



IN THE HIGH COURT OF JUDICATURE AT BOMBAY
BENCH AT AURANGABAD

WRIT PETITION NO. 10041 OF 2018

1. Sangappa s/o Marutiappa Wanjule
(Died) Through LR.

1-A. Smt. Savitrabai Sangappa Wanjule
Age: 77 years, Occu: Household,
R/o. House No.2/18-49 Utargalli Kadrabad,
Jalna, Dist. Jalna.

2-B. Sau Shobha Babuirao Karegaonkar
Age: 51 years, Occu: Household,
r/o. chitali-Putali, Tq. Jalna, Dist. Jalna.

2-C. Sau. Surekha Subhash Tamshete
Age: 45 years, Occu: Household,
R/o. Plot No.24, Sanjivani Anger, Pathri
Road, Parbhani, Dist. Parbhani- 431401.

2. Guruling Vishwanathappa Wanjule
(Died) Through LR.

2-A. Smt. Pushppabai Guruling Wanjule
Age: 75 years, Occu: household,
R/o. Plot No.53, Priyanka Residency Colony,
Mantha Chaufuli, Mantha Road, Jalna, Dist. Jalna.

2-B. Sau Asmita Nishikant Gujre
Age: 45 years, Occu: Household,
R/o. Flat No.1, Yashodeep, Kadam Plaza,
Opp. Bharti Hospital, Katraj, Pune 411046.

3. Madhukar S/o. Bhauappa Wanjule (Lingayat),
Age: 76 years, Occu: Agriculturist, & Advocate,
R/o. Parshi galli, Near Central Bank Kadrabad,
Jalna Dist. Jalna-431 203.

...PETITIONERS

VERSUS

1. The State of Maharashtra
Through Principal Secretary,
Urban Development Department,
Mantralaya Mumba-431 032.

2. The Collector, Dhule
Dist. Dhule.

3. Deputy Collector,
Land Improvements (General),
Dhule, Dist. Dhule.

4. The Municipal Corporation,
Dhule, Dist. Dhule,
Through its Commissioner.

...RESPONDENTS

.....

Mr. S. R. Kendre, h/f Mr. P. R. Patil, Advocate for Petitioner.

Mr. A. R. Kale, AGP for Respondent No. 1 to 3 /State.

Mr. S. P. Shah, the learned Advocate for Respondent No. 4.

CORAM

: KISHORE C. SANT &

AJIT B. KADETHANKAR, JJ.

RESERVED ON

: 14th JULY 2026.

PRONOUNCED ON

: 16th SEPTEMBER 2026.

ORDER :- [PER:- KISHORE C. SANT, J.]

1. Heard Mr. Kendre h/f Mr. Patil, the learned Advocate for the petitioner; Mr. Kale, the learned AGP for Respondent Nos. 1 to 3 and; Mr. Shah, the learned Advocate for Respondent No.4. The petition is

taken up for final disposal at the stage of admission by consent of the parties.

2. The petitioners, original owners of the land bearing Survey No.578 Admeasuring 17 Acres 28R situated at Dhule, have approached this Court with a limited grievance regarding grant of interest on amount of compensation in view of Section 80 of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 (hereinafter referred to as “New Act, 2013”).

3. It is the case of the petitioners that a notification under Section 6 of the Land Acquisition Act was issued on 24/10/2013, the same was corrected on 26/12/2013. Award was finally passed on 29/01/2015. It is the case that though the amount was calculated and award was passed, the payment of compensation was not made in time and when it was paid in two installments, there is still some unpaid amount. An interest is therefore claimed.

4. The facts in short are that, the land of petitioners bearing Survey No.578 admeasuring 17 Acres 28R situated at Dhule, was taken

in possession for construction of development plan road without acquiring the land or giving any compensation. The entries in the revenue records were also taken in the name of Acquiring Body on 15/03/2001. The petitioner was therefore required to approach this Court by filing Writ Petition No. 7724 of 2011. This Court vide judgment and order dated 23/08/2012 directed the Respondents/authorities to pass an award within six months.

