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P. VENKATARAJU

v.

SPECIAL TEHSILDAR (LAND ACQUISITION)

DECEMBER 6, 1995

B

[K. RAMASWAMY, FAIZAN UDDIN AND B.N. KIRPAL, JJ.]

Land Acquisition Act, 1894 :

C

S.4(1)—Acquisition of land—Compensation—Determination of—Evidence—Held, courts should consider evidence in proper perspective—Brought up sales should be ignored.

D

A large extent of land belonging to the appellant was acquired for construction of Vengalarayasagar Project by a Notification under s.4(1) of the Land Acquisition Act 1894 published on 20th September 1979. The Land Acquisition Officer determined the compensation at the rate of Rs. 10,000 per acre. The reference court, relying on the documents dated 15.12.1976 of a consideration of Rs. 15,000 and Rs. 19,000 per acre enhanced the compensation to Rs. 22,000 per acre. In another matter a Single Judge of the High Court confirmed the compensation in respect of neighbouring lands at the rate of Rs. 22,000 per acre. The Division Bench of the High Court reduced the compensation to Rs. 20,000 per acre. Aggrieved, the land-owner filed the present appeal.

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Dismissing the appeal, this Court

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HELD : It is the duty of the court to consider the evidence in proper perspective and to determine the compensation. The Project was inaugurated on August 28, 1976, and the documents obviously had been brought up for inflating the market value. The enhancement was, therefore, not justified. These facts were not brought to the notice of the Single Judge of the High Court when he confirmed the compensation. Under the circumstances, the market value cannot be enhanced. [285-G, 286-A]

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CIVIL APPELLATE JURISDICTION : Civil Appeal No. 11906 of 1995.

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From the Judgment and Order date. 3.3.92 of the Andhra Pradesh High Court in Appeal No. 1766 of 1984.

K. Ram Kumar for the Appellant. A

T.V.S.N. Chari for the Respondent.

The following Order of the Court was delivered :

Leave granted. B

Notification under s.4(1) of the Land Acquisition Act, 1894 (for short, "the Act") acquiring a large extent of land for construction of Vengalarayasagar Project, West Godavari District of Andhra Pradesh, was published on September 20, 1979. The Land Acquisition Officer in his award has determined compensation at the rate of Rs. 10,000 per acre for wet land and had also granted value of the coconut trees. The Subordinate Judge on reference under s.18(1) enhanced the market value to Rs. 22,000 per acre. He relied upon two sale deeds and Ex. A2, an agreement of sale dated December 15, 1976, for a large extent of land for a consideration of Rs. 15,000. One sale deed was executed under Ex.A3 on September 22, 1978. Another document, Ex.A1 was executed on the same day for a sum of Rs. 19,800. It has come on record that the project was inaugurated on August 28, 1976. The lower Court enhanced the compensation to Rs.22,000 per acre relying upon the above documents. However, in another matter, a learned single Judge of the High Court by his judgment dated February 14, 1985 had confirmed the compensation in respect of neighbouring lands acquired earlier, at Rs. 22,000 per acre. The Division Bench, however, by the impugned order reduced the compensation to Rs. 20,000. Thus this appeal by special leave. Unfortunately, the State has not come in appeal against the enhanced compensation. C
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The only question is whether the appellant is entitled to compensation @ Rs. 22,000 per acre. It is seen that when the Project was inaugurated on August 28, 1976, all these documents obviously had been brought up for inflating the market value. Unfortunately, all these facts were not brought to the notice of the learned single Judge when he confirmed the compensation of the land at the rate of Rs. 22,000 per acre. It is settled law that it is the duty of the court to consider the evidence in proper perspective and to determine the compensation. In each case, the court sitting in the arm chair of a hypothetical willing purchaser would as a prudent person offer the market value when the owner offered the land for sale. Once the project was inaugurated and the lands were acquired, no F
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A prudent person would come forward and purchase the same at higher rates. It may be depressed sales in case of acute necessity and urgency of the seller for money. Under these circumstances, we hold that the sale deeds were brought up sales and the enhancement was not justified. We do not propose to interfere with the matter and cannot also enhance the market value.

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The appeal is accordingly dismissed. No costs.

R.P.

Appeal dismissed.