

IT E M NO.1 0 1 ( P H )

COUR T NO.1 0

S E C T I O N XII

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

C I V I L A P P E A L N O ( s ) . 2 3 1 9 - 2 3 2 7 O F 2 0 0 1

U N I O N O F I N D I A

A p p e l l a n t ( s )

V E R S U S

P A R M A L S I N G H &amp; O R S .

R e s p o n d e n t ( s )

( W i t h o f f i c e r e p o r t )

with Civil Appeal NO. 332-336 of 2008, Civil Appeal NO. 354-359 of 2008, SL P (C) NO. 19273-19289 of 2003, SL P (C) NO. 9132-9145 of 2008, SL P (C) NO. 4505-4506 of 2008, SL P (C) NO. 4637 of 2008, SL P (C) NO. 4632-4636 of 2008 and SL P (C) NO. 11266-11271 of 2008 (With appln.(s) for c/delay in filing SL P and with prayer for interim relief and office report)

Date: 18 / 09 / 2008 These Appeals/petitions were called on for hearing today.

C O R A M :

HON'BLE MR. JUS T I C E R. V. R A V E E N D R A N  
HON'BLE MR. JUS T I C E L O K E S H W A R S I N G H P A N T A

F o r A p p e l l a n t ( s ) M r . S . P . S i n g h , S r . A d v .

M r s . R e k h a P a n d e y , A d v .

M r . S . W a s i m A . Q a d r i , A d v .

M r s . R a j n i O h r i , A d v .

M r . K . T i w a r i , A d v .

M r . B . K r i s h n a P r a s a d , A d v .

M r . S h r e e k a n t N . T e r d a l , A d v .

M r . D . S . M a h r a , A d v .

M r s A n i l K a t i y a r , A d v .

M s . S u s h m a S u r i , A d v .

F o r R e s p o n d e n t ( s )

M r . S h a k e e l A h m e d , A d v .

M s . A r n a D a s , A d v .

M r . D e v e n d e r K u m a r , A d v .

M r . K . K . M o h a n , A d v .

M r . K a m l e n d r a M i s h r a , A d v .

U P O N h e a r i n g c o u n s e l t h e C o u r t m a d e t h e f o l l o w i n g

O R D E R

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The issue involved in these cases relates to the legality of award of interest at the rate of 6% per annum in regard to acquisitions under the Defence of India Act, 1962. Reliance is placed on the decisions of this Court in Union of India vs. Hari Krishna Khosla, 1993 Supp.(2) SCC 149 and Union of India vs. Chajju Ram (dead) by LRs and others, 2003 (5) SCC 568, which lay down that interest is not payable in regard to such acquisition as the said Act does not provide for award of interest. It is

contended that in the absence of any provision in Section 37 of the Defence of India Act, 1962 for interest, no interest is awardable.

However, learned counsel for the respondent drew our attention on the Defence of India Rules, 1962. Rule 114 reads thus:

"114. Payment of compensation.- The compensation determined by the competent authority for requisitioning or acquiring property shall be paid within such period, at such intervals and in such manner as the Central Government may, by a general or special order, prescribe:

Provided that where payment of the compensation is delayed beyond the period so prescribed, interest shall be payable on the amount or part of the amount in arrear at such rate not being below 3 per cent, or above 6 per cent, per annum and with effect from such date or dates that the Central Government may prescribe by a general or special order."

We find that even the Defence of India Rules 1971 which replaced Defence of India Act 1971 also contains a similar provision in Rule 103. In view of the said provision learned senior counsel appearing for the Union of India sought a week's time to produce the general or special order, if any, issued by the Central Government fixing any period

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or manner of payment of compensation determined by the competent authority as also general or special order, if any, providing for the date from which interest has to be paid. Adjourned finally to 25.09.2008.

(PAWAN KUMAR)  
COURT MASTER

(VIJAY DHAWAN)  
COURT MASTER