IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

1 RFA No.829 of 2010
Date of decision: 22.05.2017

Jarnail Singh and others

... Appellants

Versus

State of Haryana and another

... Respondents

2 RFA No.4853 of 2011

State of Haryana and another

... Appellants

Versus

Jarnail Singh and others

... Respondents

CORAM: HON'BLE MR. JUSTICE ARUN PALLI

Present: Mr. Akshay Bhan, Senior Advocate with
Mr. MK Chouhan, Advocate and
Mr. Shoaib Khan, Advocate
for the appellants in RFA-829-2010.
Mr. KS Khehar, Advocate
for the respondents in RFA-4853-2011.
Mr. Sudeep Mahajan, Addl. AAG, Haryana and
Mr. Abhinash Jain, AAG, Haryana.

ARUN PALLI, J. (Oral)

Vide this order and judgment, I shall decide two appeals of which one is filed by the claimant-land owners i.e. RFA No.829 of 2010 and the other by the State i.e. RFA No.4853 of 2011. For the matter arises out of the same acquisition, and the questions that require determination in these appeals are common, these are being disposed of by a common judgment. However, by consensus the facts are being culled out from RFA No.829 of 2010 [**Jarnail Singh and others v. State of Haryana and another**].

1. Usually the acquisition process is set in motion if the State requires to possess a piece of land for a public good. But the matter in hand is unusual. For the State Government was in unauthorized possession of the acquired land for over three decades and enface with a decree for possession, granted in favour of the claimants, resorted to compulsory acquisition. Earlier, the Government of Haryana had acquired a part of the land comprised in khasra Nos.162 & 163, village Pinjore, Tehsil Kalka, District Panchkula, in the year 1974. But, in the process encroached upon a land measuring 18 biswa, comprised in khasra No.691/162 (0-9), 163 (0-9). For, the State Government continued to be in its illegal and unlawful possession, the claimants/land owners filed a suit for possession, bearing Civil Suit No.305 of 2002. Vide judgment and decree dated 05.02.2007, the said suit was decreed by the Additional Civil Judge (Sr. Divn.), Panchkula. And it was during the pendency of the appeal against the said decree, the State gave up the contest and instead choose to acquire the suit property. That is how, vide notification dated 14.11.2007, issued under Section 4 read with clause (C), sub-section 2 of Section 17 of the Land Acquisition Act, 1894 (for short, 'the Act'), a land measuring 18 biswa was sought to be acquired for protection and preservation of Ancient and Historical Temple remains. The Land Acquisition Collector, Panchkula, vide its award No.1, dated 28.04.2008, assessed the market value of the acquired land @ ₹ 20,00,000/- per acre. Being aggrieved by the assessment as also the compensation awarded by the Collector, the claimants filed objections under Section 18 of the Act. Accordingly, the dispute was referred to the Civil Court. In their claims before the Reference Court, besides the enhancement, the claimants

also prayed for compensation by way of damages on account of illegal and unauthorized possession of the State over the acquired land since 1977.

