

IN THE HIGH COURT OF KARNATAKA, AT DHARWAD

DATED THIS THE 20TH DAY OF FEBRUARY, 2026

BEFORE

THE HON'BLE DR. JUSTICE K.MANMADHA RAO

MISCELLANEOUS FIRST APPEAL NO.20578 OF 2013 (LAC)

BETWEEN:

CHANDRASHEKHAR S/O SHANKRAPPA HONNALI
AGE: 33 YEARS,
R/O: SOMESHWAR GINNING FACTORY,
DEVARAGUDDA ROAD,
RANEBENNUR, DIST: HAVERI.

...APPELLANT

(BY SRI. DEEPAK C. NAGANUR, ADVOCATE FOR
SRI. V.P. KULKARNI, ADVOCATE)

AND:

1. ASSISTANT COMMISSIONER AND THE LAND
ACQUISITION OFFICER,
HAVERI SUB DIVISION,
HAVERI, DIST: HAVERI.
2. SECRETARY,
A.P.M.C. RANEBENNUR,
RANEBENNUR, DIST: HAVERI.

...RESPONDENTS

(BY SRI. ABHISHEK MALIPATIL, HCGP FOR R1;
SRI. RAJASHEKHAR B. HALLI, ADVOCATE FOR R2)

THIS MISCELLANEOUS FIRST APPEAL IS FILED UNDER SECTION 54(1) OF THE LAND ACQUISITION ACT, PRAYING TO MODIFY THE JUDGMENT AND AWARD PASSED BY THE PRINCIPAL SENIOR CIVIL JUDGE AND J.M.F.C RANEBENNUR IN LAC NO.38/05 DATED 31.10.2012 AND AWARD COMPENSATION @30,000/- PER GUNTHA WITH ALL STATUTORY BENEFITS IN THE INTEREST OF JUSTICE AND EQUITY.

THIS MFA HAVING BEEN HEARD AND RESERVED FOR JUDGMENT ON 06.02.2026 AND COMING ON FOR PRONOUNCEMENT THIS DAY, JUDGMENT WAS DELIVERED THEREIN AS UNDER:

CORAM: THE HON'BLE DR. JUSTICE K.MANMADHA RAO

CAV JUDGMENT

1. This appeal is filed by the appellant/claimant under Section 54(1) of the Land Acquisition Act, 1894 (for short, 'the Act'), calling in question the judgment and award dated 31.10.2012 passed in L.A.C. No.38/2005 by the Court of the Principal Senior Civil Judge & J.M.F.C., Ranebennur (hereinafter referred to as the 'Reference Court').

2. The parties are referred to as per their ranking before the Reference Court.

3. Brief facts of the case are that, the appellant is the owner of land bearing Sy.No.123/B measuring 23 guntas situated at Koonabevu village. The said land was acquired for the purpose of formation of Mega A.P.M.C. Yard at Ranebennur by issuance of preliminary notification under Section 4(1) of the Act dated 14.02.2002.

4. The Land Acquisition Officer passed an award dated 06.04.2005 determining the market value of the acquired land at Rs.40,797/- per acre. Being aggrieved by the same, the appellant sought reference under Section 18(1) of the Act. The Reference Court, after considering the oral and documentary evidence, determined the market value at Rs.2,86,000/- per acre and awarded statutory benefits. Being dissatisfied with the

compensation awarded by the Reference Court, the appellant has preferred the present appeal seeking enhancement to Rs.30,000/- per gunta.

5. Learned counsel for the appellant submits that the acquired land is adjacent to the National Highway and situated within the limits of Ranebennur Municipality and the Reference Court has failed to properly consider the non-agricultural potentiality of the land. The counsel submits that the appellant examined an expert Geologist (PW-2) who submitted reports (Ex.P.38 to Ex.P.40) stating that there are deposits of steatite stones beneath the land and the Reference Court erred in rejecting the expert evidence. He further submits that though the Reference Court assessed the land value at Rs.5,20,000/- per acre based on sale deeds, it deducted 45% towards development charges, which is excessive considering that the acquisition was for A.P.M.C. Mega Market and not for residential layout. Hence, seeks for enhancement of compensation.

