

Judgment Reserved on : 29.01.2026
Judgment Pronounced on : 07.04.2026
Judgment Uploaded on : 08.04.2026

APHC010730472001



**IN THE HIGH COURT OF ANDHRA PRADESH
AT AMARAVATI
(Special Original Jurisdiction)**

[3568]

TUESDAY, THE SEVENTH DAY OF APRIL
TWO THOUSAND AND TWENTY SIX

PRESENT

THE HONOURABLE SRI JUSTICE BATTU DEVANAND

THE HONOURABLE SMT JUSTICE KIRANMAYEE MANDAVA

APPEAL SUIT NO: 629/2004

Between:

1. NARSIPURAM TRINADHASWAMY, AP

...APPELLANT

AND

1. THE LAND ACQUISITION OFFICER, Ap

...RESPONDENT

Counsel for the Appellant:

1. S SRINIVAS REDDY

Counsel for the Respondent:

1. GP FOR APPEALS

The Court made the following:

THE HONOURABLE SRI JUSTICE BATTU DEVANAND
&
THE HONOURABLE SMT. JUSTICE KIRANMAYEE MANDAVA
A.S.No.629 of 2004

JUDGMENT: (Per Hon'ble Smt. Justice Kiranmayee Mandava)

1. This appeal is filed under Section 54 of the Land Acquisition Act, 1894, against the order dated 31.03.2001 in L.A.O.P. No.21 of 1999 on the file of the Court of the Senior Civil Judge, Rajam.

2. The claimants are the appellants herein.

3. Heard Sri S. Srinivas Reddy, learned counsel for the appellants and the learned Government Pleader for appeals, appearing for the respondents. Perused the material available on record.

4. For providing the house sites to the weaker sections, the land to an extent of Ac. 6.63 located in Sy.Nos.313/1, 2, 3, 319, 320 & 312 of Veeraghattam Village, were acquired. The draft notification and the draft declaration were issued between 22.03.1996 and 02.04.1996 under Section 6 of the Land Acquisition Act. The possession of the lands were taken by the Land Acquisition Officer on 22.05.1996. The Land Acquisition Officer passed an award fixing the compensation at Rs.37,000/- per acre for dry land and at Rs.39,000/- per acre for wet land. Not being satisfied with the compensation thus determined, the land owners filed a Writ Petition in W.P.No.6615 of 1999 before the erstwhile High

Court of Andhra Pradesh, seeking a direction to make Reference under Section 18 of the Land Acquisition Act,1894 (for short 'the Act') to the competent Civil Court.

5. The said Writ Petition was disposed of *vide* order dated 19.04.1999, directing Reference under Section 18 of the Act, to the competent Civil Court. Accordingly, the matter was referred to the learned Civil Judge, Rajam, and was numbered as L.A.O.P. No.21 of 1999.

6. The particulars of the extents of the land held by the claimants are as follows:

CLAIMANTS	EXTENT (Acres)	SY.NOS.	NATURE OF THE LAND
First claimant	0.56 and 0.58	313/2 and 313/3	wet land
Second claimant	1.00	319	wet land
Third claimant	1.17	313/1	wet land

7. The contention of the claimants is that the compensation fixed was very low, having regard to the fact that the subject lands are located amidst the busy locality of a major grampanchayat surrounded by rice mills, cinema halls, agricultural market committee, Junior College and various industrial units etc. It is further contended that the acquired land has high potential value of house sites. It is located near Parvatipuram-Palakonda state high way. It is contended that the Land Acquisition Officer should have taken into consideration the potentiality of the land, locality of the land and should have determined the compensation on

the basis of its location. Since the subject lands can be used as house sites, the compensation was claimed by the claimants at Rs.200/- per Square Yard.

8. In support of their contention, claimants got examined P.Ws.1 to 5 and marked Exs.A-1 to A-5, Exs.X-1 to X-2. The Land Acquisition Officer in support of the award examined RWs.1 to 2 and marked EXs.B-1 to B-3.

9. It was contended on behalf respondents that the burden lies on the claimants to prove that the compensation determined by the Land Acquisition Officer was not just and should substantiate their contention by cogent evidence. Thus it is argued that the claimants did not prove that subject lands would fetch more price in the market.

10. The learned Judge framed the following issues for consideration:

1. Whether the compensation fixed by the Land Acquisition Officer did not reflect the true market value?
2. Whether the claimants are entitled to have higher compensation?

11. After considering the contentions of both the parties and by placing reliance on the judgments of the Hon'ble Apex Court and the erstwhile composite High Court, the learned trial Judge observed that the Land Acquisition Officer treated the acquired land as an agricultural land without taking into consideration the potentiality of the land and erroneously fixed the market value as Rs.39,000/- per acre for wet land and Rs.37,000/- per acre for dry land. Thus observed that the market value fixed by the Land Acquisition Officer is not in

accordance with the settled principles of law. The finding of the learned Judge was that the subject lands were located 150 yds. away from Palakolu Srikakulam Road. It has the potentiality and using for house sites and the same would not constitute valid reason for determination of the compensation. It was further observed that no prudent person would purchase an agricultural land on square yard basis.

