



**RSA No. 4055 of 2017**

IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

**RSA No. 4055 of 2017(O&M)**

**Reserved on: 27.08.2025**

**Pronounced on:02.09.2025**

**Land Acquisition Collector, Panchkula, Haryana**

**...Appellant**

**Versus**

**Chetan Singh & Ors.**

**...Respondents**

**CORAM : HON'BLE MR. JUSTICE DEEPAK GUPTA**

**Argued by:-** Mr. Gaurav Garg, AAG Haryana  
For the appellant.

Mr. Sanjiv Gupta, Advocate  
For the respondents.

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**DEEPAK GUPTA, J.**

It is defendant's second appeal against the concurrent findings of the courts below, inasmuch as suit seeking unliquidated damages and mandatory injunction filed by plaintiffs Chetan Singh and others (*respondents herein*) was decreed by the trial Court on 06.03.2014, and the said findings were affirmed by the First Appellate Court vide judgment dated 13.02.2017, while dismissing the appeal of the defendant-appellant.

2. To avoid confusion, parties shall be referred as per the status before the trial Court.

3. The admitted facts are that land of the plaintiffs was acquired for setting up Sector 32-33 Urban Estate, Karnal. Pursuant to notification under Section 4 of the Land Acquisition Act, 1894, followed by subsequent notification under Section 6 of the Act, award N: 23 was passed by Collector on 21.12.2004. Due to dispute regarding entitlement between the co-sharers, no amount was paid to the plaintiffs. Defendants neither deposited the said amount with the

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Court as required under Section 31 of the Land Acquisition Act nor made any reference under Section 30 of the Act and rather, retained the same. After partitioning of the land amongst the co-sharers, mutation No. 6930 was entered and sanctioned and later on, compensation regarding the acquired land was paid to the plaintiffs on 04.08.2009. Plaintiffs claimed that they are entitled to interest @ 18% per annum from the date of award till the date of payment. They sent a legal notice dated 27.07.2007 upon the defendants calling upon them to make payment of interest within 15 days, but to no effect and hence the suit.

4. The defendant (*appellant herein*) raised certain preliminary objections and pleaded that there was no provision in the Land Acquisition Act to pay interest @ 18% per annum. It was further submitted that amount was not intentionally retained by the defendant. With this stand, defendant prayed for dismissal of the suit.

5. After framing necessary issues and taking evidence produced by both the parties, trial Court decreed the suit with costs. Plaintiffs were held entitled to receive interest @ 9% per annum from the date of award of the compensation till the date of actual realization from the defendant. Defendant was further directed to make payment of the said interest within two months from the date of passing of the judgment dated 06.03.2014 with further direction that if the defendant fails to make payment of interest within two months, then it will be liable to pay the interest @ 18% per annum.

6. The Appellate Court affirmed these findings of the trial Court, while dismissing the appeal of defendant – appellant on 13.02.2017.

7.1 Assailing the aforesaid concurrent findings, it is contended by the learned Government Pleader for the appellant that the respondent-plaintiffs along with others had filed Civil Writ Petition No. 17089 of 2005 assailing the acquisition proceedings and for releasing of their land. Said writ petition was disposed of on 27.10.2005 with liberty to them to file representation-grievance before the competent authority in terms of public notice. Thereafter, respondents-plaintiffs filed a detailed representation before the

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competent authority i.e., High Powered Committee, which rejected the claim of the said respondents on 05.09.2008.

7.2 It is further submitted that the co-sharers of Khewat No. 258, 119, 226 and 227 were contesting with each other regarding their share and had filed a partition case before the revenue authority Karnal, which decided the said case of partition and subsequently, Mutation No. 6930 was entered and sanctioned on 27.05.2009. After sanctioning of the said mutation, the respondents-plaintiffs approached the appellant-defendant for the first time on 29.07.2009 to seek compensation amount of the acquired land, which was paid to them on 04.08.2009. It is further submitted that the respondent-plaintiffs had already transferred their rights in the name of private builders by way of the collaboration agreement and as such, they were not interested in lifting the compensation amount from the Land Acquisition Collector. As such, they themselves were liable for the delay and so they are not entitled to any interest.

