

IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION

CIVIL APPEAL NO(s). 5710 OF 2005

SINGARENI COLLIERIES CO.LTD.
VERSUS
KANDULA RAMAIAH AND OTHERS

Appellant (s)

Respondent(s)

WITH

Civil Appeal Nos. 6228-6233_____ of 2010
(arising out of SLP(C) Nos. 18621-18626 of 2005)

Civil Appeal NO. 5711 of 2005

Civil Appeal NO. 5712 of 2005

O R D E R

Leave granted in S.L.P.(C)Nos.18621-18626 of 2005.

The above noted appeals filed by Singareni Collieries Company Ltd. (for short, "the Company") and the land owners are directed against judgment dated 27.12.2004 of the Division Bench of Andhra Pradesh High Court whereby the first appeals preferred by the them against award dated 8.12.2003 passed by Senior Civil Judge, Pedapalli (hereinafter referred to as "the Reference Court") were disposed of by directing the Company to pay market value of the acquired land at the rate of Rs.55,000/- per acre

2

along with all statutory benefits including additional market value, solatium and interest.

By notification dated 4.8.1989 issued under Section 4 of the Land Acquisition Act, 1894 (for short, "the Act"), the Government of Andhra Pradesh acquired 970.09 acres of land situated at Lingapur Village, Ramagundam Mandal, Karimnagar District for Open Cast Mine at Medipalli belonging to the Company. By an award dated 27.3.1991, the Land Acquisition Officer fixed the market value of the acquired land at Rs.12,200/- per acre, Rs.2,84,000/- for the seven wells, Rs.77.60 per Sendhi tree, Rs.96.50 per Toddy tree, Rs.200/- per

Tamarind tree, Rs.150/- per Thumma tree and Rs.50/- per Burugu tree. The land owners sought reference under Section 18 of the Act. By an order dated 8.12.2003, the Reference Court fixed the market value of the acquired land at Rs.40,000/- per acre and also enhanced the compensation for the tube wells and trees.

Dissatisfied with the award of the Reference Court, the Company and the land owners filed appeals under Section 54 of the Act.

The Division Bench of the High Court dismissed the appeals preferred by the Company but partly allowed those filed by the land owners by relying upon sale transactions marked Exhibits

3

A2, A3, A4, A14 and A15. After discussing nature of the transactions covered by various exhibits, the Division Bench proceeded to enhance the compensation by recording the following observations:

"We need not repeat the entire evidence and discuss it again for the purpose of decision of these appeals. Even if the lands under Exs.A2 to A4, A14 and A15 are small extents, they can be taken into consideration and reasonable market value can be fixed in the absence of any other evidence. There is no hard and fast rule that a small extent cannot be taken into consideration while fixing market value of a large extent. What needs to be seen is, when large extents of land are acquired and they need to be compared with small extents of land, the market value has to be fixed reasonably for the acquired lands. We shall bear the principles referred to above in mind and proceed to determine the market value of the acquired land. We also bear in mind that the courts must ensure that there is neither unjust enrichment on the part of the acquirer nor undue deprivation to the land owner. In the instant case, even if 55% is deducted towards developmental charge etc., the market value of the acquired lands cannot be less the Rs.60,000/- per acre. Considering the overwhelming evidence on record, particularly, the oral evidence of P.Ws 1 and 2 and the documentary evidence of Exs.A2 to A4, A14 and A15 as discussed above, and keeping in mind the law laid down in the said decisions, we are of the opinion that the claimants are entitled for a Rs.1,45,000/- per acre. Even assuming that the land sold under Ex.A2 was a house site and the lands under acquisition, though has similar potentiality and despite 50% is deducted towards development charges, the amount that would come to Rs.72,500/- per acre. There is overwhelming evidence on record that the land covered by Ex.A2 in all respects is having similar potentiality. The claim of the claimants at Rs.60,000/- per acre is very reasonable and they are entitled for the same."

