

Supreme Court of India

Northern Coalfields Ltd. vs Mata Prasad on 16 January, 1998

Equivalent citations: JT 1998 (8) SC 35, (1998) 9 SCC 376

Bench: S V Manohar, D Wadhwa

ORDER

1. Leave granted.

2. The respondent had obtained a mining lease for a period of three years in respect of an acre of land situated in Village Mahidiya. The period of the lease was to expire on 7-3-1990. This lease had been granted for extraction of limestone. The respondent had installed a stone-crusher for making small boulders from the limestone so extracted. The Central Government, by notification under Section 4 of the Coal Bearing Areas (Acquisition & Development) Act, 1957 declared its intention to prospect for coal in respect of areas stipulated in the said notification which included the said land over which the respondent had a mining lease. Thereafter, by a declaration dated 10-10-1988, under Section 9 of the said Act, the Central Government acquired 427 acres of land which included the said land leased to the respondent for the purpose of mining limestone. The appellants offered to the respondent under Section 14, compensation of Rs 1,49,546. Since this was not accepted by the respondent, the matter was referred to the Tribunal under Section 14(2) of the said Act. By impugned judgment and order, the Tribunal has granted to the respondent the following amounts: On account of the amount spent as fees to obtain the lease Rs 562 Cost of the stone-crusher Rs 2,00,000 Expenditure incurred for laying down the foundation for the installation of the stone-crusher Rs 3,60,000 Amount spent on construction of the building Rs 50,000 Spent for obtaining the electricity connection Rs 15,000 Together with interest from 8-11-1990 for a period of five years at the rate of 5% and thereafter @ 4% till payment.

3. The total amount comes to Rs 6,25,562. After giving credit for the amount of Rs 1,49,546.30 received by the respondent, the Tribunal directed payment of the balance amount of Rs 4,76,015.64. The Tribunal also directed payment of solatium. The direction regarding the payment of solatium has been set aside in appeal by the High Court. The High Court, however, has confirmed the remaining order.

4. The appellants have drawn our attention to Section 13 of the Coal Bearing Areas (Acquisition & Development) Act, 1957. Sub-section (2) provides that where the rights under a mining lease are acquired under this Act, there shall be paid to the person interested compensation, the amount of which shall be a sum made up of the following items: The relevant item is Clause (ii) of Sub-section (2) of Section 13 which provides for compensation for any reasonable and bona fide expenditure of the nature referred to in clauses (i), (ii) and (iii) of Sub-section (1) actually incurred in relation to the lease, together with the salami, if any, paid for obtaining the lease.

5. Clauses (i), (ii) and (iii) of Section 13(1) are as follows: "(i) the expenditure incurred in obtaining the licence; (ii) the expenditure, if any, incurred in respect of the preparation of maps, charts and other documents relating to the land, the collection from the land of cores or other mineral samples and the due analysis thereof and the preparation of any other relevant records or material;

(iii) the expenditure, if any, incurred in respect of the construction of roads or other essential works on the land, if such roads or works are in existence and in a usable condition;"

6. We have to examine whether the items for which compensation has been awarded fall under any of these categories. The first item of Rs 562 would be covered by Section 13(1)(i) The item of Rs 50,000 for construction of the building may be considered as falling under Clause (iii) in the facts and circumstances of the present case. As far as the cost of the stone-crusher is concerned, we find that it would not fall under any of the three clauses. It is machinery which is brought and placed on the land for the purpose of making boulders. In the award, however, the Tribunal has noted in para 15, the evidence given by the respondent to the effect that the appellants did not allow him to dismantle and take away the stone-crusher. In these circumstances, we do not propose to interfere under Article 136 with the award of Rs 2 lakhs in respect of the stone-crusher. The claim for expenditure for laying down the foundation or for obtaining the electricity connection do not fall under any of these clauses. The Tribunal, therefore, could not have granted those claims.

7. In the premises, we uphold the award to the following extent: (i) Rs 562 on account of the amount spent as fee to obtain the lease; (ii) Rs 2 lakhs for the stone-crusher; and

(iii) Rs 50,000 for the building together with interest as specified in the award.

8. The appeal is allowed in respect of the balance amount and the award is set aside to that extent. Prior to 28-8-1997, the respondent had received a sum of Rs 1,49,546 from the appellants. Despite the injunction order of this Court dated 28-8-1997, the respondent withdrew the balance amount of Rs 4,76,015. The only plea which he has made in that connection is that he received intimation of our order of 28-8-1997 after the withdrawal of the said amount.

9. The appeal is, therefore, partly allowed. The respondent is directed to pay back to the appellant a sum of Rs 3,75,000 on or before 16-2-1998 together with interest thereon @ 12% p.a. from the date of the receipt till payment.