12. The learned Judge relying on the principle laid down in AIR 1996 SC 531, AIR 1977 SC 1560 and AIR 1980 SC 1870, considering the locality and its usage, by taking into consideration the inflation, enhanced the compensation to Rs.60,000/- per acre. Thus the compensation was fixed at Rs.60,000/- per acre as against the compensation fixed by the Land Acquisition Officer at Rs.39,000/- & Rs.37,000/- respectively. Aggrieved by the said Judgment and decree passed by the learned Reference Court, the instant Appeal is filed.

13. The claimants *inter-alia* argues that the compensation awarded is meager and that the learned Judge failed to consider the award passed by the same Court in L.A.O.P. No.13 of 1989 in respect of the lands of same village, wherein the Notification U/s.4(1) of the Act was of 1988 and compensation at Rs.60/- per square yard was awarded and further places reliance on the following judgments:

- i. The decision of the Hon'ble Apex Court in the case of ***Land Acquisition Officer, Kammarapally Village, Nizamabad District, A.P. Vs. Nookala Rajamallu and others***¹.
- ii. The decision of the Hon'ble Apex Court in the case of ***Patel Joitaram Kaildas and Others Vs. Spl. Land Acquisition Officer and another***²
- iii. The decision of the Hon'ble Apex Court in the case of ***Valliyammal and another Vs Special Tahsildar (Land Acquisition) and another***³.

It is contended that the learned Judge failed to consider its own award in L.A.O.P. No.13 of 1989, where the compensation was awarded at Rs.60/- per square yard on the ground that the claimant under the said award was not examined to know if the said award was subject matter of appeal if any.

14. Considered the submissions.

15. Having observed that the Land Acquisition Officer should have taken into consideration the potentiality of the land and its usage while fixing the market value, and having thus found fault with the award passed by the land acquisition officer, fixing the market value at Rs.39,000/- and Rs.37,000/- for wet and dry lands respectively. The learned Reference Court discarded Exhibits X-1 and X-2 because they were pre-notification sales, and Ex.A-5, a certified copy of the

¹ (2013) 12 SCC 334

² (2007) 2 SCC 341

³ (2011) 8 SCC 91

order passed in L.A.O.P. No.13/1989 on the file of the same Court, was rejected on the ground that the claimants under the said award were not examined to show the same subject matter of appeal. The Learned Reference Court observed that the land is located at about 150 sq. yards away from the Palakonda-Srikakulam road. It had further observed that the Land Acquisition Officer treated the acquired land as agricultural land without considering its potential and its use, and erroneously fixed the market value at Rs.39,000 per acre and Rs.37,000/- per acre and observed that the market value fixed by the land acquisition officer was not in accordance with settled principles of law. It was further observed that the subject lands also have the potential to be used as house sites. Yet placing reliance on the decision of the Hon'ble Apex Court in the case of ***Smt. Indumati Chitale Vs. Government of India and another***⁴, it was observed by the learned Judge that no prudent person would purchase agricultural land on a square-yard basis.

16. The learned Judge, although he observed that the subject lands have potential for house site lands, yet disregarded the claim for a grant of compensation on a square yard basis, on the basis that agricultural lands surround the subject lands, and he fixed the compensation at Rs.60,000/- per acre. The learned Judge, while holding in one breath that it is useful for using as house sites, however observed that entire extent cannot be valued on square yard basis. He refused to grant compensation on square yard basis although the

⁴ AIR 1996 SC 531

land abutting the subject land was sold on square yard basis, he refused to grant compensation on square yard basis merely on the spacious ground that it is 150 yards away from the main road and the lands on the main road would fetch more price than the interior ones. The lands sold under Exs.X-1 and X-2 were sold on square yard basis abutting the main road and the subject land is at a distance of 150 sq. yards from Palakonda Srikakulam High Way. In fact, the land that is not abutting the main road and close to the main roads, like in the instant case, at a distance of 150 sq. yards, would be more lucrative for housing than the main road extent. The learned Judge refers to the evidence of RW-2, who has stated that there was building activity near the acquired land. However grants compensation on acreage which is not supported by any reasons.

17. The said findings of the learned Judge are perverse. Having regard to the fact that having found fault with the award of the Land Acquisition Officer for treating the subject lands as agricultural lands without considering the potentiality and its usage. The basis for fixing the compensation on acreage is without reason. Notwithstanding its agricultural capability, the land, having been observed to have residential potential, the quantum of compensation should have been determined accordingly. In light of the above, the learned Judge ought to have considered granting compensation by treating the lands as suitable for house sites.

18. Accordingly, in the light of the foregoing, compensation to the subject lands is payable on par with house sites. Taking into consideration the evidence on record and the findings of the learned Judge, we are of the view that the claimants are entitled to enhancement of compensation. Accordingly the compensation payable to the subject lands is enhanced by **Rs.3,00,000/- (Rupees Three Lakhs only)** per acre over and the above the compensation determined by the learned Reference Court. The appellants are entitled to statutory benefits such as solatium and interest in accordance with the provisions of the Act.

19. With the above observations, Appeal Suit is disposed of.

As a sequel, all pending miscellaneous applications shall stand closed.

JUSTICE BATTU DEVANAND

JUSTICE KIRANMAYEE MANDAVA

Date: 07.04.2026

MVK

THE HONOURABLE SRI JUSTICE BATTU DEVANAND
&
THE HONOURABLE SMT JUSTICE KIRANMAYEE MANDAVA

A.S. No.629 of 2004

Date: 07.04.2026
MVK