



CNR: KAHC010371602023

NC: 2026:KHC:42017
MFA No. 5023 of 2023

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 7TH DAY OF AUGUST, 2026

BEFORE

THE HON'BLE MR. JUSTICE PRADEEP SINGH YERUR

MISCELLANEOUS FIRST APPEAL NO. 5023 OF 2023 (LAC)

BETWEEN:

- BALACHANDRA S/O KENCHE GOWDA
SINCE DEAD BY LRS
1. JAYARAM K B
S/O LATE BALACHANDRA,
AGED ABOUT 35 YEARS,
 2. HEMANTH KUMAR K.B
S/O LATE BALACHANDRA,
AGED ABOUT 33 YEARS,
 3. YATHISH KUMAR K.B
S/O LATE BALACHANDRA,
AGED ABOUT 31 YEARS,

ALL ARE R/AT KANDALI VILLAGE AND POST,
KASABA HOBLI,
HASSAN TALUK AND DISTRICT.

Digitally signed
by
GAVRIBIDANUR
SUBRAMANYA
GUPTA
SREENATH
Location: HIGH
COURT OF
KARNATAKA

...APPELLANTS

(BY SRI. NARENDRA GOWDA.,ADVOCATE)



CNR: KAHC010371602023

NC: 2026:KHC:42017
MFA No. 5023 of 2023

AND:

1. THE SPECIAL LAND ACQUISITION OFFICER
HEMAVATHI RESERVIOR PLANNING-2
HASSAN-573201
2. MANAGING DIRECTOR
CAUVERY NEERAVARI NIGAM
SURFACE WATER DATA CENTRE BUILDING,
ANANDRAO CIRCLE,
BANGALORE.

...RESPONDENTS

(BY SRI.PRAKASH GOWDA., ADVOCATE FOR R1)

(SRI.K.S.BHEEMAIAH, ADVOCATE FOR R2)

THIS MFA IS FILED U/S.54(1) OF LAND ACQUISITION ACT, AGAINST THE JUDGMENT AND AWARD DATED 22.08.2012 PASSED IN LAC NO.175/2011 ON THE FILE OF THE ADDITIONAL SENIOR CIVIL JUDGE, HASSAN, PARTLY ALLOWING THE REFERENCE PETITION U/S.18(1) OF LAND ACQUISITION ACT.

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

CORAM: HON'BLE MR. JUSTICE PRADEEP SINGH YERUR



CNR: KAHC010371602023

NC: 2026:KHC:42017
MFA No. 5023 of 2023

ORAL JUDGMENT

This appeal is preferred by the appellants, who are the legal representatives of the claimant challenging the common judgment and award dated 22.08.2012 passed by the Additional Senior Civil Judge, Hassan, in LAC.No.175/2011.

2. Subsequent to the common judgment passed in the LAC.No.175/2011, the claimant passed away. The legal representatives of the claimant are the appellants before this Court. Respondent No.1 is the Special Land Acquisition Officer. Respondent No.2, subsequently impleaded in this appeal, is the Cauvery Neeravari Nigam, who is the beneficiary of the lands acquired.

3. The respondent No.1 acquired the lands of the claimant for the purpose of the Yagachi Reservior project. Accordingly, preliminary notification was issued under Section 4 (1) of the Land Acquisition Act and thereafter got published in the Karnataka Gazette dated 30.03.2006,



CNR: KAHC010371602023

as contemplated under Section 12 of the Land Acquisition Act. Respondent No.1 passed an award under Section 11 of the Act on 18.09.2008 and awarded compensation to an extent of Rs.1,93,000/- per acre in respect of the lands acquired.

4. Being aggrieved by the said award of compensation, the claimant preferred a reference petition before the Civil Court for enhancement of compensation on several grounds. One of them being that notice was not issued before passing the award and that the compensation was accepted under protest. It is also contended that the compensation awarded was very low in comparison to the present market value, which is more than Rs.40,00,000/- per acre. All these aspects of the market value, the productivity, the fertility and the potentiality of the lands were not taken into consideration by the land acquisition officer while passing the award of compensation. Hence, the claim petition was preferred. Upon service of notice and after contest, the claim petition



CNR: KAHC010371602023

NC: 2026:KHC:42017
MFA No. 5023 of 2023

came to be allowed, enhancing the compensation to Rs.20,000/- per gunta with solatium at 30% additional market value at the rate of 12% per annum from the date of Section 4(1) notification till the date of dispossession or till the date of award and interest at the rate of 9% on the enhanced compensation from the date of taking over possession of the land for a period of one year and further interest at the rate of 15% per annum after expiry of a period of one year till the date of payment deducting the amount already paid to the claimant by the respondent No.1. It is this order that is questioned by the legal representatives of the original claimant in this appeal.

