been introduced in the Principal Act. The power of the legislature to amend, delete or obliterate a statute or to enact a statute

prospectively or retrospectively cannot be questioned and challenged unless the court is of the view that such exercise is in violation of Article 14

of the Constitution. It need not be impressed that whenever any Act or amendment is brought in force retrospectively or any provision of the Act is

deleted retrospectively, in this process rights of some are bound to be effected one way or the other. In every case, it cannot be urged that the

exercise by the legislature while introducing a new provision or deleting an existing provision with retrospective effect per se shall be violative of

Article 14 of the Constitution. If that stand is accepted, then the necessary corollary shall be that legislature has no power to legislate

retrospectively, because in that event a vested right is effected; of course, in special situation this Court has held that such exercise was violative of

Article 14 of the Constitution. Reference in this connection may be made to the cases of 287589 ; 292856 and 258501 . In the case of State of

Gujarat v. Raman Lal, (supra) a Constitution Bench on the facts and circumstances of that case observed:

The legislation is pure and simple, self-deceptive, if we may use such an expression with reference to a legislature made law. The legislature is

undoubtedly competent to legislate with retrospective effect to take away or impair any vested right acquired under existing laws but since the laws

are made under a written Constitution, and have to conform to the do's and don'ts of the Constitution neither prospective nor retrospective laws

can be made so as to contravene Fundamental Rights. The law must satisfy the requirements of the Constitution today taking into account the

accrued or required rights of the parties today. The law cannot say, twenty years ago the parties had no rights, therefore, the requirements of the

Constitution will be satisfied if the law is dated back by twenty years. We are concerned with today's rights and not yesterday's. A legislature

cannot legislate today with reference to a situation that obtained twenty years ago and ignore the march of events and the constitutional rights

accrued in the course of the twenty years. That would be most arbitrary, unreasonable and a negation of history.

19. In same terms this Court expressed the opinion in the cases of T.R. Kapur v. State of Haryana (supra) and Union of India v. Tushar Ranjan

Mohanty (supra) in respect of alterations in rules framed under Article 309 of the Constitution retrospectively regarding conditions of service.

20. So far the facts of the present case are concerned, the provisions of Act 25 of 1978 do not purport to effect any vested or acquired right. It

only restores the position which existed when the principal Act was in force. By notification dated 4.4.1973 issued u/s 18(1) of the Act as it stood

prior to the amendment introduced by Act 7 of 1974, 3414.87 acres of land had been declared as surplus which vested in the State Government

u/s 18(3) of the Principal Act as it stood on that date. It can be said that Act 25 of 1978 simply nullifies Act 7 of 1974 which had made

amendments in the Principal Act after notification had been issued u/s 18(1) and vesting had taken place u/s 18(3) of the Principal Act as it stood

prior to enactment Act 7 of 1974. By Act 7 of 1974 futile attempt had been made by introducing different amendments. In this process not only it

created anomaly in the Principal Act, but nothing purposeful was achieved. It is true that because of the amendments introduced by that Act 7 of

1974, the respondent could urge before the High Court that as the vesting had taken place on 1.3.1972, in spite of amendment Act 39 of 1972

which had reduced the multiple from 9 times to 2 times of the net annual income with effect from 21.12.1972 the respondent was entitled to

compensation to be worked out on basis of 9 times of the net annual income. But on this ground the provisions of Act 25 of 1978 cannot be held

to be violative of Article 14 of the Constitution and as such ultra vires. Once the provisions are held to be legal and valid, then as pointed out

above the wish and desire of the legislature has to be given full effect and to its logical end. The courts have to proceed on the assumption that Act

