

## State of Bihar Vs Chinibas Mahto and Another

**Court:** Jharkhand High Court

**Date of Decision:** April 23, 2007

**Acts Referred:** Civil Procedure Code, 1908 (CPC) â€” Section 89  
Land Acquisition Act, 1894 â€” Section 18, 23(2), 28A, 4, 41

**Citation:** (2007) 2 BLJR 2724

**Hon'ble Judges:** M.Y. Eqbal, J; D.K. Sinha, J

**Bench:** Division Bench

**Advocate:** Shamim Akhtar, SC-II, for the Appellant; V. Shivnath, D.K. Prasad and Rajiv Ranjan, for the Respondent

### Judgement

M.Y. Eqbal and D.K. Sinha, JJ.

Members of the Scheduled Caste, Scheduled Tribes and other communities whose agricultural lands

were acquired 45-50 years back and Steel Plant was established by the Central Government, namely, Bokaro Steel Plant of the Steel Authority of

India Limited are the sufferers. The unfortunate part of this case is that those raiyats and land losers have still not been paid their rightful and

legitimate compensation because of the fact that the State of Bihar, now Jharkhand challenged the award passed by the Land Acquisition Judge by

filing these appeals which are pending for the last 16 years in this Court.

2. On 1.5.2006, these appeals were taken up by learned Single Judge and the same was referred to the Division Bench. While referring the matter

to the Division Bench, learned Single Judge, considering the provisions of Section 89 of the C.P.C. and the Mandate of the Supreme Court,

expressed his feelings that it is high time the dispute be settled through Alternative Dispute Redressal Forum so that those poor land losers could

get compensation of their land. For that purpose this Court directed the Chief Secretary, Revenue Secretary, Finance Commissioner, Secretaries

of the Water Resources and Agriculture Department to appear before the Division Bench. Accordingly, on 2.5.2006 the matter was heard by the

Division Bench and the following order was passed:

Heard in part.

Both the appeals have been preferred by the State against the judgment dated 21st September, 1998 and the award dated 3rd November, 1990,

passed by the Land Acquisition Judge, Chas, in L.A. Reference Case Nos. 360 of 1976 and 1 of 1989.

The lands, in question, were acquired by the State in the year, 1960-61 in favour of the Bokaro Steel Plant, Bokaro. A number of awards were

prepared in favour of different claimants and many of them, being dissatisfied with the award amount, moved for reference u/s 18 of the Land

Acquisition Act. On similar issues, judgments having already been delivered by Division Bench of this Court (Ranchi Bench of Patna High Court),

following those judgments, the Land Acquisition Judge answered the two reference in favour of the claimants and held that the claimants are

entitled for compensation at the rate of Rs. 8,000/- per Acre for paddy land and Rs. 6,000/- per Acre for Gora land. The judgment of the Division

Bench, on the basis of which references were answered, related to some other lands, acquired by the State for same purpose in favour of the

Bokaro Steel Plant, at that relevant point of time. The Division Bench's judgment, not having been challenged by the State before the Supreme

Court, has already reached finality. The appeals which are pending before the High Court for about fifteen years, could not be taken up due to

pendency of large number of cases and shortage of Judges.

Before division of the State of Bihar, a decision was taken that where compensation amount does not exceed Rs. 25,000/-, no appeal should be

preferred by the State and the appeal(s), already preferred, should be withdrawn. After creation of the State of Jharkhand, similar decision was

taken by the State of Jharkhand from its Water Resources Development Department vide letter No. 14/03-OA 43/2002:- 3002, Ranchi dated

19th September, 2002. The State of Jharkhand also decided not to prefer any appeal where compensation amount does not exceed Rs. 25,000/-

and to withdraw the appeal(s). If preferred against such judgment(s) and award(s). Such decision were been taken in public interest.

Section 89 was inserted by CPC (Amendment) Act, 1999 with effect, from 1st July, 2002 and provision was made enabling the Court to find out,

if there exists element of settlement, which may be acceptable to the parties to formulate the terms of settlement and give them to the parties for

their observation and after receiving the observation of the parties, to formulate the terms of a possible settlement and to refer the same for

settlement through alternative forum for resolution (Alternative Dispute Resolution-ADR).

