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IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

CWP-19496-2025

Date of Decision: September 25, 2025

BASANTI

.....Petitioner

Versus

STATE OF HARYANA AND OTHERS

.....Respondents

CORAM: HON'BLE MR. JUSTICE HARKESH MANUJA

Present: Mr. Bhaskar Sorout, Advocate for the petitioner.

Mr. Abhinash Jain, DAG, Haryana.

Mr. H.S. Gill, Advocate for respondent No.3.

HARKESH MANUJA, J. (ORAL)

Present writ petition has been filed with the following prayer:-

“Civil Writ Petition under Articles 226/227 of the Constitution of India for the issuance of a writ of Mandamus directing the respondents to pay the interest on the awarded compensation @9% per annum for the period of one year i.e. from 16/12/2011 to 15/12/2012 and @15% per annum for the subsequent period till the date of payment of awarded compensation i.e. 14/08/2024 on the compensation amount of Rs. 64,43,058/- which was withheld by respondents from 16.12.2011 to 14.8:2024 to the petitioner”

2. Admittedly, the petitioner happened to be the owner of 7 kanals and 15 marlas of land situated within the revenue estate of Village Dadri, Tehsil Dadri and District Dadri which came to be acquired vide notifications dated 18.12.2008 and 17.12.2009 issued under Sections 4 and 6 of the Land Acquisition Act, 1894 (hereinafter referred to as ‘1894 Act’) followed by an award dated 16.12.2011. However, the amount of compensation payable to the petitioner was neither paid to him nor even

deposited with the learned Reference Court. Aggrieved thereof, the petitioner approached this Court.

3. On 15.07.2025, this Court passed the following order:-

“Learned counsel for the petitioner inter alia submits that the land of the petitioner came to be acquired under the provisions of Section 4 of the Land Acquisition Act, 1894 (for short '1894 Act) wherein an award dated 16.12.2011 was passed by the Land Acquisition Collector under Section 11 of the 1894 Act and compensation was deposited with the Reference Court in terms of Section 31 of the 1894 Act on 14.03.2022 followed by disbursement thereof in favour of the petitioner. Learned counsel further submits that petitioner is entitled for grant of statutory interest in terms of Section 34 of the 1894 Act.

Notice of motion.

On asking of the Court, Mr. Arun Beniwal, Sr. D.A.G., Haryana and Mr. H.S. Gill, Advocate accept notice on behalf of respondent Nos. 1 & 2 and 3 respectively. They seek some time to have instructions.

List on 19.08.2025.”

4. In response, written statement has been preferred on behalf of Land Acquisition Collector, Urban Estate Department, Haryana, Hisar-respondent Nos.1 and 2 which has been adopted by learned counsel appearing on behalf of respondent-HSVP. Relevant paragraph Nos.5 to 8 of the written statement are extracted hereunder:-

“5. That it is respectfully submitted that in furtherance of the above notification and declaration, the Award No. 2 for the total land measuring 67.19 acres had been announced on 16.12.2011 including the land in question and possession of the land in question of village Dadri along-with other land has been taken and handed over to the Estate Officer, HUDA (now HSVP), Bhiwani vide rapat No. 907 dated 16.12.2011. Further, it is submitted that as per record, the petitioner was the recorded owner to the extent of 175/302 share (7 kanals 15 marlas) in the total land measuring 13 kanals 8 marlas comprised in khasra/killla No. 185//22, 23, 24/1 situated in the revenue estate of village Dadri, at the time of issuance of notification under section 4 of the Act. All the

acquisition proceedings have been carried out in accordance with the provisions of the Act.

6. *That it is submitted that the information regarding the announcement of Award No. 2 dated 16.12.2011 was announced and the announcement for submitting the account numbers and other necessary documents for taking the amount of compensation was done in the locality of the acquired land through mustri munadi by Vijay Chowkidar as per rapat rojnamcha No. 907 dated 16.12.2011. Moreover, the news article in regard to announcement of Award was also published in the newspaper Dainik Jagran on 17.12.2011. Further, it is submitted that after the announcement, the co-sharers in the khasra/killla number 185//22, 23, 24/1, in which land of the petitioner falls has submitted the required necessary documents in the office of answering respondent and received the awarded compensation i.e. Sh. Suraj Bhan s/o Sh. Mukhtyar Singh, Rs.29,45,398/- vide Cheque No. 579476 dated 14.02.2012 and Smt.Sharda Devi w/o Sh. Ram Avtar, Rs. 17,30,421/- vide Cheque No.579477 dated 14.02.2012.*

7. *That it is submitted that again the announcement for submitting the account numbers and other necessary documents for taking the amount of compensation was done in the locality of the acquired land through mustri munadi vide letter memo No. 1832 dated 30.06.2017 and again it was done vide letter memo No. 112 dated 25.01.2022 and inspite of this, the petitioner never came up to deposit the necessary documents with the answering respondent, so that the compensation amount could be paid to the petitioner.*

