**(2007) 04 AHC CK 0270**

**In the Allahabad High Court**

U.P. State Sugar Corporation Ltd. and General Manager, U.P. State Sugar Corporation Ltd. — APPELLANT

Vs

Sri Vinod Chand Gupta and Smt. Prakashwati Gupta — RESPONDENT

**Date of Decision :** 20-04-2007

**Acts Referred:**

Evidence Act, 1872 — Section 116
Transfer of Property Act, 1882 — Section 111

**Citation :** (2007) 3 AWC 3058 : (2007) 102 RD 824

**Hon'ble Judges :** Sunil Ambwani, J

**Bench :** Single Bench

**Final Decision :** Allowed

# Judgement

Sunil Ambwani, J.—Heard Shri J.N. Tiwari, Sr. Advocate assisted by Shri Rajendra Kumar Srivastava for the appellants and Shri V.K.S. Chaudhary, Sr. Adv. assisted by Shri Rohit Agrawal for the respondents.

2. This second appeal filed in September 1984 arises out of Original Suit No.212 of 1981 for arrears of rent, damages and eviction of U.P. State Sugar Corp. Ltd. through its Chairman, defendant No. 1 and General Manager, U.P. State Sugar Corporation Ltd, Unit Bijnor, defendant No.2 from 3 bigha 8 biswa land in the tenancy of defendants vide registered lease deed dated 26.6.1976 for a fixed period upto 1387 F. (1980) at the annual rent of Rs. 850/-, after a notice dated 10.12.1979 terminated the lease. The trial Court by its judgment and decree dated 14.4.1982 decreed the suit for damages at the rate of Rs. 850/- per year with effect from the date ofxexpiry of the lease. The suit for ejectment, however, was dismissed. The Corporation filed Civil Appeal No.360 of 1982 and the plaintiffs Shri Vinod Chandra Gupta and another, filed a Civil Appeal No.297 of 1982. The civil appeal filed by the Corporation was dismissed. The civil appeal filed by the plaintiffs, however, was allowed with costs and the suit for ejectment was also decreed with recovery of Rs. 850/- for the year 1981 and damages at the rate of Rs. 85O/- on payment of the Court fees. The defendant-Corporation

was directed to hand over the vacant possession by 01.9.1984. The Second Appeal No.2436 of 1984 arises out of Civil Appeal No.297 of 1982 and the Second Appeal No.2444 of 1984 arises out of Civil Appeal No.360 of 1982 decided by the Appellate Court by a common judgment and decree dated 01.8.1984.

3. The second appeal was admitted on 15.10.1984 on the following substantial questions of law:

(1) Whether the Shiv Prasad Banarasi Das Sugar Mills, Bijnor being a scheduled undertaking as defined under the U.P. Sugar Undertakings (Acquisition) Act and the same having been acquired under this Act, the land lawfully occupied for the purpose of the factory including the lease-hold interest therein stood acquired thereunder and vested in the U.P. State Sugar Corporation Ltd., free from any debt, mortgage, charge or other encumbrance or lien, trust or similar obligation attaching to the undertaking and this being the correct position in law the relief sought for by the plaintiff-respondents could not have been granted?

(2) Whether the plaintiff-respondents were not entitled in law to grant any alleged lease in favour of the mills and hence all their rights in the land stood extinguished and no advantage could be taken by them in law of the alleged declaration u/s 143 of U.P. Act 1 of 1951?

(3) Whether the alleged declaration u/s 143 of U.P. Act 1 of 1951 was illegal, the land in suit had vested in the State Government and now the Corporation became owner thereof?

(5) Whether constructions of a permanent nature having been made, on the land in question within the knowledge of the plaintiff-respondents they had no right in law to evict the Corporation from the land in suit?

(8) Whether the lower appellate Court has erred in law in assuming that the alleged tenancy was for a fixed period and stood automatically terminated by lapse of time?

4. After several adjournments the second appeal was heard on 5th and 6th April, 2007 and the judgment was reserved. By an application dated 9th April, 2007, a brief note of written argument, with a document ''Report of Receiver for the Year 1973-74'', was filed. The Court rejects the attempt to introduce additional evidence at this stage.

