

IN THE HIGH COURT OF JUDICATURE AT MADRAS

RESERVED ON
02.04.2026PRONOUNCED ON
08.07.2026

WEB COPY

CORAM

THE HON'BLE MR.JUSTICE K.KUMARESH BABU

AS No. 411 of 2010
and CMP.No.22608 of 2022
and MP.No.1 of 2010

AS No. 411 of 2010

1. S.Muthukumarasamy
2. S.Venkatachalapathy
3. S.Umapathy

..Appellant(s)

Vs

1. Union Of India
Rep by Secretary to Government (Revenue)
Pondicherry.
2. The Deputy Collector
(Revenue) Cum Acquisition Officer, Karaikal.
3. A.Noorjahan
4. I.Noornisha
5. K.Premavathi
6. V.Jayaraman
7. B.Annapoorani
8. Minor T.Uma
Rep By Her Mother T.Vijaya
9. M.K.Bapitha Parvin
- 10.R.Banumathy
- 11.E.Vijaya Gowsalya
No.55, Vii Cross Mmg Nagar, Karaikal.

- 12.Minor E.Vijaya Veeramanivannan
Sl.No.12 Rep By His Mother Tmt.E.Gunasundari
(Respondents 3 to 12 herein are formal parties and
the notice to the said persons may be dispensed with)

..Respondent(s)



PRAYER:- First Appeal filed under Section 54 of the Land Acquisition Act, 1894 r/w. Section 96 of the Civil Procedure Code, to set aside the Award passed by the Additional District Judge, Pondicherry at Karaikal, dated 31.10.2007 in LAOP.No.32 of 2002.

For Appellant(s):

Mr. T. Sai Krishnan

For Respondent(s):

Mr.Ramaswamy Meyyappan for RR1 & 2
Government Advocate (Puducherry)

RR3 to 12 – given up in Batta Sr.No.69589

CMP.No.22608 of 2022

1.Union Of India

Rep by Secretary to Government (Revenue) Pondicherry.

2. The Deputy Collector

(Revenue) Cum Acquisition Officer, Karaikal.

... Petitioners

Vs

1.S.Muthukumarasamy

2. S.Venkatachalapathy

3.S.Umapathy

4.A.Noorjahan

5.I.Noornisha

6.K.Premavathi

7.V.Jayaraman

8.B.Annapoorani

9.Minor T.Uma

Represented by her mother Vijaya

10.M.K.Bapitha Parvin

11.R.Banumathy

12.E.Vijaya Gowsalya

13.Minor E.Vijaya Veeramanivannan

Respondents 12 & 13 are represented by their mother Tmt.E.Gunasunari



(Respondents 4 to 13 herein are formal parties and the notice to the said persons may be dispensed with)

PRAYER:- Civil Miscellaneous Petition has been filed to allow the petitioners/ respondents 1 & 2 to produce the addition evidence by producing the extract of Settlement Register pertaining to the Ward-F, Block-2, T.S.No.17/5; R.S.No.16/5, Patta No.1894 and the certified copy of the document in Doc.No.875 of 1988, dated 10.10.1988 on the filed of the SRO, Karaikal in the above Appeal suit in A.S.No.411 of 2010.

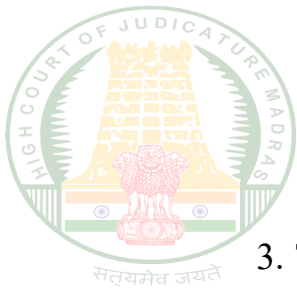
For Petitioner(s): Mr.Ramaswamy Meyyappan for RR1 & 2
Government Advocate (Puducherry)

For Respondent(s): Mr. T. Sai Krishnan for RR1 to 3

COMMON JUDGMENT

The land owner whose land have been acquired having been dissatisfied with the enhancement Awarded by the Reference Court is in Appeal before this Court.