6. In support of the above position, learned counsel for placed reliance on the Coordinate Bench Judgment of this Court in **MFA No.20602/2013 with connected matters** disposed of on **04.06.2021**, where the appeals filed by the claimants were

allowed in part with costs, fixing the market value of the acquired lands at Rs.3,64,000/- per acre with all statutory benefits and interest instead of Rs.2,86,000/- per acre as awarded by the Reference Court.

7. Learned counsel for the respondents submits that the market value determined by the Reference Court is just and proper. He submits that the Geologist report is a private document and was prepared after possession was taken and no permission was obtained, under the Mines and Minerals (Development and Regulation) Act, 1957 for conducting any prospecting operations. He submits that the deduction of 45% towards development charges is justified. Hence, seeks dismissal of the appeal.

8. Heard the learned counsel for the parties and perused the material available on record.

9. The following points arise for consideration:

- i. Whether the Reference Court was justified in deducting 45% towards development charges?
- ii. Whether the appellant is entitled for enhancement of compensation?

10. Having regard to the Coordinate Bench judgment in **MFA No.20602/2013 with connected matters** and also with

regard to the submissions, it is seen that the Reference Court relied upon Ex.P.9 and Ex.P.10 — registered sale deeds of the year 2001-2002, which are proximate to the date of preliminary notification dated 14.02.2002. Under Ex.P.10, 4 guntas 4 annas of land was sold for Rs.51,000/-. On sale statistics method, the Reference Court calculated the average value at Rs.13,000/- per gunta, which comes to Rs.5,20,000/- per acre. This approach is proper and based on acceptable evidence. Ex.P.38 is a report prepared by a private consulting Geologist. The report is not prepared by any Government authority, but was prepared after possession was taken and no statutory procedure under MMDR Act was followed and hence does not quantify the mineral deposits or their commercial value. Further, no evidence is produced regarding market rate of steatite per cubic meter, quantity of extractable mineral per acre, feasibility of quarrying operations. Therefore, the Reference Court was justified in rejecting Ex.P.38 and relying upon sale deeds Ex.P.9 and Ex.P.10. Hence, the determination of base market value at Rs.5,20,000/- per acre requires no interference. The Reference Court deducted 45% towards development charges. However, in the present case the acquisition is for A.P.M.C. Mega Market, it is

not for residential layout formation and large extent of land is acquired. In such cases, deduction towards development charges ordinarily ranges between 25% to 30% and the deduction of 45% is on the higher side and requires modification. If 30% is deducted from Rs.5,20,000/-, the market value would be:

$$\text{Rs.5,20,000} - 30\% = \text{Rs.3,64,000/- per acre.}$$

11. Therefore, the market value is required to be modified to Rs.3,64,000/- per acre as per the judgment of the Coordinate Bench of this Court in **MFA No.20602/2013 with connected matters** and the determination of base value by the Reference Court is correct. However, deduction towards development charges is excessive and is reduced from 45% to 30%.

12. For the foregoing reasons, this Court proceeds to pass the following:

ORDER

- i. The appeal is **allowed-in-part** with costs.
- ii. The judgment and award dated 31.10.2012 passed in L.A.C. No.38/2005 by the Principal

Senior Civil Judge & J.M.F.C., Ranebennur is ***modified.***

- iii. The market value of the acquired land is determined at ***Rs.3,64,000/-*** per acre instead of Rs.2,86,000/- per acre.
- iv. The appellant is entitled to compensation at the rate of ***Rs.3,64,000/-*** per acre with all statutory benefits including solatium, additional market value and interest as per the provisions of the Land Acquisition Act.
- v. Rest of the findings of the Reference Court remain unaltered.
- vi. Draw modified award accordingly.

**Sd/-
(DR. K.MANMADHA RAO)
JUDGE**

KGK,CT:VP