

P. Venkataraju

Vs

Special Tehsildar (Land Acquisition)

Civil Appeal No. 11906 of 1995

(K. Ramaswamy, B. N. Kirpal, Faizanuddin JJ)

06.12.1995

ORDER

1. Leave granted.

2. Notification under Section 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 20-9-1979. The Land Acquisition Officer in his award had 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 Section 18(1) enhanced the market value to Rs 22,000 per acre. He relied upon two sale deeds and Ex. A-2, an agreement of sale dated 15-12-1976 for a large extent of land for a consideration of Rs 15,000. One sale deed was executed under Ex. A-3 on 22-9-1978. Another document, Ex. A-1 was executed on the same day for a sum of Rs 19,800. It has come on record that the project was inaugurated on 28-8-1976. 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 14-2-1985 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.

3. 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 28-8-1976, 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 armchair of a hypothetical willing purchaser would as a prudent person offer the market value the owner offered the land for sale. Once the project was inaugurated and the lands were acquired, no 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.

4. The appeal is accordingly dismissed. No costs.