IN THE HIGH COURT OF JUDICATURE AT BOMBAY
BENCH AT AURANGABAD

920 FIRST APPEAL NO. 1516 OF 2013

Maharashtra Krishna Valley Development Corporation
Through Executive Engineer Minor Irrigation Division Osmanabad
VERSUS
The State Of Maharashtra And Others

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Mr. G.B. Rajale, Advocate for Appellant
Mr. S.S. Dande, AGP for Respondent No.1-State
Mr. Mukund S. Patil, Advocate for Respondents No.2 to 5 (**absent**)

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CORAM : SIDDHESHWAR S. THOMBRE, J.
DATE : 30 OCTOBER, 2026

PER COURT :

1. Heard learned counsel Mr. G.B. Rajale for the appellant-acquiring body. None appears for respondent Nos.2 to 5, though duly served.

2. By this First Appeal, the appellant-acquiring body challenges the impugned Judgment and Award dated 20.02.2010 passed by the learned Civil Judge, Senior Division, Osmanabad, in Land Acquisition Reference No.126 of 2000, whereby the learned Reference Court enhanced the compensation payable to the respondents-claimants.

3. The land belonging to the respondents-claimants, admeasuring 2 Hectares 25 R, situated at village Paranda, was acquired for the purpose of construction of offices and quarters of the Sina-Kolegaon Project. The notification under Section 4 of the Land Acquisition Act, 1894 (hereinafter

referred to as 'the Act'), was published on 13.10.1994. The declaration under Section 6 of the Act came to be published on 25.07.1995. The Special Land Acquisition Officer (SLAO) passed the award on 12.06.1996 and determined the compensation at the rate of Rs.790/- per R, i.e. Rs.79,000/- per hectare, for the acquired land. Being dissatisfied with the compensation awarded by the SLAO, the claimants accepted the amount under protest and sought a reference under Section 18 of the Act, contending that the compensation awarded by the SLAO was meagre and inadequate.

4. Before the learned Reference Court, the claimants relied upon the sale instance at Exhibit 46, dated 30.08.1994, pertaining to a plot situated at Paranda. The said sale instance reflected a consideration of Rs.37,000/- for 1 R of land. The learned Reference Court, relying upon the said sale instance, applied a deduction of 30% towards development charges and conversion of the land for non-agricultural use. Accordingly, after deducting Rs.11,100/-, being 30% of Rs.37,000/-, the learned Reference Court determined the market value of the acquired land at the rate of Rs.25,900/- per R. Being aggrieved by the enhancement granted by the learned Reference Court, the appellant-acquiring body has preferred the present appeal.

5. Learned counsel Mr. G.B. Rajale, appearing for the appellant-acquiring body, submits that the sale instance at Exhibit 46 pertains to a small plot admeasuring only 1 R, which had already been converted to non-

agricultural use. He submits that the acquired land admeasuring 2 Hectares 25 R was agricultural land and, having regard to the substantial difference in the area and nature of the lands, the said sale instance could not have been treated as a comparable sale instance. He, therefore, submits that the enhancement granted by the learned Reference Court is excessive and prays for allowing the appeal.

6. Having heard learned counsel for the appellant-acquiring body and having gone through the Record and Proceedings as well as the impugned Judgment and Award passed by the learned Reference Court, the only question that arises for consideration is whether the determination of market value by the Reference Court warrants interference in the present appeal.

7. The learned Reference Court has relied upon the sale instance at Exhibit 46, dated 30.08.1994. As per the said sale instance, a plot of Pardi land situated at Paranda, bearing Pardi Land No.1 and admeasuring 1 R, was sold for a consideration of Rs.37,000/-. The said sale transaction took place prior to the publication of the notification under Section 4 of the Act. The aforesaid sale instance pertains to a small plot having non-agricultural permission, whereas the acquired land was agricultural land and did not have non-agricultural permission. However, both the lands are situated at Paranda. It is also relevant to note that Paranda is a Taluka place and the acquired land was also situated within the town of Paranda. Further, the

acquired land was acquired for construction of offices and quarters of the Sina-Kolegaon Project.

8. Having regard to the location of the acquired land and the surrounding circumstances, in my view, the acquired land possessed non-agricultural potentiality. The learned Reference Court, while relying upon the aforesaid sale instance, has not adopted the sale consideration reflected therein as it is, but has applied a deduction of 30% towards development and conversion charges for non-agricultural use and thereafter determined the market value of the acquired land at the rate of Rs.25,900/- per R. Thus, the learned Reference Court has duly taken into consideration the nature of the acquired land and its non-agricultural potentiality while making an appropriate deduction from the sale consideration reflected in the said transaction. Considering the location of the acquired land, its non-agricultural potentiality, and the deduction applied by the learned Reference Court, I find no reason to interfere with the determination of market value. The compensation awarded by the learned Reference Court cannot be said to be excessive or exorbitant. The findings recorded by the learned Reference Court cannot be said to be either perverse or contrary to the evidence on record. Therefore, no case is made out for interference with the impugned Judgment and Award insofar as the determination of market value is concerned.

9. However, insofar as the grant of interest component is concerned, the learned Reference Court has directed payment of such interest from the date of publication of the notification under Section 4 of the Act. The said direction is contrary to the law laid down by the Full Bench of this Court in the case of ***State of Maharashtra v. Kailas Shiva Rangari, reported in 2016 (3) Mh.L.J. 457***. Hence, the following order:

O R D E R

(i) The First Appeal is partly allowed.

(ii) The impugned Judgment and Award dated 20.02.2010 passed by the learned Civil Judge, Senior Division, Osmanabad, in Land Acquisition Reference No.126 of 2000, is modified to the aforesaid extent.

(iii) The claimants shall be entitled to statutory benefits, including interest under Sections 28 and 34 of the Land Acquisition Act, 1894, in accordance with the law laid down by the Full Bench of this Court in ***State of Maharashtra v. Kailas Shiva Rangari, 2016 (3) Mh.L.J. 457***.

(iv) Save and except the aforesaid modification, the remaining part of the impugned Judgment and Award passed by the learned Reference Court shall remain unaltered.

(v) The modified Award shall be drawn accordingly.

(vi) The claimants shall be entitled to withdraw the amount deposited by the acquiring body in this Court, together with the accrued interest thereon, in accordance with the modified Award.

(vii) The Bank Guarantee or solvent security, if any, furnished by the claimants, stands discharged.

(viii) Pending Civil Applications, if any, stand disposed of.

[SIDDHESHWAR S. THOMBRE]
JUDGE

S P Rane