

IN THE SUPREME COURT OF INDIA  
CIVIL APPELLATE JURISDICTION

CIVIL APPEAL NOS.1189-1190 OF 2025  
(Arising out of SLP(Civil) Nos.5585-5586 of 2011)

KARNAL IMPROVEMENT TRUST, KARNAL

Appellant(s)

VERSUS

KAUSHALAYA DEVI & ORS.

Respondent(s)

J U D G M E N T

1. Leave granted.

2. The instant appeals are directed against the impugned judgment and order dated 30.08.2010 passed in C.W.P. No.7685 of 1987 and C.W.P. No.5629 of 1987 passed by the High Court of Punjab and Haryana at Chandigarh, whereby the High Court had partly allowed the writ petitions and awarded compensation to the respondents - claimants @ Rs.1,336/- per sq. yard alongwith the solatium @ 30%, in respect of the acquisition of the lands in question, by observing as under:-

“The facts are not in dispute. Land measuring 8894 sq. yards belonging to the petitioners was acquired by the Improvement Trust for scheme No.43 known as Karnal Cold Storage and Surrounding Areas Development Scheme. The site was to be developed for commercial purposes and was situated within the municipal limits of Municipal Committee, Karnal. It is also not in

dispute that the land acquired in Scheme No.37 known as Old Sabzi Mandi Scheme adjoins the land which is the subject-matter of this case. The Tribunal vide its impugned award dated 20.4.1987 kept intact the award of Rs.218/- per sq. yard as the rate of the land as assessed by the Collector primarily relying upon the rate as granted under Scheme No.37 (Exhibit R-7). It is thus apparent that the market rate of the land in question in the present case was assessed by the Collector at the same rate as under Scheme No.37 of the Improvement Trust. A perusal of the judgment passed by this Court in Vijay Kumar's case (supra) would show that the writ petitions were preferred by the claimant-land owners and the Improvement Trust challenging the award passed by the Tribunal on 21.1.1988 qua the land under Scheme No.37 of the Improvement Trust wherein the claimants were held entitled to compensation at the rate of Rs.1336/- per sq. yard. The said award was upheld by this Court vide its judgment dated 15.9.1989. The award of the Tribunal in the case of Scheme No.37 as also the decision of this Court in the writ petitions came during the pendency of the present writ petitions and; therefore, the same can be taken into consideration by this Court to evaluate and assess the market value of the land as the same are per se admissible. As the land in both the Schemes are adjoining each other, which fact has been admitted by the witnesses, both of the Trust as well as the claimant-land owners, and the award of the Land Acquisition Collector in Scheme No.37 has been relied upon by the Tribunal for maintaining the amount of compensation as assessed in the present case, the claimant-land

owners cannot be deprived of the same rate of the land as assessed in Scheme No.37. Accordingly, the market rate of the land of the claimant land owners which has been acquired by the Trust under Scheme No.43 is assessed at Rs.1336/- per sq. yard. A perusal of the impugned award shows that the Tribunal has granted solatium at the rate of 30% on account of compulsory nature of acquisition only on the enhanced amount of the super structures. The amount, as per Section 23(2) of the 1894 Act being in addition to the market value of the land, the Court is mandated in every case to award a sum of 30 per cent of such market value in consideration of compulsory nature of acquisition. Accordingly, the petitioners are held entitled to 30 per cent solatium on account of compulsory nature of acquisition in addition to the market value of the land as provided and assessed under Section 23 of the 1894 Act.

As regards the grant of interest at the rate of 12% per annum from the date of notification till the date of award by virtue of Section 23 (1A) of the 1894 Act as granted by the Tribunal vide the impugned award, the same cannot be sustained in the light of the judgment of the Hon'ble Supreme Court in Vasant Rao's case (supra) wherein the Hon'ble Supreme Court has held that the benefit under Section 23 (1A) of the 1894 Act as an additional amount, will not be available where the Land Acquisition Collector had made the award before 30.4.1982. In the case in hand, the award was passed by the Land Acquisition Collector on 28.11.1975 which is much before the said date. Therefore, the award passed by the Tribunal is set aside to this limited aspect.

The assertion of the counsel for the claimant-land owners that the amount of 15 per cent of the investment made be granted for the removal and re-erection of the ammonia plant cannot be accepted for the reason that no evidence was produced by the claimant-land owners before the Tribunal in support of their contention that it should have been 15 per cent of the investment.

