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ITEM NO.35

Court No.3

Corrected  
SECTION IVA

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(s).23587/2008

(From the judgement and order dated 27/03/2008 in MFA No.  
7841/2004 of The HIGH COURT OF KARNATAKA AT BANGALORE)

STATE OF KARNATAKA

Petitioner(s)

VERSUS

DASAPPA & ANR.

Respondent(s)

(With prayer for interim relief)

Date: 20/08/2010 This Petition was called on for hearing today.

CORAM :

HON'BLE MR. JUSTICE R.V. RAVEENDRAN  
HON'BLE MR. JUSTICE H.L. GOKHALE

For Petitioner(s) Ms. Anitha Shenoy,Adv.

For Respondent(s) Mr. P. Vishwanatha Shetty,Sr.Adv.  
Mr. M. Sreenivasa,Sr.Adv.  
Mr. Bramjeet Mishra,Adv.  
Mr. E.C. Vidya Sagar,Adv.  
  
Mr. M.A.Chinnasamy ,Adv.  
Mr. K. Krishna Kumar,Adv.  
Mr. V. Senthil Kumar,Adv.

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

Leave granted.

The appeal is allowed in part in terms of the

signed non-reportable order as follows:

- (i) The compensation is reduced from Rs.1,21,968/-  
per acre to Rs.1,16,350/- per acre, with all  
statutory benefits and interest as per the Land  
Acquisition Act, 1894.
- (ii) The interest payable is to be calculated with  
effect from the date of preliminary  
notification, and not the earlier date of taking  
possession.
- (iii) In all other respects the decision of the High  
Court is affirmed.
- (iv) Parties to bear their respective costs.

(O.P. Sharma) (M.S. Negi)  
Court Master Court Master  
(Signed non-reportable order is placed on the file)

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Non-Reportable

IN THE SUPREME COURT OF INDIA  
CIVIL APPELLATE JURISDICTION  
CIVIL APPEAL NO.7001 OF 2010  
[Arising out of SLP [C] No. 23587 /2008]

State of Karnataka ... Appellant

Vs.

Dasappa & Anr. ... Respondents

O R D E R

Leave granted. Heard.

2. The appellant acquired an extent of 7 acres 21 guntas of agricultural land in Vaderahalli, Kasaba Hobli, Ramanagar Taluk for formation of house sites. The preliminary notification was issued on 31.7.1976, though possession was taken on 11.12.1975. The Land Acquisition Officer made an award on 15.7.1997 awarding compensation at the rate of Rs.30,000/- per acre. The Reference Court increased the compensation to Rs.60,000/- per acre. On appeal by the respondents, the High Court increased the compensation to Rs.1,21,968/- per acre. Feeling aggrieved, the State has filed this appeal by special leave.

3. It is not in dispute that other lands in the same village were acquired for the very same purpose vide another notification dated 15.2.1978 and in regard to that

land, the High Court by judgment dated 13.12.2007 has determined the market value as Rs.1,39,302/- per acre which has attained finality. It is also not disputed that some other lands in the same village were acquired in the year 1972 for which compensation was awarded at the rate of Rs.87,120/- per acre.

4. As the lands were situated in a rural area at the relevant point of time, we are of the view that application of a cumulative increase at the rate of 7.5% per annum for four years over Rs.87,120/- which was the market value per acre determined for the 1972 acquisition, would be appropriate to arrive at the market value of the land acquired, as on 31.7.1976. Accordingly, we determine the market value as Rs.1,16,350/- per acre instead of Rs.1,21,968/-per acre.

4. We find that the interest has been awarded from a date prior to the date of preliminary notification. As the  
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compensation has been determined with reference to the market value on 31.7.1976, the interest should have been awarded only from the date of preliminary notification and not from the date of possession.

5. We therefore allow this appeal in part as follows:

(v) The compensation is reduced from Rs.1,21,968/- per acre to Rs.1,16,350/- per acre, with all statutory benefits and interest as per the Land Acquisition Act, 1894.

(vi) The interest payable is to be calculated with effect from the date of preliminary notification, and not the earlier date of taking possession.

(vii) In all other respects the decision of the High Court is affirmed.

(viii) Parties to bear their respective costs.

.....J.  
(R V Raveendran)

New Delhi;  
August 20, 2010.

.....J.  
(H L Gokhale)