



**IN THE HIGH COURT OF KARNATAKA,
KALABURAGI BENCH**

DATED THIS THE 9TH DAY OF JUNE 2025

BEFORE

THE HON'BLE MR. JUSTICE M.G.S.KAMAL

MISCL SECOND APPEAL NO.200185 OF 2017 (LA)

BETWEEN:

1. SHANTABAI W/O. BASAVARAJ,
AGE: 57 YEARS, OCCU: AGRICULTURE.
2. SUBHASHCHANDRA S/O. SIDRAMAPPA,
AGE: 64 YEARS, OCCU: AGRICULTURE.
3. CHANDRAKANTH S/O. SIDRAMAPPA,
AGE: 64 YEARS, OCCU: AGRICULTURE.
4. AMBARAYA S/O. SIDRAMAPPA,
AGE: 51 YEARS, OCCU: AGRICULTURE,
LRS OF SIDRAMAPPA S/O. AMBAJOPPA,
ALL R/O: NAGOOR VILLAGE,
TQ & DIST: KALABURAGI – 585 102.

...APPELLANTS

(BY SRI. HARSHAVARDHAN R. MALIPATIL, ADVOCATE)

AND:

1. THE SPL LAND ACQUISITION OFFICER,
MIP, VIKAS SOUDHA, KALABURAGI – 585 101.
2. THE DEPUTY COMMISSIONER,
MINI VIDHANA SOUDHA,
KALABURAGI – 585 101.

...RESPONDENTS

(BY SRI. K. SHASHI KIRAN SHETTY AG A/W
SRI. K. MALLAHA RAO, AAG AND
SMT. T. MAYA RAJANN, HCGP FOR R1)

THIS MSA IS FILED UNDER SECTION 54(2) OF THE LAND
ACQUISITION ACT 1894 PRAYING TO ALLOW THIS APPEAL WITH
COSTS AND MODIFY THE JUDGMENT AND AWARD PASSED BY PRL.
CIVIL JUDGE(SR.DN.) AT KALABURAGI DATED 14.11.1997 IN



LAC.NO.49 OF 1996 AND ALSO JUDGMENT AND AWARD OF IV ADDITIONAL DISTRICT AND SESSIONS JUDGE AT KALABURAGI DATED 12.01.2016 IN LACA NO.224 OF 2015 AND FIX MARKET VALUE AT THE RATE OF RS.1,00,000/- PER ACRE AND AWARD ALL STATUTORY BENEFITS AND ETC.,

THIS APPEAL, COMING ON FOR FURTHER HEARING, THIS DAY, JUDGMENT WAS DELIVERED THEREIN AS UNDER:

ORAL JUDGMENT

(PER: HON'BLE MR. JUSTICE M.G.S.KAMAL)

This appeal is filed by the appellants/claimants claiming to be the owners of land bearing Sy.Nos.175/1 and 175/4, measuring 13 acres and 19 guntas and 01 acres 27 guntas respectively situated in Nagur Village, Gulbarga District which was acquired for the purpose of construction of Bennethora Project in terms of Preliminary Notification dated 18.06.1991 issued under Section 4 (1) of the Land Acquisition Act, 1894.

2. The Special Land Acquisition Officer had determined the compensation at Rs.15,000/- per acre which was enhanced by the Reference Court vide order dated 14.11.1997 in LAC No.490/1996 to Rs.32,000/- per acre. In the appeal filed in LACA No.224/2015 before the IV Additional District and Sessions Judge, Kalaburgi, the said compensation was further



enhanced to Rs.74,000/- per acre vide judgment and award dated 12.01.2016. Aggrieved by the same, the appellants/claimants have preferred the present appeal seeking further enhancement.

3. The Coordinate Bench of this Court taking note of the earlier order passed by this Court in MSA No.200055/2016 held that the appellant/claimant herein being similarly situated were also entitled for similar enhancement of compensation. Accordingly, by order dated 20.02.2018 had allowed the aforesaid appeal granting enhanced compensation of Rs.1,64,223/- per acre of dry land with all statutory benefits. However, it was clarified that the appellant/claimant are not entitled for interest for the delayed period.

4. Aggrieved by the same, respondent-KNNL had carried the matter in appeal to the Apex Court. By orders dated 10.05.2022 and 12.03.2024 passed in the said civil appeal along with connected matters, the Apex Court set aside the earlier order passed by this Court and remanded the matter for fresh consideration. Accordingly, matter was taken up for hearing.



5. After hearing the matter on merits and upon the submissions made by the learned Advocate General and the learned counsel appearing for the appellant as well as the respondents, the matter was placed before the Hon'ble Mr. Justice A.V. Chandrashekar, Former Judge, High Court of Karnataka for mediation. Accordingly, mediation process was undertaken and the parties have arrived at amicable resolution of their dispute by entering into a Mediation Agreement. The process of settlement has been accepted and approved by the respondent- State Government as seen in the Communication bearing No.ಜಸಂಇ 124 ಎಂಎಂಜಿ 2024, dated 23.04.2025 produced by learned Additional Advocate General.

6. The terms of the Mediation Agreement are as under:

MEDIATION AGREEMENT

"Thorough discussions were held in the presence of the Learned Mediator, Justice A.V.Chandrashekar (Retired), the Managing Director of Karnataka Neeravari Nigam (Hereinafter "KNNL"), the Learned Advocate General, the Additional Advocate General, Kalaburagi, the Learned Advocates appearing for the parties, and the authorized representatives of KNNL.

The present appeal is one of several land acquisition matters pertaining to various irrigation projects which are being undertaken and managed by KNNL, which were remanded to the Hon'ble High Court



of Karnataka, Kalaburagi Bench at the instance of the KNNL which preferred Special Leave Petitions before the Hon'ble Supreme Court of India by the orders dated 10.05.2022 and 12.03.2024. By order dated 27.09.2024, the Hon'ble High Court referred the matters for mediation. The present compromise has been duly approved by the State Government of Karnataka on 23.04.2025.

