

(2025) 10 TEL CK 0027

Telangana HC

Case No: Writ Appeal No. 1022 Of 2025

State of Telangana and others

APPELLANT

Vs

M. Anthamma

RESPONDENT

Date of Decision: Oct. 6, 2025

Acts Referred:

- Constitution of India, 1950 — Article 14, 21, 300(A)
- Land Acquisition Rehabilitation and Resettlement Act, 2013 — Section 11, 23, 30

Hon'ble Judges: Abhinand Kumar Shavili, J; Vakiti Ramakrishna Reddy, J

Bench: Division Bench

Advocate: M. Vijay Kumar Goud

Final Decision: Dismissed

Judgement

Vakiti Ramakrishna Reddy, J

1. This Writ Appeal is preferred by the appellants against the order dated 06.03.2025 passed by the learned Single Judge in W.P. No. 31004 of 2023. By the said order, the learned Single Judge disposed of the Writ Petition filed by the respondent Nos. 1 and 2 herein by setting aside the impugned proceedings No.E1/1969/2023 dated 13.10.2023 passed by present Appellant No. 2 while directing the appellant No.2 to initiate fresh land acquisition proceedings in respect of subject land of the writ petitioners admeasuring Acs.2.00 guntas each and to pay compensation in accordance with the provisions of the Right to Fair Compensation and Transparency in Land Acquisition Rehabilitation and Resettlement Act, 2013 (for short "the Act of 2013") within a period of eight months from the date of receipt of the order.

I. BRIEF FACTS OF THE CASE:

2. The respondent Nos. 1 and 2 as writ petitioners approached this Court by filing Writ Petition No.31004 of 2023, challenging the proceedings bearing No. E1/1969/2023 dated 13.10.2023 passed by the Appellant No.2 contending that the said proceedings were illegal, arbitrary, violative of principles of natural justice and without adherence to the due procedure prescribed for acquisition of land and accordingly sought to have the same set aside.

3. Admittedly, the Government had assigned the land to the respective fathers of the respondent Nos. 1 and 2 herein to an extent of Acs.3.00 guntas each in Survey No.321/PP situated at Karakapatla Village, Markook Mandal, Siddipet District, under D-form pattas vide File Nos. A3/96/76 at Sl.No.54 and Sl. No.55 both dated 22.02.1977. Upon their demise, the names of the respondent Nos. 1 and 2 were mutated in the revenue records and they have since been in possession and cultivation of the said land.

4. The respondent Nos. 1 and 2 were constrained to file W.P.No.42726 of 2022 before this Court when they were obstructed by the appellants from cultivating their lands on the ground that subject land was allotted by the appellant No.4 in favour of respondent No.3 herein i.e., Sanzyme Biological Private Limited, for establishment of Bio Tech Park, basing on which it had allegedly attempted to interfere with the possession of their subject land. This Court vide order dated 28.04.2023 had directed the Appellant No.2 to conduct enquiry and consider the claims of the respondent Nos. 1 and 2 and pay compensation to them in respect of the subject property in accordance with law, within a period of eight weeks from the date of receipt of the order.

5. The grievance of the respondent Nos. 1 and 2, however, was that notwithstanding such directions, the appellants, had forcibly taken possession of the subject land and issued the impugned proceedings granting only meagre compensation at the rate of Rs.2,50,000/- per acre for Ac.2.00 guntas each without following the procedure as contemplated either under the provisions of the Land Acquisition Act, 1894 (for short "Act, 1894") or under the provisions of the Act of 2013.

II. FINDINGS OF THE LEARNED SINGLE JUDGE:

6. The learned Single Judge, upon hearing both sides and on perusal of the record, found that except issuing the impugned proceedings, whereby the District Collector, Siddipet District, fixed compensation at the rate of ■2,50,000/- per acre for the petitioners' land admeasuring Acs.2.00 each, no material was placed on record to show that the appellants had initiated acquisition proceedings by following the procedure contemplated either under the Land Acquisition Act, 1894 or under the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013. It was noted that although the compensation was determined after commencement of the Act, 2013, no acquisition proceedings were

initiated nor any award was passed in respect of the subject lands.

7. Consequently, the learned Single Judge held that the impugned proceedings could not be sustained and accordingly disposed of the Writ Petition by setting aside the proceedings No.E1/1969/2023 dated 13.10.2023, and directing appellant No.2 to initiate fresh acquisition proceedings in respect of the petitioners' lands admeasuring Acs.2.00 each and to pay compensation strictly in accordance with the provisions of the Act, 2013, within a period of eight months from the date of receipt of a copy of the order.

III. PRESENT WRIT APPEAL:

8. Aggrieved by the said order dated. 06.03.2025 in the W.P. No. 31004 of 2023, the appellants have preferred the present Writ Appeal.

9. Heard the learned Government Pleader for Assignment appearing for the appellants and the learned counsel for the respondent Nos.1 and 2 and perused the material available on record.

