**IN THE HIGH COURT OF ANDHRA PRADESH AT AMARAVATI**

***

**WRIT APPEAL NO: 239/2017**

**Between:**

1. THE STATE OF ANDHRA PRADESH,, REP. BY ITS PRINCIPAL SECRETARY, REVENUE DEPARTMENT, SECRETARIAT, HYDERABAD, NOW AT VELAGAPUDI, AMARAVATHI, GUNTUR DISTRICT.

2. THE JOINT COLLECTOR,, ANANTHAPURAMU, ANANTHAPURAMU DISTRICT.

3. THE REVENUE DIVISIONAL OFFICER,, PENUKONDA DIVISION, ANANTHAPURAMU DISTRICT.

**...APPELLANT(S)**

**AND**

$1. D VENUGOPAL, S/O.D.NARAYANAPPA, R/O.D.NO.1-1709, MUDIGUBBA POST AND MANDAL, ANANTHAPURAMU DISTRICT.

2. A NAGAMANI, W/O.JAYACHANDRA REDDY, OCC: CULTIVATION, R/O.MARAVAKOTHAPALLI VILLAGE, LALCPALLI POST, CHILAMATHUR MANDAL, ANANTHAPURAMU DISTRICT.

**...RESPONDENT(S):**

**IA NO: 1 OF 2017(WAMP 506 OF 2017**

Petition under Section 151 CPC praying that in the circumstances stated in the affidavit filed in support of the petition, the High Court may be pleased to suspend the operation of the order in W.P.No. 22912 of 2016 dated 20-01-2017, pending disposal of the above writ appeal and pass

**Counsel for the Appellant(S):**

1. ADDL ADVOCATE GENERAL (AP)

**Counsel for the Respondent(S):**

1. N ASHWANI KUMAR

**Date of Judgment pronounced on: 29-06-2026**

**THE HONOURABLE SRI JUSTICE R RAGHUNANDAN RAO**

**THE HONOURABLE SRI JUSTICE RAVI CHEEMALAPATI**

**THE HONOURABLE SRI JUSTICE T.C.D.SEKHAR**

1. Whether Reporters of Local newspapers : Yes/No
   May be allowed to see the judgments?
2. Whether the copies of judgment may be marked : Yes/No
   to Law Reporters/Journals:
3. Whether the Lordship wishes to see the fair copy : Yes/No
   Of the Judgment?

***IN THE HIGH COURT OF ANDHRA PRADESH AT AMARAVATI**

*** THE HONOURABLE SRI JUSTICE R RAGHUNANDAN RAO**

**THE HONOURABLE SRI JUSTICE RAVI CHEEMALAPATI**

**THE HONOURABLE SRI JUSTICE T.C.D.SEKHAR**

**+ WRIT APPEAL No.239 of 2017**

**% Dated: 29-06-2026**

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**Counsel for the Appellant(S):**

1. ADDL ADVOCATE GENERAL (AP)

**Counsel for the Respondent(S):**

1. N ASHWANI KUMAR

<GIST :

>HEAD NOTE:

Cases referred: 1. 1987(1) APLJ 171,

2. (1987) 2 ALT 253 &

3. (2014) 15 SCC 591

APHC010323082017

**IN THE HIGH COURT OF ANDHRA PRADESH**
**AT AMARAVATI [3588]**
**(Special Original Jurisdiction)**

MONDAY, THE TWENTY NINETH DAY OF JUNE
TWO THOUSAND AND TWENTY SIX

**PRESENT**

**THE HONOURABLE SRI JUSTICE R RAGHUNANDAN RAO**

**THE HONOURABLE SRI JUSTICE RAVI CHEEMALAPATI**

**THE HONOURABLE SRI JUSTICE T.C.D.SEKHAR**

**WRIT APPEAL NO: 239/2017**

Writ Appeal under clause 15 of the Letters Patent appeal preferred against the order dt.20-01-2017 passed in WP.N.22912 of 2016.

**Between:**

1. THE STATE OF ANDHRA PRADESH,, REP. BY ITS PRINCIPAL SECRETARY, REVENUE DEPARTMENT, SECRETARIAT, HYDERABAD, NOW AT VELAGAPUDI, AMARAVATHI, GUNTUR DISTRICT.
2. THE JOINT COLLECTOR,, ANANTHAPURAMU, ANANTHAPURAMU DISTRICT.
3. THE REVENUE DIVISIONAL OFFICER,, PENUKONDA DIVISION, ANANTHAPURAMU DISTRICT.

