

IN THE HIGH COURT OF JHARKHAND AT RANCHI

F.A. No. 367 of 2018

Union of India	...	...	Appellant
	Versus		
Virendra Mahto and Anr.	...	...	Respondents
With			

F.A. No. 192 of 2014; F.A. No. 193 of 2014; F.A. No. 194 of 2014; F.A. No. 195 of 2014; F.A. No. 196 of 2014; F.A. No. 197 of 2014; F.A. No. 198 of 2014; F.A. No. 199 of 2014; F.A. No. 200 of 2014; F.A. No. 201 of 2014; F.A. No. 202 of 2014; F.A. No. 203 of 2014; F.A. No. 204 of 2014; F.A. No. 205 of 2014; F.A. No. 206 of 2014; F.A. No. 207 of 2014; F.A. No. 208 of 2014; F.A. No. 209 of 2014; F.A. No. 210 of 2014; F.A. No. 211 of 2014; F.A. No. 212 of 2014; F.A. No. 213 of 2014; F.A. No. 214 of 2014; F.A. No. 215 of 2014; F.A. No. 216 of 2014; F.A. No. 217 of 2014; F.A. No. 218 of 2014; F.A. No. 219 of 2014; F.A. No. 220 of 2014; F.A. No. 221 of 2014; F.A. No. 222 of 2014; F.A. No. 223 of 2014; F.A. No. 224 of 2014; F.A. No. 225 of 2014; F.A. No. 226 of 2014; F.A. No. 227 of 2014; F.A. No. 228 of 2014; F.A. No. 229 of 2014; F.A. No. 230 of 2014; F.A. No. 231 of 2014; F.A. No. 232 of 2014; F.A. No. 233 of 2014; F.A. No. 234 of 2014; F.A. No. 235 of 2014; F.A. No. 236 of 2014; F.A. No. 237 of 2014; F.A. No. 238 of 2014; F.A. No. 239 of 2014; F.A. No. 240 of 2014; F.A. No. 241 of 2014; F.A. No. 242 of 2014; F.A. No. 243 of 2014; F.A. No. 244 of 2014; F.A. No. 245 of 2014; F.A. No. 246 of 2014; F.A. No. 247 of 2014; F.A. No. 248 of 2014; F.A. No. 249 of 2014; F.A. No. 250 of 2014; F.A. No. 251 of 2014; F.A. No. 252 of 2014; F.A. No. 253 of 2014; F.A. No. 254 of 2014; F.A. No. 255 of 2014; F.A. No. 256 of 2014; F.A. No. 257 of 2014; F.A. No. 258 of 2014; F.A. No. 259 of 2014; F.A. No. 260 of 2014; F.A. No. 261 of 2014; F.A. No. 262 of 2014; F.A. No. 263 of 2014; F.A. No. 264 of 2014; F.A. No. 265 of 2014; F.A. No. 266 of 2014; F.A. No. 267 of 2014; F.A. No. 268 of 2014; F.A. No. 269 of 2014; F.A. No. 270 of 2014; F.A. No. 271 of 2014; F.A. No. 272 of 2014; F.A. No. 273 of 2014; F.A. No. 274 of 2014; F.A. No. 275 of 2014; F.A. No. 276 of 2014; F.A. No. 277 of 2014; F.A. No. 278 of 2014; F.A. No. 279 of 2014; F.A. No. 280 of 2014; F.A. No. 281 of 2014; F.A. No. 282 of 2014; F.A. No. 283 of 2014; F.A. No. 284 of 2014; F.A. No. 285 of 2014; F.A. No. 286 of 2014; F.A. No. 287 of 2014; F.A. No. 288 of 2014; F.A. No. 289 of 2014; F.A. No. 290 of 2014; F.A. No. 291 of 2014; F.A. No. 292 of 2014; F.A. No. 293 of 2014; F.A. No. 294 of 2014; F.A. No. 295 of 2014; F.A. No. 296 of 2014; F.A. No. 297 of 2014; F.A. No. 298 of 2014; F.A. No. 299 of 2014; F.A. No. 300 of 2014; F.A. No. 301 of 2014; F.A. No. 302 of 2014; F.A. No. 303 of 2014; F.A. No. 304 of 2014; F.A. No. 305 of 2014; F.A. No. 306 of 2014; F.A. No. 307 of 2014; F.A. No. 308 of 2014; F.A. No. 309 of 2014; F.A. No. 310 of 2014; F.A. No. 311 of 2014; F.A. No. 313 of 2014; F.A. No. 314 of 2014; F.A. No. 315 of 2014;

