

**IN THE HIGH COURT OF JUDICATURE AT HYDERABAD
FOR THE STATE OF TELANGANA AND THE STATE OF ANDHRA PRADESH**

APPEAL SUIT Nos.3555 & 3676 OF 2003

Appeal Suit No.3555 of 2003

A. Laxman, S/o Jalpath and another.

.... Appellant (s)

Vs.

The Revenue Divisional Officer, Adilabad.

.... Respondent (s)

Appeal Suit No.3676 of 2003

P. Raghu, S/o Manku and others.

.... Appellant (s)

Vs.

The Revenue Divisional Officer, Adilabad.

.... Respondent (s)

JUDGMENT PRONOUNCED ON : 04th FEBRUARY, 2016

**HON'BLE SRI JUSTICE NOOTY RAMAMOHANA RAO
AND**

HON'BLE SMT JUSTICE ANIS

- 1 Whether Reporters of Local newspapers
may be allowed to see: the Judgments?
- 2 Whether the copies of judgment : may
be marked to Law Reports/Journals
- 3 Whether Their Ladyship/Lordship: wish
to see the fair copy of the Judgment?

-

*** HON'BLE SRI JUSTICE NOOTY RAMAMOHANA RAO
AND**

HON'BLE SMT JUSTICE ANIS
+ APPEAL SUIT Nos.3555 & 3676 OF 2003

% 04-02-2016

Appeal Suit No.3555 of 2003

A. Laxman, S/o Jalpath and another.

.... Appellant (s)

Vs.

\$ The Revenue Divisional Officer, Adilabad.

.... Respondent (s)

Appeal Suit No.3676 of 2003

P. Raghu, S/o Manku and others.

.... Appellant (s)

Vs.

\$ The Revenue Divisional Officer, Adilabad.

.... Respondent (s)

! Counsel for the appellant (s) : Sri S. Chandrasekhar.

Counsel for the Respondent: Government Pleader for
Appeals, (Telangana).

< Gist :

> Head Note:

? Cases referred:

1. AIR 1983 SC 1190

2. AIR 1997 SC 1845
3. (2011) 11 SCC 648
4. (2001) 7 SCC 211

HON'BLE SRI JUSTICE NOOTY RAMAMOHANA RAO

AND

HON'BLE SMT JUSTICE ANIS

APPEAL SUIT Nos.3555 & 3676 OF 2003

COMMON - JUDGMENT: *(per Hon'ble Sri Justice Nooty Ramamohana Rao)*

These appeals are preferred by the claimants in O.P.Nos.89 & 87 of 1999 respectively under Section 54 of the Land Acquisition Act, 1894 (for short 'the Act'), calling in question the correctness of the market value arrived at by the learned Senior Civil Judge, Adilabad for their lands, which stood acquired for a public purpose.

The State Government has acquired lands of an extent of Ac.10-02 cents out of total extent of Ac.12-04 cents, which belong to the private individuals while the balance land is that of the Government itself, for the formation of a water tank. The State Government approved the acquisition through their G.O.Rt. No.1819 dated 19th August 1997 and hence, the notification under Sub-Section (1) of Section 4 of the Act was published on

20th August 1997. The Land Acquisition Officer, before finalising his award, has undertaken inspection of the lands and noticed that the claimants are raising red gram and cotton crops in the lands in question and thus, these lands are put to use for agricultural operations. The Land Acquisition Officer has also ascertained the necessary data for arriving at the possible income that could be derived annually from these lands. He has also ascertained the market value of the cotton and noticed that during the years

1994-95, 1995-96 and 1996-97, the value is @ Rs.2,008/-, Rs.1,720/- and Rs.1,671/- respectively per quintal. As per similar data relating to red gram, it was noticed that the value ranged between Rs.1,075/- to

Rs.1,350/- per quintal. Since both the varieties of crops are raised in these lands, the Land Acquisition Officer has taken an average of these prices and worked it out to be around Rs.1,800/- per quintal for cotton and Rs.1,283/- per quintal for the yield of red gram. The Land Acquisition Officer has also noticed that on an average Per acre, the yield can be of two quintals of cotton and half quintal of red gram. Thus, he has taken the yield from cotton annually to be of Rs.3,600/-, and from the red gram to be of Rs.642/- and thus put together totalling to Rs.4,242/-. Thereafter, he has deducted 50% thereof towards the expenses that are likely to be incurred on each acre for cultivating. Thus, he has arrived at the net income from each acre of the land to be Rs.2,121/-. Adopting the capitalisation method, he has multiplied it with '3' and worked out the value to be an order of Rs.6,363/- and hence, considered it as appropriate to fix the market value of the land to be Rs.6,000/- per acre.

Aggrieved by this fixation of the market value, the claimants have preferred references before the Civil Court for appropriate fixation under Section 18 of the Act and claimed the market value to be Rs.30,000/- per acre.

