

**SUPREME COURT OF INDIA**

State of Maharashtra and Others

Vs

Gosikhurd Prkalpgrast Kalyankari Samiti and Others

Civil Appeal No. 3175 of 2006

(B. P. Singh and Altamas Kabir, JJ)

27.07.2006

**JUDGMENT**

**B. P. SINGH, J.**

1. Heard counsel for the parties.

2. This appeal is directed against the interim order of the High Court dated November 24, 2004 whereby the High Court directed the State of Maharashtra to pay compensation to the persons possession of whose lands have been taken in connection with the execution of Gosikhurd Project, and further directed that the lands

3. In respect of which awards have been made but possession not taken, immediate steps be taken to take possession of the lands in question and to pay compensation within two weeks.

4. Counsel for the State of Maharashtra submitted before us that the aforesaid Gosikhurd Project was inaugurated in the year 1983 with a view to provide irrigation facilities to the districts of Bhandara, Chandrapur and Nagpur which fall within the Vidarbha region of the State of Maharashtra. It was originally planned that the project shall be executed within 10 years but on account of financial difficulties and other problems of the State, nothing could be done immediately. In fact, bonds were issued and between 1997-2000, some amount was also collected for the project.

On 24-11-1998 Section 4 Notification under the Land Acquisition Act was issued.

However, since the response to the bonds was not encouraging between the years 2000-2003, though the lands were acquired in the sense that awards were made, the possession was not taken and consequently, the land owners were not paid the compensation.

5. A public interest litigation was filed before the High Court which is pending final disposal before the Nagpur Bench of ; the High Court. In the said public interest litigation the High Court made the impugned order directing the State to complete the acquisition proceeding and to pay compensation payable to the land owners within the stipulated time frame.

6. We are informed by the State of Maharashtra that all the acquisitions have been completed, awards made, possession taken and compensation paid and/or deposited with the Land Acquisition Officer.

7. In a sense, nothing remains to be considered and decided by us except the direction with regard to payment of interest at the rate of 12%. While issuing notice on the Special Leave Petition we had granted stay of the impugned order of High Court to the extent it directed the State of Maharashtra to take possession of the lands of which possession had not been taken and for payment to the landowners. However, since the State has deposited the full amount of compensation payable to the landowners, the only question that remains to be considered is with regard to the payment of interest at the rate of 12% as directed by the High Court.

8. We record the statement of the Counsel for the State that Rs. 453 Crores have been deposited with the Land Acquisition Collector and possession of the lands acquired has been taken.

9. The State of Maharashtra came to this Court contending that the impugned order may act as a precedent in other cases. It is submitted that having regard to Section 16 of the Land Acquisition Act the discretion of the State to take possession at the appropriate time cannot be curtailed by such a judicial order. We notice from the judgment of the High Court that such a question was not even considered by the High Court. Perhaps it was not so argued before the High Court. We do not consider it appropriate in the facts of this case to go into that question and therefore, we leave that question open to be considered in an appropriate case.

10. We are informed that the main Writ Petition is to be heard and disposed of shortly. We, therefore, direct that the parties may urge their contentions with regard to payment of interest before the High Court hearing the Writ Petition, and the High Court, having regard to the provisions of the Land Acquisition Act will decide the said question in accordance with law. The directions regarding payment of interest at the rate of 12% per annum is stayed.

Counsel for the respondent states that the claimants have not been paid the amount of compensation

payable to the land owners. Land Acquisition Officer is directed to take immediate steps to make the payment. We direct accordingly.

This appeal is accordingly, disposed of. No orders as to cost.

J