

**THE HON'BLE SRI JUSTICE NOOTY RAMAMOHANA RAO
AND
THE HON'BLE MRS. JUSTICE ANIS**

**LAAS No.587,591,612,634,712,713,714,719,720,721,723, 760,761 of
2010, LAAS Nos.149,158 of 2011
LAAS Nos.29,30,27,31,45,56,60,72,82,85,86,106,107,110,
111,112,113,114,115,116,122,123,124,135,168,209,341,480,503,521,
26,69,144,148 of 2012
LAAS No.189 of 2013, LAAS No.479 of 2014, LAAS No.260 of
2012, LAAS No.1114 of 2011, LAAS No.1138 of 2011**

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

LAAS No.587 OF 2010

One bunch of appeals are preferred by the claimants under Section 54 of the Land Acquisition Act, 1894 not being satisfied with the fixation of the market value at the rate of Rs.3,00,000/- per acre, subject to deduction of 1/3rd thereafter per acre towards development costs.

The other batch of appeals were preferred by the Land Acquisition Officer, aggrieved by the fixation of the market value at Rs.3,00,000/- per acre, subject to deduction of 1/3rd towards development charges, the net result of the market value working out to Rs.2,00,000/- per acre. Thus these cases are intricately connected to each other.

The facts lie in a very narrow compass. Initially, by a draft notification published under Section (1) of Section 4 of the Land Acquisition Act, on 26.09.1998, an extent of Ac.41.88 cents of land in Yemmiganur Town, Kurnool District was proposed for acquisition for providing house sites to the weaker sections of the society. Quickly thereafter, another notification under Subsection (1) of Section 4 of the Land Acquisition Act was also got published on 17.10.1998 proposing

a further acquisition of Ac.31.81 cents for the very same purpose, in the same Yemmiganur Town adjoining to the land acquired earlier on 26.09.1998, making it a compact block of Ac.73.69 cents in all. The Land Acquisition Officer passed award insofar as the notification dated 17.10.1998 with reference to Ac.31.81 cents, fixing the market value at Rs.42,000/- per acre, classifying the lands as completely dry lands. Another award was passed on 16.02.2006 insofar as the land of Ac.41.88 cents proposed for acquisition initially, fixing the market value at Rs.42,000/- per acre for dry lands, Rs.43,000/- per acre for Irrigable Dry Lands (I.D. Lands) and Rs.46,000/- per acre for wet lands. The claimants have received the compensation as determined by the Land Acquisition Officer under protest and then sought for a reference to be made to the Civil Court under Section 18 of the Land Acquisition Act, for determining the correct market value. That is how the references made by the Land Acquisition Officer have come to be numbered as O.P.No.56 of 2006 & batch (38 O.Ps) by the Civil Court. By its order and decree dated 26.02.2010, the Reference Court uniformly fixed the market value at the rate of Rs.3,00,000/- per acre, after deducting $\frac{1}{3}^{\text{rd}}$ thereof towards developmental charges. Calling in question this enhancement as abnormal and untenable, the Land Acquisition Officer has preferred 38 appeals against each of the O.Ps. Cross-Appeals were preferred and Appeals were also preferred independently by the claimants. Since, all these cases raise common questions, we have heard them together and they stand disposed of by this common judgment.

Heard the learned Special Government Pleader for Land Acquisition on behalf of the Land Acquisition Officer and Sri K. Rajanna, learned counsel for the claimants.

The facts which are not in controversy are these:

In September/October, 1998, by way of two separate notifications issued under Section 4(1) of the Land Acquisition Act, a total extent of Ac.73.69 cents of land was acquired for purposes of providing house sites to the weaker sections of the society. The lands so acquired are forming part of the Yemmiganur Municipal area and in particular, form part of its 9th ward. The State Government by its orders contained in G.O.Ms.No.133 Municipal Administration dated 16.03.1996, a photocopy of which is marked as Ex.B-9, upgraded Yemmiganur Municipality from Grade-III to Grade-I, thus, by the time the lands in question are acquired, Yemmiganur Town is a Grade-I Municipality and the lands in question are falling within the municipal area. The State Government has earlier acquired Ac.4.08 cents lying in Sy.No.92/A of Yemmiganur for developing thereon N.T.R colony. The said land belonged to the first claimant. The Land Acquisition Officer by his award, fixed the market value at Rs.28,000/- per acre for this land. When the matter was referred under Section 18 of the Land Acquisition Act to the Civil Court for fixation of correct market value, the Senior Civil Judge at Adoni enhanced the market value to Rs.1,10,000/- per acre. The claimants preferred an appeal to this Court in A.S.No.1544 of 1986. By judgment and decree dated 30.12.1988 this Court has enhanced the market value to Rs.2,00,000/- per acre. The Judgment and Decree in A.S.No.1544 of 1986 of this Court are marked as Exs.B-1 & B-2. The Judgment rendered by this Court in A.S.No.1544 of 1986 has been accepted and it has become final. The N.T.R. colony which is now full of houses is hardly four furlongs away from the lands in question. Therefore, the claimants would urge that for the lands which stood acquired in the year 1986

when market value was fixed at Rs.2,00,000/- per acre, for the lands which are acquired nearly a decade later in the year 1998, there should have been 120% incremental valuation adopted. If a cumulative method is adopted, the value per acre would work out to nearly Rs.16,00,000/- per acre. As against that, the Court has awarded a sum of Rs.3,00,000/- per acre and thereafter, deducted 1/3rd thereof. It is this order of the Civil Court, which gave rise to these conflicting appeals preferred by the Land Acquisition Officer and the claimants. The claimants, however, have confined their claim to the extent of Rs.6,50,000/- per acre.

On behalf of the referring, Land Acquisition Officer, the present Revenue Divisional Officer, Adoni was examined as P.W.1 and got marked Exs.A-1 to A-7. Ex.A-1 is the combined sketch of Yemmiganur Town and village, while Ex.A-2 and A-3 are the relevant awards passed on 04.02.2006 and 16.02.2006. Ex.A-4 is a copy of the order passed by this Court in W.P.No.10701 of 2005 and batch on 14.10.2005. Ex.A-5 is another order passed by this Court in W.P.No.10102 of 2004 on 26.06.2004. Ex.A-6 & A-7 are the copies of the proceedings of the Revenue Divisional Officer, Adoni dated 08.10.2004 and 31.12.2000 respectively. On behalf of the claimants, R.Ws 1 to 42 were examined. R.W.3 was an employee in the office of the Sub-Registrar, Yemmiganur. Exs.B-1 to B-12 were got marked. Exs.B-1 & B-2 are the copies of the judgment and decree rendered by this Court in A.S.No.1544 of 1986. Ex.B-3 comprises of 7 valuation certificates issued by the Sub Registrar, Yemmiganur, while Exs.B-4, B-5, B-6 & B-7 are copies of the sale deeds. Ex.B-8 is Yemmiganur Town sketch, while Ex.B-9 is a copy of the orders of the State government in G.O.Ms.No.133 Municipal Administration dated

16.03.1996, upgrading Yemmiganur as Grade-I Municipality. Ex.B-10 is memo dated 11.06.2003 issued by the State Government. Ex.B-11 is a copy of the letter from the Revenue Divisional Officer to the Collector, Kurnool dated 03.08.2004. Ex.B-12 is a copy of the judgment passed by this Court on 04.10.2005. Ex.X-1 is the village map of Yemmiganur Town.

The Civil Court, taking into consideration the judgment rendered by this Court in A.S.No.1544 of 1986, Ex.B-1 and orders of the State Government upgrading Yemmiganur Municipality to Grade-I from Grade-III, Ex.B-9 and the sale deed Ex.B-7 fixed the market value at Rs.3,00,000/- per acre and thus ordered for deduction of 1/3rd value thereof, for formation of layout for development of roads, drainages, etcetera.

The learned Government Pleader would attack this order mainly on the ground that, without going by the sale consideration contained in the sale deed, the Civil Court has taken into consideration and account the market value of the land was taken as Rs.1,12,500/-, which is fixed for purposes of stamp duty by the Sub Registrar, Yemmiganur. This, according to the learned Government Pleader is a grossly erroneous approach. Going by the market value as reflected in the contemporaneous sale transactions, the Civil Court is not justified at all in enhancing the market value fixed by the Land Acquisition Officer.