5. According to the plaint allegations, Shri Ram Narain Gupta; the father of Shri Vinod Chand Gupta, plaintiff No. 1 were in possession of a grove Arazi Khasra No.892 area 4 bigha 3 biswa, Mauza Rashidpur, Garni Pargana, Bijnor, which has been declared as non-agricultural area u/s 143 of U.P. Zamindari Abolition & Land Reforms Act, 1951 (in short the Act of 1951) on 20.1.1972 and that the provisions of the Act of 1951 are not applicable. Shri Ram Narain died leaving a ''will'' dated 04.9.1979 by which he gave his share in the grove to Smt. Prakashwati, defendant No.2. The plot was earlier numbered as Plot No.564, and

 

that after consolidation operations it is numbered as Plot No.892. The S.B. Sugar Mills Bijnor is situated towards north of the grove. An area of 3 bigha and 8 biswa of the grove is under tenancy of S.B. Sugar Mills for some time, used by the mill for parking vehicles laden with sugarcane. The remaining area of 15 biswa is in the possession of the plaintiffs. The S.B. Sugar Mills Bijnor was a partnership firm. A Suit No.26 of 1948 (Setli Kundan Lai v. Seth Banarasi Das for dissolution of partnership is pending in the Court of Civil Judge, Bijnor in which the Court had appointed a receiver of S.B. Sugar Mills Bijnor for its management. In the year 1976 Shri M.M. Gupta, PCS was receiver of S.B. Sugar Mills Bijnor. The period of lease expired in June 1976 and that on 25.6.1976 Shri Ram Narain Gupta acting for himself and holding power of attorney for plaintiff No. 1 executed a registered lease in favour of S.B. Sugar Mills from the year 1383-1387 F. (1976-1980) at the rate of Rs. 850/- per year and since, thereafter, S.B. Sugar Mills is in possession over the land as tenant.

6. It was further stated in the plaint that S.B. Sugar Mills Bijnor was acquired by defendant No. 1 and that since, thereafter, defendant No. 1 came in possession of the land as tenant till the end of the period of tenancy. By a notice dated 10.12.1979 the defendant No. 1 determined the tenancy and informed the tenant to give vacant possession by 30.6.1980. The notice was received but that the defendant did not give any reply. The land was given for parking of the vehicles laden with sugarcane with the condition that if necessary a tin shed may be constructed. By a notice dated 10.12.1979 the defendants were asked to remove their constructions and hand over vacant possession. In the relief clause the plaintiff prayed for possession of 3 bigha 8 biswa of Plot No.892 after evicting the defendants, arrears of rent of Rs. 850/- and Rs. 1700/- towards damages for use and occupation for the period 1979-80 and 1980-81, and thereafter, Rs. 800/- per year till the possession is handed over to the plaintiffs.

7. In the written statement filed by Shri P.K. Aren of U.P. State Sugar Corporation Ltd. Unit Bijnor it was admitted in Para 2 that Shri Ram Narain has died and in Para 4, that the land, which is vested in the State Government is situate towards south and was used for parking of vehicles. Rest of the plaint allegations were denied. In the additional pleas it was stated that the land was agricultural land and that plaintiff or his father did not have a right to give the land on lease. On the execution of the lease of agricultural land, all the rights of plaintiffs have come to an end and that they cannot get any benefit out of declaration u/s 143. If any such declaration is made u/s 143, it is illegal and is not binding upon the defendants. The land is vested in the State Government under the U.P. Sugar Undertakings '' (Acquisition) Act, 1971 and that now defendant No. 1 is the owner of the land. In the alternative it was stated in para 18 that even if the land is taken on lease the defendant''s status is of permanent lessee. There are constructions made by the defendants on the land of which the plaintiff has full knowledge and thus the prayer for eviction is incorrect. The Court does not have jurisdiction to hear the suit and that the notice does not terminate the tenancy. It was further stated that the letters written by the plaintiff after the notice amount

 

to waiver of the notice.

8. In the documentary evidence the plaintiffs filed declaration u/s 143 of the Act of 1951, lease deed and the notice. The plaintiff Shri Vinod Chand Gupta examined himself as PW-1 and was cross-examined. The defendant did not lead any evidence at all.

