



IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

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RSA-554-2016(O&M)

Date of decision: 23.02.2026

Smt. Rajrani

...Appellant(s)

Vs.

State of Haryana & Others

...Respondent(s)

CORAM: HON'BLE MS. JUSTICE NIDHI GUPTA

Present:- Mr. Ajay Jain, Advocate
for the appellant.

Mr. Naveen Kumar, Addl. AG Haryana.

NIDHI GUPTA, J.

The plaintiff No.3 is in second appeal against the concurrent judgments and decrees of the learned Courts below whereby suit filed by the plaintiffs for declaration, has been dismissed by both the Courts below.

2. Brief facts of the case are that the plaintiffs i.e. the appellant and plaintiffs No.1 and 2/pro-forma respondents No.13 and 14 herein, had filed Civil Suit seeking a decree that plaintiffs be declared entitled for compensation from the contesting defendants/respondents no.1 to 3 herein because in LAC Case No.3 and 4 of 2001/1990 titled as Parbhati Lal Versus State of Haryana pending under reference under Section 30 of Land Acquisition Act before the Id. Addl. District Judge, Narnaul for adjudication



upon question of title, wherein vide Order dated 01.10.1990 Id. Addl. District Judge Narnaul had directed to deposit the compensation amount in New Bank of India in a scheme fetching maximum interest, but the same Order was not complied with by the ministerial staff of Court.

3. It was pleaded in the plaint that land measuring 14 bigha 18 biswa as described in the plaint was acquired by the defendant No.1-State of Haryana for developing a residential colony in the name of Employees Society. Notifications under Sections 4 and 6 of the Land Acquisition Act (hereinafter referred to as "the Act") were published on 15.12.1988 and 05.05.1989 respectively. Award in respect of the acquisition was announced on 14.02.1990; and possession of the suit land was taken from the landowners on the same day. Some dispute had arisen in respect of ownership of land as a result of which, the compensation was not disbursed. A reference was also made under Section 30 of the Act. As the matter was pending, compensation was deposited with the Land Acquisition Collector. Therefore, an application was made on behalf of the landowners to the concerned Court for taking custody of the compensation and for depositing the same in some Nationalised Bank; as also required under Section 31 of the Act. However, the Land Acquisition Collector failed to deposit the same and amount of compensation was retained by him from 14.02.1990 upto 13.8.1991. It was accordingly contended that the Land Acquisition Collector was liable to pay interest for the said period.



4. It was further averred that the learned Additional District Judge, Narnaul vide order dated 01.10.1990 had directed to deposit the compensation amount in some Nationalised Bank but the said order had not been complied with by the Ministerial Staff. It is only when the Reference was decided on 14.05.2003 and DROs were issued in favour of the owners that the plaintiffs came to know that compensation amount of Rs.13,09,050/- had not been deposited in Government Security of Nationalised Bank due to lapse on part of the Ministerial Staff of the Court. It was contended in the plaint that accordingly, the plaintiffs had suffered a loss for which the contesting defendants were liable either jointly or severally to compensate the plaintiffs equivalent to the loss suffered by them. With these pleadings, present suit was filed on 16.05.2006.

5. Upon appraisal of pleadings and oral & documentary evidence adduced by the parties, the learned Civil Judge (Senior Division) Narnaul, dismissed suit of the plaintiffs vide judgment and decree dated 22.02.2012. The Civil Appeal filed by the plaintiffs was dismissed by the learned Additional District Judge, Narnaul vide judgment and decree dated 24.09.2015. Hence, present second appeal by the plaintiff No.3.

6. It is inter alia submitted by learned counsel for the appellant that it is admitted fact on record that pending reference under Section 30 of the Act, Daya Nand, one of the plaintiffs had filed an application dated 10.08.1990, that as the decision in the Reference would take a long time,



therefore, the amount assessed by the Collector which had been deposited in the Court, should be deposited in some Nationalised Bank in the interest of justice so as to fetch maximum interest; otherwise, huge loss of interest would be caused. It is submitted that the said application was taken up for hearing by the Addl. District Judge, Narnaul on 01.10.1990 and after hearing counsel for the parties, the following Order was passed: -

“This Petition has been received by transfer. It is registered The counsel for one of the claimant namely Daya Nand has submitted that the amount of compensation has been received and is stand lying in the revenue deposit and it be Ordered to be deposited. The payment received for disbursement to the proper persons be deposited in some nationalised Bank viz New Bank of India. This amount shall be disbursed after the matter of apportionment amongst the claimants viz. land owners, tenants and petitioners in Order to avoid interest to the parties. The Nazir is directed to check up and to report. Written statement on behalf of tenants Parbhati and others, vendees of the claimants Ram Kishan and the reply to the application under Order 1 Rule 10 CPC has not been filed. The reply be filed immediately so that these applications may be decided for 27.10.1990. Copies of the Petition have not been supplied, the same be supplied”