Before attempting to answer the above contention of the learned Special Government Pleader, it would be appropriate to notice that the award enquiry was initially conducted on 11.01.1999 and 27.01.1999. But however, the award passed on 27.10.2004 was interdicted by the judgment rendered on 04.10.2005 by this Court in W.P.No.10701 of

2005 and batch of cases, marked as Ex.A-4. The Revenue Divisional Officer-cum- Land Acquisition Officer was directed to conduct enquiry afresh and then pass an award. That is the reason why notices under Section 9(1) and 10 were published again on 30.11.2005 and the award enquiry was conducted on 19.12.2005. In internal page 8 of the award passed by the Land Acquisition Officer on 04.02.2006, marked as Ex.A-2, this is what has been recorded:

"My predecessor has inspected the lands under acquisition, and the lands covered by sales on 02-11-1998 along with Mandal Revenue Officer, Mandal Revenue Inspector and Mandal Surveyor, Yemmmiganur. All the above lands are situated at a distance of four furlongs from the present existing N.T.R colony. The lands are black cotton soil and localized as I.D. Lands and they are not under cultivation since two to three years. At the time of inspection, there was no standing crop on the land....."

At internal page 11 of the same award, the issue is concluded as under:

".....My predecessor has fixed the Market Value of the lands under acquisition at the rate of Rs.42,000/- per acre. I agree, with the Market Value fixed by my predecessor for Rs.42,000/- per acre"

However, the following statement followed:

"The land owners have appeared before the District Level Negotiation Committee on 25-02-2002 and they have demanded for fixation of Market Value from Rs.1,20,000/- per acre. The District Level Negotiation Committee have agreed to fix the Market Value at Rs.81,900/- per acre including all benefits on consent basis. But the land owners have not agreed for the Market Value fixed by the District Level Negotiation Committee and requested to refer the case to the State

Level Negotiation Committee for fixation of higher compensation for their lands.

Accordingly, the proposals were submitted to the Chief Commissioner of Land Administration, A.P. Hyderabad for placing the same before the State Level Negotiation Committee for fixation of Market Value of the acquired lands. The State Level Negotiation Committee Meeting was held at Hyderabad on 16-12-2003 but the Pattadars have not agreed for the rate offered by the State Level Negotiation Committee.

The Secretary to Chief Commissioner of Land Administration, A.P. Hyderabad has instructed to discuss with the land owners whether they are agreeable at 9% interest on unpaid amount with effect from the date of District Level Negotiation Committee Meeting, so that State Level Negotiation Committee Meeting can be held again to finalize the fixation of Market Value. In this regard a report was submitted to the Secretary to Chief Commissioner of Land Administration by the Collector, Kurnool in Rc.H.119/98 dated 28-02-2004.

In the meanwhile, Sri K. Kanteppa, Advocate Yemmiganur on behalf of land owners of Yemmiganur village has informed that the Market Value of the lands fixed by the Government and rate of interest are not agreeable by his clients and his clients chosen to approach the High Court of A.P Hyderabad for their relief.

As the matter stood thus, the Land owners have filed W.P. in the High Court of A.P. Hyderabad and the High Court, while disposing of the W.P.No.10102 of 2004 dated 24-06-2004 has directed the 5th respondent (i.e. Revenue Divisional Officer and Land Acquisition Officer, Adoni) to initiate Award Proceedings and pass Award after conducting necessary enquiry within a period of 3 months from the date of receipt of this order. It is also further directed that the Land Acquisition

Officer is under obligation to consider the evidence, including the Judgment of the High Court, as well as the Market Value fixed by the Government while fixing the Market Value in the Award Proceedings. It was also specifically directed to make 80% of the compensation available with the L.A.O for disbursement within a period of 4 weeks.

The Land owners have come up with a plea and produced the copies of High Court order and Market Value furnished by the Sub Registrar, Yemmiganur. As seen from the CMP Nos.5193, 5195 and 5307 of 1990, wherein the High Court was pleased to grant benefits of the Amendment Acts, by amending the decree and Judgment dated 30-12-1998 passed in the above appeal in A.S.No.1549/86, suitably by Awarding the rate of interest at 12% and the solatium at 30%. It is also seen from the Writ Petition while allowing the same in part by enhancing the compensation to Rs.2,00,000/- and Rs.1,50,000/- per acre respectively subject to the deduction of one-third there off.

