THE HIGH COURT OF JUDICATURE AT BOMBAY NAGPUR BENCH, NAGPUR.

WRIT PETITION NO.501 OF 2025

PETITIONER :- Maharashtra Industrial Development Corporation, through its Chief Executive Officer Marol Industrial Estate, Andheri (East), Mumbai Having its Regional Officer at Bypass Road Amravati, through its Regional Officer.

..**VERSUS**..

RESPONDENTS :- **1)** Mohan Shriram Nimdeokar, aged about 65 year, Occupation: Agriculturist, resident of Ambapeth, Amravati.

2) State of Maharashtra, through Collector, Amravati

3) Land Acquisition Officer and Sub-Divisional Officer, Amravati.

Mr. M.M. Agnihotri, Advocate for Petitioner.
Ms D.V. Sapkal, A.G.P. for Respondents/State.
Mr. K.B. Dange, Advocate for Respondent No.1.

CORAM : ROHIT W. JOSHI, J.

DATE : 17/08/2026

JUDGMENT :

1. Heard finally with consent of learned advocates for the respective parties.

2. The controversy in the present petition revolves around calculation of the amount of compensation payable to the respondent No.1/land owner, whose land has been acquired under the provisions of the Maharashtra Industrial Development Act, 1961 (hereinafter referred to as "MIDC Act, 1961"). The respondent No.1/land owner was awarded compensation to the tune of Rs.7,27,447/-, Rs.1,24,574/- towards land and Rs.6,02,903/- towards the trees standing on the land. The total area of land is 4.19 H.R., out of which 0.17 H.R. is *pot kharab* land.

3. Notification under Section 32(2) of the MIDC Act, 1961, which is akin to Section 4 of the Land Acquisition Act, 1894, was issued on 13.01.1994, possession of the land was taken on 31.01.1996 and award was passed by the Land Acquisition Officer on 20.03.1997.

4. The Land Acquisition Officer has awarded compensation as mentioned above. Being dissatisfied with the amount of compensation awarded, the land owner made an application seeking reference for enhancement of compensation. The reference came to be registered as Land Acquisition Case No.239 of 1999. The learned Joint Civil Judge Senior Division, Amravati, decided the reference vide judgment dated 07.07.2011. The learned Reference Court granted enhancement of compensation to the extent of Rs.6,38,646/- over and above the amount of compensation awarded by the Land Acquisition Officer. The learned Reference Court awarded compensation at the rate of Rs.90,000/- per hector for 2.97 H.R. land and for remaining 1.22 H.R. land, separate compensation was not awarded. Compensation for fruit bearing trees and teak trees was enhanced by an amount of Rs.4,05,505/- and Rs.90,433/- respectively.

5. Aggrieved by the said judgment and award dated 07.07.2011 passed by the learned Reference Court, MIDC and land owner both preferred separate appeals being First Appeal Nos.54 of 2013 and 245 of 2012, respectively. Appeal preferred by MIDC came to be dismissed and the appeal preferred by the land owner came to be partly allowed vide judgment dated 29.06.2017 passed by this Court.

6. This Court did not enhance the amount of compensation awarded for the trees. However, the market value of the land was determined at Rs.1,00,000/- per hector and the land owner was held to be entitled for additional compensation for 1.22 H.R. of land, over and above the compensation awarded for trees standing on the said portion of land. However, separate compensation is not awarded for 0.17 H.R. of *pot kharab* land. The total amount of compensation for the land was determined at Rs.4,02,000/- and in addition, compensation awarded for trees was maintained. Thus, in terms of the appellate judgment delivered by this Court, compensation for land was enhanced to Rs.4,02,000/- from Rs.2,67,300/- awarded by the

Reference Court, resulting in further enhancement of compensation to the extent of Rs.1,34,700/-. Thus total enhancement of Rs.7,73,346/- is granted to the Respondent/Land Owner in terms of judgments passed by the learned Reference Court and this Court. The Respondent/Land Owner will be entitled to enhanced solatium of Rs.2,32,009/- (30% of Rs.7,73,346/-) and Rs.1,90,243/- towards 12% interest component on the enhanced amount of compensation for period from date of section 4 notification i.e. 13.01.1994 till date of possession i.e. 31.01.1996 (2 years and 18 days). Thus the total enhancement in compensation works out to Rs.11,95,958/-.