2. And, on an analysis of the matter in issue and the evidence on record, the Reference Court ruled out of consideration the sale deeds Ex.P12, Ex.P21, Ex.P25 to Ex.P28 and Ex.P30 to Ex.P32, that were brought on record by the claimants. For all these sale instances were of structures i.e. houses or dilapidated structures, and not of a vacant land. And even of the remaining sale instances i.e. Ex.P11, Ex.P22 to Ex.P24 and Ex.P29, which indeed were of a vacant land, the Reference Court ignored the sale deeds Ex.P22 to Ex.P24, for these pertained to Village Bhagwanpur. Whereas, the acquired land formed part of the revenue estate of Village Pinjore. Particularly, when the sale instances Ex.P11 and Ex.P29, vide which the land situated in Village Pinjore itself was alienated, were on record. Vide sale deed Ex.P11, dated 18.05.2007, a land measuring 86 sq. yards was sold @ ₹ 4070/- per sq. yard. Whereas vide sale deed Ex.P29, dated 06.08.2007, a land measuring 4 biswa was transferred @ ₹ 2400/- per sq. yard. But, on a comparative analysis of these sale instances (Ex.P11 & Ex.P29), the Reference Court reached a conclusion that the rate at which the sale deed Ex.P11 was executed was almost double the price for which a land situated in the same village, was alienated. For, the bonafides of sale transaction (Ex.P11) were doubted, the Reference Court even discarded the sale deed Ex.P11. Accordingly, it was concluded that the only sale deed that could be relied upon to assess the value of the acquired land was Ex.P29. However, in reference to the decision of the Supreme Court in **P. Ram Reddy** v. **Land Acquisition Officer, Hyderabad Urban Development Authority Hyderabad, JT 1995(1) 593**; **U.P. Avas Evam Vikas Parishad** v. **Jainul**

<u>Islam and another, 1998(1) LACC 175</u>; **<u>V. Hanumantha Reddy (Dead) by LRs</u>** v. **<u>The Land Acquisition Officer & Mandal R. Officer, 2004(1) RCR (Civil) 496</u>**; **<u>Mummidi Apparao (D) Through LRs</u>** v. **<u>Nagarjuna Fertilizers & Chemicals Ltd. & Anr., 2009(1) LACC 61</u>**; and **<u>State of Punjab</u>** v. **<u>Harchal Singh (dead) through Lrs., 2006 AIR (SC) 2122</u>**, the Reference Court further observed; that although the sale instances of the developed plots could be considered or relied upon for determining the value of the acquired land, but that was subject to a suitable/appropriate deduction on account of development charges. Therefore, even though the sale deed Ex.P29 could be relied upon but a cut of 50% was required to be applied to the rate i.e. ₹ 2400/- per sq. yard, for which the said sale deed was executed. As a result, the claimant/land owners were held entitled to compensation @ ₹ 1200/- per sq. yard. As regards the claim of the land owners for compensation the acquired land remained in unauthorized possession of the State, albeit the Reference Court noticed the grievance of the claimants but yet no relief was awarded in this regard. As a result, the claimant-land owners moved a review application. Vide order dated 13.03.2010, the Reference Court modified the award and the claimants were held entitled to interest @ 9% per annum for the first year i.e. 1977-78 and thereafter @ 12% per annum till the date of acquisition.

3. That is how, as indicated above, the parties are in appeal before this Court. Of course, the State has appealed to set aside the impugned award. And the claimants seek further enhancement.

4. Mr. Akshay Bhan, learned senior counsel for the claimants, submits that the Reference Court erred to assess the true value of the acquired land, for the sale deed Ex.P12, dated 21.01.2008, vide which the

land situated in Village Pinjore itself was sold @ ₹ 10,588/- per sq. yard, could never be ignored. He submits that there was hardly any time difference between the execution of the said sale deed and issuance of the notification dated 14.11.2007, issued under Section 4, in the present proceedings. And even though the said sale deed was executed post notification under Section 4, it could still be relied upon by applying a suitable cut. Further, he submits that value of the dilapidated structure that existed upon the said site could always be deducted from the sale consideration. It is urged that the Reference Court in any case could never ignore the sale deed Ex.P11, for it not only pertained to Village Pinjore, but was also executed on 18.05.2007 i.e. prior to issuance of the notification under Section 4. In the alternate, he asserts that even though the Reference Court had relied upon a sale instance Ex.P29, but there was hardly any basis to still cause 50% deduction in the sale consideration reflected therein. He submits that concededly the acquired land was situated within the Municipal limits of Pinjore and was surrounded by many residential and commercial establishments, therefore, any deduction in the value of the land reflected in the sale deed Ex.P29 was wholly unwarranted. He submits that no cut on account of development charges could be applied either. Reliance is placed upon the decisions of the Supreme Court in **Bhagwathula Samanna and others** v. **Special Tehsildar and Land Acquisition Officer, Visakhapatnam Municipality, 1991(4) SCC 506;** and **Harbans Singh and others** v. **State of Punjab through the Land Acquisition Collector, Patiala, 2006(1) RCR (Civil) 634**, and **Darshana Devi** v. **State of Haryana and another, 2016(4) RCR (Civil) 810**, rendered by this Court. Thus, it is submitted that the compensation awarded by the Reference Court is required to be suitably enhanced.