5. It is the vehement contention of learned counsel for the appellants that the impugned award passed by the respondent No.1 is arbitrary, illegal, and not commensurate to the market rate and also with regard to the potentiality and fertility of the land. It is also contended that the land is situated at a distance of just about 300 feet from the BM road, at a distance of only 4



CNR: KAHC010371602023

NC: 2026:KHC:42017
MFA No. 5023 of 2023

kilometers from Hassan City, and comes within the limit of HUDA capital, which is near NH-48.

6. It is also contended that the land is a non-agricultural potentiality as it is surrounded by commercial areas wherein school, colleges, banks, factories, hospitals are in existence; as such, the market value of the property is more than 40 lakhs per acre, which has not been taken into consideration by the reference Court, and it is concluded that the market value of the property would be Rs.20,000/- per gunta, which is meager and inadequate and requires to be modified. Therefore, he seeks to allow the appeal and modify the judgment by enhancing the compensation.

7. Per contra, learned Additional Government Advocate representing the respondent No.1 sustains the impugned order and contends that there is no illegality or perversity or arbitrariness. The reference Court has taken into consideration all relevant materials for coming into



CNR: KAHC010371602023

consideration with regard to the award of compensation and, in fact, has enhanced the compensation to Rs.20,000/- per gunta, commensurate to the other lands acquired.

8. Learned counsel Sri.K.S.Bheemaiah, appearing for the respondent No.2, the beneficiary, also sustains the impugned order and contends that there is no illegality or perversity. Several lands were acquired in and around the said area, including that of the appellant/claimant, and the compensation is paid in accordance with the value existing as on date of the acquisition, i.e., 2006. Therefore, it is not open to the appellants to claim the market value that was not available on the date of acquisition and try to make out a case on the present date. He sustains the impugned order.

9. It is also contended that the claimant has deliberately not made the respondent No.2 a party before the reference Court, which ought to have been made, and



CNR: KAHC010371602023

NC: 2026:KHC:42017
MFA No. 5023 of 2023

an opportunity ought to have been given to the respondent No.2 to contest the matter and put forth his say. It is also contended that even before this Court there is an extraordinary, inordinate delay of more than 3,900 days, which ought not to have been allowed. But nevertheless the same is allowed before respondent No. 2 could be made a party in this appeal. Therefore, he seeks dismissal of the appeal and to affirm the order of the reference Court.

10. I have heard the learned counsel for the appellants and learned counsel for the respondents.

11. It is not in dispute that the land of the appellants was acquired for the benefit of the respondent No.2 and compensation was awarded. The point that arises for consideration is :

"Whether the order passed by the reference Court calls for interference and, if so, what order?"



CNR: KAHC010371602023

12. Apparently, it is seen that the reference Court has taken into consideration several aspects. But these crucial aspects, which are now referred to by the appellants, will have to be considered by the reference Court by providing an opportunity to the beneficiary/respondent No.2, who was not even made a party before the reference Court. Therefore, it would be necessary for this Court to remit the matter back to the reference Court for reconsideration of the award of compensation once again by providing an opportunity to the respondents Nos.1 and 2, more specifically to respondent No. 2, who was not made a party and who is the beneficiary; the reference Court shall take into consideration all relevant materials, if any, placed or that would be placed before it and pass suitable orders by providing suitable opportunities. Accordingly, I pass the following order.



CNR: KAHC010371602023

NC: 2026:KHC:42017
MFA No. 5023 of 2023

ORDER

- 1) The appeal is ***allowed.***
- 2) The matter is remitted to the reference Court for reconsideration of the matter once again. Opportunity shall be given to the respondent Nos.1 and 2. Respondent No. 2 is at liberty to file a detailed objection and contest the matter.
- 3) It is needless to mention that this Court has not expressed any opinion with regard to the merits of the matter. All contentions of the parties are kept open.
- 4) As the parties are represented through their counsel before this Court, the parties shall appear before the reference Court on 01.09.2026 without awaiting any further notice either from this Court or the reference Court.



CNR: KAHC010371602023

NC: 2026:KHC:42017
MFA No. 5023 of 2023

5) The amount deposited before this Court
shall be transmitted to the reference Court.

Sd/-
(PRADEEP SINGH YERUR)
JUDGE

RCK
List No.: 1 Sl No.: 1