IV. POINT FOR CONSIDERATION:

10. The only point that arises for our consideration is:

“Whether the order of the learned Single Judge in disposing of the W.P. No. 31004 of 2023 from any illegality, infirmity or perversity warranting interference by this Court in Appeal?”

V. SUBMISSIONS OF THE PARTIES:

A) Contentions of the Appellants:

11. The appellants contended that the Learned Single Judge erred in setting aside the proceedings dated 13.10.2023, inasmuch as the same were issued by Appellant No.2 strictly in compliance with the directions of this Court in W.P. No. 42726 of 2022, after conducting due enquiry into rival claims regarding ex gratia compensation. It was urged that the respondent Nos. 1 and 2 had not filed any documents proving their possession over the subject lands and had made contradictory pleadings, which was already noticed in W.P. No. 42726 of 2022.

12. The appellants further contended that the proceedings dated 13.10.2023 recorded that out of Acs.106.11 guntas of resumed land, ex gratia was paid to all eligible beneficiaries except for Acs.6.18 guntas due to rival claims. According to the appellants, the possession of the subject land had been with the Government since 2008 and subsequently handed over to APIIC/TSIIC (Telangana State Industrial Infrastructure Corporation Ltd.) i.e., appellant No. 4 herein. It was also urged that the compensation was determined on the basis of prevailing market value after affording an opportunity of hearing, and that the respondent Nos. 1 and 2 had applied for pattadar passbooks only in 2022, much after resumption in 2008 and allotment to TSIIC in 2016.

13. The appellants lastly contended that the learned Single Judge had committed a manifest error in directing initiation of fresh land acquisition proceedings without first declaring the resumption to be illegal, thereby travelled beyond the scope of the relief sought in the writ petition and the reliance placed by the learned Single Judge on Yadaiah v. State of Telangana 1 is said to be misplaced without considering the distinction laid down in LAO v. Mekala Pandu2.

B) Contentions of the Respondents:

14. On the other hand, the learned counsel for the respondent Nos. 1 and 2/writ petitioners contended that the very procedure adopted by the Government for fixation of compensation in respect of the subject land, was wholly contrary to the provisions of the Act, 2013. It was submitted that without initiating acquisition proceedings under the Act, 2013, the Government had no power or authority to determine compensation and even if the compensation fixed by the Government were to be accepted, such acceptance could not deprive the respondent Nos.1 and 2 of their statutory right to claim fair compensation under the Act, 2013.

15. The respondent Nos. 1 and 2/writ petitioners further contended that there were no proceedings issued by the Government alleging any violation of the terms and conditions of the assignment pattas. In the absence of such violation, the resumption of the land for a public purpose could not justify fixation of compensation below the prevailing market value. Therefore, they submit that the impugned action is arbitrary, violative of their rights under Articles 14 and 21 of the Constitution of India, and equally amounts to infringement of their constitutional right to property guaranteed under Article 300-A of the Constitution of India.

VI. ANALYSIS AND FINDINGS:

16. On consideration of the submissions advanced by the respective parties and upon careful examination of the material placed before this Court, it emerges that the principal contention of the appellants is that the impugned proceedings dated 13.10.2023 were issued by the District Collector, Siddipet District, in compliance with the directions issued by this Court dated 28.04.2023 in W.P. No. 42726 of 2022. It is their

further case that the District Collector had conducted an enquiry into rival claims of compensation, afforded an opportunity of hearing to the respondent Nos. 1 and 2 on 19.07.2023 and 05.08.2023, and thereafter passed the order fixing compensation at Rs.2,50,000/- per acre. It is also contended that the possession of the subject land, admeasuring Acs.2.00 each in Survey No.321/PP, stood resumed by the Government in 2008 and subsequently handed over to APIIC/TSIIC, and that the compensation determined was only an ex gratia settlement in respect of the balance land of Acs. 6.18 guntas, where rival claims remained unresolved.

17. On the contrary, the Respondent Nos. 1 and 2/writ petitioners contend that the proceedings dated 13.10.2023 are ex facie arbitrary, contrary to law, violative of Articles 14, 21 and 300-A of the Constitution of India. It is their specific case that the land was validly assigned to their fathers under D-form pattas in 1977, that after their demise, the names of respondent Nos.1 and 2 were duly mutated in the revenue records, and that they have been in continuous possession and cultivation until the forcible dispossession. They further contend that the Government did not issue any notice alleging violation of conditions of assignment, nor initiated any proceedings of resumption under law. Therefore, the appellants cannot rely on resumption of lands in 2008 without proof of compliance or observance of due process of law. The respondent Nos. 1 and 2 also contend that fixation of compensation without initiating acquisition proceedings either under the Act, 1894, or under the Act 2013, is wholly impermissible and it is submitted that the deprivation of land without payment of fair compensation determined under statute amounts to violation of constitutional guarantees and infringes their right to livelihood.