5. Per contra, Mr. Sudeep Mahajan, Additional Advocate General, Haryana submits that the Reference Court erred in awarding enhancement to the claimants, for the value assessed by the Collector of the acquired land was fair and justified. In any case, he submits that, even if it is assumed that the compensation awarded by the Reference Court was just and appropriate, no further enhancement in the compensation is feasible. He submits that the Reference Court had rightly discarded the sale deeds Ex.P12, Ex.P21, Ex.P25 to Ex.P28 and Ex.P30 to Ex.P32, for these were executed qua houses and structures. As regards the sale deed Ex.P12, dated 21.01.2008, he submits that the same could also not be taken into consideration, for it was executed post issuance of notification dated 14.11.2007, under Section 4 of the Act. It is urged that the reasons assigned by the Reference Court to discard the sale deed Ex.P11, dated 18.05.2007, were well founded, as the rate at which the said sale deed was executed was over hiked. Further, he submits that the Reference Court had rightly relied upon the sale instance Ex.P29, and since the site that was alienated vide said sale deed was extremely small, the Reference Court was justified in applying a cut of 50% as well. Reliance is placed upon the decisions of the Supreme Court in **Himmat Singh and others** v. **State of M.P. and another**, **2013(16) SCC 392**; and **Ashrafi and others** v. **State of Haryana and others**, **2013(5) SCC 527**. In so far as the claim of the land owners for compensation on account of unauthorized occupation of the State over the acquired land, he submits that the Reference Court lacked jurisdiction to award any compensation, to the claimants, for the period prior to the issuance of the notification under Section 4. In support of his contention, he placed reliance upon the decision of the Supreme Court in **Special Land**

Acquisition Officer v. **Karigowda & Ors.**, 2010(5) SCC 708. Therefore, he submits that the appeal filed by the claimants be dismissed and the impugned award be suitably modified.

6. I have heard learned counsel for the parties and perused the record.

7. The argument advanced by the learned senior counsel for the claimant-land owners that the Reference Court ought to have assessed the value of the acquired land on the basis of the sale deed Ex.P12, vide which a land situated in Village Pinjore itself was sold @ ₹ 10,588/- per sq. yard, cannot be countenanced. Concededly the said sale deed was executed post issuance of notification, dated 14.11.2007, issued under Section 4. The fundamental principle of valuation is that the transactions subsequent to the acquisition should be ignored. It's a matter of common observation that development activities in the vicinity of the acquired land or acquisition of the adjoining areas, that brings along basic facilities such as transport, communications, power supplies, and other infrastructure, would inevitably lead to a sudden spurts or escalation in value of the real estate. Further, even the evidence on record showed that seeing the urban potential of the land surrounding Pinjore, private builders and developers have been purchasing even the undeveloped land at exorbitant rates. Even otherwise, vide sale deed Ex.P12, not just a vacant piece of land but a constructed site was alienated. Meaning thereby, the rate at which the said sale deed was executed does not represent the value of the land alone, but also the cost of the construction. Further, in the absence of any cogent evidence, to show the true value of the said structure, a suitable deduction, even if the sale instance Ex.P12 was to be relied upon, could not be caused.

