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SLP(C)No. 19119-19120 OF 1998

ITEM No.42

Court No. 1

SECTION XIIA
A/N MATTER

S U P R E M E C O U R T O F I N D I A
RECORD OF PROCEEDINGS

Petition(s) for Special Leave to Appeal (Civil) No.19119-19120/1998

(From the judgement and order dated 11/11/1997 in AS 1083/94
and 1844/94 of The HIGH COURT OF A.P AT HYDERABAD)

M/S.BHARAT DYNAMICS LTD.

Petitioner (s)

VERSUS

SHAMSHABAD LAXMAREDDY & ORS Respondent (s)
(With Appln(s). for urging addl. grounds and with prayer for interim
relief)(For Final Disposal)
With

SLP(C)No.5738-5746/1999

(With Appln(s). Directions and for urging addl. grounds and with
prayer for interim relief)(For Final Disposal)

Date : 09/04/2001 These Petitions were called on for hearing today.

CORAM :

HON'BLE THE CHIEF JUSTICE
HON'BLE MR. JUSTICE R.C. LAHOTI
HON'BLE MR. JUSTICE BRIJESH KUMAR

For Petitioner (s) Mr. M N Rao, Sr. adv.
Mr. T N Rao, adv.

For Respondent (s) Mr. Guntur Prabhakar, adv.

Mr. L N Rao, Sr. adv.
Ms. Bina Madhavan, adv.
Mr. S. Udaya Kumar Sagar, adv.

UPON hearing counsel the Court made the following
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The appeals are disposed of in terms of the
signed order. Parties to bear their own costs.

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(Kanchan Jain) (Prem Prakash)
AR-cum-PS Court Master

Signed order is placed on the file.

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CIVIL APPELLATE JURISDICTION

CIVIL APPEAL NOS. 2652-2653 OF 2001@@
CC

arising out of
SPECIAL LEAVE PETITION (C.) NOS. 19119-19120 OF 1998 @@
CC

M/s. Bharat Dynamics Ltd.Appellant

VS.

Shamshabad Laxmareddy & Ors.Respondents

With Civil Appeal Nos. 2654-2662 of 2001
arising out of
Special Leave Petition (C) Nos. 5738-5746 of 1999

O R D E R@@
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Leave granted.

The appellant is a public sector undertaking under the Ministry of Defence. It is involved in manufacturing of defence equipment etc. On a decision being taken in 1980-81 to set up a factory for manufacture of anti tank guided missiles at Bhanoor in Medak District in Andhra Pradesh, the Government of Andhra Pradesh was approached by the appellant for allocation of land for setting up the factory. According to the request of the appellant, the Government of Andhra Pradesh initiated acquisition proceedings for acquiring land to the extent of 977.22 acres. Notification under Section 4(1) of the Land Acquisition Act (hereinafter referred to as 'the Act')
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was published in the Government Gazette on 3rd May, 1982 and was followed by a notification under Section 6(1) of the Act on 15th May, 1982. The possession of land from the landowners was taken over by the Government of Andhra Pradesh and handed over to the appellant company in December, 1985. According to the appellant, it deposited a sum of Rs. 1,18,94,700/- with Revenue Division Officer, Medak, Sangareddy towards compensation payable to the landowners for acquired land. The Land Acquisition Officer, after holding an inquiry, but without putting the appellant to notice, made an award on 22nd September, 1986. Suit land was graded into two categories. The Land Acquisition Officer awarded compensation at the rate of Rs. 6800/- per acre for Grade I Black Cotton lands and Rs. 4800/- per acre for Grade II Barka Soil lands. The claimants were however, dissatisfied with the rate of compensation. They sought reference under Section 18 of the Act and claimed enhanced

on the basis of material on the record.

We had suggested to the parties to explore the possibility of an amicable settlement regarding the rate of compensation. Learned counsel for the parties ...5/-

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have, however, reported that they have not been able to arrive at any settlement out of Court.

In our opinion, in case the matter is sent back for a de-novo inquiry, it will cause lot of@@

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prejudice to the claimants, who are petty farmers, and were dispossessed almost two decades ago. We wanted to avoid further prolonged litigation and with a view to give quietus to the case, we suggested to learned counsel for the parties that the award made by the reference court may be amended and instead of awarding compensation at the uniform rate of Rs. 11,000/- per acre for the entire parcel of land, the compensation be fixed at Rs. 8200/- by enhancing it from the rates fixed by the Land Acquisition Officer. In suggesting this amount we are guided by the evidence on the record. Learned counsel for the parties concede that the litigation does not deserve to be prolonged and have fairly responded positively to our suggestion.

We, therefore, dispose of these appeals by setting aside the order of the High Court as also of the reference court. We modify the award of the Land Acquisition Officer and fix the compensation for the

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entire land at the uniform rate of Rs. 8200/- per acre, without grouping. We, however, maintain the impugned order with regard to payment of solatium at the rate of 30 per cent. However, insofar as interest on solatium is concerned, that issue has already been referred to a larger Bench, which is pending decision. We direct that decision of the Constitution Bench regarding grant of solatium, shall also govern this case. Thus, the claimants shall be entitled to receive compensation at the rate of Rs. 8200/- per acre of land besides solatium at the rate of 30 per cent. The appellants shall pay the differential amount, if any, to the claimants, within 10 weeks from the date of service of copy of the order on the appellant.

The appeals are disposed of in above terms. Parties to bear their own costs.

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.....J.
(R. C. LAHOTI)

.....J.
(BRIJESH KUMAR)

New Delhi
April 9, 2001.