7. The land owner filed execution petition for recovery of amount, which came to be registered as Case No. L.R.DKST/324/2011.

8. In the meantime, MIDC has deposited amount of Rs.17,03,351/- and an amount of

Rs.38,78,787/- on 13.01.2013 and 05.12.2019, respectively. Having deposited the amount as aforesaid, MIDC filed application vide Exhibit 29 seeking dismissal of the execution petition on the ground that entire amount of compensation was paid and the award was satisfied. The learned Executing Court rejected the said application vide order dated 16.09.2022. The land owner filed application dated 13.08.2024 for issuance of arrest warrant on account of non-payment of enhanced compensation to the tune of Rs.15,61,005/-, which came to be allowed vide order dated 19.09.2024. Thereafter, another application vide Exhibit 53 was filed on 21.12.2024 for re-issuance of arrest warrant since the earlier warrant could not be executed. The said application at Exhibit 53 is allowed vide order dated 21.12.2024.

9. The order dated 16.09.2022, whereby the application for dismissal of execution proceeding was rejected and subsequent orders issuing arrest warrants dated 19.09.2024 and 21.12.2024, are subject matter of challenge in the present petition.

10. Vide order dated 24.02.2026, parties were directed to appear before the learned Registrar (Judicial) for calculation of the amount. The learned Registrar (Judicial) was directed to furnish report with respect to the calculations.

11. In compliance of the said order dated 24.02.2026, the learned Registrar (Judicial) has issued report dated 11.03.2026, stating that excess amount of Rs.12,70,545.28/- was deposited by MIDC on 05.12.2019. The learned Registrar (Judicial) has calculated interest at the rate of 15% per anum till the date of first deposit only i.e. till 13.01.2013. Interest is not calculated till the date of final deposit i.e. 05.12.2019. The calculation made by the learned Registrar (Judicial) in the report dated 11.03.2026 therefore cannot be accepted.

12. Vide order dated 04.05.2026, this Court issued directions for making fresh calculations. Fresh calculations have furnished by the learned Registrar (Judicial) vide report dated 22.06.2026. According to this report, an amount of Rs.10,32,769/- was found to be payable by MIDC to land owner as on 19.06.2026.

13. The learned Registrar (Judicial) has calculated the amount due and payable as on the date of the first deposit i.e. 13.01.2013, and after deducting the amount deposited on 13.01.2013, interest till 05.12.2019i.e. the date of second/last deposit is calculated on the balance amount.

14. There is basic fallacy in this calculation. The interest at the rate of 9% and 15% is required to be calculated on the enhanced amount of compensation including solatium and 12% interest component. The said amount is Rs.11,95,958/-. However, interest at the rate of 15% per annum from the date of initial deposit i.e. 13.01.2013 is calculated on Rs.17,36,316.71/- which is the balance amount as on the said date. This amount of Rs.17,36,316.71/- includes the principal amount i.e. Rs.11,95,958/- and the unpaid interest till 13.01.2013. By calculating future interest of Rs.17,36,316.71/-, the unpaid interest as on 13.01.2013 of Rs.5,40,358/- is compounded on the principal amount of enhanced compensation of Rs.11,95,958/-.

15. Interest payable on the amount of enhanced compensation is simple interest. Calculation report dated 22.06.2026 is therefore incorrect because interest outstanding as on 13.01.2013 is compounded for calculation of interest payable after 13.01.2013.

16. The learned Registrar (Judicial) has furnished another report dated 23.06.2026 in which amount of compensation enhanced by this Court is calculated at Rs.14,55,648/- by adding 30% solatium and 12% interest component. The total amount of compensation payable is calculated at Rs.22,50,312/-. The learned Registrar (Judicial) has thereafter deducted amount of Rs.6,82,029/- i.e. the amount of compensation determined by the Land Acquisition Officer from the said amount and has calculated interest at the rate of 9% per annum for a period of one year from 01.02.1996 to 31.01.1997 and further interest at the rate of 15% per annum and has stated that as on 19.06.2026 amount of Rs.29,77,458/- is payable to land owner.