**...APPELLANT(S)**

**AND**

1. D VENUGOPAL, S/O.D.NARAYANAPPA, R/O.D.NO.1-1709, MUDIGUBBA POST AND MANDAL, ANANTHAPURAMU DISTRICT.
2. A NAGAMANI, W/O.JAYACHANDRA REDDY, OCC: CULTIVATION, R/O.MARAVAKOTHAPALLI VILLAGE, LALCPALLI POST, CHILAMATHUR MANDAL, ANANTHAPURAMU DISTRICT.

**...RESPONDENT(S):**

**IA NO: 1 OF 2017(WAMP 506 OF 2017**

Petition under Section 151 CPC praying that in the circumstances stated in the affidavit filed in support of the petition, the High Court may be pleased to suspend the operation of the order in W.P.No. 22912 of 2016 dated 20-01-2017, pending disposal of the above writ appeal and pass

**Counsel for the Appellant(S):**

1. ADDL ADVOCATE GENERAL (AP)

**Counsel for the Respondent(S):**

1. N ASHWANI KUMAR

**Date of Reserved : 19.06.2026**

**Date of Pronouncement : 29.06.2026**

**Date of Upload : 29.06.2026**

**The Court made the following Judgment:**
*(per Hon'ble Sri Justice R. Raghunandan Rao and Sri Justice T.C.D. Sekhar)*

Heard Sri D. Yathindra Dev, the learned Special Government Pleader, appearing in the office of the Learned Advocate General, for the appellants and Sri D.V. Sitarama Murthy, the Learned Senior Counsel appearing on behalf of Sri N. Ashwani Kumar, the learned counsel appearing for the respondents.

2. The State of Andhra Pradesh has a long standing policy of assigning, free of cost, land to landless poor people. To ensure that the said land remains with such assignees, a condition of non-alienation is incorporated in all the pattas, granting assignment of land to landless poor people. In fact, the Board Standing Orders, under which such land is assigned, also contain a stipulation that land assigned, free of cost, to poor people cannot be alienated by the assignee, in any manner. However, there were a large number of alienations, in violation of this restriction.

3. In order to curb such violations and to ensure that the land remains with the landless poor as assignees, the Andhra Pradesh Legislature had enacted the Andhra Pradesh Assigned Lands (Prohibition of Transfers) Act, 1977 [for short "the Act"]. This Act, also obtained the assent of the President of India.

4. The term "assigned land" was defined in Section 2(1) of the Act, to be land assigned by the Government to landless poor persons with a restriction of non-alienation. Section 3 of the Act, prohibits transfer of such

assigned lands and mandates that any transfer made in contravention of such restriction or such prohibition would be null and void. Section 4, of the Act, which provides for the consequences of violation of Section 3 of the Act, empowers the appropriate authority to evict the person in possession, where a sale, in contravention of Section 3, takes place and to evict the transferee, who is in possession. The authority would also be empowered to restore the land to the original assignee. However, if the land is again alienated, it would be taken over by the Government for assignment to some other landless poor person. Section 5 of the Act, prohibits registration of assigned lands. Section 6 of the Act, 1977 exempts certain transactions from the Act. The other provisions from Sections 7 to 12 of the Act, 1977 would not be relevant for the purpose of this Judgment.

5. The present issue arises out of the interpretation of Section 3 of the Act, 1977, which reads as follows:-

> *"**Section 3: Prohibition of transfer of assigned lands:-***
>
> *(1) Where, before or after the commencement of this Act any land has been assigned by the Government to a landless poor person for purposes of cultivation or as a house-site then, notwithstanding anything to the contrary in any other law for the time being in force or in the deed of transfer or other document relating to such land, it shall not be transferred and shall be deemed never to have been transferred; and accordingly no right or title in such assigned land shall have vest in any person acquiring the land by such transfer.*
>
> *(2) No landless poor person shall transfer any assigned land, and no person shall acquire any assigned land, either by purchase, gift, lease, mortgage exchange or otherwise.*
>
> *(3) Any transfer or acquisition made in contravention of the provisions of sub-sections (1) or sub-section (2) shall be deemed to be null and void.*
>
> *(4) The provisions of this Section shall apply to any transaction of the nature referred to in sub-section (2) in execution of a decree or order of a civil court of any award or order of any other authority.*
>
> *(5) Nothing in this section shall apply to an assigned land which was purchased by a landless poor person in good faith and for valuable consideration from the original assignee or his transferee prior to the commencement of this Act and which is in the possession of such person for*

*purposes of cultivation or as a house-site on the date of such commencement."*

6. In the year 2001, a Division Bench of the erstwhile High Court of Judicature of Andhra Pradesh at Hyderabad, in its Judgment, dated 18.12.2001, in Writ Appeal No.1920 of 2001, had held that any transaction falling within the ambit of Section 3(5) of the Act, 1977 would at best validate that particular transaction but the land would still continue to be within the ambit of the Act as an assigned land.