The Jharkhand High Court Legal Service Authority has intended to hold a Lok Adalat on 7th May, 2006. To find out whether appeals, pending

against the orders, passed in Land Acquisition Cases, can be settled outside the Court in Lok Adalat, step was taken u/s 89 of the CPC by the

learned Single Judge (one of us- M.Y. Eqbal, J.), it having come to the notice of the Court that there are large number of cases where lands were

acquired about 40-45 years back and the matter has not yet been settled because of large number of appeals, preferred by the State, irrespective

of the quantum of compensation amount, awarded to the claimants-land losers. Considering the fact that the lands were acquired in the year,

1961-62 and the Land Acquisition Judge, besides determining the compensation amount, also directed to pay additional compensation at the rate

of 12% on the market value from the date of notification, issued about fifty years back i.e. on 10th August, 1956 and the solatium at the rate of

30% on the market value as also the further interest at the rate of 9% and 15%, as provided u/s 23(2) of the Land Acquisition Act, the learned

Single Judge was of the view that the matter should, be settled before the Lok Adalat.

Public interest being involved and as the State spends the money for fighting out litigations and if the case is not decided immediately and ultimately

the case is lost, the State is to cough huge amount, which ultimately burdens the public exchequer, so the case was referred by learned Single

Judge to Division Bench for hearing and the Chief Secretary, Revenue Secretary, Finance Commissioner, Secretary, Water Resources

Development Department Govt. of Jharkhand, Ranchi, as also the Agriculture Secretary were directed to appear before the Court to answer as to

why they be not ready to comply with the mandate of the Parliament, as contemplated u/s 89 of the CPC and the similar mandate of the Supreme

Court. The aforesaid officers appeared today but shown inability for settlement outside the Court.

One of us (M.Y. Eqbal, J.) while referring the appeals to the Division Bench noticed that the present matter is pending for last 45 years and in the

event, the appeals fail, the State will have to pay ten times more than the amount of compensation, assessed by the Land Acquisition Judge. This

fact was brought to the notice of the State authorities, who are present in the Court, and it was suggested to compromise the matter and to

withdraw the appeals in cases, where compensation amount has been awarded up to Rs. 1,00,000/-, which may ultimately be in the financial

interest of the State. It was brought to their notice that even if the appellate court interferes with the order, passed by the Land Acquisition Judge,

the total compensation amount will not be set aside and, at best, the compensation amount may be brought down and above 70 to 80 percent of

the compensation amount may have to be paid. In that case also, if the State contests the cases and they remain pending for about 45 years and 70

to 80 percent of the awarded compensation is paid with additional compensation, solatium and interest, as provided u/s 23(2), in such case after

about 40 to 45 years, the State will have to bear much more amount than the amount, if the original compensation amount would have been paid

45 years back, without contesting the cases.

In spite of the aforesaid discussions, no cooperation having been made by the State authorities and as the learned Advocate General also failed to

pursue the State authorities and did not agree for settlement, we are of the view that apart from decision of the cases on merit, it may be

determined "whether in public interest the State should contest the case up to appellate stage, if the amount of compensation does not exceed Rs.

1,00,000/- and if the matter remains pending for more than forty five years in a court of law?

Parties should be ready for hearing on merit and on the issue, as framed above.

Let both the cases be listed for further hearing under the heading "for orders" on 12th May, 2006.

3. The matter was again heard on adjourned dated (12.9.2006). Learned Counsel appearing for the Bokaro Steel Plant informed that about 7000

applications are pending u/s 28A of the Land Acquisition Act before the Collector-cum-Land Acquisition Officer, Bokaro. Learned Counsel

further informed that the Steel Authority of India Ltd is interested to settle all the claims so that State of Jharkhand could finally transfer those lands

in favour of the Company by executing a deed of conveyance. It was submitted that all cases shall be settled with the help of Lok Adalats. After

hearing the parties, this Court constituted a Committee consisting of Conciliator appointed by State Legal Services Authority, Mr. Sandip Tula,