5. The first installment of amount of compensation was received by the petitioners. The petitioner received first formal notice on 01/03/2016 regarding the payment of compensation amount from Respondent No.3. The first installment of Rs.70,87,500/- was paid on 30/03/2016. The remaining amount i.e. Rs.1,28,05740/- was received by the petitioner on 17/08/2017. The total amount of Rs.1,98,93,240/- is paid in two installments. Gap between two installments is more than one year and four months.

6. Mr. Kendre, the learned Advocate for the petitioner, vehemently argued that though the possession of the land was taken in the year

2001 and entries were also made in the name of Acquiring Body/authorities in the same year, still no acquisition proceedings were undertaken. It is only after the petitioners approached this Court and after this Court passed an order, the proceeding under the Land Acquisition Act, 1894 (hereinafter referred to as "Old Act, 1894") were initiated.

7. He submits that Section 80 of the New Act, 2013 clearly stipulates that when such compensation is not paid or deposited on or before taking possession of the land, the Collector has to pay the amount of award with interest @ 9% per annum from the date of taking possession till it is actually paid or deposited. If the amount is not paid or deposited within a period of one year from the date of possession, then the rate of interest increases to 15% per annum. He thus submits that in the present case, 9% interest needs to be calculated for a period from 29/01/2015 till 28/01/2016. Thereafter, the rate of interest needs to be calculated at the rate of 15% from 29/01/2016 till 30/03/2016 so far as entire amount is concerned.

8. Since the first installment was paid on 30/03/2016, from 29/01/2016 till the date of payment of second installment i.e. 17/08/2017, the rate of interest needs to be calculated at the rate of 15% on the unpaid amount. He thus submits that the total amount comes to Rs.30,28,063/- which the Government needs to pay towards interest on the amount of compensation.

9. During the course of arguments, Mr. Kendre, learned Advocate for the petitioner, relied upon the judgment passed by this Court in the case of *Ganesh Narsing Lolge Vs. The State of Maharashtra and Ors.*¹ in Writ Petition No.8549/2025.

10. Mr. Shah, the learned Advocate for the Respondent No.4/Corporation, vehemently opposes the petition. He submits that the proceeding in the present case was undertaken under the provisions of the Old Act, 1894, as notification under Section 6 was published on 24/10/2013 and under the said Act, the interest would be under the old Act. He submits that Section 80 of the New Act, 2013 does not come into

¹ WP/8549/2025 (Aurangabad Bench)

play in the present case. In any case, if the Corporation had already made the payment to the Collector, therefore in case, the interest is to be paid it needs to be paid by the Collector, as the amount was already deposited by Respondent No.4 with the Collector. He submits that there is no fault on the part of Corporation and therefore the Corporation should not suffer the burden of interest. He draws attention of this Court to Section 34 of the Old Act, 1894. He further submits that in the present case, the Corporation had deposited 50% amount with the Collector before the Award was passed. He also relies on proviso to Section 24 of the New Act, 2013.

11. During the course of arguments, learned Advocate Mr. Shah, relied upon the judgment in the case of *Executive Engineer, Gosikhurd Project Ambadi Bhandara, Maharashtra Vidarbha Irrigation Development Corporation Vs. Mahesh And Ors.*² and judgment in the case of *Reliance Natural Resources Ltd. Mumbai and Anr. Vs. The State of Maharashtra and Ors.*³.

² (2022) 2 SCC 772

³ [2019(6) Mh.L.J. 244]

12. Mr. Kale, the learned Additional Government Pleader, submits that the land is acquired for the Corporation. The Collector only facilitated the acquisition proceedings. When the land is acquired for the Corporation, the liability to pay the compensation as well as interest naturally rests with the Corporation. Thus, the Government is not liable to pay the interest. Learned AGP further submits that, in the present case, the acquisition proceedings had taken place for construction of development plan road under the provisions of Maharashtra Regional and Town Planning Act, 1966 (hereinafter referred to as “MRTP Act”. Section 24(2) of the New Act, 2013 would not have any application and consequently, there is also no question of applying the provisions of New Act, 2013. He also submits that the amount was not deposited in time. Only 50% of the amount was deposited initially. Remaining amount was deposited after to a long gap.