7 of 1974 had never been enacted and no amendment whatsoever had been introduced in the principal Act directing the vesting to take place with

effect from 1.3.1972. This Court shall be fully justified in examining the judgment of the High Court dated 8.10.1976 on Writ Petition No 1464/74

filed by the respondent, treating that Act 7 of 1974 was never enacted or was in existence. As the aforesaid judgment dated 8.10.1976 is solely

based on the amendments introduced by Act 7 of 1974, once such amendments have been effaced retrospectively, there is no escape from the

conclusion that the substratum and basis of the judgment of the High Court dated 8.10.1976 has been taken away. The High Court had proceeded

on the assumption that because of amendment introduced by Act 7 of 1974 the vesting shall be deemed to have taken place with effect from

1.3.1972 and on that assumption direction was given to calculate the compensation applying 9 times multiple which had been reduced to 2 times

with effect from 21.12.1972 by amendment Act 39 of 1972. But if the provision which directed vesting with effect from 1.3.1972 does not exist in

eyes of law, then there is no question of holding that vesting shall be deemed to have taken place with effect from 1.3.1972 when compensation

was to be worked out by applying the 9 times multiple. Now this Court has to proceed that amendment Act 39 of 1972 reduced the compensation

amount payable from 9 times to 2 times of the net annual income with effect from 21.12.1972. Thereafter on 4.4.1973 notification u/s 18(1) of the

Principal Act was issued declaring 3414.87 acres of land of the respondent as surplus which vested in the Stated Government u/s 18(3) of the

Principal Act as it stood on that date. As such the compensation has to be worked out on basis of the amendment which had been introduced in

Schedule III of the Act by amendment Act 39 of 1972. This Court can modify the judgment of the High Court dated 8.10.1976 taking into

account the provisions of Act 25 of 1978 because the Civil Appeal No. 134 of 1980 is against aforesaid judgment of the High Court dated

8.10.1976.

21. There is yet another aspect of the matter. Section 6 of the Act 25 of 1978 provides that notwithstanding anything contained in any judgment,

decree, or order of any court or other authority where before the date of publication of this Act in the Tamil Nadu Government Gazette, a

notification under Sub-section (1) of Section 18 of the principal Act had been published, the surplus lands specified in such notification shall be

deemed to have vested in the State Government, with effect from the date of such publication only, and accordingly the provisions of the principal

Act, as modified by Section 4 of this Act, shall for all purposes apply and be deemed always to have been applied in respect of such surplus lands

so vested.

22. The scope of a non-obstains clause and of validating Act has been examined by this Court from time to time. Reference in this connection be

made to the judgment in the case of 280357 where Hidayatullah, C.J. speaking for the Constitution Bench said:

When a legislature sets out to validate a tax declared by a court to be illegally collected under an ineffective or an invalid law, the cause for

ineffectiveness or invalidity must be removed before validation can be said to take place effectively. The most important condition, of course, is that

the legislature must possess the power to impose the tax, for if it does not, the action must ever remain ineffective and illegal. Granted legislative

competence, it is not sufficient to declare merely that the decision of the court shall not bind for that is tantamount to reversing the decision in

exercise of judicial power which the legislature does not possess or exercise. A court's decision must always bind unless the conditions on which it

is based are so fundamentally altered that the decision, could not have been given in the altered circumstances. Ordinarily, a court holds a tax to be

invalidly imposed because the power to tax is wanting or the statute or the rules or both are invalid or do not sufficiently create the jurisdiction.

Validation of a tax so declared illegal may be done only if the grounds of illegality or invalidity are capable of being removed and are in fact

removed and the tax thus made legal. Sometimes this is done by providing for jurisdiction where jurisdiction had not been properly invested before.

Sometimes this is done by re-enacting retrospectively a valid and legal taxing provision and then by fiction making the tax already collected to stand

under the re-enacted law. Sometimes the legislature gives its own meaning and interpretation of the law under which the tax was collected and by

legislative fiat makes the new meaning binding upon courts. The legislature may follow any one method or all of them and while it does so it may

neutralise the effect of the earlier decision of the court which becomes ineffective after the change of the law.