A.G.M. (Personnel), Managing Director, Secretariat Bokaro Steel Plant, SAIL and Mr. M.P. Sinha, A.G.M. (Project) Bokaro Steel Plant, SAIL,

Mr. Rajiv Ranjan, Advocate and the Director (Project) Land and Rehabilitation, Bokaro. The Law Secretary, Govt. of Jharkhand was nominated

as Convener of the Committee and was directed to submit detailed report as to number of cases pending before the Land Acquisition officer and

the amount which the company is ready to pay. In compliance of the aforesaid order the Law Secretary of the Committee submitted report. In the

report, it is stated that the Steel Authority of India Ltd. is ready to take entire liability and shall pay the entire compensation amount to the raiyats

whose lands were acquired on the condition that the State Government shall immediately transfer the land by executing a deed of conveyance

giving full right to the Steel Authority of India Limited. After hearing the parties and after perusal of the report, this Court directed the Revenue

Secretary to file affidavit. After much persuasion one affidavit was filed by the Revenue Secretary, Government of Jharkhand. For better

appreciation, I would like to reproduce the entire affidavit filed by the Revenue Secretary which reads as under:

1. That I am at present working and posted as the Principal Secretary, Revenue & Land Reforms, Government of Jharkhand at Ranchi and, as

such I am well acquainted with the facts and circumstances of the instant case.

2. That the deponent is swearing this affidavit as per the directions of this Hon"ble Court on the Steel Authority of India Ltd., agreeing to undertake

the entire liability with regard to payment of compensation to the land looser arising out of the acquisitions made for the establishment of Bokaro

Steel Plant, Bokaro and also with relation to such agreeing of Steel Authority of India Ltd., (hereinafter to be referred to as the SAIL) for

execution of a Deed of conveyance by the State Government in favour of the SAIL (Bokaro Steel Plant).

3. That, the deponent states and submits that the SAIL (Bokaro Steel Plant) should unequivocally agree and undertake that it would pay to the

land losers whatsoever amount of compensation is determined for payment in the pending proceedings in any court and also it should agree and

undertake that it would pay all such compensation to the claimants, if so determined in due proceedings to be initiated in future.

4. That, the SAIL (Bokaro Steel Plant) should also agree and undertake that whatsoever amount if the State Government has so far paid in the

previous proceedings to the land-loosers from the State Exchequer and has not been returned or paid by the SAIL (Bokaro Steel Plant) to the

State Government, the SAIL (Bokaro Steel Plant) shall also pay the entire such amount to the State Government without any preconditions(s).

5. That this way the SAIL (Bokaro Steel Plant) should, undertake that the entire liability which has accrued in past proceedings and are to be

determined in the pending proceedings and/or further to determined, if fresh proceedings in some future lime are levied and initiated, the total

liability which is fixed and determined in this regard would be that of the SAIL (Bokaro Steel Plant) and the State Government in no way would be

liable to make payment of any amount whatsoever.

6. That the SAIL (Bokaro Steel Plant) should also agree that the lands, which are in occupation of the State Government for the use of local

administration and different offices and arms of the state Government, shall not be asked to be handed over to the SAIL (Bokaro Steel Plant) nor

any compensation for those lands should be asked to be home by the State Government. The liability of payment of compensation in respect of

those lands shall also be that of the SAIL (Bokaro Steel Plant). This concession the SAIL (Bokaro Steel Plant) is required in view of the facts that

approximately 3600 acres Government lands and 778 acres of forest land had been given to the SAIL, (Bokaro Steel Plant) free of cost. Further

wherever expansion of Govt. offices is done in future at Bokaro it is possible only when SAIL provides lands free of cost as there is hardly any

Government land left there. Therefore, SAIL shall show utmost consideration to this future demand of land for the govt. use without asking for any

monetary compensation. Further, SAIL (Bokaro Steel Plant) shall not claim any special or otherwise right or privilege over those land under the

occupation of the State Government.

7. That if SAIL (Bokaro Steel Plant) agrees to fulfill the above mentioned propositions solely at their own cost, the State Government shall have no

objection / hesitation in executing a Deed of Conveyance in favour of the SAIL (Bokaro Steel Plant).

