

Government of Orissa
Revenue Department
No. LA(C)-5/2003(Misc) 21963/R.,
Bhubaneswar, dated, the 30.4. 2003.

From

Sri Ashok Momin,

Addl. Secretary to Government.

To

All Collectors

All Special Land Acquisition Officers.

Sub : Instruction regarding fixation of Market Value of Land under L.A. Act.

Sir/Madam,

I am directed to say that the market value of private lands, acquired for public purposes is being determined in accordance with the provisions of Land Acquisition Act, 1894 and the executive Instructions contained in the Land Acquisition Manual. The Revenue Department have also issued following guidelines on different occasions in the past regarding determination of Market value of land.

1. Land value is usually fixed on the basis of sale statistics collected from concerned Sub-Registrar's Office as on the date of Notification published U/S 4(1) of L.A. Act. In case the sale date of a particular class of land of the village in question is not available, then the sale instances of identical class of land in the neighbouring village is to be taken into account.
2. In absence of sale statistics, the next best course is to ascertain the net profit the tenant derives from the land over a certain number of years as indicated in this department Circular No.16421/R. dated 9.4.1996. The said circular was issued basing on the decision of the Hon'ble High Court, Orissa, in First Appeal No.35/87, where the Hon'ble High Court observed that the market value of land should be calculated by applying 16 (sixteen) years multiplier of the annual letting value of land. Subsequently another Circular was issued by this Deptt. bearing No.45846/R dated 10.10.1996 wherein it was instructed to calculate the market value of the land by taking multiplier of 10 (ten) of net annual yield (Total yield minus 50% of it towards cost of cultivations). The aforesaid instructions originated from the order dated 4.12.1995 of the Hon'ble Supreme Court of India in Civil Appeal No.11967 of 1995.

3. But in the meanwhile, Hon'ble Supreme Court while delivering judgement in Civil Appeal Nos. 4932-33/94 (Reported in AIR, 2000, Supreme Court - 2619) has upheld the Division Bench decision of High Court of Orissa in land Acquisition Zone Officer Vrs. Dambarudhar Pradhan that adoption of multiplier of 16 (sixteen) for fixing market value of land in Orissa is proper.

You are, therefore, requested to follow the above principle enunciated in the judgement of the Appex Court by applying multiplier of 16 (sixteen) times of the net annual yield (Total yield minus 50% of it towards cost of cultivation) while fixing the market value of land in absence of sale statistics.

The copy of aforesaid judgement of the Appex Court is enclosed for your reference.

Yours faithfully,

Sd/-

Addl. Secretary to Government