

SPECIAL LAND ACQUISITION OFFICER CITY IMPROVEMENT  
TRUST BOARD, MYSORE

v.

P. GOVINDAN

September 10, 1976

[A. N. RAY, C.J., M. H. BEG AND P. N. SHINGHAL, JJ.]

*City of Mysore Improvement Act, 1903, Ss. 16, 18 and 23(1)—Relevant date for determining market value for purposes of compensation, what is.*

Section 23(1) of the Land Acquisition Act originally provided that the date for determining the market value for purpose of compensation is the date of the notification under s. 6. In 1927, s. 23(1) was amended making the date of s. 4(1) notification as the relevant date.

With respect to certain acquisitions under the City of Mysore Improvement Act, 1903, (Mysore Act) the notification under s. 16 of the Act was published in May 1965 and the notification under s. 18, which corresponds to s. 6 of the Acquisition Act, was published some time later. On the question of the date for the determination of market value for purposes of compensation under the provisions of s. 23(1), Acquisition Act, the High Court followed the Full Bench decision of that court in *Venkatamma v. Special Land Acquisition Officer* (AIR 1972 Mysore 193) and held that the date of s. 18-notification is the relevant date, on the ground that s. 23(1), Acquisition Act, as it stood in 1903 should be applied, since its amendment in 1927, has not been made specially applicable to acquisitions after that date.

Allowing the appeal to this Court and remanding the case to the High Court for determination of the market value as on the date of s. 16-notification.

HELD : (1) Section 23, Mysore Act, applied the provisions of the Acquisition Act to acquisitions under the Mysore Act, except to the extent of any express deviation by the Mysore Act from the general procedure in the Acquisition Act. It is a fair interpretation of s. 23, Mysore Act, to hold that it means that, whatever may be procedure, with regard to matters regulating compensation under the Acquisition Act, at the time of acquisition proceedings, will apply to acquisitions under the Mysore Act. The procedure, contained in the Acquisition Act for the time being, need not be expressly applied once again after each amendment of the Acquisition Act, and such procedure in the Acquisition Act would apply if it is capable of application, since no one has a vested right in a particular procedure. [552 A-F]

Therefore, s. 23(1) of the Acquisition Act, which lays down the procedure for awarding compensation, has to be followed as it exists at the time of the acquisition proceedings. [552H—553A]

(2) The 927-amendment of s. 23(1), Acquisition Act, meant a legally valid substitution of the notification under s. 4(1) for the one under s. 6 of the Acquisition Act, that is, an effective repeal and replacement. In such a situation, according to s. 6, Mysore General Clauses Act, only proceedings commenced before the repeal would be governed by the unamended procedure. [552 F-G]

(3) The date of notification under s. 4(1) of the Acquisition Act would thus be the relevant date, for determining market value. Although the procedure laid down in s. 16, Mysore Act, is more elaborate than the procedure under s. 4(1), Acquisition Act, the purpose of s. 16, Mysore Act is the same as that of s. 4(1) Acquisition Act. Therefore, the date of s. 16-notification would be the relevant date. [553 B-F]

**A** *Land Acquisition Officer, City Improvement Trust Board v. H. Narayanaiah etc., etc.* [1977] 1 S.C.R. 178, followed.

*Venkatamma v. Special Land Acquisition Officer* (AIR 1972 Mysore 193) overruled.

CIVIL APPELLATE JURISDICTION : Civil Appeal No. 2539 of 1972.

**B** (From the Judgment and Order dated 10-3-1972 of the Mysore High Court in Misc. First Appeal No. 234/70)

*H. S. Parihar for I. N. Shroff*, for the Appellant.

*K. R. Nagaraja and P. N. Puri* for the Respondent.