18. The record placed before this Court, makes it clear that except for issuance of the impugned proceedings dated 13.10.2023, whereby compensation at the rate of Rs. 2,50,000/- per acre was fixed for the subject lands, no acquisition proceedings under the Act, 1894, or the Act, 2013 were initiated. In particular, no preliminary notification under Section 11 of the Act 2013 was issued. Section 11 of the Act mandates that whenever the Government considers that land is required or likely to be required for a public purpose, a preliminary notification specifying the details of the land to be acquired must be published, which is a mandatory step to initiate acquisition proceedings and also to inform the owners of land to be acquired. The absence of such notification demonstrates a clear failure to comply with statutory requirements.

19. Further, determination of compensation was not determined as mandated under Section 23 of the Act, 2013. Section 23 mandates the Collector to determine compensation based on market value, potentiality of the land, and other statutory factors. In the present case, compensation was unilaterally fixed at Rs. 2,50,000/- per acre without regard to these factors, and without a formal enquiry or assessment under the Act, 2013. Furthermore, it is evident that no award under Section 30 of the Act, 2013 was ever passed. Section 30 of the Act, 2013 provides that an award of compensation can be made only after the statutory procedure prescribed under Sections 11 and 23 of the Act has been duly complied with. The omission to issue such an award renders the impugned proceedings dated 13.10.2023 void ab initio and legally unsustainable.

20. The Appellants had placed reliance upon a letter of the District Collector dated 20.12.2023 addressed to the Vice-Chairman and Managing Director of TSIIC requesting deposit of Rs. 32,71,780/- towards ex gratia compensation. It is evident that a mere administrative communication or letter cannot substitute the statutory acquisition proceedings required under the Act.

21. The plea of the appellants that possession had already been taken in 2008 and therefore only ex gratia was payable, cannot be sustained. It is well settled that forcible possession of private or assigned land without following due process of law does not disentitle the landholder in claiming fair compensation. The learned Single Judge has rightly observed that the Hon'ble Supreme Court in Yadaiah's case (supra) had categorically held that even assignees of government land are entitled to compensation equivalent to the full market value, on par with pattedars, and that any deprivation of such compensation would be unconstitutional.

22. This Court is of the considered view that the distinction sought to be drawn by the appellants with respect of Mekala Pandu's case (supra) with that of Yadaiah's case (supra) is wholly misconceived. The underlying principle in the above cited decision is that the compensation to assignees cannot be illusory or arbitrary but must be just, fair and reasonable. Any deprivation of such fair compensation would amount to violation of Article 14 of the Constitution, and would also amount to unlawful deprivation of property in violation of Article 300-A of the Constitution. At this stage, it is necessary to refer to the following portion of the Judgment in Mekala Pandu's case (supra):

“109. In the circumstances, we hold that the assignees of the government lands are entitled to payment of compensation equivalent to the full market value of the land and other benefits on par with full owners of the land even in cases where the assigned lands are taken possession of by the State in accordance with the terms of grant or patta, though such resumption is for a public purpose. We further hold that even in cases where the State does not invoke the covenant of the grant or patta to resume the land for such public purpose and resorts to acquisition of the land under the provisions of the Land Acquisition Act, 1894, the assignees shall be entitled to compensation as owners of the land and for all other consequential benefits under the provisions of the Land Acquisition Act, 1894. No condition incorporated in patta/deed of assignment shall operate as a clog putting any restriction on the right of the assignee to claim full compensation as owner of the land.”

23. Hence, the Larger Bench judgment in Mekala Pandu's case (supra) reinforces the very proposition subsequently affirmed in Yadaiah's case (Supra) that assignees are entitled to compensation equivalent to full market value together with all consequential benefits on par with pattadars. Any contrary interpretation denying such compensation would be unconstitutional and unsustainable in law.

VII. CONCLUSION:

24. This Court is of the considered view that the order dated 28.04.2023 in W.P. No. 42726 of 2022 had only directed the authorities to enquire into rival claims and pay compensation in accordance with law and did not empower the authorities to bypass the statutory mandate of the Act, 2013. In fact, the very object of the Act, 2013 is to ensure fair compensation, rehabilitation, and transparency, which stands defeated if the compensation is unilaterally fixed without passing an award.

25. Therefore, the grievance of the writ petitioners that they were deprived of compensation equivalent to market value is justified. The Hon'ble Supreme Court in catena of Judgments has held that market value reflected in the basic value register is not a true reflection of the prevailing market value, and that the potentiality of the land must be taken into account while determining compensation. Admittedly, no such exercise was undertaken in the present case. Instead, a flat rate of Rs.2,50,000/- per acre was fixed without reference to comparable sales, potentiality, or statutory multipliers as prescribed in the Act, 2013. Hence, the learned Single Judge was justified in holding that the impugned proceedings dated 13.10.2023 cannot be sustained in law, as they deprive the Respondent Nos. 1 and 2/writ petitioners of their statutory and constitutional rights. In the light of the foregoing discussion, we find no merit in the Appeal and thereby the order dated 06.03.2025 passed by learned Single Judge in W.P. No. 31004 of 2023, does not warrant any interference.

VIII. RESULT:

26. Accordingly, the Appeal stands dismissed. In the circumstances of the case, there shall be no order as to costs. As a sequel, pending miscellaneous applications, if any, in this Appeal shall also stand closed.