8. That, the State Government only wants that no financial liability in any form in any case at any point of time in respect of payment of

compensation of the acquired lands should be asked to be borne or shared by the State Government.

9. That, the SAIL (Bokaro Steel Plant) should also undertake that whatsoever compensation is determined in any proceeding in favour of raiyats,

the raiyats concerned will be paid their amount of compensation by the SAIL (Bokaro Steel Plant) and the raiyats shall not be subjected to

prolonged litigation. This protection the SAIL (Bokaro Steel Plant) is required to provide to the raiyats so that at no point of time the State

Government may be required to interfere in any such matter. The State Government does not want henceforth any interference in the management

of such lands or in any matter with regard to compensation to the raiyats.

10. That, as per the report of the committee the esteemed liability with regard to pending 28A applications has been determined around Rs. 65

Crores which does not include the amount of compensation involved in 46 (forty six) First Appeals pending in the High Court, 10 (Ten) cases u/s

18 pending before the Land Acquisition Judge, Bokaro and the amount of liability to be determined in prospective future proceedings, as such by

way of good gesture the SAIL (Bokaro Steel Plant) should deposit substantial money with the Department for payment of raiyats and for

adjustment of accounts with regard to the amount paid by the Government previously to raiyats / Land-loosers.

11. That, the lands had been acquired decades ago and with the acquisitions of the land the entire lands had been handed over to the then

Hindustan Steel Ltd. (HSL), now the SAIL (Bokaro Steel Plant) and accordingly Bokaro Steel Plant was established. The entire acquired lands

since the time of such acquisitions are under the management and control of the SAIL (Bokaro Steel Plant) and the State Government has no role

in any such management and control of such acquired lands. The SAIL (Bokaro Steel Plant) now can not ask or insist the State Government to put

it in possession of any particular piece of land including-the so called 824.855 acres of land given in the BSP/SAIL affidavit in view of the fact that

the lands have already been put under the possession of the SAIL (Bokaro Steel Plant) or are under their deemed possession and if there has been

any encroachment/illegal occupation by any one, it had occurred while it was under the management and control of SAIL (Bokaro Steel Plant)

and, as such, the State Government can not give any undertaking that it would put the SAIL (Bokaro Steel Plant) in possession of any such land(s)

which have been occupied by local persons(s). However, the State Government shall provide help and assistance to the SAIL (Bokaro Steel

Plant) in evicting them in due proceedings at the initiative of SAIL (Bokaro Steel Plant), but that would be only on the request of the SAIL (Bokaro

Steel Plant).

12. That there are number of first Appeals pending in the Hon"ble High Court filed by the State Government which appeals shall be withdrawn in

due course if the SAIL (Bokaro Steel Plant) agrees and undertakes to pay to the raiyats/ land-loosers the liability in respect of the acquired lands

and State Government is absolved from all financial liabilities in respect of payments of compensation of the acquired lands".

4. In reply to the State Government's affidavit, the respondents-Steel Authority of India Limited filed affidavit whereby they agreed to abide by all

the conditions mentioned in their affidavit. Paragraph 4 to 7 of the affidavit filed by Steel Authority of India Limited is also reproduced herein below:

4. That in response to paragraph 2, 3, 4, 5, 8 & 9 of the affidavit of Principal Secretary, Revenue and Land Reforms, Govt. of Jharkhand, Ranchi

filed on 31.01.07, the SAIL/BSP undertakes to pay the entire liability with respect to the past payment already made by the Govt. as well as with

respect to the pending cases as detailed in the final report of the committee constituted by the Hon"ble Jharkhand High Court vide order dated

12.09.06 in F.A. No. 45/91 (R) and 46/91 (R).

5. It is further stated that the final report of the committee clearly indicates that the total liability of the compensation comes to around Rs.

65,12,10,415 (approx) which the SAIL/BSP is ready to pay. The committee has also indicated that it has not taken into consideration while

assessing the aforesaid amount the possibility of filing different application u/s 28A in case the 10 cases pending before Land Acquisition Judge,

Bokaro as disclosed in Annexure-3 of the final report which may be ultimately decided in favour of the land owners and in that regard the SAIL

also undertakes to pay such future liabilities.

