



**IN THE HIGH COURT OF ANDHRA PRADESH  
AT AMARAVATI  
(Special Original Jurisdiction)**

**[3495]**

THURSDAY, THE FOURTEENTH DAY OF NOVEMBER  
TWO THOUSAND AND TWENTY FOUR

**PRESENT**

**THE HONOURABLE SRI JUSTICE NINALA JAYASURYA**

**THE HONOURABLE SRI JUSTICE T MALLIKARJUNA RAO**

**LAND ACQUISITION APPEAL SUIT Nos: 541, 542, 543, 544, 548, 549, 550,  
552 of 2012, 15 of 2013, 280 and 408 of 2014**

**Between:**

The Special Deputy Collector,

**...APPELLANT**

**AND**

D Venkateswara Reddy

**...RESPONDENT**

**Counsel for the Appellant:**

1.GP FOR APPEALS

**Counsel for the Respondent:**

1.

**IA NO: 1 OF 2012(LAASMP 1277 OF 2012**

Petition under Section 151 CPC praying that in the circumstances stated in the affidavit filed in support of the petition, the High Court may be pleased to condone the delay of 5 days in representing the above appeal and pass

**IA NO: 2 OF 2012(LAASMP 1456 OF 2012**

Petition under Section 151 CPC praying that in the circumstances stated in the affidavit filed in support of the petition, the High Court may be pleased to condone the delay of 216 days in presenting the above Appeal and pass.

**The Court made the following COMMON JUDGMENT: (per NJS,J)**

Aggrieved by the common order dated 18.06.2011 passed in LAOP Nos.7, 38, 108, 12, 35, 37, 34, 33, 46, 39, 4 of 2008 on the file of the Court of Senior Civil Judge, Nandikotkur, the present batch of appeals are preferred by the State.

- 2) Heard Mr. T.S.Rayalu, learned Government Pleader for the appellants. Perused the material on record.
- 3) For the purpose of widening of Srisailam Right Bank Canal (SRBC) the Government issued a Notification dated 16.06.2007 for acquisition of Ac.68.33 cents of land situated in Jalakanur village of Midthur Mandal, Kurnool District under Section 4 (1) of the Land Acquisition Act, 1894 (for short "the Act"), including small extents of the respondents' lands, the details of which are set out in para No.7 of the common order. The Land Acquisition Officer, after conducting enquiry passed Award No.2/2007-2008, dated 16.06.2007 and fixed the market value of the land under three categories i.e., Rs.76,000/- per acre for Category-I, Rs.76,000/- for Category-II and Rs.65,000/- per acre for Category-III.
- 4) Claiming that they are entitled for market value at Rs.2,50,000/- per acre, the respondents / claimants sought reference under Section 18 of the Act. Before the reference Court, PWs 1 to 3 were examined on behalf of the respondents-claimants and Exs.A1 to A21 were marked. On behalf of the State, RW1 was examined and Exs.B1 to B3 were

marked. Learned Reference Court after appreciating the oral and documentary evidence, enhanced the compensation to Rs.1,60,000/- per acre for all categories of the lands.

- 5) Learned Government Pleader, *inter alia*, contends that the learned Reference Court erred in enhancing the compensation in respect of all the categories of land uniformly to Rs.1,60,000/-, without any valid basis. He contends that the Reference Court erred in placing reliance on Ex.A17 i.e., Copy of the Award in respect of the lands situated in Talamudipi village and Ex.A18 i.e., the order of the High Court in LAAS.No.759 and 853 of 2007, for enhancing the compensation in respect of the lands situated in Jalakanur village. He submits that the learned Reference Court failed to appreciate that there is no material for arriving at the conclusion that there is escalation of prices and in the absence of the same, adding 10% escalation to the market value is not tenable in Law. Making the said submissions and contending that the enhancement of the compensation is highly excessive, the learned Government Pleader seeks to allow the Appeal.
- 6) On an appreciation of the submissions made, the only point that arises for consideration is—  
  
Whether the enhancement of compensation by the learned Reference Court is excessive, without valid basis and warrants interference of this Court.
- 7) In so far as the fixation of market value by the Land Acquisition