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F.A. No. 564 of 2014; F.A. No. 565 of 2014; F.A. No. 451 of 2018;
F.A. No. 455 of 2018; F.A. No. 456 of 2018; F.A. No. 459 of 2018;
F.A. No. 463 of 2018; F.A. No. 464 of 2018; F.A. No. 465 of 2018;
F.A. No. 466 of 2018; F.A. No. 467 of 2018; F.A. No. 468 of 2018;
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F.A. No. 475 of 2018; F.A. No. 477 of 2018; F.A. No. 479 of 2018;
F.A. No. 480 of 2018; F.A. No. 482 of 2018; F.A. No. 484 of 2018;
F.A. No. 486 of 2018; F.A. No. 487 of 2018; F.A. No. 489 of 2018;
F.A. No. 491 of 2018 & F.A. No. 492 of 2018

CORAM :HON'BLE MRS. JUSTICE ANUBHA RAWAT CHOUDHARY

For the Appellant-UIO : Mr. Prashant Pallav, ASGI
: Mr. Abhijeet Kumar Singh, CGC
: Mr. Parth Jalan, Advocate
[in F.A. No. 367 of 2018]

For Appellants(claimants): Mr. S. K. Tripathi, Senior Advocate
: Mr. Mitul Kumar, Advocate
: Mr. Anand, Advocate
: Mr. B.N. Dey, Advocate
: Mr. S. K. Dey, Advocate
: Mr. Rishabh Srivastava, Advocate
: Mr. B. R. Rochan, Advocate
[in F.A. No. 192 of 2014 and analogous cases except F.A. No. 367 of 2018]

For the State : Mr. Om Prakash Tiwari, GP-III
: Mr. Krishna Kr. Bhatt, AC to SC-I
: Mr. Suresh Kumar, SC (L&C)II
[FA No.468/2018 & FA No.484/2018]

For the Respondents : Mr. S. K. Tripathi, Senior Advocate
: Mr. Mitul Kumar, Advocate
: Mr. Anand, Advocate
: Mr. B.N. Dey, Advocate
: Mr. S. K. Dey, Advocate
: Mr. Rishabh Srivastava, Advocate
: Mr. B. R. Rochan, Advocate
[in F.A. No. 367 of 2018]

28/21.11.2025

1. The *learned counsel for the appellant-Union of India*, while referring to the background in which the learned Arbitrator was appointed, submitted that the subject matter of the instant appeal was requisitioned by the Defence of India way back in 1941-42 and that while the Defence of India was in possession of the property, the land was acquired in the year 1971-72.
2. Arising out of acquisition of land, compensation was determined and 80% of the land losers were paid the compensation by the year 1975, but they accepted it without registering any protest.
3. He has further submitted that the land losers who were aggrieved by the compensation, approached the Hon'ble Patna High Court by filing writ petitions being CWJC No.1590 of 1991, 2257 of 1991 and 2252 of 1991 and that the State of Bihar appointed an Arbitrator vide Notification dated 18.12.1992 to adjudicate the claim of those persons only who had approached the Hon'ble High

Court in the aforesaid batch of writ petitions. He has further submitted that the aforesaid notification was modified vide notification dated 05.06.1993 wherein all the landloosers, irrespective of those who have approached the High Court or not, could get their claim of compensation adjudicated. The said Notification dated 05.06.1993 was challenged before the Hon'ble Patna High Court by the Union of India in CWJC No.8131 of 1993, and during the pendency of the writ petition, the Notification dated 05.06.1993, encompassing all the landloosers, was cancelled. Subsequently, another Notification dated 18.11.1993 was issued, restricting the arbitration only with respect to those who had initially approached the Hon'ble High Court.

