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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

Date of Decision: 09th September, 2026

\# **CNR No. DLHC010267912009**

\+ W.P.(C) 6855/2009 & CM APPL. 40709/2018

CHHOTTO DEVI & ORS. .....Petitioners

Through: Mr. Prateek Gupta, Mr. Himanshu Bodwal & Mr. Pulkit Agarwal, Advocates. (M: 8587831043)

versus

FINANCIAL COMMISSIONER & ORS. .....Respondents

Through: Mr. Harshita Nathrani, Advocate for Mr. Sameer Vashisht, Standing Counsel (Civil) GNCTD for R-1 & R-2.

Mr. Vikram Nandajog, Mr. Sheetesh Khanna & Mr. Kartik Wadhwa, Advocates for R-6 to 11.

Mr. Praveen K. Chauhan, Ms. Anita, Mr. Imran Khan and Ms. Garvita Verma, Advocates for R-4, 5, 12.

CORAM:
HON'BLE MR. JUSTICE SANJEEV NARULA

JUDGMENT

SANJEEV NARULA, J. (Oral):

1. This dispute traces its origins to 1979. It has engaged this Court, in one form or another, since 2000 and has remained pending in the present petition since 2009. In the meantime, it has outlived Petitioner No. 1, Smt. Chhotto Devi, who stood at its centre. She was the widow of late Sardar Singh and, during the consolidation proceedings in Village Bamnoli, was

allotted a residential plot and a factory plot. Both allotments were withdrawn in 2002. What followed was a succession of proceedings: a judgment defining the extent of Chhotto Devi's interest, a private compromise founded on the possibility that the plots might be restored, and later transactions through which the present Petitioners claim rights in the property. Chhotto Devi died in 2011, while this petition remained pending. The controversy must therefore be decided not simply by asking whether she once had a grievance, but whether any Petitioner now before the Court has an enforceable right to the plots.

2. The present challenge is to the Financial Commissioner's order dated 28th November, 2008 under Section 42 of the East Punjab Holdings (Consolidation and Prevention of Fragmentation) Act, 1948, as extended to Delhi. Insofar as the two plots are concerned, that order has left undisturbed the Consolidation Officer's decision dated 1st April, 2002 withdrawing residential Plot No. 132 min. and factory Plot No. 79-F from Chhotto Devi. The Petitioners seek to have both orders quashed and the plots restored after withdrawing them from the private Respondents. That relief, however, depends on an antecedent question that must first be addressed: what interest, if any, survived the intervening judgment, the subsequent private arrangements and transactions, and Chhotto Devi's death, and whether any such interest is enforceable in the present proceedings?

From Allotment to Withdrawal: The Consolidation Dispute

3. Late Sardar Singh was the recorded bhumidhar of agricultural land in Village Bamnoli. On his death in 1979, mutation dated 19th October, 1979 came to be sanctioned in favour of his three sons, Balwan Singh, Khem Chand and Rambir Singh, and his widow Chhotto Devi, each having a one-

fourth share.

4. Consolidation proceedings were initiated in Village Bamnoli in 1993. A scheme was prepared on 29th November, 1996 and confirmed on 11th April, 1997. During repartition under Section 21(1), on 1st December, 1997, Chhotto Devi, who was then reflected as a recorded right-holder, was allotted agricultural land as well as residential Plot No. 132 and factory Plot No. 79-F. No objection under Section 21(2) was filed against these allotments. The repartition thus attained finality within the statutory hierarchy under Section 21, though it remained amenable to the separate revisional jurisdiction under Section 42.

5. By then, however, the sons of Sardar Singh had challenged the 1979 mutation. The challenge was founded, *inter alia*, on the registered Will relied upon by the sons. The Deputy Commissioner, by order dated 27th August, 1999, set aside the mutation, and Chhotto Devi's appeal before the Financial Commissioner was dismissed on 11th October, 1999. She then filed CWP No. 65/2000 before this Court.

6. While CWP No. 65/2000 was pending, Khem Chand moved an application dated 30th January, 2002 before the Consolidation Officer. The Consolidation Officer thereafter passed a composite order dated 1st April, 2002 dealing with Kami-Beshi adjustments in the relevant Khatas. In relation to Khata No. 144, the order withdrew residential Plot No. 132 min, measuring 2 bigha 2 biswa, and Factory Plot No. 79-F, measuring 0 bigha 6 biswa. Against the deficiency thereby arising, agricultural parcels measuring in aggregate 5 bigha 10 biswa were shown against Khata No. 144. The parties are, however, at variance as to the legal and factual effect of this adjustment and as to the manner in which the agricultural land was

subsequently reflected in the revenue records.

