

IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION
CIVIL APPEAL NO. 5514 OF 2014
(Arising out of SLP (C) No. 2715 OF 2009)

M/S MAHAMAYA GEN. FINANCE ... APPELLANT (S)
CO. LTD.

VERSUS

STATE OF U.P. & ORS. ... RESPONDENT (S)

WITH

CIVIL APPEAL NO. 5515 OF 2014
(Arising out of SLP (C) No. 11371 OF 2009)

J U D G M E N T

RANJAN GOGOI, J.

1. Leave granted.
2. By notification dated 21.10.1969 issued under Section 4 of the Land Acquisition Act, 1894 (hereinafter referred to as “the Act”) approximately 455 acres of land situated in villages Prahlad Garhi, Maharajpur and Karket Madan was

proposed to be acquired in favour of the Uttar Pradesh Industrial Development Corporation (hereinafter referred to as "the Corporation"). An area measuring 42 bighas belonging to the appellant was included in the said Notification.

3. Consequential Notifications under Section 6 and 17(1) of the Act were published on 23.6.1970. Possession of the acquired land was taken over on 10.09.1970 and the award was made by the Special Land Acquisition Officer on 4.5.1972 granting compensation at the rate of Rs.1.33 per square yard. In doing so, a sale deed dated 20.1.1969 in respect of an area of about 200 square yard situated in the village Maharajpur sold for Rs.400/- was taken as the base exemplar. 33% deduction was made on account of the smallness of the area covered by the aforesaid sale deed, thereby, assessing compensation for the acquired land at Rs.1.33 per square yard.

4. The appellant sought a reference under Section 18 of the Act. Before the Reference Court the appellant filed sale

deeds dated 13.06.1969 (Ex.1) and 16.10.1969 (Ex.2) executed by it in respect of land in the vicinity of the land acquired. The Reference Court, however, refused to accept and rely on the said sale deeds on the ground that the appellant, having come to know of the acquisition proceedings, had sold land at inflated price; the correct price was not known to the vendors who were not local residents of Meerut. The Reference Court, by order dated 26.08.1975, accordingly maintained the compensation awarded by the Land Acquisition Officer.

5. Aggrieved, the appellant filed a first appeal before the High Court seeking enhanced compensation. The claim was refused by order dated 17.8.2004 primarily on the ground that before determining the rate of compensation, the Land Acquisition Officer had verified 66 sale deeds in respect of lands situated in the neighbourhood which were sold within one year of/from the date of issuance of the Notifications in question.

6. Not satisfied, the appellant sought a review of the aforesaid order dated 17.8.2004 which was declined by the High Court by its order dated 26.08.2008. The appeal arising out of SLP (C) No.2715 of 2009 has been instituted in respect of the order of the High Court dated 26.08.2008 passed in the review application whereas SLP (C) No.11371 of 2009 has been filed against the main order of the High Court dated 17.08.2004.

7. We have heard Mr. B.P. Gupta, learned counsel for the appellant and Mr. Rakesh Uttamchandra Upadhyay, learned counsel appearing on behalf of the respondent.

8. Learned counsel for the appellant has contended that the order dated 26.08.1975 passed by the Reference Court is *ex-facie* erroneous inasmuch as the sale deeds dated 13.06.1969 (Ex.1) and 16.10.1969 (Ex.2) which could have furnished a reasonable basis for computing the correct quantum of compensation was brushed aside by the learned Reference Court for reasons that are plainly unacceptable. Learned counsel has drawn our attention to the fact that

Exhibit-1 (sale deed dated 12.6.1969) pertains to an area measuring 233 square yards and the sale transaction was effected at Rs.5126/- i.e. Rs.22/- per square yards whereas Exhibit-2 (sale deed dated 16.10.1969) pertains to an area of 675 square yards which was sold for a total consideration of Rs.13,320/- i.e. Rs.19.73 per square yards. The aforesaid sale transactions being in respect of land located in the same village i.e. Maharajpur and additionally belonging to the appellant itself, the Reference Court was not right in brushing aside the same on the grounds, already noticed. It is urged that the High Court having failed to correct the aforesaid error, appropriate interference by this Court will be justified.