13. During the Course of argument, Mr. Kale relied upon judgment in the case of and in the case of *Mehtab Laiq Ahmed Shaikh and Anr. Vs. State of Maharashtra and Ors.*⁴ and judgment in the case of *Sham Lal*

4 [2017(6) Mh.L.J. 408]

*Narula Dr. Vs. Commissioner of Income Tax, Punjab, Jammu and Kashmir, Himachal Pradesh and Patiala*⁵.

14. For the purpose of deciding the present writ petition, this Court has to discuss the judgments relied upon by the parties.

15. In the Case of **Ganesh Narsing Lolge (supra)**, this Court by considering the cases of **State of Maharashtra Vs. Kailas Shiva Rangari and Ashok S/o. Masu Bansolde and Anr. Vs. State of Maharashtra and Ors.** held that Section 80 mandates the payment of interest. By considering judgment in the case of **Union of India and Anr. Vs. Pushpavathi and Ors.**⁶, the Court considered that non-award of interest on the amount cannot be a subject matter of the reference under Section 18 of the Land Acquisition Act, 1894. The Court by way of said order had directed the Respondent to deposit an amount of Rs.6,00,00,000/- (Rupees Six Crore) in this Court, subject to outcome of the petition, by way of interim arrangement. The order being interim arrangement need not be considered.

5 1964 SCC OnLine SC 151

6 [2018(3) SCC 28]

16. So far as judgment in the case of *Reliance Natural Resources Ltd.* (supra), the Division Bench considered provisions of Section 24 of the New Act, 2013. This Court held that when the award is under Section 11 of the Old 1894 Act, a case would be covered by Section 24(1)(a), and held that the provisions of New Act, 2013 are applicable only in respect of determination of compensation. If the compensation is to be determined under Section 27 of the New Act, the same cannot be done unless notice is issued in terms of Section 21(1) of the New Act, 2013. It is held that the provision only mandates determination of compensation in view of New Act, 2013, even in the cases where the proceedings may have taken place under the Old Act, 1894.

17. In the case of *Executive Engineer, Gosikhurd (supra)*, the Hon'ble Apex Court considered the expression, "all the provisions of this Act relating to the determination of compensation shall apply" given in Section 24(1)(a). It was held that the provisions relating to determination of compensation under New Act, 2013 i.e. Sections 25 to 30 would apply. By considering these provisions, ultimately what is held

as under:

“56.1. Section 25 of the 2013 Act would apply to the awards made and published under Section 24(1)(a) of the 2013 Act.

56.2. The limitation period for passing/making of an award under Section 24(1)(a) in terms of Section 25 of the 2013 Act would commence from 1-1-2014, that is, the date when the 2013 Act came into force.

56.3. Period during which the court order would inhibit action on the part of the authorities to proceed with the making of the award would be excluded while computing the period under Section 25 of the 2013 Act.

56.4. Accordingly, period of 79 days from 26-5-2014 when the High Court had stayed operation of the Notification dated 19-3-2014, till the new Notification dated 13-8-2014 was issued has to be excluded.

56.5. The award purportedly dated 30-10-2014, was in any case duly made on or before the extended date of 20-3-2015. Hence, the award concerned is valid.

56.6. The State of Maharashtra may conduct an inquiry in reference to the imputation regarding manipulation and backdating of the subject award and take such remedial and corrective action as may be necessary and to ensure such situations do not arise in future.”

. Considering above, the award dated 30/10/2014 was held to be valid. The award in that case was passed under the Old Act, 1894. In that case, the award was set aside holding that the acquisition had lapsed. It was specifically held by the Hon’ble Apex Court that the acquisition proceeding had not lapsed and appeals were allowed.