8. No doubt, vide sale instance Ex.P11, a land situated in Village Pinjore itself was sold @ ₹ 4070/- per sq. yard, and the said sale deed was even executed prior to issuance of notification under Section 4. But a comparative analysis of the sale instance Ex.P11 with the sale deed Ex.P29 brings to fore that the sale deed Ex.P11 was not only executed prior, but also at double the rate at which the site, that was a subject matter of sale deed Ex.P29, was alienated. Not just that, sale deeds Ex.P22 to Ex.P24 that were executed at the same time i.e. 16.05.2007, 18.05.2007 & 18.05.2007 respectively, the land situated in Village Bhagwanpur, situated at a close distance, was sold @ ₹ 2375/- per sq. yard. Meaning thereby, sale deeds Ex.P22 to Ex.P24 corroborate the rate/value of the land that was sold vide sale deed Ex.P29. Whereas, the sale deed Ex.P11 is the stray instance or a lone sale deed vide which the land situated in the same village i.e. Pinjore was sold at an exorbitant price. Thus, the irrefutable presumption that permeates the record is that either the area measuring 86 sq. yard, that was sold vide Ex.P11, was equipped with certain special or unique features or the sale consideration reflected therein was artificially inflated or overblown for an oblique purpose. Nothing was brought on record either to explain the difference between the rates at which the sale instance Ex.P11 and the sale deeds Ex.P22 to Ex.P24 and Ex.P29 were executed. Therefore, the sale instance Ex.P11 was deservedly ruled out of consideration or for the reasons indicated above could never be the basis to assess the true value of the acquired land.

9. That being so, the sale deed Ex.P29, dated 06.08.2007, was not only the most suitable but the safest option to be relied upon. **However, a short but significant question that arises for determination is; Whether**

the Reference Court could cause deduction or apply a 50% cut in the sale consideration for which the sale deed Ex.P29 was executed?

And, before I proceed further, it would be apposite to refer to the analysis as also the conclusion arrived at by the Reference Court in this regard:

> **"24. … In order to determine the market value of the acquired land we shall first consider the view of the Hon'ble Supreme Court of India and Hon'ble High Court for the purpose of assessment of the market value on the basis of sale of developed plots in the cases of P. Ram Reddy Versus Land Acquisition Officer, Hyderabad, JT 1995(1) Supreme Court, Page 593, UP Awas Avam Vikas Parishad Versus Jainul Islam and another, 1998(1), LACC, 175 (SC), V Hanumanthareddy Dead by LRs Versus The LAO and Mandal R. Officer, 2004(1) RCR (Civil) Page 496 the view of the Hon'ble Supreme Court of India has been that the sale of developed plots can be considered for the purpose of determining the market value after 1/3rd deduction. In a recent case titled as Mummiddi Apparao (D) through Lrs Versus Nagarjuna Fertilizers and Chemical Ltd., 2009(1) LACC, Page 61 (Supreme Court) Hon'ble Supreme Court has relied upon the sale of developed plot measuring 110 Sq. yds. and applied a cut of 50% to determine the market value of the acquired land.**

> **26. … If 50% cut is applied on account of development deductions as laid down by the Hon'ble Supreme Court in case of Harchal Singh Versus State of Punjab, 1990(1) LLR Page 39 (P&H) (before the Hon'ble Supreme Court in AIR 2006, SC, Page 2122). In this case a sale by allotment of a developed plot was relied upon for determining the market value of the acquired land and 50% deduction was made on the sale instance. Thus for the purpose of assessing the market value of the acquired land, while accepting Ex.P29 as appropriate piece of evidence of Rs.2400/- per sq. yds. And thereafter giving a 50% cut on the same and thus it comes to Rs.1200/- per sq. yds."**

10. Ex facie, the perception and understanding of the issue by the Reference Court is rooted in a premise that albeit sale deeds of a developed plots could be relied upon for assessing the value of the acquired land, but subject to an appropriate cut or deduction on account of development charges. In all those decisions of the Supreme Court, that have been referred to, a cut was applied or a deduction was caused, for the relied upon sale instances were of a fully developed building plots, which formed part of a housing scheme or an urban estate. And were well equipped with all the civic amenities and modern day facilities.

