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A.S.No.783 of 2009



IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 02.07.2026

CORAM

**THE HONOURABLE MR JUSTICE N. SATHISH KUMAR
AND
THE HONOURABLE MR.JUSTICE M.JOTHIRAMAN**

A.S.No.783 of 2009 & Cross Obj.Nos.101 & 93 of 2009
and CMP.No.2407 & 2395 of 2022 & MP.Nos.1 & 2 of 2009

A.S.No.783 of 2009

1.Revenue Divisional Officer
Gopichettipalayam

2.The Special Collector
Gopichettipalayam

... Appellants

-Versus-

- 1.Muniyappan
- 2.P.Rangaswamy (Died)
- 3.B.R.K.Alamelu
- 4.B.R.K.Prabhakaran
- 5.B.R.K.Rajendiran
- 6.Muniyammal
- 7.Kalavathy (Died)
- 8.B.R.V.Vishlakshi
- 9.Chithra
- 10.Suguna
- 11.Shakila
- 12.Sridevi
- 13.Sridharkumar
- 14.Viswanathan
- 15.Shanmugapriya



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16.Minor Sri Aravindh
Rep by Father and Guardian

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17.The Commissioner
Bhavani Corporation
Bhavani

18.R.Sarathamani Devi

19.R.Paramasivam

(R18 & R19 are brought on record as Lrs of deceased R2 vide order dated 04.06.2024 made in CMP.Nos.9392, 9404 & 9406 of 2022 in A.S.No.783 of 2009 by RSMJ & RSVJ)

20.Madhavan

21.Mohanraj

22.Kowshik

(R22 declared major vide common order dated 02.07.2026)

(R20 to R22 are brought on record as Lrs of deceased R7 vide order dated 25.07.2025 made in CMP.Nos.2412 & 2391 of 2022 in A.S.No.783 of 2009 by JNBJ & MJRJ)

... Respondent(s)

Cross Obj.No.93 of 2009

1.B.R.K.Alamelu

2.B.R.K.Prabhakaran

3.B.R.K.Rajendiran

4.B.R.V.Vishlakshi

5.Chithra

6.Suguna

7.Shakila

8.Sridevi

9.Sridharkumar



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10.Viswanathan

11.Shanmugapriya

12.Minor Sri Aravindh

Rep by Father and Guardian

... Cross Objectors

-Versus-

1.Revenue Divisional Officer
Gopichettipalayam

2.The Special Collector
Gopichettipalayam

3.Muniyappan

4.P.Rangaswamy (Died)

5.Muniyammal

6.Kalavathy

7.The Commissioner

Bhavani Corporation, Bhavani

(Respondents 3 to 7 are not necessary parties to the Cross Appeal)

... Respondent(s)

Cross Obj.No.101 of 2009

1.Muniammal

2.Kalavathy (Died)

3.Madhavan

4.Mohanraj

5.Kowsik

(Cross Appellant No.3 declared major vide common order dated 02.07.2026)

(3rd to 5th Cross Objector are brought on record as legal heirs of deceased 2nd cross objector vide order dated 25.07.2025 made in CMP.Nos.2412 & 2391 of 2022 in A.S.No.783 of 2009 by JNBJ & MJRJ)

.. Cross Objectors



A.S.No.783 of 2009

-Versus-

1.Revenue Divisional Officer
Gopichettipalayam
2.The Special Collector
Gopichettipalayam

3.Muniappan
4.P.Rangaswamy (Died)
5.B.R.K.Alamelu
6.B.R.K.Prabhakaran
7.B.R.K.Rajendiran
8.B.R.V.Vishlakshi
9.Chithra
10.Suguna
11.Shakila
12.Sridevi
13.Sridharkumar
14.Viswanathan
15.Shanmugapriya
16.Minor Sri Aravindh
Rep by Father and Guardian

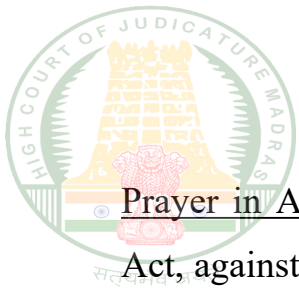
17.The Commissioner
Bhavani Corporation, Bhavani

18.R.Sarathamani Devi
19.R.Paramasivam

(R18 & R19 are brought on record as Lrs of deceased R4 vide order dated 04.06.2024 made in CMP.Nos.9389, 9401 & 9415 of 2022 in Cross Obj.No.101 of 2009 in A.S.No.783 of 2009 by RSMJ & RSVJ)

(Respondents 3 to 17 are not necessary parties to the Cross Appeal)

... Respondent(s)



A.S.No.783 of 2009

Prayer in A.S.No.783 of 2009:Appeal filed under Section 54 of the Land Acquisition Act, against the judgment and decree dated 05.10.2005 in L.A.O.P.No.14 of 2003 on the file of the learned Additional District Judge(Fast Track Court-I), Erode.

Prayer in Cross Obj.No.93 of 2009: Cross Appeal filed under Order 41 Rule 22 of CPC, against the judgment and decree dated 05.10.2005 in L.A.O.P.No.14 of 2003 on the file of the learned Additional District Judge(Fast Track Court-I), Erode.