In view of the above, both the writ petitions are partly allowed. The rate of the land of the claimant-land owners is assessed at Rs.1336/- per sq. yard. They are held entitled to solatium at the rate of 30 per cent on the amount of compensation assessed for the land acquired. They shall also be entitled to interest as per the provisions of the 1894 Act. They would, however, not be entitled to the benefit of Section 23 (1A) of the 1894 Act."

3. The learned counsel for the appellant has drawn the attention of this Court to the Order dated 15.04.2011 passed in the instant appeals tagging the same with SLP (C) No.34957 of 2010 (Karnal Improvement Trust, Karnal Vs. Surinder Kumar Ors), relied upon by the High Court.

4. Now, the Civil Appeal No.13077 of 2017, arising out of SLP (C) No.34957 of 2010 alongwith others have been disposed of by this Court vide the judgment and order dated 13.09.2017, whereby this Court has held as under:-

"We have scanned the evidence ourselves, considering the various sale deeds which are on record. It appears that there were transactions

by the partners of the same property they had sold at the rate of Rs.1600/-, Rs.1454/-, Rs.1000/- and Rs.1069/- per sq. yard. In view of the said transactions and other sale deeds the determination made by the Tribunal at Rs.580/- per square yard was on the lower side. It would be appropriate in the facts and circumstances of the case to grant compensation at the rate of Rs.1000/- per sq. yard, instead of Rs.1336/-, as has been ordered by the High Court on wholly an impermissible ground.

Coming to the second limb of submission raised by the learned counsel for the appellant, as the award had been passed by the land acquisition officer in the year 1976 before the amendment was made under the provisions of Land Acquisition Act. The amended section 23 was not applicable for the determination of the compensation made in the case. A Constitution Bench of this Court in K.S. Paripoornan's (supra) held that in the cases of land acquisition where awards have been passed prior to the date of commencement of the amendment the provisions for payment of an enhanced amount under Section 23(1) of the Act as amended, would not be applicable. Thus, we are of the opinion that the award of the compensation would be as per the provisions of the Act which prevailed in the year 1976, i.e. when the award had been passed by the Land acquisition officer."

5. It is fairly conceded by the learned counsel for the respondents that the respondents' case is squarely covered by the judgment in Civil Appeal No.13077 of 2017.

6. In view of the above, the impugned judgment and order passed by the High Court is modified, as has been done in Civil Appeal No.13077 of 2017. The compensation granted to the respondents is reduced to the extent of Rs.1,000/- per sq. yard instead of Rs.1,336/- as ordered by the High Court. As observed in the said judgment and order dated 13.09.2017, the amended Section 23 would not be applicable for the determination of the compensation, and hence, it is ordered accordingly.

7. The appeals stand partly allowed accordingly.

8. Pending applications, if any, shall stand disposed of.

9. It is directed that the appellant - Trust shall make payment to the respondents of the amount awarded as expeditiously as possible, and not later than within eight weeks from today.

.....J.  
(BELA M. TRIVEDI)

.....J.  
(PRASANNA B. VARALE)

NEW DELHI;  
29<sup>TH</sup> JANUARY, 2025.

S U P R E M E C O U R T O F I N D I A  
R E C O R D O F P R O C E E D I N G S

Petition(s) for Special Leave to Appeal (C) No(s).5585-5586/2011

[Arising out of impugned final judgment and order dated 30-08-2010 in CWP No.7685/1987 and CWP No.5629/1987 passed by the High Court of Punjab & Haryana at Chandigarh]

KARNAL IMPROVEMENT TRUST, KARNAL Petitioner(s)

VERSUS

KAUSHALAYA DEVI & ORS. Respondent(s)

Date : 29-01-2025 These petitions were called on for hearing today.

CORAM : HON'BLE MS. JUSTICE BELA M. TRIVEDI  
HON'BLE MR. JUSTICE PRASANNA B. VARALE

For Petitioner(s) : Mr. Samar Vijay Singh, AOR  
Ms. Sabarni Som, Adv.

For Respondent(s) : Mr. Praveen Kumar, AOR

Mr. Shish Pal Laler, Adv.  
Mr. Ravi Panwar, AOR

Mr. Sanjay Kumar Visen, AOR

UPON hearing the counsel the Court made the following  
O R D E R

1. Leave granted.
2. In terms of the signed Judgment, the Civil Appeals are partly allowed.
3. Pending application(s), if any, shall stand disposed of.

(RAVI ARORA)  
COURT MASTER (SH)

(MAMTA RAWAT)  
COURT MASTER (NSH)

(signed Judgment is placed on the file)