23. The same view was reiterated in the cases of 261366 ; 277390 ; 269624 ; 285536 ; 288863 ; 277989 ; and 265288 and 266285 . It is open

to the legislature to remove the defect pointed out by the court or to amend the definition or any other provision of the Act in question

retrospectively. In this process it cannot be said that there has been an encroachment by the legislature over the power of the judiciary. A court's

directive must always bind unless the conditions on which it is based are so fundamentally altered that under altered circumstances such decisions

could not have been given. This will include removal of the defect in a statute pointed out in the judgment in question, as well as alteration or

substitution of provisions of the enactment on which such judgment is based, with retrospective effect. This is what has happened in the present

case. The judgment of the High Court in Writ Petition No. 1464/74, dated 8.10.1976 was solely based on the amendments which had been

introduced by Act 7 of 1974. If those amendments so introduced have been effaced by Act 25 of 1978 with retrospective effect saying that it shall

be deemed that no such amendments had ever been introduced in the Principal Act, then full effect has to be given to the provisions of later Act

unless they are held to be ultra vires or unconstitutional.

24. On behalf of the respondent, it was pointed out that the High Court in its judgment dated 8.10.1976 in Writ Petition No. 1464/74 has not

declared any provision to be invalid because of which a validating Act was required. The said judgment had also not pointed out any defect in any

Act which had to be rectified by a validating Act. It had simply proceeded on the provisions of Act 7 of 1974 and had issued direction to the State

Government to proceed in accordance with those provisions. This Court has examined the power of the legislature to amend the provisions of the

Act in question after a court verdict. Reference in this connection may be made to the case of 272842 , where it was observed:

We see no substance in the respondent's contention that by re-defining the term "house" with retrospective effect and by validating the levies

imposed under the unamended Act as if notwithstanding anything contained in any judgment, decree or order of any court, that Act as amended

was in force on the date when the tax was levied, the Legislature has encroached upon a judicial function. The power of the Legislature to pass a

law postulates the power to pass it prospectively as well as retrospectively the one no less than the other. Within the scope of its legislative

competence and subject to other constitutional limitations, the power of the Legislature to enact laws is plenary. In *United Provinces v. Atga*

Begum, Gwyer, C.J. while repelling the argument that Indian Legislatures had no power to alter the existing laws retrospectively observed that

within the limits of their powers the Indian Legislatures were as supreme and sovereign as the British Parliament itself and that those powers were

not subject to the "strange and unusual prohibition against retrospective legislation". The power to validate a law retrospectively is, subject to the

limitations aforesaid, an ancillary power to legislate on the particular subject.

The State Legislature, it is significant, has not overruled or set aside the judgment of the High Court. It has amended the definition of "house" by the

substitution of a new Section 2(15) for the old Section and it has provided that the new definition shall have retrospective effect, notwithstanding

anything contained in any judgment, decree or order of any court or other authority. In other words, it has removed the basis of the decision

rendered by the High Court so that the decision could not have been given to the altered circumstances. If the old Section 2(15) were to define

"house" in the manner that the amended Section 2(15) does, there is no doubt that the decision of the High Court would have been otherwise. In

fact, it was not disputed before us that the buildings constructed by the respondent meet fully the requirements of Section 2(15) as amended by the

Act of 1974.

In *Tirath Ram Rajindra Nath v. State of U.P.*, the Legislature amended the law retrospectively and thereby removed the basis of the decision

rendered by the High Court of Allahabad. It was held by this Court that this was within the permissible limits and validation of the old Act by

amending it retrospectively did not constitute an encroachment on the functions of the Judiciary.