18. In the case of *Mehtab Laiq Ahmed Shaikh (supra)*, the question in the said case was as to whether the provisions of the New Act, 2013 are applicable so far as acquisitions under MRTP Act are concerned. It was held that MRTP Act is a complete code in itself. Section 24 (2) will apply only in cases where the proceedings are initiated under the Old Act, 1894. It is thus held that if the proceedings are initiated under MRTP Act, there is no question of application of Section 24(2) and no award would lapse. Paragraph No. 76 of the said judgment concludes as follows:

“76. Thus, to conclude, it is clear that since section 24(2) of the RFCTLARR Act provides different time frame and lapsing of acquisition on default, it cannot be applied to the acquisition initiated under section 125 to 127 of the MRTP Act. The MRTP Act has not undergone any change from its character as a complete code. Section 24(2) of the RFCTLARR Act will apply only if the acquisition proceedings are "initiated" under the Land Acquisition Act, and cannot apply if they are initiated under section 125 to 127 of the MRTP Act. The view taken by the Division Bench of this Court in the Case of Hanumanrao Morbaji Gudadhe lays down correct position of law that section 24(2) of the RFCTLARR Act cannot apply to acquisition under section 125 to 127 of the MRTP Act. The subsequent amendments to the MRTP Act, framing of Rules by the State, and the proviso to section 125 have not brought in any change in the position of law in this regard.”

19. Since the petitioner has prayed for interest under Section 80 of the New Act, 2013, it is necessary to examine the scheme of Section 80 which reads as under:

*“80. **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 cent. 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 cent. per annum shall be payable from the date or 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.”*

20. Section 80 of the New Act necessarily is in respect of payment of compensation under New Act. It clearly stipulates that when such compensation is not paid or deposited on or before taking possession of the land, the amount is to be awarded with interest at the rates given in the said section. This Court finds that the petitioner has rightly placed reliance upon the judgment in the case of **Ganesh Lolge** (supra).

21. So far as judgment relied upon by the learned Advocate for Respondent are concerned, it is seen that in the case of ***Executive Engineer, Gosikhurd*** (supra), the Hon'ble Apex Court considered the effect of section 24(1)(a) of the Act. It is held that Section 25 of the 2013 Act would apply to the awards made and published under Section 24(1)(a) of the New Act. In the said case, the award was passed under Old Act. However, the Court considered the provision of the New Act for the purpose of award of compensation.

22. So far as judgment in the case of Reliance Natural Resources Ltd. (supra), the provisions under Section 24 of the New Act were considered. In that case also, the award was passed under Section 11 of the Old Act. It was still held that the case would be covered under Section 24(1)(a) of the New Act in respect of determination of compensation.

23. This Court had also considered the case of ***Mehtab Laiq Ahmed Shaikh*** (supra), in that case, the acquisition was done under MRTP Act. It was held MRTP Act is a complete code in itself and in that view it was

held that Section 24(2) would apply only in cases where procedure is initiated under the Old Act. In the present case, the proceeding is undertaking under the Land Acquisition Act, 1894 and not under the provisions of MRTP Act.

24. This Court thus considering all above finds that in the present case, the petitioner has made out a case for grant of interest as per Section 80 of the New Act as it is clear that section 6 notification under Old Act was issued on 24/10/2013. It was corrected on 26/12/2013 and final award was passed on 29/01/2015. The award is passed after the New Act came into force. Naturally, petitioner would be entitled to receive the benefits of interest under Section 80 of the New Act.

25. Now the question would be as regards the liability to pay the interest. It is the contention of the State Government that the Corporation did not deposit the full amount of compensation of acquired land and it is for that reason payment could not be made within time. Whereas, the Corporation state that 50% amount was deposited. However, it is accepted that the remaining amount was paid after some

gap. It is clearly seen, it is mainly the corporation who is responsible for delayed payment. First installment was paid of Rs. 70,87,500/- on 30/03/2016, much after the award, and the remaining amount was paid of Rs.1,28,05,740/- on 17/08/2017.

26. Thus, the Corporation shall be liable to pay the interest on the entire amount till 30/03/2016 as per law, and thereafter, for the remaining amount till it was deposited with the Collector.

27. It is thereafter, for the Collector to pay the amount of interest to the petitioner. The interest to be paid as per Section 80 of the New Act. The amount be paid within a period of six months from the date of passing of this order.

28. With these, writ petition stands disposed off.

[AJIT B. KADETHANKAR, J.]

[KISHORE C. SANT, J.]