7. This interpretation of Section 3(5) of the Act was doubted by another Division Bench of the erstwhile High Court of Judicature at Hyderabad, For the State of Telangana and the State of Andhra Pradesh, in its order, dated 06.03.2017, in Writ Appeal No.239 of 2017, and referred the matter to a Full Bench.

8. The question referred for the decision of this Full Bench is as follows:-

*"Does purchase of land by a landless poor person in good faith and for valuable consideration, prior to the commencement of 1977 Act and on fulfillment of the conditions stipulated in Section 3(5), confer title on the purchaser including the right of alienation, or does it continue to remain assigned land attracting the prohibition of Section 3 of the Act"?"*

9. Sri D. Yathindra Dev, the learned Special Government Pleader, in the office of the Learned Advocate General, for the State, contended that the Act had been enacted for ensuring that the assigned land, would always remain with the landless poor persons to whom the land had been assigned and any interpretation whereby the said land is taken out of the purview of the Act, would be in clear violation of the spirit and letter of the Act. For this

purpose, the learned Special Government Pleader has taken us to the statement of objects and reasons, which reads as follows:-

> *"The Government have launched, with effect from the 1st November, 1969, a special crash programme for assignment of Government waste lands to the landless poor persons. The rules regarding assignment of land and the conditions incorporated in 'D' form pattas prohibit alienation of such lands and provide for its resumption as well as regrant to eligible persons. However, past experience has down that substantial extents assigned to land less poor persons have been actually alienated and are in possession of well persons who have purchased such lands, efforts made for assigning large extent of lands to landless poor persons are going waste. With a view to enforce the objective more effectively, it is considered that a protective legislation is necessary so as to prescribe a punishment to persons who have purchased such lands. Further,, there have been requests, from time to Time, for enacting a protective legislation against transfers and alienation of assigned lands on the model of Legislation existing in regard to the Scheduled Tribes in the Scheduled areas of Andhra Pradesh, which prohibits alienation of lands and provide for restoration of such lands to the assignees. It has therefore been decided to undertake legislation immediately to prohibit alienation of lands assigned to landless persons and to provide for punishment of purchasers of such lands."*

10. The learned Special Government Pleader would also rely upon the Judgment of a Full Bench of the erstwhile High Court of Andhra Pradesh, in the case of ***Dharma Reddy Vs. Sub-Collector Bodhan, Nizamabad District Vs. Sub-Collector, Bodhan, Nizamabad District***[1]. In this Judgment, the Full Bench was called upon to decide whether the Act takes into its account even transfers prior to 21.01.1977, when the ordinance which subsequently became the Act, came into force. The Full Bench, after considering the language of Section 3(1) of the Act, had held that Section 3(1) of the Act, not only prohibits transfer of assigned lands after the commencement of the Act, but also declares that all transfers of such assigned land, which took place prior to the coming into force of the Act, shall also be null and void. He would contend that in such a situation, the question

[1] 1987(1) APLJ 171

of any exemption being given for any kind of transaction would not arise. He would also rely upon the Judgment delivered by a Learned Single Judge of the erstwhile High Court of Andhra Pradesh at Hyderabad, in the case of ***Majjari Pullanna Vs. Sub-Collector, Nandyal & Ors***[2]. In this Judgment, the Learned Single Judge while interpreting Section 3(5) of the Act, had taken the view that Section 3(5) is meant to restrain the transferee-poor person from subsequent alienation of the land and that the said land should be retained for cultivation or as a house site.

11. Sri D.V. Sitarama Murthy, the Learned Senior Counsel appearing on behalf of Sri N. Ashwani Kumar, the learned counsel appearing for the respondents would firstly contend that the Judgment of the Full Bench in the case of *Dharma Reddy Vs. Sub-Collector Bodhan, Nizamabad District,* did not interpret the scope and effect of Section 3(5) of the Act, except to hold, in paragraph No.11 of the said Judgment, that it would be open to the petitioner in any particular case to demonstrate that the land of such a person falls within the exemption provided under Section 3(5) of the Act. The Learned Senior Counsel would also contend that the Judgment of the Learned Single Judge of the erstwhile High Court of Andhra Pradesh at Hyderabad, in the case of *Majjari Pullanna Vs. Sub-Collector, Nandyal & Ors* would not be binding on the present Bench as this is a Full Bench of the High Court. We are in agreement with both contentions of the learned senior counsel.