17. The said report is also incorrect since the learned Registrar (Judicial) has deducted basic amount of compensation determined by the Land Acquisition Officer without adding 30% solatium and 12 % interest component. It is not the case of the respondent/land owner that solatium and interest component were not paid to him. The land owner has filed several statements, disputing reports furnished by the learned Registrar (Judicial). In none of these objections, it is contended that the LAO did not grant solatium of 12% interest component under Section 23(1A). Such was not even the contention either before the learned Reference Court or before this Court in the Appeal.

18. The respondent/land owner has filed objection dated 08.04.2026. According to him, amount of Rs.27,84,754/- is payable as on 06.04.2026. He has filed another objection dated 29.06.2026 according to which, amount payable as on 22.06.2026 is calculated at Rs.22,39,851/-. Surprisingly, amount calculated till 22.06.2026 is less than the amount calculated till 06.04.2026 by an amount of Rs.5,44,903/-.

19. As per the objection dated 08.04.2026 lodged by the land owner, total amount of compensation payable as per judgment by this Court is Rs.14,55,638/-. This is the same as the amount calculated by the learned Registrar (Judicial) in report dated 23.06.2026. The land owner has deducted amount of compensation awarded by the Land Acquisition Officer from this amount and the enhanced amount of compensation is calculated at Rs.7,73,364/-. This calculation of enhanced compensation of Rs.7,73,364/- is correct. On this amount, 30% solatium has calculated at Rs.2,32,009/- which is also correct. The land owner has calculated 12% interest component from 13.01.1994 i.e. date of notification till 20.03.1997 i.e. till the date of award by the LAO which is incorrect. This amount should be calculated only till date of possession i.e. 31.01.1996. From 01.02.1996 interest will be computed at the rate of 9% per annum for a period of one year and 15% per annum thereafter as per section 28 of the LA Act.

20. The land owner has calculated amount of Rs.41,65,296/- as amount payable till 13.01.2013 i.e. date of first deposit and has deducted amount of Rs.17,03,351/- deposited on 13.01.2013. He has calculated balance as 13.01.2013 at Rs.24,61,945/-.

Fifteen percent interest is calculated from 13.01.2013 on balance amount of Rs.24,61,945/- which is incorrect since interest accumulated till 13.01.2013 is compounded for calculating further interest. The calculations furnished by the land owner are itherefore ncorrect.

21. This mistake of compounding the interest is also committed by the petitioner/MIDC while making calculations of amount payable to the land owner. Perusal of Pursis dated 12.06.2026 filed by the MIDC will indicate that interest after 13.01.2013 is calculated not on the enhanced amount of compensation but on the additional amount of compensation and interest.

22. It will be appropriate to refer to Section 28 of the Land Acquisition Act with respect to payment of interest. Section 28 provides that where the amount of compensation determined by the Land Acquisition Officer is enhanced, either in a reference or in appeal, interest at the rate of 9% per annum is payable on the excess amount of compensation. Such interest is payable from the date of taking possession of the land till the date of payment of the excess amount compensation in Court**.** In the event, this period is more than one year, for the period beyond one year interest is payable at the rate of 15% per annum. The provision does not speak of compounding the interest on the additional amount of compensation. However, in the present case, MIDC and respondent both have compounded the interest which is not permissible under Section 28. Interest all throughout is required to be calculated only on the enhanced amount of compensation. It must be clarified that interest under Section 28 will be payable on the enhanced amount of compensation by including 30% solatium and 12% interest component.

23. Interest under Section 28 of the L.A. Act at the rate of 9% for the first year and 15% thereafter will have to be calculated only on the enhanced amount of compensation of Rs. 11,95,557/- only.