4. The said notification dated 18.11.1993 was challenged in writ petition being CWJC No.2273 of 1994, wherein the landloosers sought to challenge the notification on the basis of discrimination. The said writ petition was dismissed by this Court by order dated 10.01.2008. The order passed in CWJC No.2273 of 1994 was challenged before the Hon'ble Supreme Court in Civil Appeal No.7152 of 2012. Thereafter, the Hon'ble Supreme Court was pleased to direct appointment of Arbitrator and the Hon'ble Supreme Court have clearly observed that they have not expressed any view on the merit or demerit of the case. Consequent to the judgement passed by the Hon'ble Supreme Court, a fresh Notification dated 23.02.2013 was issued with respect to all the landloosers appointing the learned Arbitrator, whose award is under challenge before this Court.

5. The *learned counsel appearing on behalf of the claimants* has submitted that the sequence of events have not been correctly and completely mentioned by the learned counsel for the Union of India.

6. The learned counsel for the claimants submits that pursuant to order passed in CWJC No.1590 of 1991/2257 of 1991 / 2252 of 1991, a retired judge was appointed as an Arbitrator for the writ petitioners in those cases on 18.12.1982. However, the District

Land Acquisition Officer, Ranchi vide letter dated 03.03.1993 had requested the State Government to appoint an Arbitrator for all the landloosers with respect to the property involved in the present case. He has submitted that this was followed by issuance of a Notification dated 05.06.1993 by the Government of Bihar wherein the all the landloosers were covered for the purposes of arbitration.

7. However, the Union of India challenged the said notification dated 05.06.1993 in CWJC No.8131 of 1993 and in the said writ petition, a stay order was granted by the High Court and during the pendency of the writ petition being CWJC No.8131 of 1993, the District Land Acquisition Officer again wrote a letter stating that the inclusion of name of 753 persons for the purposes of arbitration was against the provision of law. Consequently, another notification dated 18.11.1993 was issued whereby the notification dated 05.06.1993 enlarging the scope of arbitration for all the landloosers was cancelled.

8. This was followed by another writ petition being CWJC No.2273 of 1994 in which 20 persons in representative capacity, representing all the landloosers, challenged the order of withdrawal dated 18.11.1993. The said writ petition was dismissed vide order dated 10.01.2008. Against the order passed in CWJC No.2273 of 1994, SLP No.20729 of 2008 was filed before the Hon'ble Supreme Court wherein the leave was granted and it was converted into Civil Appeal No.7152 of 2012. The said SLP was decided vide judgement dated 25.09.2012 and the order of the High Court refusing to extend the benefit of arbitration to all the landloosers was set aside.

9. The learned counsel has submitted that the order of the High Court did not survive for any purpose whatsoever as the judgement had merged with the judgement passed by the Hon'ble Supreme Court. He has also submitted that the order of the High Court cannot be looked into for any purpose whatsoever including the reasons of dismissal of the writ petition by the High Court.

10. The learned counsel for the claimants has submitted that once the terms of reference was made, the learned Arbitrator had no option but to decide the fair compensation, which was payable to the claimants.

11. He has further submitted that in absence of the agreement in Form – K as contemplated under the Act and the Rule indicating due acceptance of the compensation without any protest and without any further claim, merely because the claimants have received the compensation amount, the same cannot lead to a conclusion that the entire process with respect to the payment of compensation was complete.

12. The learned counsel has also submitted that the authorities were also under an obligation to take out certain processes and inform the Union of India with regard to completion of the payment of compensation so that appropriate steps could be taken, but in the present case, no such completion process has been placed on record. He has submitted that in absence of the agreement, it cannot be said that the claimants had agreed to accept the compensation amount as offered to them.

