

IN THE SUPREME COURT OF INDIA

CIVIL APPELLATE JURISDICTION

CIVIL APPEAL NO.308 OF 2001

K. JANAKAMMA AND ORS.

Appellant (s)

VERSUS

L.A.O. & MANDAL REV.OFFICER,VADAMALPET
Respondent (s)

WITH

CIVIL APPEAL NO.309 OF 2001

ORDER

Civil Appeal No.308/2001

The short question which has been raised by the learned counsel for the appellants is that interest on solatium has not been awarded by the High Court. According to him, this is contrary to the judgment of the Constitution Bench of this Court in *Sunder v. Union of India* (2001) 7 SCC 211. He has specifically invited our attention towards paragraphs 24 to 26 of the aforesaid judgment. Paragraphs 24 to 26 reads as under:-

"24. The proviso to Section 34 of the Act makes the position further clear. The proviso says that "if such compensation" is not paid within one year from the date of taking possession of the land, interest shall stand escalated to 15% per annum from the date of 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". It is inconceivable that the solatium amount would attract only the escalated rate of

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interest from the expiry of one year and that there would be no interest on solatium during the preceding period. What the legislature intended was to make the aggregate amount under Section 23 of the Act to reach the hands of the person as and when the award is passed, at any rate as soon as he is deprived of the possession of his land. Any delay in making payment of the said sum should enable the party to have interest on the said sum until he receives the payment. Splitting up the compensation into different components for the purpose of payment of interest under Section 34 was not in the contemplation of the legislature when that section was framed or enacted.

25. We may also point out that different High Courts have taken the same view in the following decisions: *G. Venkatesh v. Special Land Acquisition Officer* AIR 1975 Kant 95, *B. Ravinder Reddy v. Special Dy. Collector, Land*

Acquisition (Industries) AIR 1981 AP 381, State of Haryana v. Kailashwati AIR 1980 P&H 117: (1980) 82 Punj LR 122, and Hindustan Aeronautics Ltd. v. Muniswamy Reddy AIR 1993 Kant 77: ILR 1992 Kant 3319.

26. We think it useful to quote the reasoning advanced by Chief Justice S.S. Sandhwalia of the Division Bench of the Punjab and Haryana High Court in State of Haryana v. Kailashwati AIR 1980 P&H 117: (1980) 82 Punj LR 122:

"Once it is held as it inevitably must be that the solatium provided for under Section 23(2) of the Act forms and integral and statutory part of the compensation awarded to a landowner, then from the plain terms of Section 28 of the Act, it would be evident that the interest is payable on the compensation awarded and not merely on the market value of the land. Indeed the language of Section 28 does not even remotely refer to market value alone and in terms talks of compensation or the sum equivalent thereto. The interest awardable under Section 28 therefore would include within its ambit both the market value and the statutory solatium. It would be thus evident that the provisions of Section 28 in terms warrant and authorise the grant of interest on solatium as well."

The clear statement of law which has been declared by the Division
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Bench of the Punjab and Haryana High Court in State of Haryana v. Kailashwati, has been approved by this Court. This Court observed that statement of law which has been enunciated in the Kailashwati's case (supra) is based on sound principle of interpretation. Hence, the claimant would be entitled to compensation awarded and also entitled to get interest on aggregate amount including solatium.

In the instant case, in view of the Constitution Bench judgment of this Court in Sunder's case, (supra), we direct that the claimant would be entitled to interest on the aggregate amount including solatium.

We direct that the balance amount be paid to the appellants as expeditiously as possible in any event within four months from the date of communication of this order.

The appeal is, accordingly, disposed of.

Civil Appeal No.309/2001

Heard learned counsel for the parties.

The appeal is devoid of any merit and is accordingly dismissed.

.....J.
(Dalveer Bhandari)

.....J.
(Harjit Singh Bedi)

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New Delhi;
November 11, 2008.

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ITEM NO.106 COURT NO.9 SECTION XIIA

SUPREME COURT OF INDIA
RECORD OF PROCEEDINGS
CIVIL APPEAL NO(s). 308 OF 2001

K. JANAKAMMA AND ORS. Appellant (s)

VERSUS

L.A.O. & MANDAL REV.OFFICER,VADAMALPET Respondent(s)

(With office report)

WITH
Civil Appeal NO. 309 of 2001
(With office report)

Date: 11/11/2008 This Appeal was called on for hearing today.

CORAM :

HON'BLE MR. JUSTICE DALVEER BHANDARI
HON'BLE MR. JUSTICE HARJIT SINGH BEDI

For Appellant(s) Mr. T.N. Rao,Adv.

Mr. M. Mahapatra, Adv.
Ms. Manjeet Kirpal, Adv.

Mr. I. Venkatanarayana, Sr. Adv.
Mr. Manoj Saxena, Adv.
Mr. T.V. George, Adv.

For Respondent(s)

Mr. I. Venkatanarayana, Sr. Adv.
Mr. Manoj Saxena, Adv.
Mr. T.V. George, Adv.

Mr. T.N. Rao,Adv.
Mr. M. Mahapatra, Adv.
Ms. Manjeet Kirpal, Adv.

UPON hearing counsel the Court made the following
ORDER

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The appeal is disposed of in terms of the signed order.

Civil Appeal No.309/2001

The appeal is dismissed in terms of the signed order.

(K.K. Chawla)
Court Master

(Neeru Bala Vij)
Court Master

[Common signed order is placed on the file]