During the course of trial, Exs.A1, A2 and A3 have been exhibited to establish that the claimants are raising red gram crop, which is recorded in Ex.A1 Pahani and similarly the red gram crop so realised have been marketed to the Agricultural Market Committee of the area, which has issued takpatties under Exs.A2 & A3. Thus, it is proved beyond any doubt that the lands that stood acquired have been yielding cotton and red gram and there was also no further dispute that they are able to realise two quintals of cotton per acre and similarly the yield of red gram is not less than half quintal per acre. Further, there is also no dispute with regard to the purchase prices of cotton and red gram during

the three year period preceeding the year of acquisition i.e., 1997. This apart, we also find that the deduction of 50% towards the costs of agricultural operations per acre is reasonable and fair though one might tend to believe that the costs of operation would be in the range of 30% to 40% only. In view of the reasonable and fair approach adopted by both the Land Acquisition Officer and the Civil Court, we approve the method of deducting 50% of the yield towards costs of agricultural operations. When so adopted, there is no question of denying the fact that the net value for the purpose of applying the multiplier method per acre would work out to the order of Rs.2,250/-.

But, however, what remains to be examined is whether the Land Acquisition Officer is justified in adopting multiplier '3' and whether the Civil Court is justified in applying the multiplier '4' for working out the market value by the capitalisation method.

The Hon'ble Supreme Court had occasion to consider this question in ***Union of India v. Shanti Devi***^[1] and ***State of Gujrat v. Rama Rana***^[2]. The Hon'ble Supreme Court in Shanti Devi's case (first cited supra) has taken the view that the application of multiplier '13' would be appropriate for determining the market value of the income derived from agricultural lands by the method of capitalisation. Once again, when a similar question has fallen for consideration in ***Revenue Divisional Officer, Kurnool District v. M. Ramakrishna Reddy***^[3] the Hon'ble Supreme Court after noticing the earlier judgment rendered by it, has concluded the issue in paragraphs 9 & 10 in the following manner.

"9. This Court has considered this issue in several decisions - State of Haryana v. Gurcharan Singh [1995 Supp (2) SCC 637], Land Acquisition Officer v. Madivalappa Basalingappa Melavanki [(1995) 5 SCC 670], State of Gujarat v. Rama Rana [(1997) 2 SCC 693], Krishi Utpadan Mandi Samiti v. Malik Sartaj Wali Khan [(2001) 10 SCC 660] and Airports Authority of

India v. Satyagopal Roy [(2002) 3 SCC 527]. In Madivalappa Basalingappa Melavanki [(1995) 5 SCC 670], this Court held that generally a multiplier of 10 would be appropriate but depending on the special facts and circumstances, the multiplier may vary. In Rama Rana [(1997) 2 SCC 693] and Krishi Utpadan Mandi Samiti [(2001) 10 SCC 660], this Court adopted a multiplier of 10. In Gurcharan Singh [1995 Supp (2) SCC 637] and Airports Authority of India[(2002) 3 SCC 527], this Court applied a multiplier of 8 for arriving at the market value of orchard land. The general trend is to adopt a multiplier of 8 to 10 in regard to plantations, fruit groves and orchards and a multiplier ranging from 10 to 12 to agricultural crop land.

10. There are no special circumstances to apply the higher multiplier of 12 or 13 or the lower multiplier of 8. Having regard to the evidence in regard to the nature, standard and position of the orchard, we are of the view that the standard multiplier of 10 should be applied. Therefore, the compensation would be Rs.94,500 x 10, that is, Rs.9,45,000/- for the entire extent of 4 acres 38 cents (land with the trees)."

The general trend as noticed by the Supreme Court (emphasis is applied) is that the applying multiplier has ranged between 10 to 12 for agricultural crop land, but, however, where there is no specific evidence brought on record with regard to the good nature of land or its superior standards from the point of view of the yield or the other advantageous positions, such as proximate location to agricultural mandis or purchasers taking up the crop at the agricultural farm itself without any necessity to the farmer to incur any expenditure for transportation of the produce etc., the Supreme Court has viewed it appropriate to apply the multiplier '10' to the average annual income/yield. We are, therefore, of the view that the Land Acquisition Officer as well as the Civil Court have both erred in applying the multiplier '3' and '4' respectively while working out the capitalisation method for determining the market value of the lands acquired in the instant case. On the other hand, the average annual income of Rs.2,250/- arrived at should have been multiplied by '10' and consequently the market value should have been fixed at

Rs.22,500/- per acre by the Civil Court. We, therefore, follow the principle enunciated by the Supreme Court in Ramakrishna Reddy's case (third cited supra) and substitute the market value arrived at by the Civil Court in its judgment under appeal as Rs.22,500/- per acre. The rest of the order and decree, as it is, is approved.

Since the notification under Sub-Section (1) of Section 4 was published on 20th August 1997, it goes without saying that the claimants are also entitled for all statutory benefits, such as solatium, additional market value and interest with effect from 19.09.2001 on the aforementioned two benefits namely additional market value and solatium as held in ***Sunder v. Union of India***^[4].

Accordingly, the Appeals are allowed. No order as to costs. Miscellaneous Petitions, if any, pending in these appeals shall stand closed.

JUSTICE NOOTY RAMAMOHANA RAO

JUSTICE ANIS

Date: 04.02.2016

Note:
L.R copy to be marked.
B/o
sr

^[1] AIR 1983 SC 1190

^[2] AIR 1997 SC 1845

^[3] (2011) 11 SCC 648

^[4] (2001) 7 SCC 211