

(2012) 07 AP CK 0106
In the Andhra Pradesh High Court
Case No : Writ Petition No. 3014 of 2004

P. Navaratan Reddy

APPELLANT

Vs

The Special Deputy Collector, Land Acquisition (General),
Domalguda, Hyderabad and others

RESPONDENT

Date of Decision : 10-07-2012

Acts Referred:

Land Acquisition Act, 1894 — Section 34, 4(1)

Citation : (2012) 6 ALT 236

Hon'ble Judges : Noushad Ali, J

Bench : Single Bench

Advocate : V. Rajagopal Reddy, for the Appellant; Bhavana, A.G.P. for Land Acquisition, for the Respondent

Judgement

Noushad Ali, J.—Heard Sri V. Rajagopal Reddy, learned counsel appearing for the petitioner as well as Smt. Bhavana, learned Assistant Government Pleader for Land Acquisition appearing for the respondents. Denial of payment of interest on the compensation awarded consequent on the acquisition of the petitioner's land is challenged in this writ petition.

2. Petitioner was the owner of the land measuring 1650 square yards in Sy. No. 138 of Karmanghat Village, Ranga Reddy District. The said land was acquired in pursuance of the draft notification dated 27.11.1991 issued u/s 4(1) of the Land Acquisition Act, 1894 (for brevity "the Act"). Award was passed by the 2nd respondent-Special Deputy Collector, Land Acquisition (General), Hyderabad, vide proceedings No. K/2136/90, dated 19.5.1994 in favour of the petitioner. In the meanwhile, one G. Chandra Reddy filed W.P. No. 10238 of 1994 not to pay compensation to the petitioner herein. The said writ petition was disposed of on 18.6.1996 with liberty to the said G. Chandra Reddy to move the District Collector for appropriate orders with regard to payment of compensation. It appears that no steps were taken by the said G. Chandra Reddy in that direction and the Award became final. As no action was taken by the respondents for

payment of compensation, the petitioner filed W.P. No. 25764 of 2000 seeking payment. The writ petition was disposed of on 27.12.2000 with a direction to the Land Acquisition Officer to consider the application of the petitioner and make payment within a period of six weeks from the date of receipt of a copy of the order. Since the same was not complied with, the petitioner herein filed yet another writ petition being W.P. No. 14539 of 2003. The said writ petition was disposed of on 22.8.2003 with a direction to pay compensation within a period of two months. Accordingly, an amount of Rs. 2,22,665/- was paid to the petitioner on 7.10.2003. The grievance of the petitioner in this writ petition is that interest on compensation has not been paid though he is entitled under the Act. The petitioner invokes the provisions of Section 34 of the Act in this regard.

3. In the counter affidavit filed by the respondents, the aforesaid facts are not disputed. However, the respondents seek to justify non-payment of interest citing administrative reasons. According to them, initially there were no funds with the Land Acquisition Officer since necessary amount was not transferred by the Requisitioning Department. Further, the issue relating to the payment of compensation was under scrutiny in W.P. No. 10238 of 1994. Thus, according to the respondents compensation amount was not paid to the petitioner at the time of passing the Award.

4. As noted above, the facts are not in dispute viz., passing of Award on 19.5.1994 and payment of compensation on 7.10.2003. Section 34 of the Act provides that when the amount of compensation is not paid or deposited on or before taking possession of the land, the Collector shall pay the amount awarded with interest thereon @ 4% per annum from the date of taking possession of the land till payment is so made or deposited. It is also prescribed that if such compensation is not paid or deposited within one year from the date on which possession is taken, interest @ 15% per annum shall be payable from the expiry of the period of one year. Section 34 of the Act, therefore, casts an obligation on the respondents to pay interest from the date of taking possession of the land until it is paid; firstly, with interest @ 9% per annum for one year; and thereafter @ 15% per annum. This provision for payment of interest is a succor provided to the land losers, whose lands are compulsorily acquired. Hence the respondents are statutorily obligated to pay interest. No discretion is available to the respondents for avoiding interest under any pretext.

5. The reasons cited by the respondents in withholding the payment are wholly irrelevant. Administrative reasons are hardly sufficient to deny the statutory rights of a person, who has suffered deprivation of his property. It may be noted that while hearing W.P. No. 14539 of 2003, this Court was informed that a bill for Rs. 8,69,465/- was prepared and sent to the District Treasury Officer, Hyderabad and the amount would be withdrawn from the Treasury and transmitted to the Land Acquisition Officer within a week. Taking note of the said representation, this Court directed the Land Acquisition Officer to obtain proposal from the Treasury and pay compensation to the petitioner within two months. Thus,

compensation was paid to the petitioner only in pursuance of the directions of this Court on more than one occasion.

6. As noted above, the reasons cited by the respondents for payment of compensation with delay are not germane and acceptable. It must, therefore, be held that the petitioner is entitled for interest as per the provisions of Section 34 of the Act.

7. Therefore, I deem it appropriate to dispose of the writ petition directing that the respondents shall pay interest on the amount of compensation to the petitioner from the date of taking possession of the land till the date of payment by calculating the same as provided u/s 34 of the Act. Since there was an order of this Court in W.P. No. 10238 of 1994, dated 2.6.1994 interdicting the payment, the respondents are permitted to exclude the period of stay while calculating the interest amount.

8. Accordingly, this writ petition is disposed of. No order as to costs. In view of the disposal of the writ petition, W.P. M.P. No. 3975 of 2004 is closed as unnecessary.