9. The trial Court held that late Shri Ram Narain Gupta and Shri Vinod Chand Gupta were the owners of Arazi No.892 and were bhumidhars of the land of which 3 bigha 8 biswa is in possession of the defendants. The declaration u/s 143 of the U.P. Zamindari Abolition & Land Reforms Act, 1950 (the Act of 1950) in respect of Khasra No.892 area 4 bigha 3 biswa was correctly made in respect of the land. Section 2 (h) of the U.P. Sugar Undertakings (Acquisition) Act, 1971 defines schedule undertaking and that all land and building detailed in sub-clause (VI) includes lease hold interest therein, which means, that after the Corporation acquired S.B. Sugar Mills, lease hold interest were taken over by the Corporation. The lease was for a period of 5 years by lease deed dated 22.6.1976, which was registered on 28.8.1976. The lease deed gave the defendants rights to construct pucca constructions and tin shed and thus under Clause 3 of the lease, the plaintiff can seek eviction of the defendants, who are occupying the land as permanent lessee. The notice dated 10.12.1979 was proved. Late Shri Ram Narain left his rights in favour of his wife by registered will dated 4.9.1979. On issue No.2 the trial Court held that the notice was given to General Manager of the Corporation and not U.P. State Cement Corporation. The lease has not been determined and that plaintiffs are not entitled to possession. The suit was as such decreed for arrears of rent.

10. Both the plaintiffs and defendants filed appeals against the judgment. The appellate Court by a short judgment held that sub-clause (VI) of Clause (h) of Section 2 of U.P. Sugar Undertaking (Acquisition) Act, 1971 only acquired the lease hold interest in the land occupied by the unit and as such it cannot be said that the defendant-Corporation became the owner of the land in suit. In respect of plaintiffs'' Civil Appeal No.297 of 1982 the appellate Court held that the tenancy was for a fixed period and that it automatically stood terminated after the lapse of time. In such case no notice was necessary, as provided u/s 111(a) of the Transfer of Property Act. The appellate Court accepted the question as pure question of law, to be considered, even if there was no pleading to the effect that tenancy was for a fixed period. The notice was held to be valid and was received by defendant No. 1 and that since it was nowhere stated in the written statement that it was not received by defendant No. 1, it will be taken to be duly served on defendant No. 1, the real lessee. The plaintiffs'' appeal was allowed and the suit for ejectment was also decreed along with arrears of rent and damages.

11. Shri J.N. Tiwari, learned Counsel for the appellants submits that the plaintiffs have admitted that the land was recorded as grove land, which was bhumidhari of the plaintiffs. In para 4 of the plaint, it was Admitted that the S.B. Sugar Mills

 

is situate towards north of the land and that 3 bigha 8 biswa of the grove was in the tenancy of S.B. Sugar Mills for some period of time and was used for parking of vehicles laden with sugarcane. It is submitted that on the abolition of zamindari u/s 4 of the Act of 1950 the State Government by Notification dated July 1st, 1952 declared that all estates situate in U.P. shall vest in the estate of State as from the beginning from the specified date (called as date of vesting) and all such estates shall stand trans/erred to and vest as provided in the Act free from all encumbrances. The consequence of vesting in Section 6 provided that notwithstanding anything contained in any contract or document or in any other law for time being implemented, all rights, title and interest of all intermediaries in every State including grove land in Section 6(a)(i) shall cease and be vest in the State of U.P. free from all encumbrances. The interest of all the intermediaries was acquired and that certain lands with intermediaries or cultivators were settled with them u/s 18 as bhumidhars. Chapter VIII of the Act provides for classes of tenures in Section 129 to 141; use of land and improvements in Section 142 to 151; transfers in Section 152 to 168; prevention of fragmentation in Section 168A; devolution of interest in Sections 169 to 175; division of holdings in Section 176 to 182B; surrender, abandonment, extension and acquisition in Section 153 to 198A; ejectment in 199 to 212C; rent in Section 213 to 226 and another misc. provisions in Sections 227 to 230. If a bhumadhar executes a lease of the land in contravention to Section 156 except where the lease is by a disabled person in Section 157 the lessee shall become and be deemed to be, where the total area of the land, held by lessee together with the land held by his family, including the land, if any, let out to him or any member of his family, does not exceed twelve and a half acres, a bhumidhar with non-transferable rights and where total area exceeds 12 Vi acres Section 154 and 163 will apply. Section 154 provides for restriction on transfer by bhumidhar and Section 163 provides for consequence of void transfers by bhumidhars. All such transfers in contravention of Chapter u/s 166 shall be void. Shri J.N. Tiwari submits that on the execution of the lease in favour of S.B. Sugar Mills, the plaintiffs lost their rights, and as consequence thereof u/s 167 the land subject matter of transfer vested in the State Government free from all encumbrances. The declaration u/s 143 on 20.12.1972 was as such of no consequence.

