

Hissar Improvment Trust vs Smt. Rukmani Devi And Another on 18 July, 1990

Equivalent citations: AIR1990SC2033, 1990SUPP(1)SCC806, AIR 1990 SUPREME COURT 2033, (1991) 1 LANDLR 113, 1991 SCD 20, (1990) 2 RRR 589, 1990 SCC (SUPP) 806

Bench: T.K. Thommen, V. Ramaswami

JUDGMENT

1. This appeal by the Improvement Trust (the second respondent in the proceedings in the High Court) is against the judgment of the Punjab and Haryana High Court upholding the respondent-landowner's claim to interest which the High Court directed the Executing Court to determine. The proceedings in the High Court arose in a Revision Petition filed by the landowner against the order of the Executing Court disallowing her claim to interest. It must be noticed that before the Executing Court, the State of Haryana was the sole respondent. It was only in the High Court proceedings that the present appellant-the Trust was impleaded as a second respondent.

2. Counsel for the appellant submits that whatever amount was payable under the Award had been deposited by the appellant with the Collector for payment of compensation. The deposit had been made prior to the taking of possession under the Award. However, the High Court has now found, counsel submits, that the appellant is jointly and severally liable to pay, the interest to the landowner.

3. Section 31 of the Land Acquisition Act, 1894 provides for payment of compensation or deposit of the same in Court. The section requires that the Collector should tender payment of the compensation awarded by him to the persons interested. If for reasons mentioned in that section the compensation has not been paid, the Collector should deposit the amount of the compensation in the Court to which reference can be made under Section 18 of the Act. Section 34 provides for payment of interest in the event of compensation, which has to be paid or deposited in the Court as provided under Section 31, being not so paid or deposited before taking possession of the land.

4. In the present case, according to the appellant, the amount of compensation had been paid by him to the Collector in time i.e. before possession was taken. If the Collector had not paid the money or deposited the same in Court as provided by Section 34, counsel for the appellant submits, the liability is that of the Government and not of the appellant.

5. It cannot be gainsaid that interest is due and payable to the landowner in the event of the compensation not being paid or deposited in time in Court. Before taking possession of the land, the Collector has to pay or deposit the amount awarded, as stated in Section 31, failing which he is liable to pay interest as provided in Section 34.

6. In the circumstances, the High Court was right in stating that interest was due and payable to the landowner. The High Court was justified in directing the necessary parties to appear in the Executing Court for determination of the amount.

7. We make it clear that insofar as the landowner is concerned, his right to be compensated is enforceable against the State. It is the liability of the Collector in terms of the relevant provisions to pay the amount awarded, together with interest in the event of the amount not being paid in time. The liability of the appellant-Trust arising under its agreement with the Government for payment in respect of the property acquired is a matter on which we express no view.

8. Counsel for the respondent submits that his client is entitled to the enhanced interest provided under Section 34, as amended in 1984. This is a matter on which we express no opinion, and it is for the Executing Court to consider.

9. The appeal by the Trust is accordingly disposed of.