7. There is no separate discussion in the order explaining why the two plots allotted to Chhotto Devi in 1997 were being withdrawn. Nor is any reason for the withdrawal recorded against Khata No. 144; the entry merely records the withdrawal of the two plots and the allotment of agricultural land in their place.

8. Chhotto Devi's case is that she was never put to notice before this was done and learnt of the withdrawal only on 5th October, 2002. She thereafter invoked Section 42 of the Act by filing a revision on 11th December, 2002. In her revision, she pointed out that no objection under Section 21(2) had ever been filed against the allotments made to her in 1997 and that, several years later, the two plots had been withdrawn without notice or reasons.

The statutory scheme and the order dated 1st April, 2002

9. The first question concerns the manner in which Chhotto Devi's allotment was withdrawn. Section 21 provides the statutory framework for repartition. A person aggrieved by the repartition may object under Section 21(2), followed by the remedies contemplated in the succeeding sub-sections. It is not in dispute that no objection under Section 21(2) was filed against the residential and factory plots allotted to Chhotto Devi in 1997.

10. The significance of that fact is limited, but important. The withdrawal of her plots in 2002 was not the result of an objection directed against her allotment. The explanation subsequently furnished by the Consolidation Officer was that the mutation on the strength of which she had participated in the repartition had been set aside in 1999 and that she had therefore ceased to be entitled to the plots. What was acted upon was thus a subsequent development affecting the very basis of her entitlement.

11. The Act permits corrections in appropriate cases, including correction of accidental slips under Section 43-A. The 2002 order, however, was a wider, composite Kami-Beshi exercise covering objections, deficiencies, excess allotments and mutation-related adjustments. It is unnecessary to determine the precise source or limits of the Consolidation Officer's authority for every adjustment in that village-wide order.

12. Chhotto Devi's case nevertheless presents a clear difficulty of its own. Her allotment was altered because the very basis of her eligibility was considered to have disappeared. She was not heard before that conclusion was acted upon. The order dated 1st April, 2002 contains no separate discussion of her case and records no reason against Khata No. 144 for withdrawing the two plots.

13. Section 42 then assumes importance. It confers a revisional power to examine the legality or propriety of an order or repartition and requires notice and an opportunity of hearing to an interested party before a repartition is varied or reversed. Chhotto Devi's complaint that an existing allotment had been substantively reconsidered without hearing her was, in these circumstances, not without force.

14. The Court need not carry the statutory question any further. Even if the procedural challenge to the order dated 1st April, 2002 is accepted in Chhotto Devi's favour, restoration of the plots does not follow as a matter of course. That relief depends upon the nature of the interest which Chhotto Devi could assert, what became of that interest thereafter, and the basis on which the other Petitioners now claim. It is at this stage that the judgment dated 31st March, 2003 and the transactions which followed assume significance.

The 2003 Judgment and the Rights That Followed

15. CWP No. 65/2000 was decided on 31st March, 2003. The judgment determined the nature of Chhotto Devi's interest in Sardar Singh's holding. This Court held that she did not inherit an independent share, whether succession was considered under Section 50 of the Delhi Land Reforms Act, 1954[1] or on the basis of the registered Will relied upon by the sons. It also examined whether the 1979 mutation reflected a broader family settlement. The statement recorded at the time showed that Chhotto Devi was to hold one-fourth during her lifetime, after which it would pass to the three sons. The Court accordingly held:

> *"Thus the clear intention even in making such a settlement was that the Petitioner be given life interest in the property with clear understanding that after her death said share shall devolve upon the three sons. Therefore, even if proceedings before the Tehsildar are to be treated as family settlement this family settlement give only life interest to the Petitioner. The Petitioner, who would not have got any share in the suit land either under section 50 or under section 48 because of will, got only life interest by virtue of settlement of Respondents 3 to 6 before the Tehsildar."*

The operative direction left no ambiguity:

> *"…the suit land would remain mutated in Petitioner's favour during her life time i.e. she would have only life interest in the suit land. As a sequitur, the Petitioner shall remain in possession of the suit land during her life time and would not be dispossessed by Respondents 3 to 6. However, she will have no right to sell the suit land which would revert back to the Respondents 3 to 6 after her death."*