Sd/-

Addl. District Judge, Narnaul 01.10.1990”

7. Learned counsel contends that the above-said order is very clear inasmuch as a categoric direction has been issued by the learned Additional District Judge, Narnaul to the Land Acquisition Collector to deposit the



compensation amount in some Nationalised Bank, which is New Bank of India and that the said amount be disbursed amongst the claimants after matter of apportionment stands decided. However, admittedly, the said direction was not carried out, thereby causing loss of interest to the plaintiffs. But this fact has not been appreciated by the learned Courts below while dismissing the suit of the plaintiffs.

8. Learned counsel further submits that in the present case, admittedly the possession of the land was taken on 14.02.1990 at the time of announcement of the Award. Even as per the respondents, the compensation amount to the tune of Rs. 13,09,050/- was deposited with the Addl. District Judge, Narnaul vide Bank Draft No. BC/A-3317-62 dated 08.09.1991. Meaning thereby that the Land Acquisition Collector had failed to perform his duty as envisaged under Section 31 (2) of the Act. Once, it was so, the plaintiffs were well within their rights to claim declaration as sought.

9. It is further submitted that the Courts below have also erred in holding that the suit filed by plaintiffs was hopelessly time barred. The plaintiffs had categorically pleaded that they came to know about the noncompliance of the Order dated 01.10.1990 on 06.09.2003 i.e. the date on which DROs were issued in favour of the plaintiffs and other claimants in compliance of Court Order dated 14.05.2003. Thereafter, even legal notice under Section 80 CPC was dispatched on 11.05.2004, however, nothing was heard. Subsequently on 13.05.2006 the present suit was filed which by no



stretch of imagination could be said to be time barred. In support of his contentions, Id. counsel relies upon judgment of this Court in **M/s Capital Stone Crushers v. State of Haryana, (P&H) : Law Finder Doc ID # 49281.**

10. It is accordingly prayed that the present appeal be allowed, and the impugned judgments and decrees be set aside.

11. Per contra, learned counsel for the defendants/respondents No.1 to 3 opposes the submissions made on behalf of the appellant and draws the attention of this Court to clarificatory order dated 08.08.1991 passed by the learned Additional District Judge. It is submitted that in view of order dated 08.08.1991, no error had been committed by the Land Acquisition Collector/the respondent-State. It is accordingly prayed that the present appeal be dismissed.

12. No other argument is raised on behalf of the parties. I have heard learned counsel and perused the record in detail.

13. Succinctly put, it is the grievance of the plaintiffs that as the Land Acquisition Collector had failed to deposit the compensation in Court with effect from date of handing over of possession by the land owners on 14.02.1990 up to 13.08.1991 (on which date Collector had deposited the compensation amount with the Revenue Staff), therefore, plaintiffs are entitled to interest for the said period. It is further the case of the plaintiffs that vide order dated 01.10.1990 (Ex.P15), the learned Additional District Judge had directed that the compensation amount of Rs.13,09,050/- be



deposited in a Nationalised Bank in order to fetch maximum rate of interest. However, even the said direction was not complied with; thereby causing grave loss to the plaintiffs.

14. However, the said contention of the appellant is grossly misplaced as, a perusal of the record shows that in pursuance to the order dated 01.10.1990 (Ex.P15) (already reproduced hereinabove); the learned Additional District Judge, Narnaul had passed clarificatory order dated 08.08.1991 (Ex.P19), which reads as follows:-

“At this stage, Mr. Tanwar requested that specific direction be issued to him to deposit the amount to the tune of Rs. 13,09,050/- in Order to enable him to draw this amount from the treasury as the said amount has already been deposited vide Challan No. 96 dated 20.02.1990.

So far as I re-collect that necessary directions were issued to the Nazir to check up if the amount has been deposited in the Court or not. Now the direction is issued to the LAC Narnaul to deposit the amount in Court.

Sd/-

Addl. District Judge, Narnaul 08.08.1991”

15. From the above facts recounted above, it is clear that in actual fact vide order dated 01.10.1990 (Ex.P15) learned Additional District Judge, Narnaul had not directed Ministerial Staff to deposit the amount in the Nationalised Bank; rather, he had only made an inquiry from the Civil Nazir as to whether the compensation amount had been deposited or not. It is a



proven fact on record that on 01.10.1990 no order could have been passed to deposit the compensation amount as admittedly, on 01.10.1990, no money had been deposited in the Court. As such, when the Court was not having any compensation amount, no order could have been passed to deposit the said amount in a Nationalised Bank.