12. Shri J.N. Tiwari further submits that it is not established by record and evidence that Shri M.M. Gupta, the PCS officer was the receiver. The plaintiff No. 1 admitted in his examination in chief while identifying the signature of Shri M.M. Gupta on the lease deed that he was his colleague and was neighbour in the colony for 5-6 years. The statement was given on 5.4.1982 and did not rule out any collusion with Shri M.M. Gupta. In any case the lease deed was of no consequence as the plaintiff had lost his rights and that if there were any such rights left they were in favour of scheduled undertaking u/s 3 of the U.P. Sugar Undertaking (Acquisition) Act, 1971 of which M/s Shiv Prasad Banarasi Das Sugar Mill, Bijnor was included in schedule at item No. 10. The schedule undertaking included all land held or occupied for the purposes of that factory,

 

which included the land on lease to the factory. The trial Court and the appellate Court have wrongly placed reliance on the words ''any leasehold interest'' therein in as much as all land and building held or occupied for the puiposes of factoiy were acquired and vested in the State. Shri J.N. Tiwari submits that the declaration u/s 143 of the Act of 1951 was of no consequence as the plaintiff had lost the land to the mill at the time when it was given on lease (the date on which the land was let out is not disclosed either in the plaint or in the statement of plaintiff No. 1) and in any case such rights were lost, when U.P. Sugar Undertaking (Acquisition) Act, 1971 came into force.

13. Shri V.K.S. Chaudhary, learned Counsel appearing for the plaintiff-respondents on the other hand submits that parties cannot be allowed to travel beyond the pleadings. It was never pleaded in the written statement that the plaintiff had lost their rights on the execution of first lease, which was never proved on record. The interim orders were passed staying the acquisition of the schedule undertaking under the U.P. Sugar Undertaking (Acquisition) Act, 1971 and that under the orders of the High Court receivers were appointed. Shri M.M. Gupta, the PCS officer was appointed as receiver. After the declaration u/s 143 excluded the land as from the operation of the Act of 1951 as agricultural land, the plaintiff had a right to execute the lease deed with the receiver. All the acts of the receiver shall be deemed to be valid acts performed by the lessee that is defendants. The lease deed was admitted by the defendants. They are estopped from taking any stand to avoid the lease deed. As soon as the fixed term of the lease came to and end, the defendants entitled to make temporary constructions were required to remove their constructions and hand over the vacant possession to the plaintiffs. Shri V.K.S. Chaudhary submits that the judgment of the appellate Court does not call for any interference and that substantial questions of laws framed by the Court do not arise for consideration. A submission was also made on behalf of the plaintiff-respondents that under the unamended Act of 1950 the consequences of letting of the land prior to the acquisition will not take away the rights of the plaintiff-respondents in the land. At best if the land with the lessee was more than 12 Vi acres, Gaon Sabha could file a suit for eviction. Further he submits that u/s 331-A of the Act of 1950, if any question arises whether the land is used for agricultural purposes, the same has to be referred to the revenue Court. Shri Chaudhary has relied upon Kripashanker Vs. Director of Consolidation and Others, and Tek Chand v. Dy. Dir. of Consolidation 1969 RD 26, to support his submission that the lease of bhumidhari land will not result into extinction of tenancy rights.

14. It is admitted to the plaintiff and has been specifically pleaded in para 4 of the plaint that the land recorded as grove land and bhumidhari of the plaintiff was let out to the S.B. Sugar Mills for some period of time. In his statement the plaintiff No. 1 clearly stated that lease deed dated 26.6.1976 was the renewal of earlier lease. The plaintiff was very clever in making vague averments with regard to earlier lease to avoid its consequences. The fact, however, is specifically pleaded that the land was let out to S.B. Sugar Mills for non-

 

agricultural purposes. The execution of the lease was in contravention of the provisions of Section 156 of the Act of 1951 and that as a consequence void transfer, u/s 167, the plaintiffs lost their rights and land vested in the State Government free from all encumbrances with effect from the date of transfer. The declaration u/s 143 of the U.P. Act of 1950 does not give any facts with regard to recommendation on which such declaration was made. Once the plaintiff lost their tenancy rights in the land, the declaration u/s 143 of the U.P. Act of 1950, was of no consequence at all.