4

The Division Bench then noticed the argument of the learned counsel appearing for the Company that in view of the earlier judgments of the High Court, which were confirmed by this Court, the compensation payable to the land owners cannot exceed Rs.40,000/- per acre but rejected the same by recording the following observations:

"Learned counsel contends that the claimants are not entitled for any higher compensation, since the Supreme Court having taken note of the circumstance held as above. Whereas, learned counsel for the appellants-claimants states that the entire evidence as available in the Original petitions under the present appeals was not available in O.P. No.22 of 1997. In these cases, there is additional evidence showing compensation of about Rs.65,000/- per acre but since they have restricted the claim only to Rs.60,000/- per acre, we fix the market value of the acquired lands at Rs.55,000/- per acre. On the said amount, the claimants are entitled for all the statutory benefits, including the additional market value, solatium and interest on the said components."

Before proceeding further, we deem it proper to mention that on 5.4.2010 this Court had directed the parties to appear before the Legal Services Committee of Andhra Pradesh High Court for an amicable resolution of the dispute. Some of the land owners/their representatives and the officers of the Company did appear before the Chairman, Legal Services Committee of the High Court but they could not arrive at a settlement. To this effect,

5

report dated 14.7.2010 was sent by Secretary, Andhra Pradesh High Court Legal Services Committee.

Since the parties could not resolve their dispute by negotiations, arguments have been heard on the merits of the appellants' challenge to the impugned judgment. In our view, the appeals preferred by the Company are liable to be dismissed and those preferred by the land owners deserve to be allowed. It is true that for some parcels of the acquired land, the High Court awarded compensation at the rate of Rs.40,000/- per acre and the special leave petitions filed against judgments of the

High Court were dismissed by this Court, but only on that ground, the impugned judgment cannot be declared as vitiated by an error of law. In the present case, the Division Bench of the

High Court made an in-depth analysis of various documents produced by the land owners and concluded that the value mentioned therein comes to Rs.1,45,000/- per acre. The Division

Bench held that the sale transactions relied upon by the land owners cannot be discarded on the ground that same related to small parcels of land. In the opinion of the Division Bench, in

the absence of any other cogent evidence, the sale transactions of smaller parcels of land can be relied upon for the purpose of

fixation of market value after making deduction towards

6

development expenses. The Division Bench then observed that if

50% is deducted towards development charges, the market value

of the acquired land would come to Rs.72,500/- per acre and if

55% is deducted, the market value would be at least Rs.60,000/-

per acre. The Division Bench then noted that the evidence which

was produced by the land owners before the Reference Court was

not available at the time of determination of market value in

other cases and held that there was no justification to deny

higher compensation to the land owners. Notwithstanding this,

the Division Bench did not grant full compensation to the land

owners on the ground that they had restricted the claim to

Rs.60,000/- and proceeded to fix the market value of the

acquired land at Rs.55,000/- per acre.

In our view, the Division Bench was duty bound to award

just and fair compensation to the respondents who were deprived

of their only source of livelihood and there was no

justification to deny them their legitimate right to receive

such compensation on the ground that they had restricted the

claim to Rs.60,000/- . We can take judicial notice of the fact

that in majority of cases small land holders whose land is

acquired by the governments cannot, due to sheer poverty and

ignorance, seek redressal of their grievance through the

existing system of dispensation of justice.

Therefore, as and

when occasion arises, the Court is duty bound to award just and reasonable compensation to the land owners irrespective of the fact that due to their inability to pay court fee, they may have been compelled to restrict their claim to a particular limit.

In the result, the appeals of the Company are dismissed and the one filed by the land owners is allowed.

It is declared

that the land owners are entitled to compensation for the acquired land at the rate of Rs.65,000/- per acre with all statutory benefits.

All the interim orders passed in favour of the Company are vacated except to the extent the same relate to deposit of the amount at the rate of Rs.40,000/- per acre along with interest and withdrawal of 50% thereof by the land owners.

The Company is directed to deposit the entire balance amount with all statutory benefits with the Land Acquisition Collector in the form of cheques drawn in the name of individual land owner and/or his/her legal representatives within three months.

With a view to ensure that the land owners and/or their legal representatives get the compensation in terms of this judgment and no middleman is able to deceive or cheat them, we

8

request the Chairman, Andhra Pradesh High Court Legal Services Committee to direct the concerned District Judge to organize Lok Adalat with the assistance of the District Magistrate and take the following steps:

(I) the District Magistrate shall depute revenue officials who would contact the land owners and/or their legal representatives and apprise them of their entitlement to get the amount of compensation in terms of this judgment. The concerned official shall get the prescribed forms filled by the land owners and/or their

legal representatives and instruct them to appear before

the Lok Adalat on the appointed date;

(II) if the land owner and/or his/her legal representative does not have a bank account, the District Magistrate should ask one of his subordinate officer to ensure that bank account is opened in his/her name;

(III) the District Judge should depute a judicial officer of the rank of Civil Judge (Junior Division) to apprise the land owners and/or their legal representatives about the additional court fees required to be paid by them in respect of the increased amount of compensation i.e., Rs.10,000/- per acre and ask them to deposit the amount.