16. By the time this judgment was delivered, the Consolidation Officer had already withdrawn Plot Nos. 132 and 79-F by order dated 1st April, 2002, and the consolidation record had been altered. Yet neither the judgment dated 31st March, 2003 nor the proceedings leading to it addressed

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[1] "DLR Act"

that order. The private Respondents have consistently maintained that the consolidation proceedings and the repartition were not disclosed to the Court, and that CWP No. 65/2000 therefore proceeded on the footing that the dispute still concerned Sardar Singh's original agricultural holding.

17. Nothing turns on whether this omission amounted to fraud or misrepresentation, as some of the Respondents contend. The judgment dated 31st March, 2003 conclusively settled, as between Chhotto Devi and respondents No. 3 to 6 in CWP No. 65/2000, the nature and extent of her interest in the holding which was the subject of the mutation dispute. It did not examine the legality of the Consolidation Officer's order dated 1st April, 2002 or determine the rights claimed by the persons to whom the plots had meanwhile been allotted. Chhotto Devi herself proceeded on that distinction; her revision under Section 42 against the consolidation order was already pending when the judgment was delivered. She therefore accepted the judgment as determination of her rights.

The Compromise and the Derivative Claims

18. The present claim is shaped by what the parties did immediately after that judgment.

19. On 26th May, 2003, Chhotto Devi entered into a Deed of Compromise with Balwan Singh, Khem Chand, the heirs of Rambir Singh, and Raj Singh and Preet Singh, now Petitioners No. 2 and 3. The deed acknowledged both sides of the existing position: the judgment had confined Chhotto Devi to a life interest and restrained her from transferring it, while Plot Nos. 132 and 79-F had already been withdrawn and the challenge to that withdrawal remained pending before the Financial Commissioner.

20. The transaction with Raj Singh and Preet Singh was therefore not a

sale of an undisputed plot standing in Chhotto Devi's name. The bargain was expressly made subject to the pending dispute. The compromise contemplated that Raj Singh and Preet Singh would purchase Plot No. 132 for Rs.26,35,000/-, of which Rs.11,35,000/- was to go to Chhotto Devi and Rs.15,00,000/- to Balwan Singh and the other members of that branch. It further provided that Plot No. 132 would be sold if it was restored to Chhotto Devi; if it was not restored, the arrangement would operate in relation to agricultural land which had been allotted in lieu thereof.

21. The deed also gives three bighas and three biswas of specified agricultural land to Balwan Singh and the other members of the second party, and explains their participation by saying that they were "parting with their right" and receiving consideration in respect of the proposed sale of Plot No. 132 or the alternative land. Plot No. 79-F, on the other hand, was stated to remain with Chhotto Devi.

22. The deed must therefore be read for what it was. Chhotto Devi held one part of the asserted interest; the persons in whose favour the 2003 judgment recognised the ultimate interest held another; Raj Singh and Preet Singh were the proposed purchasers. Their arrangement could create obligations among them. By itself, it could neither undo the order dated 1st April, 2002 nor bind those to whom portions of the plots had meanwhile been allotted.

23. The parties themselves evidently understood that difficulty. They approached this Court by CM No. 6653/2003 seeking recording of the compromise and modification of the judgment dated 31st March, 2003 so that the changed arrangement could receive judicial recognition.

24. The application was not allowed in that form. The order dated 30th

May, 2003 recorded as follows:

> *"The writ petition was disposed of by order dated 31.3.2003. This application has now been filed after the disposal of the writ petition for recording of compromise in accordance with the Deed of Compromise arrived at between the parties and duly signed by them. After the disposal of the petition, in my opinion, the application for recording of compromise is not maintainable. If the parties have arrived at a settlement they can enter into the same without, in any manner, approaching the Court and the order dated 31.3.2003 will not come in the way of the parties in arriving at a settlement. The application stands disposed of."*

25. The Petitioners describe the compromise as having been "affirmed" by the Court and, from that premise, contend that Chhotto Devi became absolute owner. The order does not say so. It declined to record the compromise because the writ petition had already been disposed of. It neither modified the judgment dated 31st March, 2003, nor declared Chhotto Devi absolute owner, nor validated a transfer. It said only that the earlier judgment did not prevent the parties from settling their disputes privately.

