IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

CR No.2015 of 2019(O&M)
Date of Decision: 16.11.2019

Haryans State Agricultural Marketing Board Haryana and another ....Petitioners

Versus

State of Haryana through Collector and others .....Respondents

CORAM: ***HON'BLE MR. JUSTICE RAJ MOHAN SINGH***

Present: Mr. Anmol Partap Singh Mann, Advocate for the petitioners.

Mr. Vishal Kashyap, AAG, Haryana.

Mr. Jagdish Manchanda, Advocate for respondents No.4, 8 , 9 and 10.

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RAJ MOHAN SINGH, J.(Oral)

[1]. Petitioners have laid challenge to the order dated 14.11.2018 passed by Additional District Judge, Karnal holding the petitioners and respondents No.1 and 3 to be liable to pay respondents No.4 to 12 a sum of Rs.48,32,561/- as per their shares and respondent No.2 a sum of Rs. 5,74,735/- besides interest @ 6% per annum from 05.02.2014 till final realisation of the amount.

[2]. Earlier claimants Sudesh Rani and others filed CR No.4548 of 2014 against the order dated 06.03.2014 passed by

the Additional District Judge, Karnal, whereby the prayer for release of the amount of compensation with interest in compliance of order dated 25.07.2013 passed by the High Court in CR No.6133 of 2004 was declined. After noticing incriminating facts on record, this Court vide order dated 01.11.2017, allowed the revision petition by directing the District Judge to re-visit the controversy and allow necessary calculations to be made on the basis of rate of interest payable at the relevant time till deduction of amount to the tune of Rs.34 lacs from total compensation and thereafter, towards future interest till final realisation of the arrears of interest payable to the petitioners. Petitioners were not party to the aforesaid revision petition.

[3]. After the remand, petitioners were impleaded by the Additional District Judge, Karnal as respondents No.8 and 9 vide order dated 11.05.2018 for the purpose of adjudication of real controversy between the parties in respect of interest of compensation.

[4]. Petitioners filed their objections before the Additional District Judge, Karnal on the premise that they are not liable to pay any interest on the amount of compensation which was deposited by the Land Acquisition Collector in the Treasury instead of depositing the same in the Reference Court as provided under Section 31 of the Land Acquisition Act.

[5]. Learned counsel for the petitioners placed reliance upon letter No.368/LAC dated 29.09.2003, vide which Land Acquisition Collector-cum-District Revenue Officer, Karnal requested the Secretary-cum-Executive Officer, Market Committee Indri to deposit an amount of Rs.1,10,00,000/- as estimated compensation for acquisition of land under the RD head of the said officer immediately.

[6]. In response to the aforesaid letter dated 29.09.2003, E.O-cum-Secretary, Market Committee, Indri sent a draft of Rs.1,10,00,000/- bearing No.781975 dated 01.11.2003 of Karnal Central Co-operative Bank in the name of Land Acquisition Collector-cum-District Revenue Officer, Karnal. The said amount was received along with letter dated 03.11.2003. Thereafter, the award was passed in the month of December.

[7]. Now dispute is only between the petitioners and respondents-State viz-a-viz the liability to pay the interest on the amount of Rs.29,36,787/- which was deposited by the Land Acquisition Collector in the Treasury instead of depositing the same in the Reference Court under Section 31 of the Land Acquisition Act.

[8]. The amount, if any, payable by the owners to the State is not being commented upon. The controversy is limited to the aforesaid context viz-a-viz the liability of the petitioners or the

State to answer the claim of interest on the amount of Rs.29,36,787/-.

[9]. Learned counsel for the petitioners relied upon ***Hissar Improvement Trust Vs. Smt. Rukmani Devi, 1990(2) RRR 589(SC)*** to contend that the Land Acquisition Collector was required to deposit the amount of compensation in the Court to which reference can be made under Section 18 of the Land Acquisition Act. Section 34 of the Land Acquisition Act provides for payment of interest in the event of compensation, which has to be paid or deposited in the Court as provided under Section 31 of the Land Acquisition Act. If the Collector had not deposited the same in the Court as provided under Section 31 of the Land Acquisition Act, the liability would be that of the Government and not the petitioners. The liability of the petitioners arising out of any agreement, if any, with the Government for payment in respect of land acquired, is a matter which cannot be commented upon in these proceedings.

[10]. The view expressed in ***Hissar Improvement Trust Vs. Smt. Rukmani Devi's case (supra)*** was relied in ***WP No.35233 of 2007*** titled ***A. Narayana Pillai Vs. Revenue Divisional Officer (Land Acquisition Officer), Salem*** decided on 14.03.2008 by Madras High Court and ***WP No.3423 of 2015*** titled ***Smt. Hemlata Vs. Special Land Acquisition Officer,***

Kanholi Nala Project, Nagpur and another decided on 05.02.2016 by Bombay High Court (Nagpur Bench).

[11]. In ***Indore Development Authority Vs. Shailendra (dead) through LRs and others, 2018(2) RCR (Civil) 455***, the aforesaid proposition was again reiterated by the Hon'ble Apex Court. Para No.72 of the aforesaid judgment reads as under:-

> *"72. This Court has considered the question of effect of non-deposit in* ***Hissar Improvement Vs. Smt. Rukmani Devi and another, AIR 1990 SC 2033*** *and observed that in case of compensation is not being paid or deposited in time in Court before taking possession of the land, Collector has to deposit the amount awarded in Section 31 failing which he is liable to pay interest as provided in Section 34. The Court has observed:-*
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> > *"5. It cannot be gainsaid that interest is due and payable to the landowner in the event of the compensation not being paid or deposited in time in Court. Before taking possession of the land, the Collector has to pay or deposit the amount awarded, as stated in Section 31, failing which his liable to pay interest as provided in Section 34.*
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> > *6. In the circumstances, the High Court was right in stating that interest was due and payable to the landowner. The High Court was justified in directing the necessary parties to appear in the executing Court for determination of the amount."*

[12]. In view of aforesaid legal position, I find that the impugned order to the extent of holding the petitioners to be jointly and severally liable to answer the claim in terms of para No.8 of the impugned order is not legally sustainable. To that extent, the impugned order is modified, exonerating the petitioners from co-extensive liability.

[13]. Disposed of.

16.11.2019 **(RAJ MOHAN SINGH)**
Prince **JUDGE**

Whether reasoned/speaking **Yes/No**

Whether reportable **Yes/No**