After considering the various factors like the decisions of the Hon'ble Supreme Court and deliberations between the parties, the parties have voluntarily agreed as follows:

(a) The market value of the land acquired is calculated and arrived at Rs.1,57,381/- per acre (Words: One Lakh Fifty Seven Thousand Three Hundred Eighty One Rupees Only per acre);

(b) The Appellant/s(Claimant/s) is/are entitled for all statutory benefits under Land Acquisition Act, except for the period of delay in filing the Appeal before the First Appellate Court and for the period of delay in filing the Appeal before the Hon'ble High Court;

(c) No interest is payable to the Appellant/s(Claimant/s) for the period of delay in filing the Appeal before the First Appellate Court and for the period of delay in filing the Appeal before the Hon'ble High Court;

(d) The Appellant/s (Claimant/s) agree that they will give up statutory interest for a period of two years;

(e) It is agreed to between the parties that the calculation of interest is made up to the date of approval by the State Government of Karnataka i.e. 23.04.2025.

(f) Subject to the vacation of stay in W.P. (C) No. 100913 of 2025, it is agreed to between the parties that, in case the agreed amount is not paid within four months from the signing of this agreement,



KNNL will not be entitled for exemption of payment of interest for a period of two years as outlined in clause (d);

(g) The Appellant/s(Claimant/s) has/ have understood and agreed that the payment of amounts quantified in the present agreement would be made from the through the P.D. account of KNNL of the Chief Accounts Officer, KNNL, Dharwad. (Head of Account "8443-00-106") as outlined in G.O. No. AE 13 TAR 2023 dated 27.09.2024;

(h) The Appellant/s(Claimant/s) agree that the present agreement would be a full and final settlement of their claims and they would not be entitled to any differential interest except in accordance with the terms of this agreement;

(i) Appellant/s(Claimant/s) has/have agreed to give an undertaking in writing about the genuineness of their claim and undertake to furnish copy of the Passbook and Aadhar Card immediately upon signing of the agreement;

(j) The Appellant/s(Claimant/s) agree that the present agreement would be a full and final settlement of their claims and they and/or their legal heirs undertake to not agitate any further claims in this regard, in the future;

(k)The Appellant/s(Claimant/s) agree to withdraw all pending Execution Petition(s) in terms of this agreement;

(l) KNNL would not be bound to pay any further compensation or claim to a third party, should any dispute arise between the Appellant/s(Claimant/s) and such person, in respect of ownership and claim of the acquired land;

(m) KNNL has agreed to pay the costs to the Appellant/s(Claimant/s) which is equivalent to the Court fee paid by the Appellants. Consequently,



KNNL is entitled for return of Court fee from this Hon'ble Court, as per law;

(n) KNNL has undertaken that the payment of agreed amount will be deposited directly to the account of the Appellant/s(Claimant/s) through the P.D. account of KNNL of the Chief Accounts Officer, KNNL, Dharwad. (Head of Account "8443-00-106") as outlined in G.O. No. AE 13 TAR 2023 dated 27.09.2024;

(o) The present settlement shall not be considered either as a precedent or a policy decision or a proposal binding on KNNL for cases, other than the present matter referred to Mediation.

The parties to this agreement have entered into this compromise voluntarily, on their own volition, without any coercion or misrepresentation and the contents of this agreement have been explained to and understood by the Appellant/s(Claimant/s) in vernacular as well."

7. The terms of the Mediation Agreement have been accepted by the parties. The Mediation Agreement not being opposed to any provisions of law, same is taken on record. Accordingly, the present appeal is disposed of in terms of the aforesaid Mediation Agreement.

8. Sri. Mallaha Rao K, learned Additional Advocate General for the respondent-State and learned counsel for respondent-KNNL submit that since the "Personal Deposit Account" which is opened in the name of the Chief Accounts



Officer-KNNL, Dharwad, for the purpose of disbursing the compensation amount is subject matter of writ petition in W.P.(C) No.100913/2025, necessary steps will be taken to either vacate or modify the aforesaid interim order to the extent of subject matter of this appeal and that if in the event of any further impediment in implementing the terms of the Mediation Agreement, appropriate alternate arrangements will be made to comply with the terms of the Mediation Agreement. Submission is taken record as an undertaking to this Court.

9. It is made clear that in the event of any failure on the part of respondent-KNNL, the appellants/claimants would be at liberty to seek enforcement and execution of this order in accordance with law. In such an event, appellants/claimants would also be entitled for all the statutory benefits including interest till realization.

10. This Court places on record its appreciation of the earnest efforts made by Hon'ble Justice A.V.Chandrashekar, former Judge, High Court of Karnataka, Sri. K. Shashi Kiran Shetty, learned Advocate General, Sri. K.Mallaha Rao, learned Additional Advocate General for the respondent-State,



Smt.T.Maya, learned Additional Government Advocate for respondent No.1, Ms.L.Mohini Bhat and Ms.Hetu Arora Sethi, Sri. Sanjeev Kumar Patil, Sri. M.Sudarshan, Sri.Abhimanyu, learned counsel for respondent-KNNL, Sri.Harshavardhan R. Malipatil, Sri. Nagaraj Patil, Sri. Shivashankar H. Manur, learned counsel for the appellants, as well as Sri. Rajesh, Managing Director of KNNL, Sri. Girish, Secretary of KNNL in amicably resolving the dispute.

Sd/-
(M.G.S.KAMAL)
JUDGE

SH/CT-ASC
List No.: 48 SI No.: 0