26. The compromise therefore remained an arrangement *inter se*. Its legal effect had to depend upon the rights which its parties possessed and were capable of dealing with. It did not acquire the character of a judgment or decree merely because it had been placed before the Court.

27. This distinction becomes important because, in June 2006, Chhotto Devi and Petitioners No. 2 and 3 executed a registered Memorandum of Understanding. The MOU asserts that the life interest recognised by the judgment dated 31st March, 2003 stood "automatically removed" by reason of the order dated 30th May, 2003 and the compromise. That assertion in the document cannot determine its own legal effect. The order dated 30th May, 2003 did not remove the life interest.

28. The MOU also cannot, merely because it was registered, be treated as

having conveyed a title which its executant did not possess. Section 54 of the Transfer of Property Act, 1882[2] distinguishes an agreement for sale from a conveyance. The Supreme Court in ***Suraj Lamp & Industries (P) Ltd. v. State of Haryana***,[3] reiterated that an agreement to sell or an SA/GPA/Will arrangement does not by itself convey title to immovable property; a lawful conveyance requires the appropriate registered instrument. No registered sale deed conveying Plot No. 132 from all persons whose rights are relied upon has been shown to this Court.

29. There is another point. The 2006 MOU is between Chhotto Devi on one side and Raj Singh and Preet Singh on the other. Balwan Singh, Khem Chand and the Rambir branch, whose participation in the May 2003 arrangement is relied upon to overcome Chhotto Devi's limited estate, are not shown as executants of that MOU. The MOU could therefore take Petitioners No. 2 and 3 no further than the rights which Chhotto Devi herself could convey, subject of course to whatever independent contractual remedies may arise against the parties to the earlier compromise. Those questions do not fall for adjudication in this writ petition.

30. The proceedings before the Financial Commissioner thereafter took their own course. An earlier order dated 16th February, 2006 had dismissed the revision on a technical issue arising from the death of Hira Lal, one of the allottees, who had died even before the order dated 1st April, 2002. In W.P.(C) No. 3280/2006, this Court held on 3rd August, 2007 that an allotment could not validly have been made in favour of a dead person without his legal representatives being brought on record. It nevertheless

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[2] "TPA"
[3] (2012) 1 SCC 656

expressly declined to examine the merits, brought the legal representatives on record and remanded the revision for a fresh decision.

31. Raj Singh and Preet Singh were thereafter permitted, under Order XXII Rule 10 CPC, to prosecute the revision *qua* residential Plot No. 132. Their participation in the proceedings cannot therefore be rejected on the simple ground that they have no locus at all. A transferee *pendente lite* may be heard to protect the interest which he claims through his transferor. ***Amit Kumar Shaw v. Farida Khatoon***[4] recognises that position. But such a transferee represents the interest which he has acquired; he does not obtain a better one merely by being impleaded.

32. A right to be heard is not, by itself, a right to relief.

33. Petitioners No. 2 and 3 knew, when they entered the transaction, that Plot No. 132 had already been withdrawn. Their own compromise says so. Their bargain was that they would obtain Plot No. 132 if it came back, and the alternative agricultural land if it did not. Their claim to the residential plot was thus built upon the success of Chhotto Devi's pending challenge and upon the private obligations undertaken by Balwan Singh and the other family members. It was never an independent statutory allotment in their favour.

What Rights Survive?

34. The question, then, is what remains enforceable today.

35. The judgment dated 31st March, 2003 has never been set aside. It fixed the nature and limits of Chhotto Devi's interest: she could remain in possession during her lifetime, but could not sell, and the interest would revert to Respondents No. 3 to 6 on her death.

36. Chhotto Devi died on 10th May, 2011. The life interest recognised in her favour by the judgment dated 31st March, 2003 came to an end with her death and the property remitted to the Respondents. Substitution of a legal representative enables the estate of a deceased litigant to be represented in pending proceedings; it does not enlarge the substantive interest which devolves upon the estate. It is unnecessary here to decide the full extent to which the challenge to the order dated 1st April, 2002 may survive for any other purpose. What is clear is that the life interest itself did not survive Chhotto Devi and could not pass to her legal representative.