**C** The Judgment of the Court was delivered by

**BEG, J.** The judgment of a Division Bench of the Mysore High Court under appeal before us after certification of the case as fit for an appeal to us, follows the decision of a Full Bench of that Court in *Venkatamma v. Special Land Acquisition officer*.<sup>(1)</sup> The Full Bench had held that the date for the determination of compensation under the provisions of section 23(1) of the Land Acquisition Act, which was to be applied to acquisitions under the City of Mysore Improvement Act 3 of 1903 (hereinafter referred to as 'the Mysore Act'), was the date of notification under section 18 of the Act corresponding to section 6 of the Acquisition Act.

**E** Recently, we have had to deal with a case in which the provisions of the City of Bangalore Improvement Act, 1945, corresponding substantially with those of the Act now before us, were interpreted by us. The provisions of Sections 14, 16 and 18 of the Mysore Act of 1903, as well as the Bangalore Act of 1945 are identical. And, the provisions of section 23 of the Mysore Act are identical with those of Section 27 of the Bangalore Act. Therefore, a Division Bench of the Karnataka High Court considered itself bound by the Full Bench decision of the Mysore High Court (subsequently the Karnataka High Court) on the provisions of the Mysore Act of 1903 even in interpreting the Bangalore Act of 1945. But, this Court held, in the *Land Acquisition Officer, City Improvement Trust Board v. H. Narayanaiah etc. etc.*,<sup>(2)</sup> that the Division Bench decision of the Karnataka High Court holding that the market value, for the purposes of compensation, must be determined with reference to the date of notification under section 18 of the Bangalore Act, was erroneous. It, therefore, allowed the appeals from the judgment of the Division Bench of the Karnataka High Court which had purported to follow the Full Bench decision of the Mysore Act of 1903.

**H** The main argument in the appeal before us is that this Court had observed in *Narayanaiah's* case (supra) that the Full Bench decision related to an interpretation of provisions of an Act as it stood in

(1) A.I.R. 1972 Mysore 193.

(2) [1977] 1 S.C.R. 178.

1903, when the date of market value, to be determined for purposes of compensation, was the date of notification under section 6 of the Acquisition Act. That date was subsequently changed by the Mysore Act 1 of 1927 to that of publication and notification under Section 4(1) of the Acquisition Act. It is true that this Court did observe that this difference was vital. In doing so, it had accepted the argument put forward on behalf of the Land Acquisition Officer. But, it had not decided what was the real meaning of provisions of Section 23 of the Mysore Act which correspond with section 27 of the Bangalore Act.

Section 23 of the Mysore Act now before us reads as follows :

"23. The acquisition otherwise than by agreement of land within or without the City under this Act shall be regulated by the provisions, so far as they are applicable, of the Land Acquisition Act, 1894, and by the following further provisions, namely:—

- (1) Upon the passing of a resolution by the Board that an improvement scheme under section 14 is necessary in respect of any locality, it shall be lawful for any person either generally or specially authorised by the Board in this behalf and for his servants and workmen, to do all such acts on or in respect of land in that locality as it would be lawful for an officer duly authorised by Government to act under section 4(2) of the Land Acquisition Act, and for his servants and workmen, to do thereunder, and the provision contained in section 5 of the said Act shall likewise be applicable in respect of damage caused by any of the acts first mentioned.
- (2) The publication of a declaration under section 18 shall be deemed to be the publication of a declaration under section 6 of the Land Acquisition Act.
- (3) For the purposes of section 50(2) of the Land Acquisition Act, the Board shall be deemed to be local authority concerned.
- (4) After the land vests in the Government under section 16 of the Land Acquisition Act, the Deputy Commissioner shall, upon payment of the cost of the acquisition, and upon the Board agreeing to pay any further costs which may be incurred on account of the acquisition, transfer the land to the Board, and the land shall thereupon vest in the Board".

The reasoning of the Full Bench of the Mysore High Court, which did not appeal to this Court in *Narayanaiah's* case (*supra*), was that, since a declaration under section 18 of the Act was equated with section 6 of the Acquisition Act, proceedings under section 4(1) of the Acquisition Act could only be equated with the stage of a resolution

**A** under section 14(1) of the Act which was anterior to the declaration under section 18 of the Mysore Act. Section 16 of the Act is also anterior to Section 18. This Court found that, although the procedure laid down in section 16 of the Bangalore Act, which corresponds exactly with section 16 of the Mysore Act now before us, is more elaborate than the procedure under section 4(1) of the Acquisition Act, yet, the purpose of section 16 of the Bangalore Act was the same as that of section 4(1) of the Acquisition Act, we think that this reasoning applies equally to the provisions of the Mysore Act.