8. *That the compensation amount qua the acquired land measuring 67.19 acre comes to Rs. 47,99,83,889/-, out of which appx. 97% amount has been disbursed to the land owners/deposited in the Ld. Court and the balance amount has been deposited vide Demand Draft No. 304999 dated 04.03.2022 and No. 097505 dated 05.03.2022 with the Court of Learned Additional District Judge, Charkhi Dadri, which also includes the amount of awarded compensation in respect of the land of the petitioner, Further, it is submitted that the petitioner intentionally has not received the amount of awarded compensation by not submitting the required necessary documents and account number with the answering respondent and now he wants to take the benefits of her own negligence. Further, it is submitted that the petitioner has received the awarded*

compensation amount from the Court of Learned ADJ Charkhi Dadri on 14.08.2024”

5. Learned counsel for the petitioner submits that once the amount of award was neither deposited with learned Reference Court nor even paid to the petitioner till 14.03.2022, as such, the respondents were liable to pay the statutory interest as contemplated under Section 34 of the 1894 Act for the delayed disbursal. Section 34 is reproduced hereunder for reference:-

“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”

In this regard, learned counsel for petitioner relies upon decision rendered by this Court in CWP-25477-2018 decided on 09.09.2021. Relevant portion of the said judgment is extracted hereunder:-

“As per the Section 31 of the Land Acquisition Act, 1894, the Land Acquisition Collector is required to tender payment of the compensation awarded by him to the persons interested on making a award under Section 11 of the 1894 Act. It is the duty of the Land Acquisition Collector to tender the amount to the persons entitled therein unless prevented by someone or more of the contingencies specified in the sub Section 2 of Section 31 of the 1894 Act. Sub Section 2 of Section 31 provides that if the interested persons do not consent to receive it or if there is no person competent to receive the amount or if there is any dispute regarding the title for the receipt of the amount of compensation or about/with regard to the apportionment thereof, the Land Acquisition Collector shall deposit the amount of compensation in the Court to which a reference under Section 18 is required to be submitted. Section 31 of the 1894 Act is extracted as under:-

“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 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: 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) Notwithstanding anything in this section the Collector may, with the sanction of the [appropriate Government] instead of awarding a money compensation in respect of any land, make any arrangement with a person having a limited interest in such land, either by the grant of other lands in exchange, the remission of land-revenue on other lands held under the same title, or in such other way as may be equitable having regard to the interests of the parties concerned.

(4) Nothing in the last foregoing sub-section shall be construed to interfere with or limit the power of the Collector to enter into any arrangement with any person interested in the land and competent to contract in respect thereof.”

From the statutory provisions and facts noticed above, it is evident that the Land Acquisition Collector has failed to comply with the mandate of the statutory provisions. The Land Acquisition Collector has neither disclosed any justifiable reason to withhold the payment nor deposited the amount in the Court where the reference under Section 18 is required to be forwarded.

Keeping in view the aforesaid facts, it becomes discernible that the petitioner who has not been paid compensation as assessed by the Land Acquisition Collector becomes entitled to the payment of interest in accordance with Section 34 of the 1894 Act which is extracted as under:-

“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:”

Keeping in view the aforesaid undisputed position, the writ is allowed. The respondent State is directed to calculate the interest in accordance with the mandate of Section 34 and pay the same to the petitioner within a period of three months from today.

All the pending miscellaneous application(s), if any, are also disposed of.”

6. On the other hand, learned counsel for respondent No.3 submits that despite the fact that due publicity was made to the award passed by Land Acquisition Collector, the petitioner never came forward to receive the amount of compensation whereas, his other close relatives were released the payment in the year 2012 itself. He thus submits that the petitioner was not entitled for benefit of any interest as the delay if any was attributed to him alone.

7. I have heard learned counsel for the parties and gone through the paper-book.

8. A perusal of the record shows that respondents in their written statement went on to admit the ownership of the petitioner over the acquired land. It has also been admitted that the award in the present case under Section 11 of 1894 Act was passed on 16.12.2011. Further, it has also not been disputed that the amount of compensation was deposited with the learned Reference Court only on 04.03.2022 and 05.03.2022. In terms thereof, once the amount of compensation payable to the petitioner under the aforementioned award was retained by the respondents and was not deposited with the learned Reference Court up to March 2022, they having utilized the said amount, are under statutory obligation to pay interest to the petitioner-landowner w.e.f. 16.12.2011 till 14.03.2022. Especially, when the factum of taking over of possession of the acquired land from the petitioner on the date of passing of the award

i.e. 16.12.2011 was admitted in their written statement. Mere fact that due publicity to the award passed by the LAC was made cannot be taken against the petitioner to non-suit him as in the given situation when the landowner-petitioner even if was not coming forward to receive the compensation amount, the LAC was under legal obligation to deposit the same with the learned Reference Court, in view of the express provision under the 1894 Act, in the shape of Section 31 thereof.

9. In view of the aforesaid, the present petition is allowed and the amount of interest payable to the petitioner in accordance with Section 34 of 1894 Act be calculated and paid to the petitioner within 4 weeks from today. It is made clear that in case the needful is not done within the afore-stated period, concerned Land Acquisition Collector shall be liable to pay cost of Rs.50,000/- towards cost of litigation from his own pocket and the same shall not be borne from the State exchequer.

25.09.2025

Tejwinder

(HARKESH MANUJA)

JUDGE

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| <i>Whether speaking/reasoned</i> | <i>Yes/No</i> |
| <i>Whether Reportable</i> | <i>Yes/No</i> |