13. The learned counsel has also submitted that there is no provision under the Act and the Rules by which the claimants could invoke for arbitration. The arbitrator is required to be *suo moto* appointed by the Union of India, once the agreement is not reached. He has submitted that under such circumstances, the claimants have no option but to move the High Court under writ jurisdiction for appointment of arbitrator. He has also submitted that since no agreement was available on record in Form – K, the State Government had rightly issued the notification for the purposes of adjudication of claim of all the land losers.

14. The learned counsel for the claimants has submitted that once the process of payment of compensation was not complete, the judgement passed by Hon'ble Supreme Court in the case of ***Union of India and Others Vs. Munsha and Ors. reported in 1995 Supp. (4) SCC 660*** was not applicable. Consequently, the subsequent

judgement following this judgement passed in the case of *Union of India Vs. Satyawati and Ors.* reported in **(1996) 7 SCC 740** was also not applicable. The learned counsel has submitted that the judgement of *Dayal Singh and others Vs. Union of India and Ors.* reported in **(2003) 2 SCC 593** is not applicable inasmuch as in the said case, the parties had entered into the agreement in the required form and there was a concluded contract between the parties.

15. Learned counsel for the claimants has referred to the judgment passed by the Hon'ble Supreme Court reported in **(2010) 3 SCC 673 (Union of India versus Seneth Munda and Others)** and has submitted that the said judgment cannot be read in the manner to exclude interest on the component of interest which stood crystalized on the date of Award. He has submitted that the learned Arbitrator has rightly awarded the post award interest also, by including all the three components i.e. the awarded amount, the solatium and the interest component, and therefore, the post award interest would carry interest on all the three components after the cut-off date as stipulated by the learned Arbitrator.

16. The learned counsel has also submitted that the award passed by the learned Arbitrator is essentially a money decree which has to be paid within the stipulated time and the interest component till the date of the Award partakes the character of principle amount, and therefore, the post award interest will run on all the three components i.e. the award, solatium and interest component accrued till the date of the award as the claimants were entitled for payment immediately after the award. Having not paid, the delayed payment interest at the rate of 15% with default clause was given by the learned Arbitrator and the same does not call for any interference by this Court.

17. He has placed the aforesaid judgment of *Seneth Munda (supra)* in full and has submitted that the arbitral award was passed with awarded amount and solatium and interest @ 9% per annum on the balance amount payable to the claimants with a default clause that if the amount is not paid, the rate of interest would be

12% per annum. He further submits that the High Court interfered with the award of the Arbitral tribunal only to the extent of reducing the post awarded interest from 12% to 9% with a default clause that if the amount is not paid within three months, then the post award interest would carry interest @ 12% per annum. The High Court has also extended the period for payment but the same was not honoured by the Union of India and in the contempt proceeding there was a direction to pay interest @ 12% from 22.06.2003 (appears to be the date of award) till 25.11.2006 (appears to be the date of payment) and the quantified amount on which the interest was to be paid @ 12% from 22.06.2003 to 25.11.2006 to a sum of Rs. 1,37,98,860.08. The claimants before the Hon'ble Supreme Court had contended that 12% interest was payable on the awarded amount, solatium and also the amount of interest. However, the Hon'ble Supreme Court ultimately held that payment of 12 % interest on the entire aforesaid amount from 22.06.2003 to 25.11.2006 would tantamount to payment of interest on interest which was not permissible under the Act and consequently the order of the High Court in the contempt jurisdiction was set aside.

18. It is not in dispute that the property involved in this case is relating to ward no. 4 falling in Ranchi Municipal Area. Exhibit-4 relates to ward nos. 5 and 6-Doranda and Exhibit 12 relates to ward no. 3.

19. Written arguments have been filed by both the parties which have been fully placed during the course of hearing.

20. Arguments concluded.

21. Post these cases for dictation of judgement in open Court on 24.11.2025 at 2.15 pm.

(Anubha Rawat Choudhary, J.)

21.11.2025

Saurav/Binit/Mukul