2. The lands belonging to the appellants have been acquired under the Provisions of the Land Acquisition Act, 1984 by issuance of Section 4(1) notification on 02.06.1998. Originally, the Land Acquisition Officer had fixed the market value of the land at Rs.60,000/- per Acre. But, on reference, the market value of the land had been arrived at Rs.95,027.62/- per Acre and after deduction of 20% for development charges, the market value had been fixed at Rs.76,022 per Acre.



3. The claim of the land owners was that the property ought to be valued based upon Ex.B3 which was a prior document to the 4(1) notification and which also has a temporal proximity to the lands acquired. But on the other hand, the same was resisted by the respondents contending that the value of the land has been rightly fixed by the Land Acquisition Officer.

4. On the aforesaid pleadings the following issues were framed:-

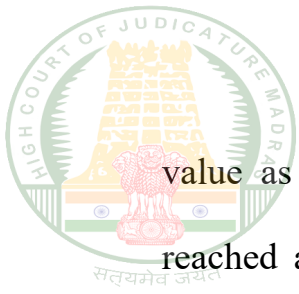
1. Whether the award passed by the Land Acquisition Officer fixing Rs.60,000 per acre really reflects the market value prevailing prior to the Section 4(1) Notification?

2. Whether the claimants are entitled for enhancement of compensation?

3. What is the quantum of award the claimants are entitled to?

5. On the Claimant's side, PW1 to PW6 was examined as witnesses and documents Ex. P1 to Ex. P9 were marked. On the Respondent's side, RW1 was examined as sole witness and documents Ex. R1 to Ex. R4 were marked.

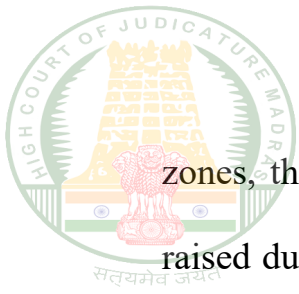
6. On Issue 1, The trial court held that the compensation of ₹60,000 per Acre fixed by the Land Acquisition Officer did not represent the true market



value as on the date of the Section 4(1) Notification. This conclusion was reached after evaluating both documentary and oral evidence. The LAO had relied primarily on guideline values while disregarding Ex. P1, a prior sale deed dated 16.12.1996, on the ground that it was a transaction between close relatives. However, the trial court found this approach inadequate, as guideline values cannot be treated as conclusive indicators of market value when reliable sale transactions are available. Ex. P1 indicated a substantially higher rate and was temporally proximate to the acquisition.

7. Further, the evidence of PW.1 to PW.6 established that the land was situated in a developed and strategically located area near important roads and commercial establishments, with clear potential for residential conversion. In light of these factors, the trial court determined that the LAO had undervalued the land and that ₹60,000 per acre did not reflect the prevailing market conditions.

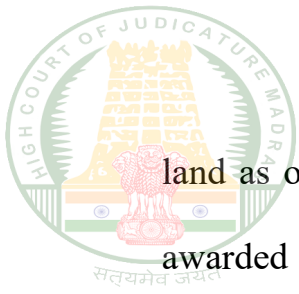
8. On Issue 2, The trial court found that the claimants were entitled to enhancement of compensation, as they had successfully discharged the burden of proving that the awarded amount was inadequate. The oral evidence of PW.1 to PW.6 was consistent and mutually corroborative, demonstrating the advantageous location and future potential of the acquired land. The land was within municipal limits, close to developed residential layouts and commercial



zones, thereby increasing its intrinsic value. Although certain objections were raised during cross-examination particularly that the land covered under Ex. P1 was originally a pond, the evidence also revealed that it had been filled and rendered suitable for use, indicating that such characteristics did not materially diminish its comparability. Additionally, the trial court considered comparable sale instances in the locality which reflected a steady rise in land prices during the relevant period. The LAO's rejection of Ex. P1 and reliance solely on guideline values was therefore found to be unjustified. On a cumulative assessment of all evidence, the trial court concluded that the claimants had established their right to enhanced compensation.