Officer (for short "LAO") is concerned, the learned Reference Court while answering the Point No.1 recorded that as per the local inspection of the LAO, the Market Value of the land being cultivated for paddy crop is from Rs.90,000/- to Rs.1,00,000/- per acre, irrigated dry land is ranging from Rs.70,000/- to 80,000/- per acre, that all the lands are black cotton soil and suitable for growing dry crops that the LAO has not fixed the market value properly, that he fixed the market value @ Rs.76,000/- and Rs.65,000/- per acre without giving any reasons. It recorded a finding that when all the acquired lands are black cotton soil and they are being irrigated with water from the tank, ground well, channel etc., and are also suitable for growing paddy, Chilli, sunflower, Jowar, cotton etc., the LAO is not correct in dividing the lands in to three categories. So far as the Point No.2, with regard to the claim for Rs.2,50,000/- per acre, the learned Reference Court had taken into consideration Exs.A17 to 21. Ex.A18 is the Judgment of the erstwhile High Court of Andhra Pradesh enhancing the compensation in respect of the neighbouring village acquired for the same purpose.

- 8) It is not in dispute that the lands which are situated in Talamudipi village were acquired for the purpose of the same project and an Award dated 28.07.2001 (EX.A17) was passed fixing the compensation at the rate of Rs.36,000/- per acre. On reference, vide orders in LAOP No.48 of 2002 (Ex.A.19), the compensation was

enhanced to Rs.52,000/- per acre and on appeal in LAAS No.759 of 2007 (Ex.A18), the High Court enhanced the same to Rs.1,00,000/- per acre. It is not in dispute that the lands situated in Talamudipi village and Jalakanuru village are adjacent to each other and the lands are acquired for the same purpose. In view of the same, learned Reference Court felt it appropriate that the same market value is to be fixed in respect of the subject matter lands in terms of the enhancement made by the High Court vide Orders in LAAS No.759 of 2007. Further, the learned Reference Court has also considered the evidence of PWs 1 to 3, corroborating the facts that the said two villages are adjacent and the lands situated therein are being cultivated for the purpose of crops like paddy, maize, chilli etc., by drawing water from the tank, ground wells etc. That apart, the learned Reference Court while taking note of the aspect that the market value of the land in the adjacent Talamudipi village acquired in the year 2001 was enhanced to Rs.1,00,000/-, and the Section 4 (1) notification in the present case which was issued in the year 2007, added 10% escalation from the years 2001 to 2007 and fixed the compensation at Rs.1,60,000/- per acre. The Hon'ble Supreme Court of India in **G.M., ONGC Ltd., v Sendtabhai Vastram Patel and Others**<sup>1</sup> *inter alia*, held that instances of sale of similar land situated in the same village or neighboring villages can be taken for

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<sup>1</sup>(2005)6SCC454

determination of the market value. In ***Om Prakash v Union of India***<sup>2</sup>, the Hon'ble Supreme Court upheld the decision of the High Court in enhancing the compensation by adding value appreciation @ 12% per annum.

- 9) In the said case, while working out fair market value of the subject matter lands therein at the rate of Rs.16,750/- per bigha as on 30.10.1963, the High Court keeping in view that in several Judgments of the Apex Court escalation at different and varying rates i.e., 6% per acre from 1959 to 1965, 10% per acre from 1966 to 1973 and 12% per acre from 1975 onwards had been considered to be reasonable, adopted escalation of market value @ 12% per acre. In the present case, undoubtedly there is increased potentiality of the land by virtue of Telugu Ganga Project.
- 10) Though the learned Government Pleader sought to impress upon this Court that the said fixation with reference to the lands situated in the neighbouring village cannot be a basis for arriving at the compensation, this Court on appreciating the matter with reference to the above cited case law, is of the considered opinion that the learned Reference Court had given cogent reasons for arriving at the conclusions for fixing the market value uniformly in respect of the acquired lands as also for enhancing the same to Rs.1,60,000/- basing on the material on record. At any rate, the enhancement of

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<sup>2</sup>(2004)10SCC627

compensation, in the facts and circumstances of the case is just, reasonable, not excessive and the order under challenge warrants no interference.

- 11) Accordingly, the Appeals fail and the same are dismissed. No costs.
- 12) Consequently, the Miscellaneous Applications pending, if any, shall also stand dismissed.

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**NINALA JAYASURYA,J**

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**T MALLIKARJUNA RAO,J**

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**THE HONOURABLE SRI JUSTICE NINALA JAYA SURYA  
THE HONOURABLE SRI JUSTICE T MALLIKARJUNA RAO**

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**Date:14.11.2024**

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