

PETITIONER:
STATE OF MADHYA PRADESH

Vs.

RESPONDENT:
SMT. SHANTABHAI & OTHERS

DATE OF JUDGMENT 18/01/1995

BENCH:
RAMASWAMY, K.
BENCH:
RAMASWAMY, K.
VENKATACHALA N. (J)

CITATION:
1995 SCC Supl. (2) 28 JT 1995 (2) 537
1995 SCALE (1) 850

ACT:

HEADNOTE:

JUDGMENT:
ORDER

1. A notification under s.4(1) of the Land Acquisition Act, 1894, (for short, 'the Act') was published in the State gazette on September 6, 1974 acquiring 22 acres 63 decimals of the land situated in Village Rasoolpur of Devdas Distt. of M.P. for industrial purpose. The Land Acquisition Officer in his award dated June 1975 determined the market value at Rs. 1,500/per acre and given the compensation with statutory benefits. On reference, the Civil Court by its award and decree dated October 22, 1980 enhanced the compensation to Rs.4,900/- per acre which worked out to Rs. 1,08,000/- in all. At this stage it is relevant to mention that the respondent herself purchased the entire acquired land under registered sale deed dated September 4, 1974, just two days earlier to the date of publication of preliminary notification for a total sum of Rs.1,08,000/-. The respondent not being satisfied, carried the matter in appeal to the High Court under s.54 of the Act. The High Court, by its impugned judgment in Transfer Appeal No.323/82 dated November 1, 1983, enhanced the compensation to Rs. 10,000/per acre. In other words, the High Court awarded a total compensation of Rs.2,27,000/- with statutory benefits thereon. Feeling aggrieved against enhanced compensation awarded by the High Court, this appeal by special leave has been filed.

2. The High Court in our considered view, committed palpable and manifest error of law in ignoring the sale deed of the respondent herself dated September 4, 1974 wherein she had paid total consideration of a sum of Rs. 1,08,000/- for the acquired land. It is contended by learned senior counsel for the respondent that this is an industrial area and the very purpose for which acquisition is sought to be made is for industrial purpose. The respondent herself purchased the property for industrial purpose. The High Court had rightly taken into consideration those -facts and

circumstances and enhanced the compensation. We find no force in the contention- When the respondent herself had purchased the property for the purpose of establishing an industry and got the sale deed registered on September 4, 1974, it would furnish ipso facto the sole basis for determination of market value of the self same land. For the property purchased by paying a consideration of Rs. 1,08,000/-, no reasonable and prudent buyer, within two days thereafter, would purchase the land by paying a sum of Rs.2,27,000/- as determined by the High Court. It is quite unreasonable and credulous to believe that a prudent buyer in normal market conditions would agree to pay Rs.1,19,000/- more within two days for the self same land. The High Court, therefore, totally ignored these relevant considerations while enhancing the compensation without application of mind on the basis of sale transactions of small bits of other lands. In V. Salgoacar & Pvt. Ltd. v. Union of India (C.A. No.3800/89) dated January 11, 1995 on similar facts, this Court affirmed the judgment of High Court of Bombay reversing the award of the reference court and awarded at the rate purchased by the claimants itself. The judgment and decree of the High Court is, therefore, set aside

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and that of the Dist. Judge is affirmed. appeal is accordingly allowed with costs.

3. The cross objections are consequently dismissed with costs.