6. That in response to paragraph 6, SAIL/BSP agrees and admit the same.

7. That the State Government may execute the Deed of Conveyance within a time frame of one month.

5. When the Steel Authority of India Limited agreed to the conditions imposed by the State of Jharkhand, this Court by order dated 9.2.2007

directed the counsel for the State to submit a draft deed of conveyance, so that all these pending litigations could be finally disposed of. When the

matter reached the final stage of settlement, an affidavit was filed by Steel Authority of India Limited annexing copies of the letter issued under the

signature of Dulal Bhuiyan, Revenue Minister, Govt. of Jharkhand addressed to the Managing Director, Bokaro Steel Plant directing the Managing

Director to return surplus land alleging that the Bokaro Steel Plant had agreed to produce 10 Million tones of Steel whereas it is producing only 4

million tones of Steel. This Court after hearing the parties by order dated 7.3.2007, was constrained to issue show cause notice to the Revenue

Minister as to why contempt proceeding be not initiated against him for issuing such letter and thereby interfering with the Court's proceeding.

Relevant portion of order dated 7.3.2004 is quoted herein below:

11. From the facts narrated herein above, it is clear that the matter was at the final stage of settlement after the respondent- SAIL agreed to pay

the entire compensation amount for the lands acquired and the State was to execute the formal deed of conveyance. It is at this stage and when the

court was in seisin of the matter, a letter dated 27.2.2007 was issued under the signature of one Mr. Dulal Bhuiyan, the Revenue Minister, Govt. of

Jharkhand addressed to the Managing Director, Bokaro Steel Plant. In the said letter it is mentioned that as per agreement with the State the

respondent- Bokaro Steel Plant had agreed to produce 10 million tones steel whereas Bokaro Steel Plant is producing only 4 million tones steels.

Hence the Revenue Minister directed the Managing Director, Bokaro Steel Plant to return the surplus land which is the subject matter before this

Court to the Government. A copy of the said letter has been annexed as annexure 1 to the supplementary affidavit.

12. Prima facie, we are of the view that it is a direct interference by the Revenue Minister in the court's proceeding. When the Principal Secretary

filed affidavit, who is the head of the Revenue department, Govt. of Jharkhand putting condition which has been complied with by the respondent

SAIL and only the draft deed of conveyance was to be approved by the Govt. then there was no occasion for the Revenue Minister to issue the

aforesaid, letter.

13. Prima facie the conduct of the Minister and the Secretary shows that the manner in which they had conducted themselves clearly tended to

lower the authority of this Court and obstruct the administration of justice. It is well settled that any act done or writing published calculated to



obstruct or interfere with the due course of justice or lawful process of court is a contempt of court. Recently the Supreme Court, dealing with a

case of contempt against a Minister in the case of T.N. Godavarman Thirumulpad through the Amicus Curiae Vs. Ashok Khot and Another, ,

observed:

Disobedience of this Court's order strikes at the very root of the rule of law on which the judicial system rests. The rule of law is the foundation of

a democratic society. Judiciary is the guardian of the rule of law. Hence, it is not only the third (Sic) but also the central (sic) of the democratic

State. If the judiciary is to perform its duties and functions effectively and remain true to the spirit with which they are sacredly entrusted to it, the

dignity and authority of the courts have to be respected and protected at all costs. Otherwise, the very cornerstone of our constitutional scheme

will give way and with it will disappear the rule of law and the civilized life in the society. That is why it is imperative and invariable that courts"

orders are to be followed and complied with.

14. In the background of the aforesaid facts we are constrained to issue notice to the Revenue Minister to show cause as to why a contempt

proceeding be not initiated against him for issuing the said letter interfering with the court's proceeding. Let notice of contempt be also issued

against the Principal Secretary, Revenue department, Govt. of Jharkhand as to why he has not complied with the direction issued by this Court

within the time frame. Show cause must be filed on or before 16th March, 2007. Put up this case on 19th march, 2007. Let a copy of this Order

be handed over the counsel for the State-appellant.