15. In Tek Chand v. Dv. Dir, of Consolidation U.P. Lucknow Camp at Kanpur and Ors. (Supra) the High Court was examining the effect of delivery of possession of the agricultural land by Bhumidhars in 1963 for digging earth and establishing brick clins for a period of 10 years. They applied for mutation under consolidation proceedings. The Consolidation Officer found that the bhumidhars had transferred the land u/s 154 read with Section 164 of the U.P. Act of 1950 and as a result of transfer they did not have more than 12 1/2 acres of land with them. Gaon Sabha was also claiming title on the ground that by reason of the transaction the title of both transferor and transferee had extinguished. The Deputy Director of consolidation held that the transaction was lease and was in contravention with the provisions of U.P. Act of 1950 and was void by which the interest of the transferor extinguished. The High Court held that the possession was not transferred in order to secure the repayment of any money, which the transferors obtained in the first instance for the transaction. The operation of Section 156, 166 and 189 (aa) will have to be harmonious with the operation of Section 165. The transfer covered by Section 165 will not be void u/s 166 to bring about extinction of transferor''s interest. The petitioners were entitled to be recorded as Sirdars. The High Court further held that transaction was either sale or lease and was not mortgaged to be covered by Section 164.

16. In Kripashanker v. The Director of Consolidation and Ors.,(Supra) the Supreme Court held that the object behind Section 154 and Section 163 is to place a ceiling on land holding and it was with that object in view that a restriction of the type specified therein is placed on the right of a Bhumidhar to transfer his land by way of sale or gift. It was held that transfer in contravention of Section J54 should meet the consequences u/s 163 not entirely but only to the extent of the excess over and above the prescribed limit. The effect of such transfers under Sections 165 and 163 was examined, in respect of land left with him. Section 163 was amended by U.P. Act No.35 of 1976 to provide for ejectment on the suit of Gaon Sabha. The entire section was omitted by U.P. Land Laws (Amendment) Act No.20 of 1982 w.e.f. 3.6.1981. There is no evidence on record except statement of the plaintiff that lease was renewed in 1976. The extinction of the rights by virtue of Section 167 of the transferor and vesting in the State Government would not benefit the lessor. It is only the lessee/ purchaser, who would be saved u/s 165 subject to the selling of land prescribed in the Section.

 

17. Both these judgments as such do not help the appellants in saving their rights on the land alleged to be leased by them to S.B. Sugar Mills.

18. The acquisition of the sugar mills by U.P. Sugar Undertaking (Acquisition) Act, 1971 was challenged in the High Court. During the pendency of the writ petition interim orders were passed and the acquisition was stayed. The Supreme Court ultimately dismissed the challenge and that all the interim orders including the orders by which the receivers were appointed, came to an end. The acquisition was thus made effective from the date when U.P. Sugar Undertaking (Acquisition) Act, 1971 came into force.

19. The plaintiff did not lead any evidence to show that Shri M.M. Gupta, who was a colleague of plaintiff No. 1 in civil services and was neighbour at Lucknow for 5-6 years that is the period, when the lease was executed, was the receiver of S.B. Sugar Mills and had a right to execute a lease deed. He failed to correctly describe himself and the orders under which he was appointed in the lease deed. In his statement Shri Vinod Chand Gupta, plaintiff No. 1 recorded on 5.4.1982 in the trial Court states that the S.B. Sugar Mills was partnership concern. A suit for dissolution of partnership was filed in the Court of Civil Judge, Bijnor in which initially Shri P.S. Gupta was appointed as receiver and, thereafter, the Government appointed Shri M.M. Gupta, PCS as receiver. On 25.6.1976 the lease was renewed for a period of 5 years on Rs. 850/- per year from 1.7.1975 to 30.6.1980. In his entire statement he has nowhere stated that plaintiffs were paid rent by S.B. Sugar Mills before this renewal and that any rent was paid by the mill, thereafter. The manner in which Shri M.M. Gupta, PCS, who was colleague of plaintiff No. 1 and neighbour at Lucknow came to be appointed as receiver and the circumstances in which he executed the lease, have not been explained. The lease transaction as such appears to be a highly doubtful transaction. The defendants had knowledge about these affairs and could have led the evidence to prove due execution of lease deed. The conduct of the defendants in failing to lead any evidence in the trial Court, was not justified, however, since the legal position is not in favour of the plaintiff, he could not have taken any advantage out of declaration u/s 143 and execution of the lease deed. The admission of the document u/s 116 of the Evidence Act is not execution of its contents and the legal effect, and the relationship between the parties.