37. Petitioners 2 and 3 stand on a different footing, but not on stronger ground. Their claim is wholly derivative. Order XXII Rule 10 CPC entitled them to continue the pending proceeding as persons upon whom an interest was said to have devolved; it did not adjudicate the validity of that devolution or enlarge the interest transferred. As explained in *Amit Kumar Shaw* a transferee *pendente lite* is brought in only to protect the interest acquired from the transferor and remains bound by the result of the pending proceedings. Section 52 of TPA rests on the same premise: a transfer during litigation cannot prejudice the rights being adjudicated. Petitioners No. 2 and 3 may therefore enforce the May 2003 bargain against its signatories, subject to its validity and the remedies available in law; but they cannot convert it into a statutory allotment or use it to defeat persons claiming under the consolidation record. The order dated 30th May, 2003 did not approve the compromise, and the 2006 MOU could not confer by private assertion what neither the judgment nor the statute had granted.

38. The Petitioners' case brings together two legally distinct streams: the

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[4] (2005) 11 SCC 403

statutory proceedings culminating in the order dated 1st April, 2002, and the private arrangement subsequently entered into between Chhotto Devi, Respondents No. 3 to 6 and Petitioners No. 2 and 3, followed by the later MOU. The two cannot be treated as interchangeable. In ***Kale v. Deputy Director of Consolidation***,[5] the Supreme Court recognised that a *bona fide* family settlement, acted upon by its parties, is binding *inter se* and cannot lightly be resiled from. That principle supports the efficacy of the arrangement between those who entered into it, but carries the Petitioners no further. Whatever rights the settlement may have created amongst its parties, it could not, by its own force, restore Plot Nos. 132 and 79-F or displace allotments made in the consolidation proceedings. Those consequences had to follow, if at all, from the statutory process itself.

39. The same limitation is reflected in ***Sayunkta Sangarsh Samiti v. State of Maharashtra***[6]. There, the Supreme Court declined to permit consent terms and an MOU between private parties to supplant the allotment mechanism prescribed under a statutory slum-rehabilitation scheme. The decision is relevant here only to that extent: private consent cannot take the place of the statutory process by which an allotment is made or altered.

40. Section 54 of the TPA supplies the statutory answer to the character of the May 2003 bargain. A contract for sale does not, of itself, create any interest in or charge upon the property. As explained in ***Narandas Karsondas v. S.A. Kamtam***,[7] an agreement for sale creates no interest in the immovable property; title passes only upon conveyance. The compromise could therefore create contractual obligations between its parties, but could

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[5] (1976) 3 SCC 119
[6] 2023 SCC OnLine SC 1684

not itself effect restoration of Plot No. 132 or vest title in it.

41. That distinction matters at the stage of relief. Even if the order dated 1st April, 2002 is treated as procedurally defective for want of notice, quashing it would not, by itself, establish a present right in any Petitioner to Plot Nos. 132 or 79-F. The interest recognised in Chhotto Devi by the judgment dated 31st March, 2003 was confined to her lifetime. Petitioners No. 2 and 3 base their claim on the private arrangements which followed, while the plots have meanwhile been allotted to, and are claimed by, others in the consolidation proceedings. Those competing claims cannot be resolved merely by setting aside the 2002 order. Nor would a remand confined to the procedure then adopted answer the question of present entitlement. In the absence of a subsisting right to restoration, neither mandamus nor a remand would serve any effective purpose.

42. Plot No. 79-F presents an additional difficulty for Petitioners No. 2 and 3. The May 2003 compromise itself states that Chhotto Devi would remain owner of Plot No. 79-F. Petitioners No. 2 and 3 were permitted by the Financial Commissioner to prosecute the revision *qua* the residential plot. Their transaction was principally directed to Plot No. 132. Whatever derivative claim they may assert in relation to Plot No. 132, there is no comparable foundation for an independent claim by them to Plot No. 79-F.

43. There is also a contention under Section 14 of the Hindu Succession Act, 1956 which requires brief notice. Although not argued, Ground U of the writ petition asserts that Chhotto Devi became absolute owner under Section 14 because she had obtained and possessed one-fourth pursuant to the 1979 mutation. Since the point concerns the very nature of the interest now

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[7] (1977) 3 SCC 247

asserted, it is appropriate to deal with it.

