

A. R. Rangamannar Naidu

Vs

Sub Collector of Chidambaram

Civil Appeal No. 1210 of 1984

(Dr. T. K. Thommen, V. Ramaswami II, S. P. Bharucha JJ)

14.08.1992

JUDGMENT

1. Ten acres of land belonging to the appellant had been acquired under the Land Acquisition Act. The Land Acquisition Officer awarded compensation at the rate of one rupee one paise per sq. ft. On a reference under Section 18 of the Act, the Court enhanced the rate of compensation to Rs. 2.25 per sq. ft. On appeal by the State, the High Court by the impugned judgment reduced the compensation to Rs. 2.00 per sq.ft.

2. The reason stated by the High Court for so reducing the rate of compensation was that the acquired area was a compact plot of 10 acres which was laid out as building sites with fully formed roads and drainage. The High Court held that since the roads and drainage occupied apart of the area acquired, proportionate deduction in compensation ought to be made.

3. Counsel for the appellant submits that what was acquired was a compact area of 10 acres. The fact that roads and drainage had been laid out does not reduce the value of the land acquired. In fact the appellant had incurred expenditure in preparing the land as building sites, and the High Court ought to have accepted his contention that he was entitled to higher compensation.

4. We see no reason why the High Court should have reduced the compensation awarded by the Reference Court on the ground that roads and drainage had been laid out. The fact that these improvements had been made on the land shown that what was acquired was more valuable than what it would have been without the improvements. The reason given by the High Court for reducing the compensation awarded by the Reference Court was wrong in principle. Accordingly, we set aside the impugned judgment of the High Court and restore that of the Reference Court.

The appeal is allowed in the above terms. No costs. Appeal allowed.

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