20. The plaintiff failed to prove that they had any existing rights, which could be transferred by execution of the lease deed with a competent person.

21. Section 2(h) defines schedule undertaking, which were acquired u/s 3 of the U.P. Sugar Undertaking (Acquisition) Act, 1971. Section 2 (h) is relevant for the purposes of this case and is quoted as below:

(h) "scheduled undertaking" means an undertaking engaged in the manufacture or production of sugar by means of vacuum pans and with the aid of mechanical power in a factory specified in the Schedule, and comprises-

 

(i) all plant, machinery and other equipment, (including milling plant, boiling house equipment, other sugar machinery, cane unloading equipment and power plant), weigh-bridges, cranes, chimneys, turbines and boilers (including the foundations, superstructure and roofing thereof) pertaining to that factory;

(ii). any engineering workshop, including machinery and equipment thereof;

(iii) any chemical laboratory including any apparatus and equipment thereof;

(iv) any motor or other vehicle or locomotive, or railway sidings pertaining to that factory;

(v) any dispensary or hospital or community or welfare centre exclusively for the benefit of workmen and other persons employed in that factory;

(vi) All lands (other than lands held or occupied for purposes of cultivation and grovelands) and buildings held or occupied for purposes of that factory (including buildings pertaining to any of the properties and assets hereinbefore specified, and guest houses and residences of directors, managerial personnel, stall and workmen or of any other person as lessee or licensee, and any store-houses, molasses tanks, roads, bridges, drains, culverts, tube-wells, water storage or distribution system and other civil engineering works), including any leasehold interest therein;

(vii) all limestone quarries pertaining to that facto 17, including any mining lease relating thereto;

(viii) all electrical installations (including any plant or equipment for the generation or transmission of energy), telephone equipment, furniture and fixtures pertaining to that factory or to any property or asset herein before specified;

(ix) all tools, spare parts and stores pertaining to that factory;

(x) all fire-arms for the use of watch and ward staff employed in that factory:

(xi) all maps, plans, sections, drawings and designs pertaining to that factory;

(xii) all sugarcane, sugar in the process of manufacture or production, and stocks of sugar and molasses and all bagasse and pressmud;

(xiii) all books of account, registers and other documents pertaining to that factory or to any property or asset hereinbefore specified, but does not include cash-in-hand, cash at bank, advances towards any income or other tax, investments and book debts, or rights, liabilities and obligations respecting any other contract.

22. Sub-clause (vi) quoted as above included all lands and buildings held or occupied for purposes of that factory (scheduled undertaking). In the present case it is admitted that the land was occupied by the scheduled undertaking that is Shiv Prasad Banarasi Das Sugar Mill, Bijnor at Sl. No. 10 in the schedule and

 

was used for the purposes of the factory. The land as such in which higher proprietary rights had vested in the State u/s 4 of U.P Act of 1951, was declared to be acquired by the U.P. Sugar Undertaking (Acquisition) Act, 1971. The acquisition will come into effect from the appointed date i.e. July 3, 1971 provided in Section 2(a) of the Act. Once the interim orders were vacated, the acquisition will relate back to appointed day and as such the plaintiffs lost their rights, which they had ahead)'' lost by execution of the lease deed prior to the State, and had nothing left to be declared u/s 143 and thereafter to be let out by lease deed in 1976.

23. The substantial questions of law Nos. 1, 2 and 3 as framed by the Court are as such returned in favour of the defendant-appellants with the findings that on the execution of the lease plaintiffs lost their rights in the land and as such declaration u/s 143 of U.P. Act of 1951 and the subsequent execution of lease, which has not been proved on record was of no consequence. The land was acquired by the State u/s 3 of the U.P. Sugar Undertaking (Acquisition) Act, 1971, as it was occupied for the purposes of the factor, free from all encumbrances and since the land had already vested in the State, no compensation was required to be paid to the plaintiffs for such acquisition.

24. Both the second appeals arc allowed and the judgment of the appellate Court in Civil Appeal No.297 of 1982 and Civil Appeal No.360 of 1982 decided on 01.8.1984 by IInd Addl. District Judge, Bijnor as well as judgment dated 14.4.1982 in Original Suit No.212 of 1981 are set aside and the plaintiff-respondents'' suit is dismissed with costs throughout.