

IN THE HIGH COURT OF JUDICATURE AT BOMBAY
NAGPUR BENCH, NAGPUR

FIRST APPEAL NO. 801 OF 2012

APPELLANTS : Smt. Gangabai wd/o Namaji Bisen
(deceased) through.

- 1] Smt. Anandabai wd/o Tikarambhau Bisen,
A/a-76 Years, Occu: Agril.
- 2] Zalaksinghbhau s/o Tikarambhau Bisen,
A/a -62 years, Occu: Agril.
- 3] Domeswarbhau s/o Tikarambhau Bisen,
A/a – 51 years, Occu: Agril.
- 4] Indrarajbhau s/o Tikarambhau Bisen,
A/a – 48 Years, Occu: Agril.
- 5] Smt. Chandrarekha w/o Indraraj Turkar,
A/a – 56 years, Occu: Agril.
- 6] Smt. Hirabai w/o Makhansingh Pawar,
A/a – 52 years, Occu- Agri.

Nos. 1 to 5 R/o Civil Lines, Ravishankar
Ward, Gondia, Tah. & Dist. Gondia.
No. 6 R/o Balaghat, Tah. & Dist. Balaghat.

..VERSUS..

RESPONDENTS: 1] The Union of India,
Ministry of Railways,
Through Divisional Railway Manager,
South-Eastern Railway, Nagpur.

- 2] The State of Maharashtra,
through the Collector, Gondia.
- 3] The Special Land Acquisition Officer,
Bagh and Itiyadoh Project No.10, Gondia,
Tah. and District-Gondia.

Mr I.S. Charlewar, counsel for the appellants.

Mr V.M. Gadkari, counsel for the respondent No.1.

CORAM : URMILA JOSHI-PHALKE, J. .

DATE : 21/04/2023

ORAL JUDGMENT :

1. The present appeal is preferred under Section 54 of the Land Acquisition Act, 1894 against the judgment and award passed by the learned Civil Judge, Senior Division, Gondia in LAC No. 04/2003 by which the learned Civil Judge, Senior Division, Gondia dismissed the reference filed by the claimants by passing the judgment and award on 28/11/2011. Parties are hereinafter referred to as per their original nomenclature in reference petition.

2. Brief facts which are necessary for the disposal of the appeal as under:-

The petitioners/appellants were the owner of the land bearing Khasra No. 110/1, admeasuring 0.76 hector situated at Vasant Nagar. The notification under Section 4 of the Land Acquisition Act was published in Government Gazette on 24/04/2001. The Land Acquisition Officer passed an award on 12/08/2002. The said land was acquired by Deputy Engineer (Construction) III, S.E. Railway, Nagpur for Railways Gauge Conversion. The joint measurement was conducted on 26/02/1999. However, the Land Acquisition Officer has awarded inadequate compensation and therefore, the claimants have preferred the reference before the reference Court. The reference

was filed by the petitioners/appellants on the ground that the Special Land Acquisition Officer has not considered the material before it and awarded inadequate compensation. The Special Land Acquisition Officer has not considered the valuation report issued by Mr. Jayant Limaye and Mr Vinod Maheshwari while awarding the compensation. The Special Land Acquisition Officer ought to have fixed the rate of the land of the applicants under acquisition at the rate of Rs.325/-per Sq.Mtr. The petitioners/appellants have claimed enhanced compensation of Rs. 6,65,589/-.

3. On the other hand, the said reference was strongly opposed by the respondents by filing a written statement before the Reference Court. The respondents admitted the ownership of the applicants over suit property but denied the contention that the claimants are entitled to receive the compensation at an enhanced rate.

4. The reference Court framed the necessary issues and the matter was kept for evidence. As the petitioners / appellants failed to lead the evidence, the reference petition of the claimants were rejected by the Reference Court by assigning the reasons that after sufficient opportunity, no evidence was adduced by the claimants to prove that the compensation awarded by the Land Acquisition Officer is inadequate. The claimants have not placed on record any sale instance to show the real market value and therefore, the claimants failed to prove that they are entitled to receive enhanced amount of the compensation.

5. Being aggrieved and dissatisfied with the judgment and award passed by the Reference Court, the present appeal is preferred by the appellants on the ground that in fact, they have engaged the counsel who has joined as a Public Prosecutor but not informed the claimant regarding the status of their case before the Court. Therefore, the claimants could not ascertain the status of their case and they failed to adduce the evidence. The claimants by preferring this appeal prayed for remand of the matter before the Reference Court.

6. Heard learned counsel Mr I.S. Charlewar with Mr R.K. Borkar for the petitioners/appellants who submitted that in fact, the reference Court has acted like an appellate Court which is not permissible. He invited attention towards the judgment of the learned Reference Court wherein the learned Reference Court has considered that the appellants /petitioners failed to adduce the evidence to show that they are entitled to receive the compensation at the enhanced rate.