It is also ordered that the claimants shall however be entitled to the interest and solatium on the enhanced amount as awarded by the lower Court, with a liberty to move this Court for the enhanced rates as per the Amended provisions in case the Supreme Court holds that they are so entitled. The Land Owners have submitted on 10-08-2004 a copy in which the Market Value furnished by the Sub Registrar, Yemmiganur for Survey No.101/BC1/BC2 Dry Land per acre is Rs.1,50,000/-. The Land owners are pressing for fixing the Market Value at Rs.1,50,000/- per acre and they have also requested 30% solatium and interest at 9% per annum for one year and 15% after one year from the date of taking possession of the lands.

From the above record, it emerges that, the claimants have rested their case upon the market value fixed by this Court in judgment rendered in A.S.No.1544 of 1986, marked as Ex.B-1. In fact, during

the negotiations undertaken by the District Level Negotiations Committee, on 25.02.2002, the claimants solicited Rs.1,20,000/- per acre. Whereas, the District Level Negotiations Committee has agreed to fix the market value at Rs.81,900/- per acre, including all benefits on consent basis. At that stage, the claimants sought for a reference to be made to the State Level Negotiations Committee for fixation of higher compensation. Accordingly, negotiations took place at the State Level Negotiations Committee meeting held at Hyderabad on 16.12.2003, but the negotiations have failed. The State Government acting through its Chief Commissioner of Land Administration, Hyderabad, has offered to pay 9% interest on unpaid amount of compensation with effect from the date of District Level Negotiations Committee meeting. That offer was rejected by the claimants and the land owners have pressed for fixing the market value at Rs.1,50,000/- per acre with 30% solatium and interest at 9% per annum for one year and 15% after one year from the date of taking possession of the lands. They rested this claim on the basis of market value furnished by the Sub Registrar, Yemmiganur for the lands situate in Sy.Nos.101/BC-1/BC-2 dry land on the strength of market value certificate dated 10.08.2004.

The learned Government Pleader is right, in principle, in his submission that market value under Section 23 of the Land Acquisition Act cannot be fixed on the basis of the valuation certificate furnished by the Sub Registrar as per the entries contained in the basic valuation certificate maintained for purposes of collection of stamp duty.

It is only appropriate to note that, in **Jawajee Nagnatham v. Revenue Divisional Officer**^[1], **Land Acquisition Officer, Eluru v. Jasti Rohini**^[2], **U.P.Jal Nigam, Lucknow through its Chairman v.**

Kalra Properties (P) Ltd. Lucknow^[3] and Krishi Utpadan Mandi

Samiti Sahaswan v. Bipin Kumar^[4] held that market value under Section 23 of Land Acquisition Act cannot be fixed on the basis of the rates mentioned in the Basic Valuation Registers maintained for the purpose of detection of undervaluation and collection of proper stamp duty.

Therefore, it is crystal clear that the rates mentioned in the basic valuation registers maintained for purposes of deducting evasion of revenue to the State Government by way of under valuation of sale transactions, cannot form valid basis for fixation of the market value under Section 23 of the Land Acquisition Act. The whole of the case by the claimants is rested upon Ex.B-3, a bunch of 7 valuation certificates issued by the Sub Registrar, Yemmiganur. To vouchsafe for the same, R.W.3, an employee of the Sub Registrar's office has also been examined. The approach adopted by the claimants, for securing fixation of enhanced market value before the Civil Court is totally faulty and erroneous. In the teeth of the principles enunciated by the Supreme Court in the aforementioned cases, the order passed by the Civil Court by placing reliance upon the estimate of the Sub Registrar that the market value of land is Rs.1,12,600/- though, the consideration shown in the sale deed Ex.B-7 is only Rs.40,000/-, is totally erroneous. The value suggested by the Sub-Registrar (Rs.1,12,000/- per acre) is for collection of revenue by way of stamp duty.

The relevant principles to be followed while determining the market value have been crystallized by the Supreme Court in the Judgment rendered in **Bhargav Samanna and others vs. Special Tahsildar and Land Acquisition Officer, Visakhapatnam**

Municipality^[5].