**Consideration of the Court:-**

[2] (1987) 2 ALT 253

12. At the cost of repetition, Section 3(5) of the Act, is reproduced below.

> *"**Section 3: Prohibition of transfer of assigned lands:-***
> *(1)…*
> *(2) …*
> *(3) …*
> *(4) …*
> *(5) Nothing in this section shall apply to an assigned land which was purchased by a landless poor person in good faith and for valuable consideration from the original assignee or his transferee prior to the commencement of this Act and which is in the possession of such person for purposes of cultivation or as a house-site on the date of such commencement."*

13. Under Section 2(1) of the Act, assigned land has been defined to mean land which is subject to a condition of non-alienation. Section 3(1) prohibits the transfer of such assigned land to any person. Section 3(2) reinforces this prohibition by stipulating that such transfer in any of the methods set out in sub-section 2 are also prohibited. Thereupon, Section 3(3) mandates that any transfer made in contravention of 3(1) & 3(2) would be deemed to be null and void. Section 3(4) extends this prohibition even to any decree or order of a civil Court or the award or order of any other authority. However, Section 3(5) grants exemption to assigned land in certain circumstances from the provisions of Section 3. An analysis of Section 3(5) would reveal that the following conditions are required to be complied for any assigned land to fall within the ambit of Section 3 (5):-

I. The assigned land should have been purchased by a landless poor person.

II. Such purchase should be in good faith and for valuable consideration.

III. This purchase can be from the original assignee or any transferee of such original assignee.

IV. The said purchase should have been prior to the commencement of the Act.

V. The said landless poor person should be in possession of such land on the date of the commencement of the Act.

14. To reiterate, only those lands which had been alienated prior to the commencement of the Act and purchased by a landless poor person, in good faith and for valuable consideration, who remains in possession of such land, at the commencement of the Act, would be exempt from the provisions of Section 3 of the Act.

15. Section 4 of the Act, which provides for consequences of breach of Section 3 stipulates that the provisions of Section 4 would come into play only when the provision of sub-section 1 of Section 3 has been contravened, in respect of an assigned land. Section 3(5) stipulated that any purchase of land by a landless poor person, for valuable consideration, before the commencement of the Act, would be outside the scope of Section 3 itself. In such circumstances, Section 4 would not be applicable to any land falling within the purview of Section 3(5) of the Act.

16. The language of Section 3(5) makes it clear that the object of exemption is not the alienation or the assignee or the transferee, but the assigned land itself. The inclusion of the word “transferee” in Section 3(5) has a certain significance. The legislature was not only condoning the transfer of

assigned land to a person who is not a landless poor person, but was also providing for exemption to even such transfers. The language in Section 3(5) is quite clear and can only be interpreted to mean that any assigned land, purchased prior to the Act, by a landless poor person, irrespective of whether the transfer is from the original assignee or a transferee, who is not a landless poor person, falls outside the purview of Section 3 of the Act. There is also no future limitation, in the provision, in terms of time or the number of transactions, of further transfer after the Act came into effect. This would lead to the conclusion that the said assigned land falls outside the prohibitions and consequences contained in Sections 3 and 4 of the Act and becomes and remains freely transferrable land.

17. This view of the Court is fortified by the Judgment of the Hon'ble Supreme Court of India, in the case of **State of Andhra Pradesh & Anr Vs. K. Varalakshmi & Ors**[3]. In this case, the original assignee sold the land to another landless poor person on 12.01.1970. The legal heirs of such transferee sold the said land, on 27.01.1982, to a person who was not a landless poor person. This land was sought to be taken over by the State on the ground that there was a violation of the condition of non-alienation. This action was resisted by the transferee, in possession, who had purchased the land in the year 1982. The Hon'ble Supreme Court of India had held in favour of the petitioner on two grounds. Firstly, on the ground that the necessary proceedings for taking over the land had not been conducted and secondly, on the ground that Section 3(5) of the Act, makes an exception in relation to