25. Again in the case of 291015 it was said:

The appellant, however, urged that the introduction of the proviso in Section 3 should not be given greater retrospective operation than necessary

and it should not be so construed as to affect decrees for eviction which had already become final between the parties. Now, it is true, and that is a

settled principle of construction, that the court ought not to give a larger retrospective operation to a statutory provision than what can plainly be

seen to have been meant by the legislature. This rule of interpretation is hallowed by time and sanctified by decisions, though we are not at all sure

whether it should have validity in the context of changed social norms and values. But even so, we do not see how the retrospective introduction of

the proviso in Section 3 can be construed so as to leave unimpaired a decree for eviction already passed, when the question arises in execution

whether it is a nullity.. The logical and inevitable consequence of the introduction of the proviso in Section 3 with retrospective effect would be to

read the proviso as if it were part of the Section at the date when the Delhi Rent Control Act, 1958 was enacted and the legal fiction created by

the retrospective operation must be carried to its logical extent and all the consequences and incidents must be worked out as if the proviso formed

part of the Section right from the beginning. This would clearly render the decree for eviction a nullity and since in execution proceeding, an

objection as to nullity of a decree can always be raised and the executing court can examine whether the decree is a nullity, the principle of finality

of the decree cannot be invoked by the appellant to avoid the consequences and incidents flowing from the retrospective introduction of the

proviso in Section 3. Moreover, the words ""notwithstanding any judgment, decree or order of any court or other authority"" in the proviso make it

clear and leave no doubt that the legislature intended that the finality of ""judgment, decree or order of any court or other authority"" should not stand

in the way of giving full effect to the retrospective introduction of the proviso in Section 3 and applying the provisions of the Delhi Rent Control

Act, 1958 in cases falling within the proviso.

26. Same was the situation in the case of Bhubaneshwar Singh v. Union of India (supra) where taking note of the subsequent amendments in the

concerned Act the Court came to the conclusion:

In the present case as already pointed out above, if Sub-section (2) as introduced by the Coal Mines Nationalisation Laws (Amendment) Act

1986 in Section 10 had existed since the very inception, there was no occasion for the High Court or this Court to issue a direction for taking into

account the price which was payable for the stock of coke lying on the date before the appointed day. The authority to introduce Sub-section (2)

in Section 10 of the aforesaid Act with retrospective effect cannot be questioned. Once the amendment has been introduced retrospectively courts

have to act on the basis that such provision was there since the beginning. The role of the deeming provision need not be emphasised in view of

series of judgments of this Court.... In the present case, the lacuna or defect has been removed by the introduction of Sub-section (2) in Section 10

of the Act with retrospective effect. Sub-section (2) of Section 10 as well as Section 19, both have specified that the amount which is to be paid as

compensation mentioned in the schedule shall be deemed to include and deemed always to have included, the amount required to be paid to such

owner in respect of all coal in stock in the date immediately before the appointed day. As such the earlier judgment of this Court is of no help to

the petitioner.

27. On behalf of the respondent reference was made to the well-known judgment of this Court in the case of 265314 and it was pointed out from

the judgment of Chief Justice Beg who observed:

I may, however, observe that even though the real object of the Act may be to set aside the result of the mandamus issued by the Calcutta High

Court, yet, the Section does not mention this object at all. Probably this was so because the jurisdiction of the High Court and the effectiveness of

its orders derived their force from Article 226 of the Constitution itself. These could not be touched by an ordinary Act of Parliament. Even if

Section 3 of the Act seeks to take away the basis of the judgment of the Calcutta High Court, without mentioning it, by enacting what may appear

to be a law yet, I think that, where the rights of the citizen against the State are concerned, we should adopt an interpretation which upholds those

rights. Therefore, according to the interpretation I prefer to adopt the rights which had passed into those embodied in a judgment and became the

basis of a mandamus from the High Court could not be taken away in this indirect fashion.