7. It is further observed that there is no evidence on record to show that the compensation awarded by the Land Acquisition Officer is inadequate. It is further observed by the learned Reference Court that the applicant has not placed on record any sale instance to show the real market value of the land acquired by the applicants and as the applicants failed to bring the real market value of the property acquired, as on the date of the application under Section 4 of the Act. He placed reliance in the case of *Chimanlal Hargovinddas vs Special Land Acquisition*

Officer, Poona and another reported in AIR 1988 SC 1652 wherein the Hon'ble Apex Court has held the reference under Section 18 of the Land Acquisition Act is not an appeal against the award and the Court cannot take into account the material relied upon by the Land Acquisition Officer in his Award unless the same material is produced and proved before the Court.

8. Per contra, learned counsel Mr Vandan Gadkari for respondent No.1 submitted that the learned Reference Court has rightly dismissed the claim on the basis of the evidence adduced before it and no inference is called for.

9. After hearing both the sides, the following points arise my consideration :

a) Whether the learned Reference Court is justified in dismissing the reference Petition of the claimant ?

10. There is no dispute that the petitioners/appellants are the owner of the field Khasra No.110/1. It is also not in dispute that by issuing notification under Section 4 of the Land Acquisition Act, the Special Land Acquisition Officer declared the acquisition of 0.76 HR land for Railway Gauge Conversion. The Joint measurement was conducted on 26/02/1999. The claimants have claimed the compensation at the rate of Rs.325/-per sq.ft. The claimants have adduced the material before the learned Special Land Acquisition Officer by placing the valuation report of the expert i.e. one Mr Jayant Limaye and Mr Vinod Maheshwari, who is the Architect and Valuer but the Special Land Acquisition Officer

did not consider the said report. They called the sale statistics statement from the Talathi of Gondia and awarded the compensation which is inadequate.

11. It is submitted that being aggrieved and dissatisfied with the rate awarded by the Special Land Acquisition Officer, the reference was preferred by the petitioners by engaging an advocate. The learned advocate to whom he has engaged the counsel was appointed as a Public Prosecutor and it was his duty to inform the petitioners about the status of the reference. He has not informed and therefore, claimants could not get the information about the status of the reference. The learned trial Court dismissed the reference as no evidence is adduced.

12. He submitted that learned reference Court completely ignored the judgment of the Hon'ble Apex Court wherein the Hon'ble Apex Court held that reference under Section 18 of the Land Acquisition Act is not an appeal against the award and the Court cannot take into account the material relied upon by the Land Acquisition Officer in his Award unless the same material is produced and proved before the Court.

13. It is further held by the Hon'ble Apex Court that the Award of Land Acquisition Officer is not to be treated as a judgment of the trial Court open or exposed to challenge before the Court hearing the Reference. It is merely an offer made by the learned Land Acquisition Officer and the material utilized for the valuation cannot be used by the Court unless produced and proved

before it. It is not the function of the Court to sit in an appeal against the Award, approve or disapprove its reasoning, or correct its error or affirm, modify, or reverse the conclusion reached by the Land Acquisition Officer as if it were an appellate Court. It is further held that the Court imposed ready reference as the original proceedings before it and determined the market value afresh placed on the material produced before it.

14. In this case, the learned Reference Court's reasoning is precisely contrary to what has been held with the Hon'ble Apex Court in the case of *Chimanlal Hargovinddas* (supra). He further placed reliance on the judgment of this Court in the *Aurangabad Bench in Writ Petition No. 13332/2022 decided on 02/02/2023*, wherein it is held that the finding of the learned Reference Court that in spite of giving opportunities, the claimant, respondents, and their learned counsel remained absent. Therefore, the reference was kept for determination of the claim in the absence of the claimants and the claimants have not produced documentary evidence in support of his claim and has failed to discharge the burden of proof cast upon the claimants, the claimants are not entitled for enhancement with the amount for compensation. The reference was thereby dismissed and the award was directed to be drawn up accordingly. The finding of the learned Reference Court regarding the absence throughout the proceedings and neither the claimants nor respondent has adduced any evidence and as the burden of proof that compensation awarded was inadequate and insufficient lies upon the claimants, this burden has not been discharged by the

claimants, the claimants are not entitled for enhancement in the amount of compensation. The reference was dismissed and the award was directed.

15. This Court has held that settled position as per the decision of the Hon'ble Apex Court in the case of ***Chimanlal Hargovinddas*** (supra) which sets out the manner in which a reference under Section 18 of the Land Acquisition Act is required to be decided by the reference Court. In particular, sub-para-3 of para-4 sets out that the Reference Court has to treat reference as an original proceeding before it and determine the market value afresh on the basis of the material produced before it.

