

A K. PADMARAJU @ PADMANABHA RAJU AND ORS.
v.
THE SENIOR REGIONAL MANAGER, F.C.I. HYDERABAD AND
ORS.

B SEPTEMBER 3, 1996

[K. RAMASWAMY AND FAIZAN UDDIN, JJ.]

Land Acquisition Act, 1894 :

C *Compensation—Determination of—Agricultural lands valued at Rs. 90,000 by Reference Court based on a sale deed involving only 5 cents of land—When large extent of land is acquired, reliance on the sale deed of small extent of land not justified—Considering the growth around the acquired land and the facilities available compensation determined at Rs. 50,000 per acre—Claimants entitled to solatium at 30% on the enhanced compensation,*
D *interest at 9% from date of taking possession for one year and 15% on enhanced compensation thereafter till date of deposit in Court—Also entitled to 12% per annum of additional amount from date of notification till date of award.*

E CIVIL APPELLATE JURISDICTION : Civil Appeal Nos. 767-69 of 1993.

From the Judgment and Order dated 25.10.91 of the Andhra Pradesh High Court in A. Nos. 1392-94 of 1989.

F P.A. Choudhary, A.D. Rao and A. Subba Rao for the Appellants.

Y. Prabhakara Rao for the Respondents.

The following Order of the Court was delivered :

G We have heard the learned counsel on both sides.

Notification under Section 4(1) of the Land Acquisition Act, 1894 (for short, the "Act") was published on March 5, 1983 acquiring 33 acres 84 cents of land in Village Srungavruksham in Bhimavaram Taluk, West Godavari District, Andhra Pradesh for construction of FCI godowns. The
H Land Acquisition Officer in his award made under Section 11 on March

30, 1984 determined compensation at the rate of Rs. 32,500 per acre for wet land and @ Rs. 32,000 per acre for dry land. On reference, the Subordinate Judge, Bhimavaram enhanced the compensation to Rs. 90,000 per acre by his award and decree made under Section 26 on December 27, 1988. On appeal, the Division Bench of the Andhra Pradesh High Court by order dated October 25, 1991 in A.S. Nos. 1392, 1393 and 1394/89 set aside the award of the reference Court and confirmed that of the Land Acquisition Officer. Thus, these appeals by special leave.

Though the claimants have relied upon voluminous sale transactions running into as many as 20 sale transactions, Ex. A-1 to A-20 all, except Ex. A-4, are post-notification sales. So they cannot be relied upon as comparable ones. The only relevant document in this case is the sale deed, Ex. A-4 dated June 17, 1982 in respect of land admeasuring 5 cents sold for a sum of Rs. 7500. The reference court dealing with all the sale transactions granted compensation @ Rs. 90,000 per acre. When a large extent of land of 33 acres 84 cents is acquired for the purpose of constructing godowns, no willing prudent purchaser would offer to purchase the land at the rate of Rs. 90,000 per acre based on mere a sale deed Ex. A-4 involving 5 cents of land. The reference Court, therefore, was obviously in gross error in relying upon that document apart from other documents, in determining the compensation.

The question then is : what would be the reasonable compensation which the lands were capable to fetch as on the date of the notification? It is an indisputable fact that all these lands are agricultural fertile lands situated in West Godavari District and no prudent vendor would sell even at the depressed price for not less than Rs. 50,000 per acre. It is brought out to our notice from the evidence that railway track pass near the acquired land and there is an easy access to railway station; near the land acquired is also situated a cinema hall; there are built up areas apart from mango growth around the acquired land. Under these circumstances, the lands are capable of double crops; being wet land they cannot be sold at a lesser price. Normally, a prudent seller would sell and the prudent purchaser would purchase at the rate of not less than Rs. 50,000 per acre. Considered from this perspective and going by the above price, we hold that the market value of the acquired lands would be Rs. 50,000 per acre. The claimants are entitled to the statutory solatium and interest granted by the reference Court. As regards the value of the trees, the award of the

A reference Court has not been interfered with by the High Court.

The appeal is accordingly allowed and the judgment and order of the High Court stand set aside and the award of the reference Court stands modified. The claimants are entitled to the compensation at the rate of Rs. 50,000 per acre with solatium at 30% on the enhanced compensation, interest at 9% from the date of the taking possession for one year and 15% on enhanced compensation thereafter till date of deposit in court. The claimants are entitled to 12% per annum of additional amount from the date of the notification till date of the award under Section 11.

C The appeals are accordingly allowed. No costs.

G.N.

Appeals allowed.