28. The facts of that case were entirely different. In the Act which was being challenged, there was no non-obstains clause purporting to take away

the effect of the judgment of the Calcutta High Court. Letters Patent Appeal filed against the judgment whose effect was being taken away by the

provisions in question had been withdrawn. Bhagwati, J (as he then was) made a special mention of the aforesaid facts for purpose of holding that

the effect of the Calcutta High Court had not been nullified by the provisions in question:

It is significant to note that there was no reference to the judgment of the Calcutta High Court in the Statement of Objects and Reasons, nor any

non-obstains clause referring to a judgment of a Court in Section 3 of the impugned Act. The attention of Parliament does not appear to have been

drawn to the fact that the Calcutta High Court has already issued a writ of Mandamus commanding the Life Insurance Corporation to pay the

amount of bonus for the year April 1, 1975 to March 31, 1976. It appears that unfortunately the judgment of the Calcutta High Court remained

almost unnoticed and the impugned Act was passed in ignorance of that judgment. Section 3 of the impugned Act provided that the provisions of

the Settlement in so far as they relate to payment of annual cash bonus to Class III and Class IV employees shall not have any force or effect and

shall not be deemed to have had any force or effect from April 1, 1975 to March 31, 1976 remained untouched by the impugned Act. So far as

the right of Class III and Class IV employees to annual cash bonus for the year April 1, 1975 to March 31, 1976 was concerned, it became

crystallised in the judgment and thereafter they became entitled to enforce the writ of mandamus granted by the judgment and not any right to

annual cash bonus under the Settlement. This right under the judgment was not sought to be taken away by the impugned Act. The judgment

continued to subsist and the Life Insurance Corporation was bound to pay annual cash bonus to Class III and Class IV employees for the year

April 1, 1975 to March 31, 1976 in obedience to the writ of mandamus. The error committed by the Life Insurance Corporation was that it

withdrew the Letters Patent Appeal and allowed the judgment of the learned single Judge to become final. By the time the Letters Patent Appeal

came up for hearing, the impugned Act had already come into force and the Life Insurance Corporation could, therefore, have successfully

contended in the Letters Patent Appeal that, since the Settlement, in so far as it provided for payment of annual cash bonus, was annihilated by the

impugned Act with effect from April 1, 1975, Class III and Class IV employees were not entitled to annual cash bonus for the year April 1, 1975

to March 31, 1976 and hence to writ of mandamus could issue directing the Life Insurance Corporation to make payment of such bonus. If such

contention had been raised, there is little doubt, subject of course to any constitutional challenge to the validity of the impugned Act, that the

judgment of the learned single Judge would have been upturned and the Writ petition dismissed. But on account of some inexplicable reason,

which is difficult to appreciate, the Life Insurance Corporation did not press the Letters Patent Appeal and the result was that the judgment of the

learned single Judge granting writ of mandamus became final and binding on the parties. It is difficult to see how in these circumstances the Life

Insurance Corporation could claim to be absolved from the obligation imposed by the judgment to carry out the writ of mandamus by relying on

the impugned Act.

(emphasis supplied)

29. Because of the aforesaid factual position of that case the view expressed by the Constitution Bench in the Prithvi Cotton Mills Ltd. v. Broach

Borough Municipality (supra) was held to be of no help to the Life Insurance Corporation.

30. Reference was also made on behalf of the respondent to the judgment of this Court in the case of 275202 where it was observed in respect of

the Amendment Act, which was the subject matter of controversy in that case, that it could not nullify the effect of the writ issued by this Court in

D.J. Bhadur's case, relying on aforesaid judgment in the Madan Mohan Pathak (supra). From a bare reference to page 267 of the report, it

appears that the learned Judges placed reliance on the defect pointed out in the case of Madan Mohan Pathak by Bhagwati, J quoted above. In

other words, on peculiar facts and circumstances of the case it was held that the effect of the judgment in the case of D.J. Bahadur had not been

taken away by the Amending. Act. On behalf of the respondent, reliance was also placed on the cases of 272307 ; 267266 . In the case of

272842 , the aforesaid judgments in the cases of Janapada Sabha Chhindwara v. The Central Provinces Syndicate Ltd. and Anr. (supra) and The

Municipal Corporation of the city of Ahmedabad and Anr. Etc. Etc. v. The New Shrock Spg. and Wvg. Co. Ltd. Etc. Etc. (supra) were

distinguished by pointing out:

