
(1995) 12 SC CK 0002
In the Supreme Court Of India
Case No : Civil Appeal No. 11906 of 1995

P. Venkataraju

APPELLANT

Vs

Special Tehsildar (Land Acquisition)

RESPONDENT

Date of Decision : 06-12-1995

Acts Referred:

Land Acquisition Act, 1894 — Section 4(1)

Citation : (1995) 9 JT 339 : (1995) 7 SCALE 333 : (1996) 8 SCC 614 : (1995) 6 SCR 284 Supp

Hon'ble Judges : K. Ramaswamy, J; Faizan Uddin, J; B. N. Kirpal, J

Bench : Full Bench

Advocate : K. Ram Kumar, for the Appellant; T.V.S.N. Chari, for the Respondent

Final Decision : Dismissed

Judgement

1. Leave granted.

2. Notification u/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 u/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.

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 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 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.