9. On Issue 3, In determining the appropriate quantum of compensation, the trial court adopted a reasoned approach based on comparable sales and necessary adjustments. Among the available sale instances, the trial court identified a transaction reflecting a value of ₹95,027.62 per acre as the most appropriate benchmark, as it pertained to similar land in the same locality. However, recognizing that the acquired land was situated below road level and required filling and development before it could be effectively used as house sites, the trial court applied a deduction of 20% towards development charges. After making this adjustment, the market value was fixed at ₹76,022 per acre.

10. The trial court held that this figure fairly represented the value of the



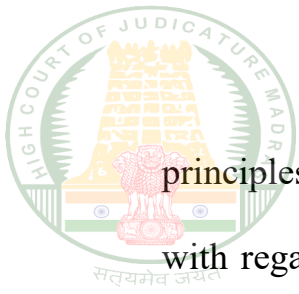
land as on the date of the 4(1) Notification. Consequently, the claimants were awarded compensation at this rate, along with statutory benefits, including 30% solatium and interest at 12% for the relevant period, thereby ensuring just and equitable compensation.

11. Aggrieved against the same for seeking enhancement, the land owner is before this Court and the respondents have also taken out an miscellaneous Petition to receive additional document to sustain the Award.

12. Heard Mr.T.Sai Krishnan, learned counsel appearing for the appellants and Mr.Ramaswamy Meyyappan, learned Government Advocate (Puducherry) appearing on behalf of the respondents 1 & 2.

13. The learned counsel for the appellant would submit that the Reference Court had firstly rejected Ex.P3 on the pretext that the lands that were acquired was in the interior and not abutting the main road. He would submit that the land which forms part of the larger extent and acquired would have to be valued on the same basis to the land having a road frontage and the same could not be valued as a lesser value.

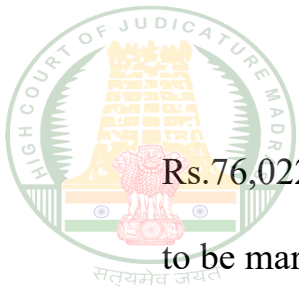
14. He would further submit that the reasonings given by the Court below in arriving at a market value is arbitrary and is not supported by sound



principles. He would further submit that when there is an admission by RW1 with regard to the capability of the lands acquired to be used as a commercial property, it could only be concluded that the property would fetch a higher market value and not as Awarded by the Reference Court and in that context, he would submit that the order of enhancement requires interference by this Court and an enhanced Award ought to be passed.

15. Countering his arguments, Mr.Ramaswamy Meyyappan, learned Government Advocate (Puducherry) appearing on behalf of the respondents 1 & 2 would contest that even arriving at the enhanced Award as per the Reference Court, the reliance could not be placed as made by the Reference Court and sought to drive home his contention by referring to the documents that is sought to rely upon by the application under Order XLI Rule 27. He would further submit that similar Awards passed for very same acquisition where Awards were enhanced were challenged by the Government in various Appeals suits and this Court had dismissed the Appeal finding that the market value arrived at by the Reference Court to be the correct value and in that context, he would submit that on the Appeal filed by the land owners, the enhancement cannot be granted by this Court.

16. He would submit that the Hon'ble Division Bench of this Court had also taken into consideration that in various cases adopting the value of



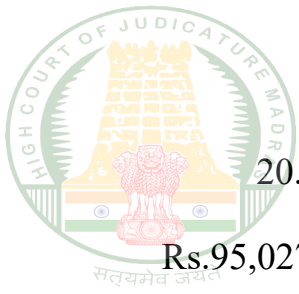
Rs.76,022/- per Acre should also be taken into consideration for fixing the same to be market value of the lands. Hence, he seeks dismissal of the Appeals.

WEB COPY

17. I have considered the submissions made by the learned counsels appearing on either side and had also perused the materials available on record.

18. The only issue that is to be decided is ***“as to whether the appellants are entitled for a higher compensation?”***.