The decisions on which the respondent relies are clearly distinguishable. In the Municipal Corporation of the City of Ahmedabad v. New Shrock

Spg. and Wvg. Co. Ltd., the impugned provision commanded the Corporation to refuse to refund the amount illegally collected by it despite the

orders of the Supreme Court and the High Court. As the basis of these decisions remained unchanged even after the amendment, it was held by

this Court that the Legislature had made a direct inroad into the judicial powers. In *Janapada Sabha, Chhindwara v. Central Provinces Syndicate*

Ltd. The Madhya Pradesh Legislature passed a Validation Act in order to rectify the defect pointed out by this Court in the imposition of a case.

But the Act did not set out the nature of the amendment nor did it provide that the notifications issued without the sanction of the State Government

would be deemed to have been issued validly. It was held by this Court that this was tantamount to saying that the judgment of a court rendered in

the exercise of its legitimate jurisdiction was to be deemed to be ineffective. The position in *State of Tamil Nadu v. M. Ravappa Gounder*, was

similar. In that case the reassessments made under an Act which did not provide for reassessments were attempted to be validated without

changing the law retrospectively. This was considered to be an encroachment on the judicial functions.

In the instant case, the Amending Act of 1974 cures the definition contained in Section 2(15) of the vice from which it suffered. The amendment

has been given retrospective effect and as stated earlier the Legislature has the power to make the laws passed by it retroactive. As the Amending

Act does not ask the instrumentalities of the State to disobey or disregard the decision given by the High Court but removes the basis of its

decision, the challenge made by the respondent to the Amending Act must fail. The levy of the house-tax therefore be upheld.

31. In view of Sections 4, 5 and 6 of Act 25 of 1978 which cannot be held to be unconstitutional, there is no escape from conclusion that the

provisions which had been introduced in the Principal Act by Act 7 of 1974 have been effaced and courts have to proceed as if they had never

been introduced in the Principal Act. If this is the effect of Sections 4, 5 and 6 of Act 25 of 1978 then as a corollary it has to be held that under the

amendment Act 39 of 1972 the compensation amount payable for the surplus land under Schedule III to the Act was reduced from 9 times to 2

times of the net annual income w.e.f. 21.12.1972. Notification u/s 18(1) of the Act declaring 3414.78 acres of land of the respondent-company as

surplus was issued on 4.4.1973 after coming into force of amended Act 39 of 1972 aforesaid and because of the notification dated 4.4.1973 the

surplus lands vested in the State Government in view of Section 18(3) of the Act as it stood on that date. Thereafter, the Draft Assessment Roll

had to be published applying the rate of 2 times of the net annual income.

32. On behalf of the respondent, a stand was taken that Sections 4, 5 and 6 of Act 25 of 1978 shall not revive the notification dated 4.4.1973

which stood exhausted and a fresh notification had to be issued, even if the different provisions of Act 7 of 1974 shall be deemed to have been

obliterated. In this connection, it may be pointed out that Section 5(b) of Act 25 of 1978 provided unclear and unambiguous terms that

modification made to Section 18 of the Principal Act by Act 7 of 1974 ""shall be deemed never to have had the effect of vesting in the State

Government the surplus lands specified in any notification published under Sub-section (1) of the said Section 18 of the principal Act on or after

the 2nd May 1962 and before the date of publication of this Act in the Tamil Nadu Government Gazette, from a date earlier to the date of the

publication of the notification under the said Sub-section (1) and shall be deemed always to have had the effect of vesting in the State Government

such surplus lands, only with effect from the date of the publication of such notification."" Again Section 6(a) provides that notwithstanding anything

contained in any judgment, decree or order of any Court ""where before the date of publication of this Act in the Tamil Nadu Government Gazette,

a notification under Sub-section (1) of Section 18 of the principal Act has been published, the surplus land specified in such notification shall be

deemed to have vested in the State Government, with effect from the date of such publication only, and accordingly the provisions of the principal

Act, as modified by Section 4 of this Act, shall for all purposes apply and be deemed always to have been applied in respect of such surplus lands

so vested"". In view of the aforesaid deeming provisions, the notification which was issued on 4.4.1973 under Sub-section (1) of Section 18 of the

Principal Act shall be deemed to be valid and shall have the effect of vesting the lands in question in the State Government under Sub-section (3) of

Section 18 of the Principal Act w.e.f. 4.4.1973.