6. In response to the said notice, the Revenue Minister filed show cause stating that he had no intention to interfere with the Court's proceeding

and he had issued letter in question innocently and bonafide. This Court kept the contempt matter pending for final disposal. In the meantime, the

Steel Authority of India Limited was persuaded by this Court to settle all those matters so that land losers who have been waiting since 1960-61

for compensation could be paid their claims. Respondent-Company after holding meeting of the Board of Directors and with the consultation of

Ministry of Steel, Govt. of India ultimately agreed to pay entire compensation amount for giving finality to the dispute. Once again by order dated

19.3.2007 the State of Jharkhand was directed to submit draft deed of conveyance. Curiously enough, instead of submission of deed of

conveyance, another affidavit was filed by the Secretary, Revenue Department, Government of Jharkhand putting the same condition to the effect

that some more lands shall be required for the use of different departments of the Government of Jharkhand. Respondent Company even agreed to

those conditions by stating in the affidavit that even any portion of land is further required for Government Office the same shall be provided by the

Company.

7. On 19.3.2007, this Court took notice of all the aforesaid facts and events. On that day, Mr. S.B. Gadodia, learned Advocate General prayed

for some more time for filing draft deed of conveyance. As requested by learned Advocate General, four weeks more time was allowed for filling

dealt deed of conveyance. The order dated 19.3.2007 is worth to be quoted herein below:

Heard learned Advocate General and perused the show cause filed by the Revenue Minister and the Cabinet Secretary. Although the Revenue

Minister, in his show cause, has stated that he had no intention to interfere with the court's proceeding and he issued the letter in question

innocently and bona fide, let the show cause be considered at the time of passing final order in these appeals.

As noticed above, the lands were acquired in 1956 and the land losers have not yet been paid their due compensation. The compensation amount

finally assessed by the Land Acquisition Judge has been challenged by the respondent- State by filing these first appeals. To us it appears that filing

of these appeals perhaps is on the apprehension of the State that in the event any enhanced compensation is required to be paid, the State shall be

burdened with extra amount of compensation. It appears that at no point of time during the last 50 years the respondent-State raised any objection

with regard to utilization of the land by the respondent Bokaro Steel Plant (SAIL). This Court, after much persuasion made the Company agree to

pay the entire compensation and for that purpose a Committee was constituted by this Court headed by the Law Secretary, Govt. of Jharkhand. In

the report submitted by the Committed it has been said that about more than ten thousand cases are pending in different forums and approximately

65 crores of rupees is to be paid to the claimants. The respondent- Company, after holding meetings of the Board of Directors and with the

consultation of the Minister of Steel, Govt. of India, ultimately agreed to pay the entire compensation amount. For the purpose of giving finality to

the dispute the respondent-state was directed to submit a draft deed of conveyance. At that stage the Secretary, Revenue department, made an

application putting some conditions to the effect that some more lands may be required for the use of different departments of the govt. of

Jharkhand. The respondent-Company agreed even to those conditions saying in the affidavit that if any portion of the land is required for Govt.

offices, the same shall be provided to the Govt. In spite of the above agreement by the respondent-SAIL, the deed of conveyance has not been

filed till date by the respondent-State.

Today Mr. Gadodia, learned Advocate General prays for some more time for filing the draft deed of conveyance. If he Govt. of Jharkhand,

department of Revenue, has no any mala fide intention then they must submit the draft deed of conveyance within a very short time. As requested

by the learned Advocate General, four weeks time is allowed for filing the draft deed of conveyance failing which appropriate order shall be

passed by this Court. We may reiterate that the poor villagers have been deprived of their legitimate compensation for the last 50 years and it is

expected that the State will not take any such step which may frustrate the entire efforts of this Court for getting the due compensation paid to the

claimants-land losers. Put up this again under the same heading on 23rd April, 2007.

8. From the facts narrated herein above, it is crystal clear that the conduct of the authorities of the State of Jharkhand, the Revenue Minister and the

Revenue Secretary is wholly mala fide, inasmuch as the Steel Authority of India for whose purpose, the land was acquired is ready to pay the

entire compensation, but the Government is adamant to drag the poor land losers into litigations and thereby deprive the land losers to get their due

compensation.