19. The primordial objection of the respondent is that in enhancements of the value of the lands that were acquired under the very same acquisition had come to rest before this Court in Appeal suits, wherein the enhanced Award fixed by the Reference Court at Rs.76,022/- per Acre was correct. The said objection is outright to be rejected as those Appeal suits were all filed by the Government challenging the enhanced Award and in none of the cases, the land owners had sought for a higher compensation as made in this case. Affirming the higher compensation Awarded by the Reference Court which remained unchallenged by the other land owners cannot be a ground to uphold the market value arrived at by the Reference Court, that too when the land owner having been not satisfied with the enhanced Award is before this Court.



20. The Reference Court had arrived at the market value of the land at Rs.95,027.62/- based upon the sales statistics particularly to the land value and the document in Sl.No.36 had not given any reasons whatsoever as to why Ex.P3, a prior Sale Deed to Section 4(1) should not be taken. The claimant had relied upon Ex.P1 reverently seeking for higher compensation which has been resisted to by the respondent by contending that the same was earlier a pond which was developed into a house site and sold. To substantiate the same, they had also taken out an miscellaneous petition not to rely upon Ex.P1. Ex.P1 is a Sale Deed registered as early as in the year 1996 and Ex.P3 is a document of a sale registered in the year 1997. Ex.P3 had been taken into the sales statistics in Sl.No.36. A categorical finding has been given by the Reference Court that the various documents in sale statistics particularly the properties in S.Nos.1, 11, 34, 36, 47 & 189 forms part of the eastern border of the acquired property. It has also recorded a finding that the property in Sl.No.36 had been sold as a *Manaikat* and had taken the value of the land in Sl.No.36 could be the appropriate market value of the land. Sl.No.36 was a document which has been marked as Ex.B3 dated 11.08.1997 and admittedly the acquisition had taken place pursuant to 4(1) notification dated 02.06.1998. The Court below had failed to arrive at the market value of the very same land by adding an apportionment to the market value arrived at by it. Even assuming that there should be an appreciation of 10%, the market value should have been Rs.95,027,62 + Rs.9,500. In the present case, it could be seen that there had



been developmental advantages which had remained undisputed and the manner in which the appreciation has taken place which is seen and recorded also by the Court under various documents. The appreciation for the lands according to this Court could be fixed at 15% per annum and in that regard taking Ex.P3 valued to be the true value as fixed by the Court and not challenged by the appellant in this case and confirmed in other Appeal suits arising out of the very same acquisition, the market value of the land is fixed at Rs.95,027/- + Rs14,000/- which would be the true market value of the land on the date of acquisition ie., Rs.1,09,027/-.

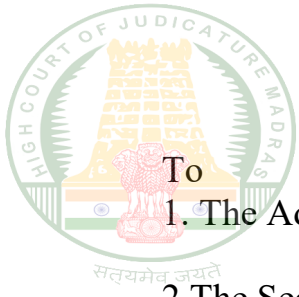
21. For the aforesaid reasons, the Appeal suits stands allowed and the market value arrived at by the Court below is enhanced to Rs1,09,027/- and accordingly, the compensation payable could be arrive at on the basis of the order made by the reference Court.

22. In this context, there is no necessity for this Court to adjudicate CMP. No.22608 of 2022 as the same only relates to Ex.P1.

08.07.2026

Index: Yes/No
Speaking/Non-speaking order
Neutral Citation: Yes/No

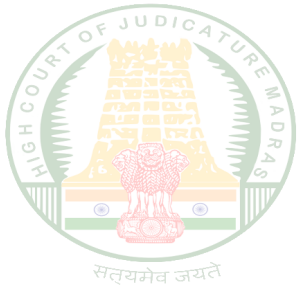
GBA



To

1. The Additional District Judge, Pondicherry at Karaikal.

2. The Section Officer,
VR Section,
Madras High Court,
Chennai.



WEB COPY

AS No. 411 of 2



K.KUMARESH BABU, J.

GBA

A Pre-Delivery judgment made in
AS No. 411 of 2010
and CMP.No.22608 of 2022
and MP.No.1 of 2010

08.07.2026