33. An objection was taken on behalf of the respondent that on 3.3.1978 the High Court had allowed the Writ Petition No. 624 of 1978 filed on

behalf of the said respondent and issued a writ of mandamus directing the State to comply with the judgment dated 8.10.1976 of the High Court in

Writ Petition No. 1464 of 1978 and as no appeal has been filed on behalf of the State before this Court against the aforesaid order dated

3.3.1978, the said order has attained finality and if the appeals filed on behalf of the State are allowed, it shall lead to an anomalous position. It

appears that the respondent had filed the aforesaid Writ Petition No. 624 of 1978 for a direction by the High Court to comply with the aforesaid

order dated 8.10.1976 in Writ Petition No. 1464 of 1974. In that Writ Petition a grievance had been made that respondents of that Writ Petition

were delaying the preparation of the Draft Compensation Roll on the plea that the SLP to Appeal to the Supreme Court along with an application

for stay had been filed on behalf of the State. In that Writ Petition, a learned Judge of the High Court directed to consider the determination of the

compensation and the preparation of the Draft Compensation Assessment Roll, u/s 50(3)(a) of the Act 58 of 1961 in respect of the excess lands

of the respondent. A copy of the writ of mandamus issued by the High Court in the said Writ Petition is on the record and the operative part

thereof is as follows:

The Respondents herein, are hereby directed to consider the determination of the compensation and the preparation of the Draft Compensation

Assessment Roll u/s 50(3)(a) of the Act 58 of 1961, in respect of the excess lands of the petitioner, acquired by you, in due compliance, fully and

properly of the judgment of this Court dated 8.10.76 and passed in W.P. Nos. 346 and 1464 of 1974 on or before 30.6.1978 and you, the

second respondent herein, are hereby directed to call upon the petitioner to furnish whatever information is required on or before 30.3.1978

(which information will be supplied to you by the petitioner within 15 days from the date of receipt of the said notice) and thereupon to proceed

forthwith to comply with the aforesaid directions of this Court dated 8.10.76 and passed in W.P. Nos. 346 and 1464 of 1974.

34. It cannot be disputed that by the aforesaid order dated 3.3.1978 the High Court had not determined any right or liability inter se between the

parties. It simply directed the State Government to comply with the direction given by order dated 8.10.1976 in Writ Petition No. 1464 of 1974

against which Civil Appeal No. 134 of 1980 has been filed. If an order dated 8.10.1976 is set aside by this Court, any direction given on

3.3.1978 in Writ Petition No. 624 of 1978 shall be of no consequence. It can be said that the direction which was given on 3.3.1978 was in the

nature of execution order.

35. It was then pointed out on behalf of the respondent that on 15.6.1978 Writ Misc. Petition No. 3153 in Writ Petition No. 624 of 1978 was

filed on behalf of the State for recall of the aforesaid order dated 3.3.1978 which was dismissed on 23.6.1978. It was stated that in the said

petition on behalf of the State, attention of the learned Judge was drawn to the fact that in the meantime Act 25 of 1978 had come in force and as

such there was no question of payment of compensation to the respondent in terms of the order dated 8.10.1976 as directed in Writ Petition No.

1464 of 1974. It was urged that as no appeal has been filed against the order dated 23.6.1978 on behalf of the State, the said order shall be

deemed to have become final in respect of the scope and Effect of Sections 4, 5 and 6 of Act 25 of 1978. The relevant part of order dated

23.6.1978 is as follows:

Even otherwise, the respondent herein has challenged the validity of Tamil Nadu Act 25 of 1978 and till the validity is upheld, it is not open to the

State of Tamil Nadu to maintain an application of this character....