7.3 Apart from above, Ld.Government Pleader further pleaded that the direction of the trial Court and as affirmed by the Appellate Court to pay interest @ 18% after two months is absolutely not justiciable.

7.4 With these submissions, prayer is made to set aside the judgments and decrees passed by the Courts below and to dismiss the claim of the plaintiffs by allowing this appeal.

8.1 Refuting the aforesaid contentions, it is urged by learned counsel for the respondents-plaintiffs that even if there was dispute regarding apportionment of compensation amongst the co-sharers, it was the duty of the Land Acquisition Collector to deposit the amount in the Court as required under Section 31 of the Land Acquisition Act and therefore, the appellant cannot justify non-payment of interest.

8.2 Learned counsel for the respondents further pointed out that contention to the effect that plaintiffs had assailed the acquisition proceedings before Hon'ble High Court and later on their representations were decided in 2008 by the High Power Committee, is raised for the first time before this court,

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as no such stand was taken before the trial Court in the written statement filed by the appellant-defendant. With these submissions, prayer is made for dismissal of the appeal.

9. This court has considered submissions of both the sides and has appraised the record carefully.

10. As the provisions of the Land Acquisition Act 1894 would reveal, after enquiring into all the objections raised by the interested persons in respect of the acquisition proceedings, concerned Collector is required to make an award in terms of Section 11 of the Land Acquisition Act in respect of the following:-

- I. the true area of the land;
- II. the compensation which in his opinion should be allowed for the land; and
- III. the apportionment of said compensation among all the persons known or believed to be interested in the land, of whom, or of whose claims, he has information, whether or not they have respectively appeared before him.

11. Still further, Section 12 of the Act provides as under:-

***“12. Award of Collector when to be final.***

*(1) Such award shall be filed in the Collector’s office and shall, except as hereinafter provided, be final and conclusive evidence, as between the Collector and the persons interested, whether they have respectively appeared before the Collector or not, of the true area and value of the land, and the apportionment of the compensation among the persons interested.*

*(2) The Collector shall give immediate notice of his award to such of the persons interested as are not present personally or by their representatives when the award is made.*”

12. It is clear from the aforesaid provision that whether the persons interested in the acquired piece of land have appeared before the Collector or

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not, award is to be final qua the true area and the apportionment of compensation among the persons interested and the Collector is required to give immediate notice of his award to such of the person interested as are not present personally or by their representatives, when the award is made.

13. In the present case, there is neither any pleading of the defendant-appellant nor there is any evidence to show that the appellant-defendant had served any notice upon the plaintiffs after pronouncement of the award.

14. Still further, Section 30 provides about dispute as to apportionment; whereas, Section 31 provide about the payment of compensation or deposit of the same in Court. These provisions read as under:-

*“Section 30 Dispute as to apportionment- When the amount of compensation has been settled under section 11, if any dispute arises as to the apportionment of the same or any part thereof, or as to the persons to whom the same to any part thereof, is payable, the Collector may refer such dispute to the decision of the Court.*

**Section 31. Payment of compensation or deposit of same in Court.**

*(1) On making an award under section 11, the Collector shall tender payment of the compensation awarded by him to the persons interested entitled thereto according to the award and shall pay it to them unless prevented by some one or more of the contingencies mentioned in the next sub-section.*

*(2) If they shall not consent to receive it, or if there be no person competent to alienate the land, or if there be any dispute as to the title to receive the compensation or as to the apportionment of it, the Collector shall deposit the amount of the compensation in the Court to which a reference under section 18 would be submitted:*

*Provided that any person admitted to be interested may receive such payment under protest as to the sufficiency of the amount:*

*Provided also that no person who has received the amount otherwise than under protest shall be entitled to make any application under section 18:*

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*Provided also that nothing herein contained shall affect the liability of any person, who may receive the whole or any part of any compensation awarded under this Act, to pay the same to the person lawfully entitled thereto.*

*(3) & (4) xxxxxxxxxxxxxx (not relevant)."*

[Bold & italicized portion emphasised by this court]

15. The above provisions make it clear that in case there is any dispute as to the apportionment of the compensation amount or any part thereof or as to the persons to whom the same or any part of the amount is payable, the Collector is required to refer such dispute to the decision of the court. Not only this, as and when there is any dispute as to the title or to receive the compensation or as to the apportionment of it, the Collector is mandatorily required to deposit the amount of the compensation in the Court to which a reference under Section 18 would be submitted.