“7. In awarding compensation in acquisition proceedings, the Court has necessarily to determine the market value of the land as on the date of the relevant Notification. It is useful to consider the value paid for similar land at the material time under genuine transactions. The market value envisages the price which a willing purchaser may pay under bona fide transfer to a willing seller. The land value can differ depending upon the extent and nature of the land sold. A fully developed small plot in an important locality may fetch a higher value than a larger area in an undeveloped condition and situated in a remote locality. By comparing the price shown in the transactions all variables have to be taken into consideration. The transaction in regard to smaller property cannot, therefore, be taken as a real basis for fixing the compensation for larger tracts of property. In fixing the market value of a large property on the basis of a sale transaction for smaller property, generally a deduction is given taking into consideration the expenses required for development of the larger tract to make smaller plots within that area in order to compare with the small plots dealt with under the sale transaction. This principle has been stated by this Court in Tribeni Devi's case (supra). 11. The principle of deduction in the land value covered by the comparable sale is thus adopted in order to arrive at the market value of the acquired land. In applying the principle it is necessary to consider all relevant facts. It is not the extent of the area covered under the acquisition, the only relevant factor. Even in the vast area there may be land which is fully developed having all amenities and situated in an advantageous position. If smaller area within the large tract is already developed and suitable for building purposes and have in its vicinity roads, drainage, electricity, communications etc. then the principle of deduction simply for the reason that it is part of the large tract acquired, may not be justified.”

However, we feel that the matter does not rest there. For, the judgment rendered by this Court in A.S.No.1544 of 1986, has fixed the market value at Rs.2,00,000/- per acre, for the lands which have been acquired for formation of N.T.R. colony in Yemmiganur Town. As was already noticed supra, even the Land Acquisition Officer has recognized that N.T.R colony is hardly at 4 furlongs away (half a mile from the lands in question), though the claimants urge that the N.T.R colony is divided from the acquired lands only by a main road. Be that as it may, there is no dispute on the count that the lands in question which are now acquired are forming part of Ward No.9 of Yemmiganur Municipal area. Lands are lying around densely populated residential colonies having all development factors available, such as, presence of hospitals, cinema halls, educational institutions. Further the lands are adjoining, the Yemmiganur - Mantralayam Road. The lands in question therefore, are certainly lying in well developed municipal area, having facility of access to main road, electricity, water lines, etcetera. But nonetheless, when vast extents of lands which are acquired and are to be developed into a layout, by providing house sites to the weaker sections, 1/3rd value has got to be deducted. The relevant principles are spelt out by the Supreme Court in **Viluben Jahlejar Contractor v. State of Gujarat**^[6] and in **Atma Singh v. State of Haryana**^[7]

Viluben Jhalejar Contractor v. State of Gujarat

Section [23](#) of the Act specifies the matters required to be considered in determining the compensation; the principal among which is the determination of the market value of the land on the date of the publication of

the notification under Sub-section (1) of Section [4](#).

One of the principles for determination of the amount of compensation for acquisition of land would be the willingness of an informed buyer to offer the price therefor. It is beyond any cavil that the price of the land which a willing and informed buyer would offer would be different in the cases where the owner is in possession and enjoyment of the property and in the cases where he is not.

Market value is ordinarily the price the property may fetch in the open market if sold by a willing seller unaffected by the special needs of a particular purchase. Where definite material is not forthcoming either in the shape of sales of similar lands in the neighbourhood at or about the date of notification Under Section [4\(1\)](#) or otherwise, other sale instances as well as other evidences have to be considered.

The amount of compensation cannot be ascertained with mathematical accuracy. A comparable instance has to be identified having regard to the proximity from time angle as well as proximity from situation angle. For determining the market value of the land under acquisition, suitable adjustment has to be made having regard to various positive and negative factors vis-à-vis the land under acquisition by placing the two in juxtaposition. The positive and negative factors are as under:

Positive factors	Negative factors
(i) smallness of size	(i) largeness of area
(ii) proximity to a road	(ii) situation in the interior at a distance from he road
(iii) frontage on a road	(iii) narrow strip of land with very small frontage compared to depth
(iv) nearness to developed area	(iv) lower level requiring the depressed portion to be filled up
(v) regular shape	(v) remoteness from developed locality

(vi) level vis-à-vis land under acquisition	(vi) some special disadvantageous factors which would deter a purchaser
(vii) special value for an owner of an adjoining property to whom it may have some very special advantage	

Whereas a smaller plot may be within the reach of many, a large block of land will have to be developed preparing a layout plan, carving out roads, leaving open spaces, plotting out smaller plots, waiting for purchasers and the hazards of an entrepreneur. Such development charges may range between 20% and 50% of the total price.