24. The learned Advocate for the Respondent-Land Owner has placed reliance on judgment in the case of **Maharashtra State Electricity Board Vs. State of Maharashtra** reported in AIR Online 2021 BOM 2943 to contend that the unpaid interest is required to be added to the enhanced amount of compensation for determination of amount payable to land owner. Attention is drawn to paragraph nos.16 to 18 of the judgment in support of the contention. A perusal of paragraph no.16 of the judgment will demonstrate that this Court has held that interest will have to be computed on the enhanced market value by adding solatium and 12% interest component payable under Section 23(1A). Thereafter while making calculation in paragraph nos. 17 and 18, unpaid interest on the date of initial deposit is compounded. However the ratio of the judgment is that interest under Section 28 is payable on the enhanced amount of compensation i.e. market value plus solatium plus 12% interest component. The ratio of the judgment is not the unpaid amount of interest payable under Section 28 should be compounded to the enhanced amount of compensation. I am in agreement with the ratio laid down in the said judgment that interest under Section 28 will have to be paid on the enhanced amount of compensation which includes market value solatium and 12% interest component. However the manner in which the amount is calculated in the said case, is not the ratio of the said case. With respect, it will not be possible to agree with the manner in which the calculations are made in the said case since inadvertently unpaid amount of interest is added to the enhanced amount of compensation for the purpose of calculation of interest. In the said case, enhanced amount of compensation was determined of Rs. 42,33,648/-. Initially interest is calculated on the said amount of Rs. 42,33,648/-. However as on the date of initial payment, the Court calculated the total amount due and subtracted the amount actually deposited and thereafter calculated further interest on the balance amount. As a consequence of this interest after the date of initial deposit is calculated on amount of Rs.73,14,037/- which is more than the enhanced amount of the compensation. In the humble opinion of this Court in the said case even after the initial deposit of amount, interest should have been computed on enhanced amount of compensation i.e. Rs.42,33,648/- only and not on the amount outstanding after the initial deposit i.e. Rs.73,14,037/-. Inadvertently interest amount of Rs.30,80,389/- is added i.e. compounded on the principal i.e. amount of enhanced compensation. This compounding is contrary to Section 28 of the L.A. Act.

25. In land acquisition cases, the enhanced amount of compensation is often not deposited or paid by a single transfer or under single transaction.

More often than not, the amount is paid in installments. It is noticed that, till the date of initial payment/deposit interest is rightly calculated on the enhanced amount of compensation, however, in many cases, the authorities including the Court officials calculate the amount outstanding as on the date of first deposit and thereafter calculate interest on the balance amount. At times, as in the present case, the balance amount outstanding as on the date of initial deposit is more than the enhanced amount of compensation determined by the Reference Court or the Appellate Court since it includes interest component as well. When further interest is calculated on the balance amount, the unpaid interest as on the date of first deposit gets compounded. Section 28 of the Act does not speak about compounding of interest. Interest payable under the said provision is simple interest. Therefore in all cases, the interest under Section 28 should be computed only on the enhanced amount of compensation as determined by the Reference Court or by the Appellate Court.

26. In the present case, the land owner and MIDC both have committed the said mistake of compounding the interest outstanding as on the date of first deposit i.e. 13.01.2013. This mistake was initially committed by the learned Registrar (Judicial) of this Court as well. In the second report, the learned Registrar (Judicial) corrected his mistake. However, in the second report, the learned Registrar (Judicial) has made calculation assuming that solatium and 12% interest component was not paid by the Land Acquisition Officer to the respondent/land owner, although the land owner has not raised any grievance in this regard either in the reference under Section 18 or in appeal or in execution proceeding or even in the statements of calculations filed in the present petition.

27. In the light of the reasons recorded above, the matter is remitted to the learned Executing Court for determining the amount payable to the land owner as on 05.12.2019 which is the date on which amount of Rs.38,78,787/- was deposited by the Petitioner/MIDC with the learned Executing Court. The learned Executing Court shall calculate interest under Section 28 on amount of Rs. 11,95,557/- only.

28. In view of the reasons recorded above, the Writ Petition is partly allowed. Impugned orders dated 16.09.2022 passed by the learned 2nd Joint Civil Judge, Senior Division, Amravati below Exhibit-29 as also subsequent orders dated 19.09.2024 and 21.12.2024 passed below Exhibits- 50 and 53 respectively in L. Regular Darkhast No. 324/2011 are quashed and set aside. The matter is remitted to the learned Executing Court for deciding the application at Exhibit-29 afresh in the light of observations made above. Parties shall appear before the learned Executing Court on 07.09.2026. The learned Executing Court is directed to decide the application at Exhibit-29 as expeditiously as possible and in any case before 31.10.2026. In the circumstances, there will be no orders as to costs.

(ROHIT W. JOSHI, J.)

C.L. Dhakate