16. Further, reading of the clarificatory order dated 08.8.1991 (Ex.P19) shows that the learned ADJ, Narnaul has specifically stated that vide order dated 01.10.1990, only a direction had been issued to the Nazir to check if the amount had been deposited in the Court or not. This order was passed when Sh. Sham Lal Tanwar, had requested the Court that a specific direction be issued to him so that he could deposit the amount of compensation of Rs.13,09,050/- in the Court after withdrawing the same from the Treasury, which had been deposited vide Challan No.96 dated 20.02.1990. Accordingly, order dated 08.08.1991 came to be passed, clarifying that vide order dated 01.10.1990, no such direction was given by the ADJ, Narnaul to deposit the amount in a Nationalised Bank; and only a report was sought from the Civil Nazir as to whether the said amount had been deposited in the Court or not. Thus, the plaintiffs miserably failed to prove that any such direction had been given by the learned Additional District Judge vide order dated 01.10.1990. Thereafter, admittedly, the compensation amount had been deposited in the Court vide letter dated 09.08.1991 (Ex.P21).



17. It is also to be taken into account that the plaintiffs had sought compliance of the order dated 01.10.1990 by way of suit filed on 16.05.2006. It is the contention of the appellant that they had come to know about non-deposit of the compensation amount in a Nationalised Bank only on 06.09.2003. However, the plaintiffs had failed to lead any evidence to prove their above-said contention. Thus, suit of the plaintiffs would also hopelessly time barred. The relevant findings of the First Appellate Court in judgment dated 24.09.2015 are as follows: -

“16. On perusal of the order dated 1.10.1990 Ex.P15 it is revealed that learned Additional District Judge, Narnaul did not direct the ministerial staff to deposit the amount into nationalized bank, rather he had made only an enquiry from Civil Nazir to the effect as to whether the compensation amount had been deposited or not as per version of claimants. It is admitted fact on the part of the plaintiffs that on the date of order dated 1.10.1990 no money was deposited in the court and when the court was having no compensation amount then no order could have been passed to deposit the amount into nationalized bank. Further the order dated 1.10.1990 can be got clarified if order dated 8.8.1991 is perused together which is Ex.P19 on record file. In the order dated 8.8.1991 learned ADJ, Narnaul has specifically mentioned that necessary directions were issued to Nazir to check up if the amount had been deposited in the court or not. The aforesaid order was passed when Shri Shyam Lal Tanwar requested the court that some specific directions be issued to him so that he could deposit the amount of compensation of



Rs.13,09,050/- into the court after withdrawing the same from the Treasury which had been deposited vide challan no.96 dated 20.2.1990. The order dated 8.8.1991 clarifies the order dated 1.10.1990 that no such direction was given by the court to deposit the amount into nationalized bank whereas only report was sought from Nazir as to whether the amount was deposited in the court or not. Even otherwise, it is the admitted case of the appellants that compensation amount had been deposited in the court only on 3.8.1991 vide letter Ex.P21 dated 9.8.1991.

17. No doubt as per Section 32 of the Land Acquisition Act, 1894 the amount could have been deposited in the bank for fetching interest and as per requirement of Section 34 of the Act when the amount of such compensation is not paid or deposited on or before taking possession of the land, the Collector shall pay the amount awarded with interest thereon at the rate of 9% per annum from the time of so taking possession until it shall have been so paid or deposited. But the case of the appellants is not under Sections 31 to 34 of the Act rather they have approached to this court with the plea that the order dated 1.10.1990 of learned Additional District Judge was not complied with by its ministerial staff, therefore, the appellants are entitled for compensation from the respondents no.1 to 3. However, the appellants have failed to prove any such order or direction allegedly given vide order dated 1.10.1990."

18. Ld. Counsel for the appellant is unable to dispute or controvert the factual and legal position as noted above. The judgment in **M/s Capital**



Stone Crushers (supra) relied upon by the learned counsel for the appellant is of no help as the same is distinguishable on facts and law.

19. As such, the present second appeal stands **dismissed**.
20. Pending application(s) if any also stand(s) disposed of.

23.02.2026
Sunena

(Nidhi Gupta)
Judge

Whether speaking/reasoned:	Yes/No
Whether reportable:	Yes/No