9. At this stage, it would be proper to refer the decision of this Court delivered in L.P.A No. 187 of 2002 and analogous appeals in those cases

also, lands of different villages was acquired by the Government for construction of iron and steel plant at Bokaro and to that effect, notifications

were issued in 1956 and 1964. The award was given by the Land Acquisition Judge on the reference u/s 18 of the Land Acquisition Act and the

judgment was put in execution by the awardees for recovery of awarded amount. The State of Bihar was arrayed as judgment-debtor who filed

objection against the attachment of properties. Bokaro Steel Plant denied the liability and stated that they were not responsible to pay the higher

amount of compensation. Those objections were dismissed and thereafter, the State of Bihar filed Misc. Appeal before this Court. In those cases,

it was mentioned that after the Bhilai Steel Plant and Rourkela Steel Plant came into existence, the State of West Bengal prevailed on the Central

Government and the 3rd Steel Plant, namely Durgapur Steel Plant was erected in the State of West Bengal in the name of Hindustan steel Limited.

The State of Bihar, thereafter, approached the Central Government for 4th Steel Plant with such offers, assurances and promises about 44000

acres of land was acquired by issuing notification u/s 4 of the Land Acquisition Act for erection of Iron & Steel Plant for public purposes at the

public expenses. Ultimately the Central Government agreed to the assurances and promises of the State Government and agreed to set up 4th

Steel Plant at Bokaro, namely, Bokaro Steel Plant. It was mentioned in the correspondences that in order to minimize the burden of cost of

acquisition of land the Central Government agreed to pay ceiling price of Rs. 1900/- per acre as a cost of acquisition for the lands already acquired

in the year 1956 and for subsequent acquisitions, but the Central Government agreed to pay and fix the ceiling prices of Rs. 3800/- per acre. It

was specifically clarified that any amount over and above the minimum ceiling price fixed will have to be borne by the State Government and not by

the Central Government. In spite of aforesaid assurances and promises made by the State of Bihar (now State of Jharkhand) to pay the

compensation amount, the respondent-Steel Authority of India Limited now agreed to pay the entire compensation amount to the land losers on

the conditions that the State of Jharkhand shall immediately transfer the acquired land in favour of Bokaro Steel Plant. But unfortunately, the State

of Jharkhand is behaving like an ordinary litigant and raising unnecessary objections.

10. The primary concern of this Court is that those raiyats who have been dispossessed from the lands 50 years ago, should get their due

compensation which both the State of Jharkhand and the Steel Authority of India are legally bound to pay.

11. Therefore, the question that falls for our consideration is as to whether it is a fit case where mandamus can be issued against the State

Government to transfer the entire lands acquired for the purpose of Bokaro Steel Plant. Section 41 of the Land Acquisition Act makes it clear that

if the land is acquired by the State Government then the State Government, on payment of entire compensation amount, shall transfer the land in

favour of the company.

12. It is well settled that a writ of mandamus will be issued in appropriate cases directing the Government to perform its statutory duty. Where a

public officer has refused to perform his statutory duty, a writ of mandamus can be issued to compel him to perform those duties. Even in such

cases where this Court finds that inaction on the part of the authorities of the Government is wholly arbitrary, capricious and unjustified, a writ of

mandamus can be issued compelling the authorities of the Government to perform their duties.

13. Mr. S.B. Gadodia, learned Advocate General very fairly submitted that two months' time may be allowed to the respondent-State for

transferring the land in favour of Steel Authority of India. Learned Advocate General further submitted that he would persuade the Government to

perform their statutory duty so that those poor villagers, tribals and other land losers could get their compensation atleast even after 50 years of

the their dispossession from the lands.

14. We appreciate the submission of the learned Advocate General. We adjourn this case to first week of July, 2007. In the meantime, we pass

the following order which must be complied within the time frame specified in the direction given below:

(i) The Steel Authority of India/Bokaro Steel Plant shall deposit a sum of Rs. 70 Crores by 10th June, 2007.

(ii) The respondent-State shall execute the deed of conveyance transferring the entire acquired land in favour of the Company on or before the

date fixed.