

**IN THE SUPREME COURT OF INDIA  
CIVIL APPELLATE JURISDICTION**

**CIVIL APPEAL NO. 4004 OF 2019**

**SHANKARLINGASWAMY & ORS.**

**...APPELLANTS**

**VERSUS**

**THE SPECIAL LAND ACQUISITION OFFICER  
& ANR.**

**...RESPONDENTS**

**ORDER**

1. The short question that falls for consideration before this Court is whether the High Court while determining the compensation was justified in making 50% deduction on the market value to the land acquired, towards developmental charges.

2. The facts briefly stated are as under:

On 12.2.1976, a preliminary notification under Section 16 of the City of Bangalore Improvement Act, 1945 was issued for acquisition of the land for formation of Industrial Suburb Scheme No. II, Rajajinagar, Bangalore. The said notification includes the subject land belonging to the appellants in Survey Nos. 15/4, 16/4 and 16/8 situated at Jedahalli Village, Kasaba Hobli, Bangalore. The final notification was published on 22.12.1977 by the competent authority. The Special Land Acquisition Officer passed an Award on 7.6.1983 determining

compensation at the rate of Rs. 20,000/- per acre. On a reference being made by the land owners under Section 18 of the Land Acquisition Act, 1894 (for short, '**Act**'), learned Reference Court vide judgment dated 05.02.2005 enhanced the compensation to Rs. 73,000/- per acre. Feeling aggrieved by the said judgment, an appeal was filed before the High Court, wherein vide judgment dated 19.04.2007, the matter was remanded back to the Reference Court. The Reference Court vide judgment dated 29.11.2007, enhanced the compensation to the tune of Rs. 1,10,000/- per acre. Still dissatisfied with the grant of the said compensation, a challenge was made to the High Court. The High Court vide the impugned judgment dated 12.01.2011, relying upon Ex. P65 which was a Government Notification by which the Government of Karnataka had notified value of the land as Rs. 100/- per sq. yard as minimum value for the purpose of registration of the sites in various layouts of Bangalore. The High Court was of the opinion that the subject land was an agricultural land, and therefore, ordered 50% deduction towards developmental charges for formation of roads, bridges and civic amenities etc. Accordingly, the compensation has been decided by the High Court at the rate of Rs. 50/- per sq. yard along with other statutory benefits as awarded by the Reference Court.

3. Learned counsel appearing on behalf of the appellants made an attempt to satisfy this Court that the location of the land is at the entrance of Rajajinagar, Bangalore, which is a prime location and situated within 2 or 3 kms from the Bangalore City Railway Station and the bus stand. Appellants submit that though the land is agricultural land, but it has potentiality for non-agricultural use and the area has been within the purview of the Bangalore Corporation. The entire surrounding areas had already been developed by the time preliminary notification was issued. The aforesaid fact has noted by the Reference Court while determining the compensation. Therefore, looking to the same, deduction of 50% of the market value towards development charges is on higher side and not justified. Reliance has been placed on the decision of this Court in the case of **Land Acquisition Officer and Revenue Divisional Officer vs. Ramanjulu and others, (2005) 9 SCC 594** wherein 15% deduction towards development charges was made. In view of the above, it is prayed that the deduction towards development charges may be reduced.

4. On the other hand, learned counsel representing the respondents contends that the Government Notification (Ex. P65) is with respect to determination of the minimum value of Rs. 100/- per sq. yd. applicable to the non-agricultural land but what has been acquired in

the present case is an agricultural land. Learned counsel further submits that while determining the market value in terms of Ex. P65, this Court has to consider the area required for formation of road, civic amenities, bridges and the cost of the layout towards developmental charges. However, it is urged that since the subject land was an agricultural land, the deduction of 50% made by the High Court is justified.

5. Having heard learned counsel for the parties at a considerable length and on perusal of the material placed on record, it reveals that the acquisition was made on 12.2.1976 for formation of Industrial Suburb Scheme No. II, Rajajinagar, Bangalore. The Suburb Scheme I was formulated in the year 1962 in the nearby area of Bangalore city. Thereafter, the Industrial Suburb Scheme No. II, Rajajinagar, Bangalore was notified for the subject land issuing preliminary notification dated 12.2.1976. Looking to the findings recorded by the High Court and Reference Court, it is clear that subject land is situated nearby to the Bangalore Railway Station and the bus stand and is within the limits of municipal corporation. The acquisition of subject land was for Industrial Suburb Scheme No. II, Rajajinagar after Industrial Suburb Scheme No. I. In the said facts, though the subject land is agricultural land but has non-agricultural

potentiality from the time of first Scheme as observed by the Reference Court. Considering the above facts, in our view, the High Court was justified to accept the Government Notification (Ex. P65) determining the minimum value at the rate of Rs. 100 per sq. yard while computing compensation.

6. Now, in the facts and circumstances of this case, the only question remains as to how much deduction ought to be made as the subject land was an agricultural land, and the Notification (Ex. P65) was for non-agricultural land. As discussed above, the land was acquired for the purpose of Industrial Suburb Scheme No. II, Rajajinagar, Bangalore in 1976 vide Notification dated 12.2.1976. The first Industrial Suburb Scheme for industrial development was notified in the year 1962 in the nearby areas of Bangalore. As per discussion made hereinabove, it can be safely concluded that the subject land is having non-agricultural potentiality, however the deduction of 50% made towards developmental charges to the value as per Government Notification (Ex. P65), in our view, is on the higher side, and such deduction in the facts of this case is liable to be reduced to the extent of 25% and accordingly, the compensation is to be determined and paid to the appellants.

7. In view of the aforesaid, this appeal is allowed in part. It is

directed that the appellants would be entitled to get compensation at the minimum rate of market value as per the Government Notification (Ex. P65) i.e. at the rate of Rs. 100/- per sq. yard after deducting 25% towards development charges thereto along with other statutory benefits as admissible under the Act and awarded by the Reference Court. No order as to costs.

.....J.  
**(J.K. MAHESHWARI)**

.....J.  
**(SANJAY KUMAR)**

NEW DELHI;  
**APRIL 12, 2023**

ITEM NO.105

COURT NO.9

SECTION IV-A

S U P R E M E C O U R T O F I N D I A  
R E C O R D O F P R O C E E D I N G S

Civil Appeal No(s).4004/2019

SHANKARLINGASWAMY &amp; ORS.

Appellant(s)

VERSUS

THE SPECIAL LAND ACQUISITION OFFICER &amp; ANR.

Respondent(s)

Date : 12-04-2023 This appeal was called on for hearing today.

CORAM :

HON'BLE MR. JUSTICE J.K. MAHESHWARI  
HON'BLE MR. JUSTICE SANJAY KUMAR

For Appellant(s) Mr. Shailesh Madiyal, AOR  
Mr. Vaibhav Sabharwal, Adv.  
Mr. Vinayaka S Pandit, Adv.  
Mr. Akshay Kumar, Adv.  
Ms. Divija Mahajan, Adv.

For Respondent(s) Mr. S.K. Kulkarni, Adv.  
Mr. M. Gireesh Kumar, Adv.  
Mr. Ankur S. Kulkarni, AOR  
Ms. Uditha Chakravarthy, Adv.

UPON hearing the counsel the Court made the following  
O R D E R

The appeal is allowed in part in terms of the signed order.

No order as to costs.

(SATISH KUMAR YADAV)  
DEPUTY REGISTRAR

(PREETHI T.C.)  
COURT MASTER (NSH)

(Signed order is placed on the file)