16. It is settled law that while fixing the market value of the acquired land, the Land Acquisition Officer is required to keep in mind the following factors- (i) the Existing geographical situation of the land. (ii) Existing use of the land. (iii) Already available advantages, like proximity to National or State Highways or roads and/or developed areas. (iv) Market value of the other land situated in the same locality/village/area or adjacent or very near the acquired land. Section 23 of the Land Acquisition Act, 1894 specifies the matters required to be considered in determining the compensation; the principal amongst which is the determination of the market value of the land on the date of the publication of the notification under Section 4(1). One of the principles for the determination of the amount of compensation for the acquisition of the land would be the willingness of an informed buyer to offer the price, therefore market value is ordinarily the price the property may

fetch in the open market if sold by a willing seller to the willing buyer.

17. Here in the present case, the judgment and award passed by the learned Reference Court show that the reference was dismissed, merely because the claimants failed to adduce the evidence. At this stage, it is to be noted that the object and provision of the Land Acquisition Act is to enable the State to acquire the land for a public purpose and on payment of reasonable compensation in terms of the provisions of the Act. Section 18 of the Land Acquisition Act entitles a landholder, whose land has been acquired and who is not satisfied with the award of the Land Acquisition Officer whether on the ground of measurement of the land, amount of compensation or apportionment of the compensation to make an application to the reference Court. The provision of Section 23 of the Land Acquisition Act provides for the matters to be considered in determining the compensation and Section 24 provides for the matters to be neglected in determining the compensation. Section 26 of the Land Acquisition Act specifies the form and contents of the award.

18. It is apparent that the learned Reference Court has completely ignored the observations of the Hon'ble Apex Court in the case *Chimanlal Hargovinddas vs Special Land Acquisition Officer, Poona and another reported in (1988) 3 SCC 751* wherein the Hon'ble Apex Court has held that a reference under Section 18 of the Land Acquisition Act is not an appeal against the award and the Court cannot take into account the material relied upon by the

Land Acquisition Officer in his Award unless the same material is produced and proved before the Court. So also, the award of the Land Acquisition Officer is not to be treated as a judgment of the trial Court open or exposed to challenge before the Court hearing the Reference. It is merely an offer made by the Land Acquisition Officer and the material utilized by him for making his valuation cannot be utilized by the Court unless produced and proved before it. It is not the function of the Court to sit in an appeal against the Award, approve or disapprove its reasoning, correct its error, or affirm, modify, or reverse the conclusion reached by the Land Acquisition Officer as if it were an appellate Court. The Hon'ble Apex Court further held that the Court must treat the reference as the original proceeding before it and determine the market value afresh based on the material produced before it.

19. In this case, the reference Court reasoning is precisely contrary to what has been held by the Hon'ble Apex Court in *Chimanlal Hargovinddas*. In the judgment of *Raja Harish Chandra Raj Singh vs The Deputy Land Acquisition Officer and another reported in AIR 1961 SC 1500*, wherein also, it is held by the Hon'ble Apex Court by the award of the Land Acquisition Officer is an offer unless and until it is accepted by the other side and it is communicated then it will be considered as a contract, it is not a judgment.

20. After considering the law laid down by the Hon'ble Apex Court in respect of the award passed by the Land Acquisition Officer which is at the reference against the same is not an appeal.

In the present case, the reference Court has completely ignored the same. The reference Court has considered that the documents filed on record indicate that the non-applicant has made proper calculations of the valuation of the acquired land. It is further considered by the learned Reference Court that therefore, it is very difficult to hold that the compensation awarded by the non-applicant is inadequate. The learned Reference Court has considered the evidence which is not proved and produced before the learned Reference Court.

21. It is settled by the Hon'ble Apex Court in the case of **Chimanlal Hargovinddas** (supra) wherein it has held that the reference under Section 18 of the Land Acquisition Act is not an appeal against the award and the Court cannot take into account the material relied upon by the Land Acquisition Officer in his award unless the same material is produced and proved before the Court. So also, the Award of the Land Acquisition Officer is not to be treated as a judgment of the trial Court open or exposed to challenge before the Court hearing the Reference. It is merely an offer made by the Land Acquisition Officer. The learned Reference Court has considered the evidence which is proved and produced. Thus, the award passed by the Reference Court appears to be erroneous and arbitrary which is liable to be set aside. As the learned reference Court has not considered the evidence adduced by the claimant, it is necessary to remit back the reference, to the reference Court for re-appreciation and decide it afresh by taking into consideration the evidence adduced by the claimants.

Both parties are at liberty to adduce the required evidence before the learned reference Court. In the result and in view of the above fact that, I proceed to pass the following order:

- (a) The First Appeal is **allowed**.
- (b) The judgment and award passed by the learned Civil Judge, Senior Division, Gondia Dist. Gondia in LAC No. 4/2003 is hereby quashed and set aside.
- (c) The reference is remitted back to the learned Reference Court i.e. the learned Civil Judge, Senior Division, Gondia for deciding it afresh.
- (d) The parties are at liberty to adduce the evidence.
- (e) The learned Reference Court shall give sufficient opportunity to both parties to adduce the evidence before the learned Reference Court.
- (f) The Reference is of the year 2003, the reference Court shall expedite the reference by giving sufficient opportunity and shall decide within a stipulated period.

JUDGE

RKN