16. In the present case, it is not the case of the appellant-defendant that after pronouncement of the award, it deposited the compensation amount before the court concerned on account of the dispute regarding apportionment between the plaintiffs and the other co-sharers, as was required under Section 31 of the Act. Once it is so, defendant-appellant cannot be allowed to escape from its liability to pay the interest.

17. The contention of learned counsel for the appellant that a writ petition had been filed by the plaintiffs along with others challenging the acquisition proceedings and that pursuant to the order of the High Court, representation was decided by the High Power Committee in 2008, or that there was dispute amongst the co-sharers regarding apportionment, is though beyond pleadings, but even if such contention is considered, it had not stopped the Land Acquisition Collector - appellant to deposit the amount before the Court concerned as required under Section 31 of the Act, to which the reference under Section 18 would have been made. No such step was taken by the Land Acquisition Collector and as such, the contention raised by the learned Government Pleader for the appellant has no force.

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18. As far as the rate of interest is concerned, Section 34 of the Land Acquisition Act, 1894 reads as under.

*“34. Payment of interest - 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 [nine per centum] per annum from the time of so taking possession until it shall have been so paid or deposited:*

*Provided that if such compensation or any part thereof is not paid or deposited within a period of one year from the date on which possession is taken, interest at the rate of fifteen per centum per annum shall be payable from the date or expiry of the said period of one year on the amount of compensation or part thereof which has not been paid or deposited before the date of such expiry.”*

19. It is clear from the aforesaid provision that when the amount of compensation is not deposited on or before taking possession of the land, Collector is required to pay the interest on the awarded amount @ 9 % per annum from the date of so taking possession until it shall have been so paid or deposited. As per Section 16 of the Act, Collector is entitled to take possession immediately on announcement of the award. Still further, in case the amount of compensation is not paid or deposited within a period of one year from the date on which the possession is taken, then interest @ 15 % per annum is payable from the date of expiry of the said period of one year on the amount of compensation.

20. In the present case, it is not in dispute that award was announced on 21.12.2004 and the payment to the plaintiffs-respondents was made on 04.08.2009. As the compensation amount to the share of the plaintiffs-respondents was not deposited before the Court concerned, therefore, the appellant-defendant was required to pay an interest @ 9 % per annum for a period of one year with effect from 21.12.2004 and thereafter @ 15 % per annum till payment. However, the trial Court has awarded interest @ 9 % per annum, which has been affirmed by the First Appellate Court. The plaintiffs have not approached this Court to seek higher rate of interest. As such, the findings of

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the Courts below awarding interest @ 9 % per annum on the compensation amount from the date of award till the date of payment, is hereby upheld.

21. The defendant-appellant was afforded opportunity by the trial court to pay the aforesaid interest within two months from the date of the passing of the judgment dated 06.03.2014 and in case they fail to do so, then to pay interest @ 18 % per annum.

22. The appellant-defendant failed to make the payment within two months as per trial court judgment. However, interest @ 18 % after 2 months period appears to this court to be on the excessive side.

23. As such, it is directed that apart from the interest @ 9% per annum on the compensation amount from the date of award (21.12.2004) till actual payment (04.08.2009), defendant-appellant shall also pay interest @ 6 % per annum on this interest component from the date of payment of compensation amount i.e. 04.08.2009 till the amount of actual realization of the said interest component to the respondents-plaintiffs.

24. The orders passed by the Courts below are modified only to the aforesaid extent. Appeal is disposed of accordingly.

**(DEEPAK GUPTA)**  
**JUDGE**

**02.09.2025**

*Jiten*

Whether speaking/reasoned : Yes/No

Whether reportable : Yes/No