[3] (2014) 15 SCC 591

assigned lands which had been purchased, prior to the commencement of the Act, by another landless poor person. Paragraph Nos.11 to 13, of the said Judgment are relevant and are extracted here under:-

> *"11. A bare perusal of the aforesaid provision would show that sub-sections (1) to (4) applies to all cases where the assignment of lands was made either before or after the commencement of the Act by the Government to a landless poor person for the purpose of cultivation or a house site. However, sub-section (5) of Section 3 makes an exception in cases where the land has been so assigned has been purchased by another landless poor person in good faith or for valuable consideration from the original assignee or the transferee prior to the commencement of the Act.*
>
> *12. It is the clear case of the respondent-plaintiff that in 1971 their original assignee SagirajuBangaramma sold the land for a consideration to Durga Ramalingeswara Rao, who was a landless poor person. The said Ramalingeswara Rao, was in the cultivating possession of the land and growingcrop. After his death, his wife Smt Venkata Ratnam and sons succeeded the property and continuously remained in cultivating possession till 1982 when they sold the land to plaintiff in consideration of Rs.20,000. The respondent-plaintiff proved the assignment deed and also led the evidence and proved that they are the bona fide purchaser for valuable consideration. Curiously enough, no evidence whatsoever was adduced on behalf of the appellant-defendants in support of their defence, which has been rightly noticed by the High Court.*
>
> *13. In the background of these facts, we are fully in agreement with the finding recorded by the High Court that the transactions made in favour of the plaintiff and his predecessors are fully saved by sub-section (5) of Section 3 of the Act. Hence, we do not find any reason to differ with the findings recorded by the High Court. This appeal has, therefore, no merit and is liable to be dismissed."*

18. The learned Special Government Pleader would contend that the nature of the land does not change and the land would continue to be assigned land for the purposes of the Act. This contention cannot be accepted. The main provision in the Act is Section 3 holds that any alienation of assigned land either before or after the commencement of the Act is null and void. Section 4 which provides for the consequence and steps that can be taken by the appropriate authority, is conditioned upon Section 3 being applicable to such land. Once Section 3(5) takes any assigned land outside

the purview of Section 3, the consequences provided in Section 4 would not be applicable to such a land. Consequently, such land purchased by the landless poor person, would automatically fall outside the purview of the Act itself as the prohibition and consequence of prohibition of non-alienation and consequence of violation of such non-alienation would not be applicable to the land at all. Once, the land itself, has been taken out of the purview of Section 3, without any limitation, in terms of time or transactions, the said exemption is for all time. All or any further transactions would also be protected from the consequences of Section 3 and Section 4 of the Act. As the land is freely transferable, taking a legalistic and semantic approach of holding that the land would remain, “Assigned land”, would be contrary to Section 3(5) itself. Further, the definition of assigned land, set out in Section 2(1) applies to land assigned with a condition of non-alienation. Once such a condition has been omitted, by virtue of Section 3(5), the land cannot be treated as assigned land.

19. Another aspect, that needs to be considered is the fact that the landless poor person, who had purchased the land has paid, proper consideration for the land. This factor appears to have been taken into consideration, by the legislature, which removed the said assigned land from the purview of the Act itself, as a landless poor person had expended hard earned money and the land was transferred to a landless poor person.

20. For all the above reasons, the reference is answered in the following manner:

> “The purchase of land by a landless poor person in good faith and for valuable consideration, prior to the commencement of 1977 Act and on fulfillment of the conditions stipulated in Section 3(5), confer title on the purchaser including the right of alienation, and such land would not continue to remain assigned land attracting the prohibition of Section 3 of the Act.”

21. Accordingly, the Writ Appeal is remitted back to the Division Bench, for adjudication. There shall be no order as to costs.

As a sequel, pending miscellaneous applications, if any, shall stand closed.

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**R. RAGHUNANDAN RAO, J**

_____

**T.C.D. SEKHAR, J**

*Date:29.06.2026*
BSM

Uploaded on: 29th June, 2026.

Whether the order is Speaking/Reasoned : Yes/ No

Whether the order is Reportable/Non-reportable : Yes/ No

**THE HONOURABLE SRI JUSTICE R RAGHUNANDAN RAO**

**THE HONOURABLE SRI JUSTICE RAVI CHEEMALAPATI**

**AND**

**THE HONOURABLE SRI JUSTICE T.C.D.SEKHAR**

**WRIT APPEAL No:239/2017**

*(per Hon'ble Sri Justice R. Raghunandan Rao)*

**29.06.2026**

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