44. Section 14(1) undoubtedly has a wide remedial purpose. But it does not convert every restricted estate held by a Hindu woman into an absolute one regardless of the source from which the interest arose. Section 14(2) expressly deals, among other things, with property acquired under an instrument, decree or order which itself prescribes a restricted estate. The distinction drawn in ***V. Tulasamma v. Sesha Reddy***[8] and reiterated in ***Ranvir Dewan v. Rashmi Khanna***,[9] is between an instrument which merely recognises a pre-existing right of the woman and one which creates a new and restricted right for the first time. A restricted estate given in recognition of a pre-existing right such as maintenance stands on a different footing from a fresh grant carrying its own limitation.

45. The writ petition also invokes Section 14 of the Hindu Succession Act, 1956 to contend that the interest held by Chhotto Devi had enlarged into absolute ownership. It is unnecessary to enter upon the wider question concerning the operation of Section 14 in cases of restricted estates. The judgment dated 31st March, 2003 had itself examined the source and extent of Chhotto Devi's interest. It held that she would not otherwise have inherited the share either under Section 50 of the DLR Act or under the Will, and that the one-fourth interest available to her arose from the arrangement made by Respondents No. 3 to 6 at the time of mutation. The Court then expressly confined that interest to her lifetime and prohibited its sale.

46. If Chhotto Devi's case is that Section 14 of the Hindu Succession Act had already enlarged her interest into absolute ownership, that position

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[8] (1977) 3 SCC 99
[9] (2018) 12 SCC 1

cannot be reconciled with the final directions in the judgment dated 31st March, 2003. The Court expressly confined her to a life interest, prohibited its sale and directed that the property would revert after her death. That judgment was never modified. After the May 2003 compromise, the parties did seek to have the changed arrangement recognised by this Court, but the disposed writ was not reopened and they were left to their private settlement. The present challenge to the consolidation order dated 1st April, 2002 cannot now be used to recast the nature of Chhotto Devi's interest as finally declared in 2003.

47. There is some further context. Sardar Singh's succession opened in 1979. In ***Har Naraini Devi v. Union of India***,[10] the Supreme Court has since confirmed that, in relation to agricultural holdings governed by the DLR Act, succession which opened prior to the 2005 amendment of the Hindu Succession Act stood governed by the special regime under the DLR Act and rights which had crystallised earlier were not displaced retrospectively. This is not by itself the answer to the Section 14 issue, but it reinforces the statutory setting in which the judgment dated 31st March, 2003 determined the succession.

48. Much was also said about the allotment made to Hira Lal despite his having died on 27th April, 2001. That was undoubtedly an irregularity. Indeed, this Court said so while remanding the matter in 2007. But the consequence of that irregularity cannot be enlarged beyond what the earlier judgment itself held. The legal representatives were brought on record and the revision was remanded for adjudication on merits. The defect concerning one allottee does not, by itself, confer title to the entirety of Plot Nos. 132

and 79-F upon the present Petitioners or invalidate every adjustment contained in the village-wide order dated 1st April, 2002.

The Financial Commissioner's Order

49. The impugned order is problematic on two counts. Its observations on the private compromise travel beyond the consolidation dispute; more fundamentally, the finding in paragraph 9 rests on a factual premise that the record does not support.

50. The Financial Commissioner held that the purported sale of the residential plot, and the sharing of its proceeds between Chhotto Devi and Sardar Singh's sons, was impermissible. He then reasoned that the sons, having received "monetary compensation" under that transaction, could not also retain agricultural land allotted in lieu of the residential and factory plots. On that basis, he set aside what he understood to be an allotment of agricultural land to the sons. In context, "monetary compensation" meant consideration under the private transaction, not compensation from land acquisition. The later MOU records payment of Rs.15 lakhs to Balwan Singh and the others, and Rs.11.35 lakhs to Chhotto Devi.

51. The record shows otherwise. The order dated 1st April, 2002 did not allot the substitute agricultural land to Sardar Singh's sons. It withdrew Plot Nos. 79-F and 132 min. from Khata No. 144, standing in Chhotto Devi's name, and entered the substitute agricultural parcels against the same khata. The later *Khatoni Pamaish* for 2002-03 does reflect the agricultural holding in the names of Balwan Singh, Khem Chand, Vicky and Rohit. That may explain the error, but it cannot alter the order actually made on 1st April, 2002.

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[10] 2022 SCC OnLine SC 1265

52. The reasoning based on the private payment also overlooks the structure of the compromise. The parties knew that Plot No. 132 had already been withdrawn and provided for two outcomes. If restored, it would be sold to Petitioners No. 2 and 3. If not, land measuring 5 bighas 3 biswas out of the specified agricultural land would take its place, without refund of the amount already paid. The sons joined the arrangement and agreed to part with whatever rights they asserted in the plot or the substitute land. The later MOU carried the same arrangement forward.