(IV) on the appointed date, cheques given by the Company shall be deposited in the account of individual land owner
9

and/or his/her legal representatives.

.....J.
(G.S. SINGHVI)

.....J.
(ASOK KUMAR GANGULY)

NEW DELHI,
AUGUST 2, 2010.

10

ITEM NO.45	COURT NO.11	SECTION XIIA
S U P R E M E C O U R T O F I N D I A		
RECORD OF PROCEEDINGS		
CIVIL APPEAL NO(s). 5710 OF 2005		
SINGARENI COLLIERIES CO.LTD.		Appellant (s)
VERSUS		
KANDULA RAMAIAH AND ORS.		Respondent(s)

(With appln(s) for permission to file addl. documents and office report)

WITH SLP(C) NO. 18621-18626 of 2005
(With prayer for interim relief and office report)
Civil Appeal NO. 5711 of 2005 (With office report)
Civil Appeal NO. 5712 of 2005 (With office report)

Date: 02/08/2010 These Appeals/petition were called on for hearing today.

CORAM : HON'BLE MR. JUSTICE G.S. SINGHVI
HON'BLE MR. JUSTICE ASOK KUMAR GANGULY

For Appellant(s) Mr. Altaf Ahmed, Sr.Adv.
Mr. P. Parmeswaran, Adv.
[For Singareni Collieries Company Ltd.]

For Respondent(s) Mr. Mahabir Singh, Sr.Adv.
Mr. R. Santhan Krishnan, Adv.
For Mr. D. Mahesh Babu, A.O.R.
[For petitioners in SLP(C)No.18621-18626/05
and for respondents in C.A. Nos.5710/05,
5711/05 & 5712/05]

Ms. C.K. Sucharita, Adv.

UPON hearing counsel the Court made the following

O R D E R

Leave granted in S.L.P.(C)Nos.18621-18626 of 2005.

In terms of signed order, the appeals of the
Company are dismissed and the one filed by the land owners

11

is allowed. It is declared that the land owners are
entitled to compensation for the acquired land at the rate
of Rs.65,000/- per acre with all statutory benefits.

::2::

All the interim orders passed in favour of the Company
are vacated except to the extent the same relate to deposit
of the amount at the rate of Rs.40,000/- per acre along with
interest and withdrawal of 50% thereof by the land owners.

The Company is directed to deposit the entire balance
amount with all statutory benefits with the Land Acquisition
Collector in the form of cheques drawn in the name of
individual land owner and/or his/her legal representatives
within three months.

With a view to ensure that the land owners and/or their
legal representatives get the compensation in terms of this
judgment and no middleman is able to deceive or cheat them,
we request the Chairman, Andhra Pradesh High Court Legal
Services Committee to direct the concerned District Judge to
organize Lok Adalat with the assistance of the District
Magistrate and take the following steps:

(I) the District Magistrate shall depute revenue
officials who would contact the land owners and/or their
legal representatives and apprise them of their

12

entitlement to get the amount of compensation in terms of
this judgment. The concerned official shall get the
prescribed forms filled by the land owners and/or their
legal representatives and instruct them to appear before

the Lok Adalat on the appointed date;

contd...3/-

::3::

(II) if the land owner and/or his/her legal representative does not have a bank account, the District Magistrate should ask one of his subordinate officer to ensure that bank account is opened in his/her name;

(III) the District Judge should depute a judicial officer of the rank of Civil Judge (Junior Division) to apprise the land owners and/or their legal representatives about the additional court fees required to be paid by them in respect of the increased amount of compensation i.e., Rs.10,000/- per acre and ask them to deposit the amount.

(IV) on the appointed date, cheques given by the Company shall be deposited in the account of individual land owner and/or his/her legal representatives.

(A.D. Sharma)
Court Master

(Phoolan Wati Arora)
Court Master

(Signed Order is placed on the file)