In **P. Ram Reddy's case** (supra), the Supreme Court held that if the value fetched by small extents, are of building plots, in a building lay out formed of a large plot, it has to be seen whether the large acquired land if is laid out into small building plots and sold, whether they could fetch the price fetched by sale of small building plots in the already formed building lay out. Then, the market value of the acquired land has to be determined with reference to the value fetched by sale of small plots by making allowances for various factors, such as; loss of land required out of the acquired land to be used for roads, drains, parks, the expenditure involved in forming lay out, waiting involved in sale of plots and several other factors which will necessarily reduce the wholesale price of the acquired land. It was in this context, the Court had caused 1/3rd deduction on account of development charges.

In **U.P. Avas Evam Vikas Parishan's case** (supra), a deduction of 1/3rd in the price towards the cost of development involving construction of roads and other amenities by the High Court was affirmed by the Supreme Court. For the sale instance of an area measuring 260 sq. yard, that was relied upon, was a part of the housing scheme.

In **V. Hanumantha Reddy's case** (supra), the Court held; that the High Court rightly relied upon the sale instances, of Exhibits A-7, A-8, A-10 and A-11 at the rate of Rs. 45/- per square yard, as the basis for the determination of market value of the acquired land. And after making 1/3rd deduction on account of laying out of roads and for other developmental purposes, had worked out the value of the acquired land at Rs. 30/- per square yard.

And, in the case of **Mummidi Apparao** (supra), the Supreme Court affirmed a cut of 50% applied by the High Court, as the sale deed Ex.B2 that was relied upon was of a small area and the acquired land was in an undeveloped state at the time of acquisition. And, thus, 50% deduction in the value of the land sold vide Ex.B2 was caused on account of development charges.

Likewise, in the case of **Harchal Singh** (supra), the relied upon sale instance was a part of Urban Estate, Mohali, Phase IX, situated in a fully developed colony, and, therefore, a 50% cut applied by the High Court was affirmed by the Supreme Court.

11. **What is the position in the present case?**

Ex facie, this was not a case where the site, that was sold vide sale deed Ex.P29, was a part of any housing scheme or an urban estate, that was developed after incurring requisite expenditure. This was not the case either where the acquired land was rural in character, undeveloped or ill-equipped so as to justify the deduction caused by the Reference Court. Concededly, the acquired land, measuring 18 biswa, was a part of the Municipal area Pinjore. Likewise, even the land that was sold vide sale deed Ex.P29 was not only situated in Village Pinjore itself, but was also located in close proximity to the acquired land. For both the sites were identical, there indeed was nothing to choose between the two. Significantly, this was never the case of the State at any stage that the acquired land and the land that was sold vide sale deed Ex.P29, was dissimilar in quality, location or value. Which is why even the Reference Court concluded in no uncertain terms; "***the only sale instance that would be worth relying upon for the purpose of determining the market value of the land in question is Ex.P29. The location of the land mentioned in the sale deed is Pinjore, the area is 4 biswa, date of sale is 06.08.2017 and the rate is ₹ 2400/- per sq. yard. In comparison with the acquired land in question, the location is similar.***"

That being so, one wonders as to how the Reference Court having relied upon the sale deed Ex.P29 could also cause a deduction of 50% in its value. Thus, even a reference to the decisions of the Supreme Court, referred to above, was wholly out of context.