Atma Singh v. State of Haryana

In order to determine the compensation which the tenure-holders are entitled to get for their land which has been acquired, the main question to be considered is what is the market value of the land. Section [23\(1\)](#) of the Act lays down what the court has to take into consideration while Section [24](#) lays down what the court shall not take into consideration and have to be neglected. The main object of the enquiry before the court is to determine the market value of the land acquired. The expression "market value" has been the subject-matter of consideration by this Court in several cases. The market value is the price that a willing purchaser would pay to a willing seller for the property having due regard to its existing condition with all its existing advantages and its potential possibilities when led out in most advantageous manner excluding any advantage due to carrying out of the scheme for which the property is compulsorily acquired. In considering market value disinclination of the vendor to part with his land and the urgent necessity of the purchaser to buy should be disregarded. The guiding star would be the conduct of hypothetical willing vendor who would offer the land and a purchaser in normal human conduct would be willing to buy as a prudent man in normal

market conditions but not an anxious dealing at arm's length nor facade of sale nor fictitious sale brought about in quick succession or otherwise to inflate the market value. The determination of market value is the prediction of an economic event viz. a price outcome of hypothetical sale expressed in terms of probabilities. See **Kamta Prasad Singh v. State of Bihar, Prithvi Raj Taneja v. State of M.P., Administrator General of W.B. v. Collector, Varanasi and Periyar Pareekanni Rubbers Ltd. v. State of Kerala.**

For ascertaining the market value of the land, the potentiality of the acquired land should also be taken into consideration. Potentiality means capacity or possibility for changing or developing into state of actuality. It is well settled that market value of a property has to be determined having due regard to its existing condition with all its existing advantages and its potential possibility when led out in its most advantageous manner. The question whether a land has potential value or not, is primarily one of fact depending upon its condition, situation, user to which it is put or is reasonably capable of being put and proximity to residential, commercial or industrial areas or institutions. The existing amenities like water, electricity, possibility of their further extension, whether near about town is developing or has prospect of development have to be taken into consideration. See **Collector v. Dr. Harisingh Thakur, Raghubans Narain Singh v. U.P. Govt. and Administrator General, W.B. v. Collector Varanasi.** It has been held in **Kausalya Devi Bogra v. Land Acquisition Officer** and **Suresh Kumar v. Town Improvement Trust** that failing to consider potential value of the acquired land is an error of principle.”

The Supreme Court had occasion to examine this issue recently. In **The General Manager, Oil and Natural Gas Corporation Ltd.**

Vs. Rameshbhai Jivanbhai Patel and Anr.^[8] and held:

“Normally, recourse is taken to the mode of determining the market value by providing appropriate escalation over the proved market value of nearby lands in previous years (as evidenced by sale transactions or acquisition), where there is no evidence of any contemporaneous sale transactions or acquisitions of comparable lands in the neighbourhood. The said method is reasonably safe where the relied-on-sale transactions/acquisitions precedes the subject acquisition by only a few years, that is upto four to five years. Beyond that it may be unsafe, even if it relates to a neighbouring land. What may be a reliable standard if the gap is only a few years, may become unsafe and unreliable standard where the gap is larger. For example, for determining the market value of a land acquired in 1992, adopting the annual increase method with reference to a sale or acquisition in 1970 or 1980 may have many pitfalls. This is because, over the course of years, the `rate' of annual increase may itself undergo drastic change apart from the likelihood of occurrence of varying periods of stagnation in prices or sudden spurts in prices affecting the very standard of increase.”

