

# SUPREME COURT OF INDIA

Patel Jathabhai Punajbhai

Vs.

North Gujarat University

C.A.No.474 of 2013

(H.L.Dattu CJI., A.K. Sikri and Arun Mishra JJ.)

28.01.2015

## JUDGMENT

### **ARUN MISHRA, J.**

1. The appeals arise out of the third group of matters wherein a common judgment and order dated 7.8.2012 has been passed by the High Court of Gujarat at Ahmedabad, determining the compensation for agricultural land at the rate of Rs.60/- per sq.m. and for non-agricultural land at the rate of Rs.78/- per sq.m. situated at village Samalpati and Matarwadi of Taluka Patan acquired vide notification dated 23.5.1987 issued under Section 4 of the Land Acquisition Act, 1894 (hereinafter referred to as 'the Act') for the purpose of campus of North Gujarat University. The modified notification under Section 4 had been issued on 13.8.1987. The award was passed on 21.9.1990 determining the price from Re.1/- to Rs.5/- per sq.m. On a reference being made under section 18 of the Act, the Reference Court determined the compensation at Rs.109.30 per sq.m. for the agricultural land and Rs.184/- per sq.m. for non-agricultural land. On appeal, the High Court has reduced the compensation, as aforesaid. Aggrieved thereby, the claimants have come up in appeals before us.

2. The main question for our consideration is : what would be the compensation to be awarded on the date of notification under section 4 of the Act.

3. It is not in dispute that around the land in question, development has already been made. Nearby to the land in question are colleges like Polytechnic, Arts, Science and Commerce. On the Eastern side of the land is the State Highway Deesa-Patan-Chanasma-Viramgam and on Southern side of the road is the road to

enter Patan city. Railway station is also nearby. On the Western side in the nearby area are bus stand, T.V. relay centre, Telephone and telegraph head office.

4. In short, the land is surrounded by housing societies, industrial zone, offices, college campus, roads, bus service, other transport facilities and marketing facilities. G.I.D.C. is hardly 500 meters away from the acquired land which forms part of Municipal area, hence, it was contended that the area is virtually a part of Patan Municipality for all purposes. The agricultural land possesses high potentiality to be used for residential and commerce purposes. The High Court has found out that the area touches the extended limits of Patan city. Reliance has been placed on Ex. D-87 and D-88, the sale-deeds of the area at 500 metres of distance where the land was sold on 10.12.1985 at the rate of Rs.239.20 per sq.m., after applying 10% increase on the date of notification under Section 4, the market value of non-agricultural land comes to Rs.275.08 per sq.m. and on the strength of sale-deed Ex. D-88, the price would come to Rs.184.04 per sq.m. It was also submitted that the highest consideration fetched in the exemplar sale-deed ought to have been taken into consideration for determining the just compensation.

5. Per contra, adequate compensation has been worked out. The High Court has rightly reduced the compensation as determined by the Reference Court considering the fact that the land acquired was a large chunk of land.

6. In the instant case, the Land Acquisition Officer, Reference Court as well as the High Court, in the peculiar facts and circumstances of the case, have determined the compensation on the basis of price of the land at per sq.m. The area in question is not within the municipal limits but adjacent to the extended limits of Patan municipality. The fact that various educational institutions, houses, railway station, bus stands and other offices are in close vicinity and the entire land has the potentiality like that of non-agricultural land on the date of notification under Section 4 of the Act, is not disputed.

7. In the appeals, we are concerned with the third group of matters. The High Court has found that comparable sale instances in the third group of matters are in the shape of sale-deed Ex. 45, 46 and 47. The price per square meter comes to Rs.118.34, Rs.119.47 and 104.93. The lands which were sold were non-agricultural land. The High Court while considering the aforesaid sale-deeds, after deducting 30% value for determining the price of the agricultural land per sq.m. and thereafter adding 10% from the date of sale-deed to the date of notification under Section 4 of the Act, has arrived at a finding that the price per sq.m. for land would come to Rs.108/-, Rs.101/- and Rs.89/- respectively, averaging approximately

Rs.100/- per sq.m. Further deduction of 10% from the value so arrived at as land is large chunk, the price per sq.m. on strength of said sale deeds had been arrived at Rs.97, Rs. 90 and Rs. 80 respectively. However, considering the sale-deeds filed for the purpose of first and fourth group of matters had averaged the price and thus it has arrived at value of Rs.60/- for agricultural land and Rs.78/- for non-agricultural land.

8. In our view, we have to consider the sale instances available for the third group of matters. In the peculiar facts and circumstances, it would have been appropriate to deduct approximately 30% of the amount for development etc. Further deduction for determining the valuation of the land was not called for. In our opinion, it would be appropriate and just to award compensation at the rate of Rs.100/- per sq.m. for entire land.

9. Reliance placed by the appellants on sale-deeds Ex. 87 and 88 is of no avail as they are with respect to the area inside the extended limits of the municipality. We have comparable sale deeds Ex. P45 to 47 of the area in question itself.

10. Consequently, appeals are partly allowed, the compensation determined by the High Court with respect to the third group of matters is modified to the aforesaid extent.

11. Coming to S.L.P. [C] Nos.16925-36/2013, in respect of other group of matters, admittedly no appeal or cross-objection was preferred as against the order passed by the Reference Court to the High Court. The High Court has, thus, rightly declined to enhance the compensation. We agree with the reasons given by the High Court and dismiss the SLPs. No costs.