12. Ex facie, the argument advanced by the learned State counsel that the Reference Court was justified in applying a 50% cut owing to smallness of the area that was sold vide Ex.P29, is misconceived and lacks conviction. Firstly, the deduction caused by the Reference Court @ 50% in the sale consideration, reflected in the sale deed Ex.P29, was not because of the smallness of the area that was sold, but owing to the development cost/expenditure. Secondly, the land that was sold vide relied upon sale instance Ex.P29 was 4 biswa and the area under acquisition too was 18 biswa. That too owned by five individuals. Further, the argument of the learned State counsel pales into insignificance in the wake of the conclusion arrived at by the Reference Court; "***The location of the acquired land within the municipal limits of Pinjore is also established and it is also established on the file that the acquired land is situated within the surrounding of residential and commercial buildings and there is sound commercial market near the acquired land on the NH-22 and also that on the Northern side of the acquired land. There are residential colonies namely Bhima Devi Colony and Shiv Shakti Colony. It is also established that the said residential colonies are established prior to 1983 and there are residential and commercial buildings in the said colony. Thus, the existence of the acquired land in densely inhabited and commercial sound area within the municipal limits of Pinjore is duly proved by the petitioners. The surrounding land of Pinjore is also being developed by***

HUDA as residential sectors which are near the acquired land. It is also established that seeing the urban potential of the land surrounding Pinjore, Private builders and developers have been purchasing the undeveloped land at exorbitant rates, depicting the market value."

Even otherwise, if the acquired land is situated within the Municipal limits, is surrounded by residential, commercial and industrial establishments, and is a part of the area which is thickly inhabited, it would be hard and rare to still come by the sale instances of a larger tract of land. And, this is not the case of the State either that the sale instances of a larger tract existed, but were still not produced by the land owners. Not just that, here is a case where the State led no evidence at all.

Rather the Supreme Court in **Bhagwathula Samanna v. Special Tehsildar and Land Acquisition Officer, 1992(1) RRR 257: 1992 L.A.C.C. 314**, had held that if the larger tract of land was capable of being used for the purpose for which the smaller plots are used, and is also situated in a developed area with little or no requirement of further development, the principle of deduction in the value for the purpose of compensation was not justified:

> **"The proposition that large area of land cannot possibly fetch a price at the same rate at which shall plots are sold is not absolute proposition and in given circumstances it would be permissible to take into account the price fetched by the small plots of land. If the larger tract of land because of advantageous position is capable of being used for the purpose for which the smaller plots are used and is also situated in**

a developed area with little or no requirement of further development, the principle of deduction of the value for purpose of comparison is not warranted. With regard to the nature of the plots involved in these two cases, it has been satisfactorily shown on the evidence on record that the land has facilities of road and other amenities and is adjacent to a developed colony and in such circumstances it is possible to utilise the entire area in question as house sites. In respect of the land acquired for the road, the same advantages are available and it did not require any further development. We are, therefore, of the view that the High Court has erred in applying the principle of deduction, and reducing the fair market value of land from Rs. 10/- per sq. yard to Rs. 6.50/- per sq. yard. In our opinion, no such deduction is justified in the facts and circumstances of these cases."

Following the dictum of the Supreme Court in the case of Bhagwathula Samanna (supra), the Division Bench of this court in **Harbans Singh and others** **v.** **State of Punjab through the Land Acquisition Collector, Patiala, 2006(1) RCR (Civil) 634,** concluded:

"14. It has been noticed by the learned Single Judge himself that all the sale instances relied upon pertained to the sale of land which was out of the

> **acquired land. However, the notification under Section 4 of the Act was issued on May 3, 1980 whereas all the three sale instances relied upon by the learned Single Judge are prior in time to the said notification. Since the said sale instances pertained to sale of land in municipal area itself, therefore, it could not be accepted that there would be any sale instance with regard to bigger chunk of land. The learned Single Judge in our considered view was not justified in applying any cut on the average price of the aforesaid sale instances. The proposition of law laid down by the Apex Court in Bhagwathula Samanna's case (supra) and by the Madras High Court in Abdul Reguman's case (supra) is fully attracted."**

Undoubtedly, there cannot be any quarrel with the proposition of law laid down by the Supreme Court in **Himmat Singh** and **Ashrafi** (supra). But in the wake of the factual matrix of this case, these decisions have no bearing on the matter in hand.