Whatever may be said about the validity of the Act, which question need not concern me at this stage, I find great force in what Mr. N.R.

Narayanaswamy submits. In my Judgment rendered in W.P. 624 of 1978, I merely directed the State of Tamil Nadu to give effect to the judgment

of the Division Bench of this Court in W.P. Nos. 346 and 1464 of 1974. I directed full compliance of that judgment on or before 30th of June,

1978.

36. From a bare reference to the aforesaid order it appears that the learned Judge having clearly said that he was not considering the effect of

provisions of Act 25 of 1978, he dismissed the said writ Misc. Petition in view of the order passed on 3.3.1978. When the learned Judge refused

to consider the effect of the provisions of Act 25 of 1978, there is no question of the order dated 23.6.1978 having any effect, on the Special

Leave Petitions which had been filed on behalf of the State giving rise to Civil Appeal No. 134 of 1980 and Civil Appeal Nos. 352-354 of 1980.

37. It may be mentioned that a plea was taken on behalf of the appellant-State that as Act 25 of 1978 provides for the vesting of the land on a

particular date, it shall be deemed to be a law relating to agrarian reform and as such protected by Article 31-A of the Constitution. As such no

challenge based on Article 14 is available to the respondent. It was stated that the said Act had been reserved for the consideration of the

President and has received his assent and as such it shall not be deemed to be void on the ground that it is inconsistent with or takes away or

abridges any of the rights conferred by Article 14 of the Constitution. Help was also sought from Article 31-C which says that notwithstanding

anything contained in Article 13, no law giving effect to the policy of the State towards securing all or any of the principles laid down in Part IV

shall be deemed to be void on the ground that it is inconsistent with or takes away or abridges any of the rights conferred by Article 14. In this

connection, our attention was drawn to the fact that in Section 2 of Act 25 of 1978 it has been specifically declared that the said Act was being

enacted for giving effect to the policy of the State towards securing the principles laid down in particular Clauses (b) and (c) of Article 39 which is

in Chapter IV of the Constitution i.e. ownership and control of the material resources of the community are so distributed as best to subserve the

common good and that the operation of the economic system does not result in the concentration of wealth and means of production to the

common detriment. A stand was also taken on behalf of the appellant-State that Act 25 of 1978 has been included in the Ninth Schedule of the

Constitution and as such it has the protection of Article 31-B of the Constitution and its validity cannot be questioned on basis of Article 14 of the

Constitution. In view of the findings recorded above that Sections 4, 5 and 6 of Act 25 of 1978 are constitutionally valid and it has effaced the

amendments which had been introduced by Act 7 of 1974 in the Principal Act because of which it shall be deemed that notification issued u/s

18(1) of the Principal Act on 4.4.1973 was legal and valid and because of the said notification the lands declared as surplus vested in the State u/s

18(3) of the Principal Act, there is no necessity of decide as to whether Act 25 of 1978 has the protection of Articles 31-A, 31-B and 31-C of the

Constitution.

38. Once it is held that vesting of the surplus land had taken place on 4.4.1973, then the respondent shall be entitled to the compensation amount

which is to be worked out at 2 times of the net annual income because of Act 39 of 1972 which had reduced the multiple of the compensation

from 9 times to 2 times of the net annual income w.e.f. 21.12.1972. Accordingly, Civil Appeal No. 134 of 1980 and Civil Appeal Nos. 352-354

of 1980 are allowed. The judgment dated 8.10.1976 in Writ Petition No. 1464 of 1974 and judgment dated 20.7.1979 in Writ Petition No.

2341-2343 of 1978 of the High Court are set aside and the writ petitions filed on behalf of the respondent are dismissed. There shall be no order

as to costs.