

IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION

CIVIL APPEAL NO.5751 OF 2015
(Arising out of SLP(C) No.5084 of 2009)

ROOP RAM & ORS. . . APPELLANT(s)

VERSUS

STATE OF H.P. & ORS. . . RESPONDENT(s)

O R D E R

Leave granted.

The land of the appellants was acquired by the State by a notification under Section 4 of the Land Acquisition Act, 1894 (for short "the Act") issued on 01.11.1997. The dispute is whether the appellants are entitled to interest on the compensation from the date of the notification issued under Section 4 of the Act or from the date of the Award. The High Court has taken the view that the interest is payable from the date of the Award.

Section 34 of the Act reads as follows:

"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 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."

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Signature Not Verified

Digitally signed by
Sanjay Kumar
Date: 2015.07.29

16:51:22 IST
Reason:

It is clear from a reading of the above provision

that the appellants are entitled to interest at the rate mentioned in the aforesaid Section from the date on which possession was taken of the acquired land.

In the present case, the admitted position is that the possession of the land was taken some time in April, 1996. Therefore, the State was in possession of the land of the appellants on the date on which the notification under Section 4 of the Act was issued, i.e., 01.11.1997.

Accordingly, we are not in agreement with the view taken by the High Court that the appellants would be entitled to interest only from the date of the Award and not from the date of taking possession in accordance with law.

To

this extent, therefore, the decision of the High Court is set aside and it is held that the appellants are entitled to interest in terms of Section 34 of the Act from 01.11.1997.

The facts of the case also reveal that the State was in possession of the land of the appellants from April, 1996. The contention of learned counsel for the appellants is that if the possession was unauthorized, the appellants may file a civil suit seeking compensation or damages.

We are of the opinion that it would be extremely unjust, after twenty years to require the appellants to file a civil suit for damages or

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compensation even assuming that such a suit filed by the appellants is not barred by limitation.

Since the State has wrongly denied interest on the compensation due to the appellants and since we are allowing the appeal filed by the appellants, we do so with costs of Rs.1,00,000/- (Rupees one lakh only) which shall be paid to the appellants within a period of four weeks from today. This will be in a sense in lieu of damages or compensation for unlawful possession of the land of the appellants by the State.

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weeks from today. This will be in a sense in lieu of damages or compensation for unlawful possession of the land of the appellants by the State.

The interest due to the appellants under Section 34 of the Act shall be paid within a period of six weeks from today.

(SANJAY KUMAR-I)
COURT MASTER

(JASWINDER KAUR)
COURT MASTER