13. This brings me to another significant question involved in the lis; Whether the Reference Court could award compensation to the claimants by way of damages or interest, for the period the acquired land remained in unauthorized possession of the State Government, from a date prior to the issuance of the notification under Section 4? Undoubtedly, the answer is 'No'. For the issue is not *res integra*.

The Supreme Court in **R.L. Jain (D) by Lrs. V. DDA & Ors.**, **2004(4) SCC 79** held**:**

> **"17.1. The normal rule, therefore, is that if on account of acquisition of land a person is deprived of possession of his property he should be paid compensation immediately and if the same is not paid to him forthwith he would be entitled to interest thereon from the date of dispossession till the date of payment thereof. But here the land has been acquired only after the preliminary notification was issued on 9-9-1992 as earlier acquisition proceedings were declared to be null and void in the suit instituted by the landowner himself and consequently he was not entitled to compensation or interest thereon for the anterior period.**
>
> **18. In a case where the landowner is dispossessed prior to the issuance of preliminary notification under Section 4(1) of the Act the Government merely takes possession of the land but the title thereof continues to vest with the landowner. It is fully open for the landowner to recover the possession of his land by taking appropriate legal proceedings. He is therefore only entitled to get rent or damages for use and occupation for the period the Government retains possession of the property.**

> **Where possession is taken prior to the issuance of the preliminary notification, in our opinion, it will be just and equitable that the Collector may also determine the rent or damages for use of the property to which the landowner is entitled while determining the compensation amount payable to the landowner for the acquisition of the property. The provision of Section 48 of the Act lend support to such a course of action. For delayed payment of such amount appropriate interest at prevailing bank rate may be awarded.”**

And following the decision in **R.L Jain's case** (supra), the Supreme Court in **Special Land Acquisition Officer** v. **Karigowda & Ors.**, **2010(5) SCC 708**, concluded:

> **“78. … The Court, in situations where possessions has been taken prior to issuance of notification under Section 4(1) of the Act, can direct the Collector to examine the extent of rent or damage that the owners of land would be entitled to the provisions of Section 48 of the Act would come to aid and the Court would also be justified in issuing appropriate direction. This was the unequivocal view expressed by the Court in R.L. Jain case (supra) as well. This legal question is no more open to controversy and stands settled by this Court. We would follow the view taken**

> **and accept the contention of the appellant-State that the Reference Court as well as the High Court could not have granted any interest under the provisions of the Act, for a date anterior to the issuance of Notification under Section 4 of the Act. However, following the dictum of the Bench, we direct the Collector to examine the question of payment of rent/damages to the claimants, from the period when their respective lands were submerged under the back water of the river, till the date of issuance of the Notification under Section 4(1) of the Act, from which date, they would be entitled to the statutory benefits on the enhanced compensation."**

Therefore, in conspectus of the decisions of the Supreme Court, referred to above, the claimant-land owners are indeed entitled to compensation from the date of their dispossession till the date of notification issued under Section 4 in these proceedings. However, the Reference Court lacked jurisdiction and authority to award interest to the claimants for the said period. Thus, the impugned award is unsustainable to that extent and is accordingly set aside. The claimants shall move the Collector concerned, by filing appropriate applications to claim damages for the period the acquired land remained in unauthorized possession of the State Government. And in the event, any such applications are filed upto 01.08.2017, the Collector shall decide the same and award appropriate compensation in accordance with law. In the wake of the peculiar facts and circumstances of the present case, the Collector shall dispose of the applications, finally, on or before 01.10.2017, after affording the parties an opportunity of personal hearing.

The appeals filed by the parties are disposed of in the above terms.

(Arun Palli)
Judge

May 22, 2017
Rajan

Whether speaking / reasoned:	YES
Whether Reportable:	YES