Since the Land Acquisition Officer is bound by the value determined by this Court in A.S.No.1544 of 1986, Ex.B-1 and also in view of the fact that nearly a decade's time has passed by, between the notification for formation of N.T.R Nagar (subject matter of A.S.No.1544 of 2006) and the present notifications in this case, these two different acquisitions, but however, we can take judicial notice of the fact that, Yemmiganur remained to be a small time town till the State Government has upgraded it into a Grade-I Municipality through Ex.B-9 orders dated 16.03.1996, which is only a couple of years prior to the notification. We find no merit in the appeals preferred by the Land Acquisition Officer. If the State has accepted to pay Rs.2,00,000/-

per acre for N.T.R Nagar land it cannot pay any less for the present lands acquired in the same vicinity, after ten years. Hence, we dismiss the appeals preferred by the Land Acquisition Officer, without costs.

At the same time, the contention urged by Sri Rajanna that an annual 10% cumulative improvement value should be added to the value determined by this Court in A.S.No.1544 of 1986 cannot be accepted. If a sleepy town records moderate improvements there may not be any cumulative increase of the land values on an annual basis by 10%. Only when there was rapid improvement, evidencing such improvements on regular basis annually, in our opinion, the cumulative valuation factor cannot be applied. Evidence must be brought on record as to how rapid developments have taken place in the vicinity of the lands acquired on an annual basis. Then, one can indulge in a guess work about the potentiality of the land and keeping the rapid growth around it, a cumulative incremental valuation method ranging between 5 to 10% can be indulged in. The claimants made no attempt whatsoever in the instant cases for recording any such growth factors on a periodical or regular basis, leave alone on annual basis. Therefore, if a sleepy III-Grade Town remains to be so for 10 years, it cannot automatically secure the benefit of 10% annual grade incremental value. In view of lack of material evidencing the rapid rate of growth in recent past in and around the land acquired, excepting the N.T.R. colony, we are not in a position to accede to the contention that incremental valuation formula should be applied in the instant case, to the valuation fixed by this Court in A.S.No.1544 of 1986. hence, the Cross-Appeals of the claimants also stand dismissed, without costs.

We cannot lose sight of the fact that initially, when the claimants went before the District Level Negotiation Committee on 25.02.2002,

they demanded for fixing the total amount of compensation at the rate of Rs.1,20,000/- per acre. The District Level Negotiations Committee went upto Rs.89,000/- per acre and stopped there.

When the State Level Negotiations Committee meeting has not produced the desired results, the claimants have also pressed for fixation of the market value at Rs.1,50,000/- per acre together with 30% solatium and interest at 9% for the first year and 15% thereafter. Thus, looked at from this perspective also, the fixation of market value at Rs.2,00,000/- per acre, after deducting 1/3rd from Rs.3,00,000/- as fixed by the Civil Court, appears to be the result of a fair and careful assessment of the market value. We also draw support from the fact that the sale deed Exs.A-4 to A-7 are relating to transactions between 1988 to 1998. There was not much of an improvement in the sale consideration reflected in those documents. It marginally varied from Rs.40,000/- to Rs.47,029/-. This also reflects the slackness of upward movement of value of lands in the vicinity of the lands acquired in the past one decade prior to acquisition. Hence, while confirming the order passed by the learned Senior Civil Judge's Court at Adoni, in the respective O.Ps for altogether different reasons, we dismiss both the sets of appeals preferred by the Land Acquisition Officer, as well as the claimants, but however, without costs.

Consequently, miscellaneous applications pending if any shall also stand dismissed.

JUSTICE NOOTY RAMAMOHANA RAO

JUSTICE ANIS

07.04.2016

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

**LAAS No.587,591,612,634,712,713,714,719,720,721,723, 760,761 of
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U.M. Ramudu & others

....Petitioners

Vs.

Revenue Divisional Officer
Cum The Land Acquisition Officer
Adoni, Kurnool District & others

.... Respondents

JUDGMENT PRONOUNCED ON: 07.04.2016

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THE HON'BLE SRI JUSTICE NOOTY RAMAMOHANA RAO

AND

THE HON'BLE SMT JUSTICE ANIS

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

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- [\[1\]](#) 1994 (4) SCC 595
[\[2\]](#) 1995 (1) SCC 717
[\[3\]](#) 1996 (3) SCC 124
[\[4\]](#) 2004 (2) SCC 283
[\[5\]](#) AIR 1992 SC 2298
[\[6\]](#) (2005) 4 SCC 577
[\[7\]](#) (2008) 2 SCC 568
[\[8\]](#) 2008 (11) SCALE 637