53. The consideration paid under that bargain may have consequences between its parties. It did not, however, supply a statutory ground to cancel the agricultural allotment made in the consolidation proceedings. Nor did the arrangement itself contemplate that the sons would retain both the consideration and the substitute land: if Plot No. 132 was not restored, the substitute land was to pass to Petitioners No. 2 and 3. Whether that arrangement was ultimately acted upon is a different matter. The Financial Commissioner was required to examine the agricultural allotment under the Act and the consolidation scheme, not treat the private bargain as a substitute for that inquiry.

54. Paragraph 9 of the impugned order therefore cannot stand insofar as it sets aside the agricultural allotment made under the order dated 1st April, 2002. Chhotto Devi expressly challenged that finding in this petition, pointing out that the land had been allotted against her khata, not to the sons as the Financial Commissioner assumed. To that limited extent, the order must be set aside.

55. This limited conclusion does not decide present entitlement to the agricultural land or to compensation from its later acquisition. The revenue

entries changed; Chhotto Devi's interest was defined by the judgment dated 31st March, 2003; and the parties later executed the compromise and the MOU. The acquisition award also records Chhotto Devi against several of the substitute parcels. These matters may bear on entitlement to compensation, but that issue neither arises for decision nor requires determination in this writ.

The Relief That Can Now Be Granted

56. Setting aside paragraph 9 of the impugned order does not entitle the Petitioners to the principal relief sought: restoration of Plot Nos. 132 and 79-F. That question must be considered separately.

57. Chhotto Devi's interest cannot now sustain the relief sought. The binding judgment dated 31st March, 2003 confined that interest to her lifetime; it therefore ended with her death.

58. Nor do Petitioners No. 2 and 3 acquire a present statutory entitlement from the May 2003 compromise or the later MOU. They could enter the pending proceedings and be heard in support of the interest which they claimed to have acquired under those transactions. But they contracted after Plot No. 132 had been withdrawn, with knowledge that its restoration was disputed. The order dated 30th May, 2003 neither converted the compromise into a decree nor enlarged Chhotto Devi's life interest into absolute ownership.

59. The rights asserted through Balwan Singh, Khem Chand and Rambir Singh's branch stand no differently. Their agreement to part with their interests could bind the parties to that arrangement. It could not, without action under the statutory scheme, allot Plot No. 132 to Petitioners No. 2 and 3 or displace those claiming under the consolidation record.

60. The present state of the land adds a further difficulty. Khasra No. 132 is divided into several sub-parts recorded in different names, while Khasra No. 79 is shown in another person's name. These entries are not proof of title. They do, however, show that restoration of the entire plots would require adjudication of rights far beyond the procedural defect in the order dated 1st April, 2002.

61. Chhotto Devi was justified in complaining that an existing allotment had been altered without notice. Yet acceptance of that procedural challenge does not establish a present right in any Petitioner to Plot Nos. 132 or 79-F. A remand confined to the procedure followed in 2002 would not resolve the present entitlement either. That question cannot be answered without accounting for the judgment dated 31st March, 2003, the later private arrangements, Chhotto Devi's death and the rights now asserted by others.

62. The petition is accordingly allowed only to this limited extent: paragraph 9 of the Financial Commissioner's order dated 28th November, 2008 is quashed insofar as it sets aside the agricultural allotment made under the Consolidation Officer's order dated 1st April, 2002. The prayer to set aside the withdrawal of Plot Nos. 132 and 79-F and to direct their restoration is declined. This Court does not, however, endorse every reason given by the Financial Commissioner for refusing that relief.

63. Nothing in this judgment determines the existence, enforceability or extent of any contractual right arising from the Deed of Compromise dated 26th May, 2003 or the subsequent MOU. Nor does it decide entitlement to compensation for acquisition of the substitute agricultural land, whether claimed by Chhotto Devi's estate, Sardar Singh's branch, Petitioners No. 2 and 3, or any other person. It is for the concerned parties to decide whether,

and in what manner, they wish to pursue those claims before the appropriate forum in accordance with law. All rights and contentions in that regard are left open.

SANJEEV NARULA, J

SEPTEMBER 9, 2026
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