

ADDL. SPECIAL LAND ACQUISITION OFFICER

A

v.

YAMANAPPA BASALINGAPPA CHALWADI

FEBRUARY 22, 1994

[K. RAMASWAMY AND N. VENKATACHALA, JJ.]

B

*Land Acquisition Act, 1894: S.23—Acquisition of agricultural land—Compensation—Determination of—Capitalisation principle—Held, ten years multiplier is the proper method of valuing lands by capitalisation method.*

C

Certain agricultural lands of the respondents were acquired under the Land Acquisition Act, 1894. The District judge, relying on the evidence that two dry crops were raised in the land, determined value of the crops at Rs.720 per acre. The High Court applying a multiplier of 15 years for the average annual income for Rs. 720 upheld the market value at Rs.800 per acre. Hence the appeals by special leave

D

Allowing the appeals in part, this Court

**HELD:** 1. Ten years multiplier is the proper method of valuing the lands by capitalisation method. This principle is quite consistent with the valuation of the land allowed by multiplying the value of the annual yield, in the absence of any other acceptable evidence. [122-E-F]

E

*Special Land Acquisition Officer, Davangere v. P.Veerabharappa & Ors., [1984] 2 SCC p. 120, relied on.*

F

*Special Land Acquisition Officer, Hassan v. Mallesha M.S., (1975) 2 Mysore Law Journal p. 74, disapproved as regards 15 years multiplier.*

**CIVIL APPELLATE JURISDICTION:** Civil Appeal Nos. 3193-3215 of 1982.

G

From the Judgment and Order dated 10.8.81 of the Karnataka High Court in M.F.A. Nos. 1406 to 1428 of 1981.

M. Veerappa for the Appellant.

S.C. Birla for the Respondents.

H

## A The following Order of the Court was delivered

These appeals by Special leave arise from the Judgment of the High Court of Karnataka dated August 10, 1981 in Misc. Appeal Nos. 1406-1428/1981. The High Court following its earlier Judgment in *Special Land Acquisition Officer, Hassan v. Mallesha M.S.*, (1975) 2 Mysore Law Journal p.74, applying a multiplier of 15 years for the average annual income for Rs. 720 per acre upheld the fixation of the market value at Rs.800 per acre. Thus these appeals by Special Leave. Notification under Sec.4(1) dated March 13, 1980 was published in the State Gazette on July 24, 1980 acquiring 10 acres of land for Upper Krishana Project. The Distict Judge found from the evidence that the lands are madikattu lands and two dry crops of groundnuts in the first season, Jowar of cotton in the second rabi season were being raised in those lands. He determined the market value of the crop at Rs.720 after deducting the expenses incurred thereof. Though it is doubtful whether two crops could be raised in dry lands, under appeal we proceed on the footing that the evidence adduced would show that in the lands under acquisition two crops were raised and that annual yield was at Rs.720 per acre. But the crucial question is what is the suitable multiplier which would be applicable to the agricultural crops. This question is squarely covered by a Judgment of this Court in *Special land Acquisition Officer, Davangere v. P. Veerabharappa & Ors.*, [1984] 2 SCC p.120. While disposing of batch of the appeals this Court held that ten years multiplier would be the proper method in determining the total market value by following the method of capitalisation as just and reasonable principle. We find that this principle is quite consistent with the valuation of the land allowed by multiplying the value of the annual yield, in the absence of any other acceptable evidence. Following the ratio we hold that ten years multiplier is the proper method of valuing the lands by capitalisation method. The appeals are accordingly allowed in part and the respondents are entitled to the solatium at 15% and interest @ 5% from the date of taking possession till date of deposit. The appellant is entitled to recover the balance amount from the respondents. No cost.

R.P.

Appeals allowed.