**B**

It is true that it can be more plausibly argued, with regard to the provisions of Mysore Act of 1903, that the market value for acquisition under this Act should be determined with reference to the Acquisition Act as it stood in 1903. After carefully considering this point of view, we think that such a departure from the generally accepted procedure which regulates acquisition and compensation for it under similar Acts in the State of Mysore as well as under Land Acquisition Act today has to be justified by something more explicit, express and substantial than the mere date of enactment of the Mysore Act. If Section 23(1) of the Acquisition Act lays down, as we think it does, the only procedure for award of compensation, it has to be followed as it exist at the time of acquisition proceedings. No one has a vested right in a particular procedure. It is a fair interpretation of section 23 of the Mysore Act of 1903 to hold that it means that, whatever may be the procedure there, with regard to matters regulating compensation under the Acquisition Act, at the time of acquisition proceedings, will apply to acquisition under the Mysore Act.

**C**

**D**

**E** If the procedure that the market value should be determined with reference to section 6 of the Acquisition Act had been replaced, by an amendment of 1927, by the provision that the relevant date will be the date of notification under section 4(1) of the Acquisition Act, we will really have to determine what is the equivalent in the Mysore Act of proceedings under section 4(1) of the Acquisition Act. The provision relating to determination of compensation with reference to Section 6 having disappeared was no longer available to be applied at all on the date of the acquisition with which we are now concerned. Hence, to argue that the equivalent of section 6 notification under the Acquisition Act should govern even proceedings commenced after the amendment would be to apply what had ceased to exist long before the proceeding commenced. The amendment of section 23(1) of the Acquisition Act meant a legally valid substitution of the notification under section 4(1) for the one under section 6 of the Acquisition Act. This implied an effective repeal and replacement. In such a situation, according to section 6 of the Mysore General Clauses' Act, only proceedings commenced before the repeal would be governed by the unamended procedure. We think that the language of section 23 of the Mysore Act applies the provisions of the Acquisition Act to acquisitions under the Mysore Act, except to the extent of express deviation by the Mysore Act from the general procedure in the Acquisition Act as amended from time to time. The procedure contained in the Acquisition Act, for the time being, did

**F**

**G**

**H**

need to be expressly applied once again after each amendment of the Acquisition Act, as the Mysore High Court seems to have opined. It was enough to lay down, as section 23 of the Mysore Act does, that the general procedure found in the Acquisition Act will apply except to the extent it was inapplicable. This means that amendments of the procedure in the Acquisition Act will apply if it is capable of application.

In the case before us, the preliminary notification under section 16 of the Mysore Act of 1903 was published on 27th May, 1965. This we equate with notification under section 4(1) of the Acquisition Act for reasons we have already given in *Narayanaiah's* case (*supra*). At that time, there was no date other than the date of the notification under section 4(1) of the Acquisition Act prescribed for ascertainment of the market value, as a matter of correct procedure for determining compensation. The procedure under the unamended Act may have had relevance for acquisition proceedings begun before the amendment of the Acquisition Act in 1927 when it really existed. But, we think that it is a fair interpretation of the provisions of Section 23 of the Mysore Act to hold that compensation for acquisitions will be general provisions of the Acquisition Act as they exist on the date of a particular acquisition proceeding except to the extent to which a different procedure is expressly laid down in the Mysore Act. On the view we take, the market value of the property acquired had to be determined with reference to the date of notification under Section 16 of the Mysore Act.

Consequently, we set aside the judgment and order of the Mysore High Court. We remand the case to the High Court for determination of the market value and disposal of the case in accordance with the law as declared by us. The parties will bear their own costs throughout.

V.P.S:

*Appeal allowed.*