9. Controverting the submissions advanced on behalf of the appellant, learned counsel for the respondent No.2 has contended that the compensation determined by the Land Acquisition Officer, as affirmed by the Reference Court and the High Court, was preceded by an elaborate exercise wherein as many as 66 contemporaneous sale deeds were verified. That apart, leaving aside the two sale deeds dated

13.06.1969 (Ex.1) and 16.10.1969 (Ex.2), no other material was laid by the appellant at any stage of the proceeding to show that in respect of same acquisition higher compensation has been awarded to any land owner. The award made by the Land Acquisition Officer as upheld by the Reference Court and the High Court is, therefore, contended to be fair and reasonable not justifying any interference.

10. We have considered the submissions advanced on behalf the parties and the materials on record. The compensation awarded to the appellants at the rate of Rs.1.33 per square yard is based on the sale deed dated 20.01.1969 (Ex. A-1) in respect of a plot measuring 200 square yards situated in the village Maharajpur which was sold by one Naseerudin for Rs.400/-. The sale deeds dated 13.06.1969 and 16.10.1969 exhibited by the appellant before the Reference Court were not considered for the reasons already noted. The close proximity of the dates of aforesaid two sale deeds with the date of the acquisition which has been cited as one of the reasons for not accepting Exbt.1 and Exbt.2 sale deeds does not commend to us. That

the said sale deeds are in close proximity of time with the acquisition and being in respect of land located in one of the villages, covered by the acquisition Notification and above all the land being owned by the appellant itself, in our considered view, are vital factors that could not have been ignored. The finding of the Reference Court, upheld by the High Court, to the effect that the sales covered by Exbt.1 and Exbt.2 were executed at inflated rates by the appellant on coming to know of the acquisition proceeding cannot be appreciated. In the order of the Reference Court as well as in the order of the High Court there is no indication on what basis the said finding had been arrived at. What had led the learned courts below to come to the conclusion that the appellants had prior knowledge of the proposed acquisition and on that basis had executed the sale deeds “in a hurry to dispose of the plots which had been carved out” also is not known. The further conclusion that the vendees of the aforesaid sale deeds, not being local residents, did not know about the acquisition proceedings and they were charged fanciful prices for the land is plainly unacceptable in the

absence of any materials on record to the said effect. Evidence of vital nature furnished by the two sale deeds dated 13.06.1969 (Exbt.1) and 16.10.1969 (Exbt.2) could not have been rejected on the basis of such surmises and conjectures as has been done in the present case. The High Court having failed to rectify the aforesaid apparent errors we are of the view that the transactions effected by the two sale deeds dated 13.06.1969 (Exbt.1) and 16.10.1969 (Exbt.2) must receive due consideration in the determination of the compensation payable to the appellant.

11. The acquisition in the present case was proposed in the year 1969 and the possession of the land had been taken from the appellant as far back as in the year 1970. Due to long efflux of time that has occurred we are of the view that the present is a fit case wherein the task of determination of the basis for quantification of the compensation due and payable to the appellant should be undertaken by us in order to give a quietus to the lis between the parties.

12. In the aforesaid circumstances, we set aside the compensation awarded by the learned Acquisition Officer as affirmed by the Reference Court and the High Court by the orders under appeal. Instead, we direct that the compensation payable to the appellant shall now be computed by taking into account the average of the price, at which the two transactions by sale deeds dated 13.06.1969 (Exbt.1) and 16.10.1969 (Exbt.2) were effected, as noted above, along with solatium and interest as payable under the Act. The Special Land Acquisition Officer, Ghaziabad, U.P., shall make the necessary computation in terms of the present order so as to enable the appellant to receive the balance amount of compensation along with solatium and interest as payable, forthwith, and in any case within three months from the date of receipt of this order.

13. Both the appeals shall now stand allowed to the extent indicated above.

.....J
[SUDHANSU JYOTI MUKHOPADHAYA]

.....J
[RANJAN GOGOI]

**NEW DELHI,
MAY 08, 2014.**



JUDGMENT