

**THE HON'BLE SRI JUSTICE C.V. NAGARJUNA REDDY
AND
THE HON'BLE SMT JUSTICE T. RAJANI**

LAAS.No.114 of 2015

DATED: 25.04.2017

Between

The Revenue Divisional Officer, Ongole,
Prakasam District.

...APPELLANT

And

Dodda Venkateswara Rao.

...RESPONDENT

COUNSEL FOR THE APPELLANT: GP FOR APPEALS (AP)

**COUNSEL FOR THE RESPONDENT: SRI NAGA PRAVEEN
VANKAYALAPATI**



THE COURT MADE THE FOLLOWING:

JUDGMENT: *(per the Hon'ble Sri Justice C.V. Nagarjuna Reddy)*

At the interlocutory stage, the appeal is heard and being disposed of with the consent of the learned counsel for both the parties.

2. An extent Ac.1.23 cents of land in Sy.No.264/2 of Chavatapalem hamlet of Raparla village of N.G. Padu Mandal belonging to the respondent was notified for acquisition for house sites. Notification under Section 4(1) of the Land Acquisition Act, 1894 (for short 'the Act') was issued on 24.08.2006 and award was passed on 26.12.2006 wherein the market value of the land was fixed at Rs.55,000/- per acre. Dissatisfied with the adequacy of compensation fixed by the Land Acquisition Officer, the respondent sought reference of the dispute to the learned Principal Senior Civil Judge, Ongole (hereinafter referred as 'reference Court') under Section 18 of the Act.

3. On consideration of the material on record, the reference Court enhanced compensation to Rs.75,000/- per acre with all permissible statutory benefits. Before the reference Court, the respondent examined himself as R.W.1 and got Exs.R1 to R3 marked. Ex.R3, valuation certificate issued by the Special Deputy Collector, itself shows that a sum of Rs.1,35,000/- per acre was fixed as compensation for the lands acquired under Gundlakamma Reservoir Project Left Canal. It has come in evidence, that the lands acquired under the Gundlakamma Reservoir Project and the acquired land in the instant case were situated at a distance of 200 meters from each other. In the absence of comparable sales, the reference Court has taken into consideration the market value fixed in respect of the lands acquired under the Gundlakamma Reservoir Project, as certified in Ex.R-3 and enhanced the market value over and above fixed by the Land Acquisition Officer by Rs.20,000/-.

4. In the order under appeal, the reference Court has referred to the contents of the award and observed as follows:

“... As could be seen from the proceedings issued by the Land Acquisition Officer/Revenue Divisional Officer, Ongole, it is mentioned that he has taken references of 7 sales, out of which he considered as sale No.1 to be the nearest sale from the land under acquisition, the basic value of which is Rs.37,000/- and the present prevailing market value is Rs.1,00,000/-. Hence, an amount of Rs.55,000/- is fixed as reasonable.”

5. The time gap between the date of 4(1) notification and that of the award was less than four months. The Land Acquisition Officer, having found that the market value of the land, at the time of passing of the award, was Rs.1,00,000/-, it defies any rationality or reasonableness in not making the said value as the basis in fixing market value by making reasonable deductions for four months' time gap. One would not expect the value of the land increasing from Rs.55,000/- to Rs.1,00,000/- within a period of less than four months. Therefore, even if we *eschew* the market value fixed for the lands acquired for Gundlakamma Reservoir Project from consideration, on the observations of Land Acquisition Officer himself, it can be safely concluded that the value of the acquired land, as on the date of issue of notification under Section 4(1) of the Act, would not have been less than Rs.75,000/- as fixed by the reference Court.

6. We have noticed from the award of the reference Court that it has committed an error in not awarding interest at 9% per annum for a period of one year from the date of taking possession and at 15% per annum thereafter till the payment is made. Further, the reference Court has not awarded benefits under Section 23(1-A) of the Act, which the respondent is entitled to receive. The respondent is also entitled to interest on solatium with effect from 19.09.2001 as per the judgment of the Supreme Court rendered in **SUNDER v. UNION OF INDIA**¹.

¹ 2001 (7) SCC 211

We therefore, hold that the respondent is entitled to the aforementioned benefits.

For the aforementioned reasons, we do not find any reasons to interfere with the award of the reference Court. The appeal is accordingly dismissed, subject to the observations made hereinbefore.

As a sequel to the dismissal of the appeal, LAASMP.No.341 of 2017 shall stand dismissed as infructuous.

JUSTICE C.V. NAGARJUNA REDDY

JUSTICE T. RAJANI

Date: 25.04.2017
LSK/DSK