Prayer in Cross Obj.No.101 of 2009: Cross Appeal filed under Order 41 Rule 22 of CPC, against the judgment and decree dated 05.10.2005 in L.A.O.P.No.14 of 2003 on the file of the learned Additional District Judge(Fast Track Court-I), Erode.

AS.No.783 of 2009

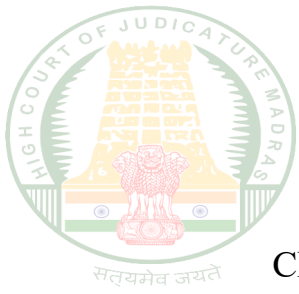
Appellants : Mr.M.Hemanth Kumar
Government Counsel
Respondents : Mr.T.Murugamanickam, Senior Counsel
for Ms.Zeenath Begum for R3 to 5, 8, 10 to 15
Mr.A.K.Kumarasamy, Senior Counsel
Mr.S.Kaithamalai Kumaran for R6 , 18 & 19

Cross.Obj.No.93 of 2009

Appellants : Mr.T.Murugamanickam, Senior Counsel
for Ms.Zeenath Begum
Respondents : Mr.M.Hemanth Kumar for R1 & R2
Government Counsel
Mr.A.K.Kumarasamy, Senior Counsel
Mr.S.Kaithamalai Kumaran for R5

Cross.Obj.No.101 of 2009

Appellants : Mr.A.K.Kumarasamy, Senior Counsel
Mr.S.Kaithamalai Kumaran
Respondents : Mr.M.Hemanth Kumar for R1 & R2
Government Counsel
Mr.T.Murugamanickam, Senior Counsel
for Ms.Zeenath Begum for R5 to R7, 8, 10 to 14



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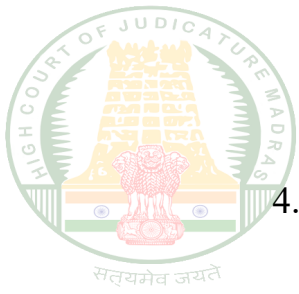
COMMON JUDGEMENT

CMP.No.2407 & 2395 of 2022 have been filed by one Madhavan/claimant in

Cross Objections to represent the Minor Kowshik as a guardian. It is brought to the notice of this Court that the said Kowsik has now become major, therefore, there is no requirement of appointment of a guardian and the said Kowsik is declared major. Hence, these petitions are closed. The Registry is directed to carry out the necessary amendments in the cause-title.

2. The appellants in A.S.No.783 of 2009 is the State. Cross Objections are filed by the respondents/individuals/land owners in Cross.Obj.Nos.783 & 101 of 2009. The 17th respondent in the appeal suit is the requisitioning body. The appeal suit arises out of the judgement and decree dated 05.10.2005 made in L.A.O.P.No.14 of 2003 on the file of the learned Additional District Judge(Fast Track Court-I), Erode enhancing the compensation fixed by the LAO from Rs.23,058/- per acre to Rs.4000/- per cent for the land acquired from the respective land owners and the Cross Objections are filed by the respondents/land owners seeking enhancement of the compensation awarded by the Tribunal from Rs.4000/- to Rs.5000/- in the above-said LAOP.

3. Since the appellants in the Appeal Suit are the respondents in the Cross Objections and the Cross Objectors in the Cross Objections are the respondents in the Appeal Suits, to avoid verbosity and for the sake of convenience, the parties are referred to as appellants and claimants/Cross Objectors/land owners.



4. The facts of the case would be as follows:

(a) A total extent of 2.96.5 hectares situated in Bhavani Taluk, Erode

District, was acquired by the Government for formation of bus stand in Bhavani Taluk. The notification under Section 4(1) of the Land Acquisition Act was issued on 30.08.1985. The lands belonging to the land owners were also acquired under the same proceedings. The appellant thereafter took up enquiry under Section 11 of the Act for fixing the appropriate compensation to be paid to the land owners for their respective lands. The appellant gathered several Sale Deeds, pertaining to the lands in Ooratchikottai Village, where the properties have been sold three years prior to the notification. Based on the sale deeds, the appellant awarded compensation at the rate of Rs.23,058/- per acre vide award dated 27.07.1987.

(b) The claimants/landowners were not satisfied with the same. Therefore, at their request, all these matters were referred to the learned Additional District Judge (Fast Track Court-I), Erode. The said Court took up the matter under L.A.O.P.No.14 of 2003 and passed an order on 05.10.2005, by which, the lower Court fixed the compensation at the rate of Rs.4000/- per cent. As against the same, the State has come up with this appeal suit. The Cross Objections are filed by the respondents/land owners/claimants seeking enhancement of the compensation awarded by the Tribunal from Rs.4000/- to Rs.5000/- in the above-said LAOP.



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5. The learned counsel for the appellant, by referring to the grounds of appeals, would submit that the lower Court has fixed the compensation at a fancy rate; whereas, according to him, the compensation amount fixed by the appellant is very reasonable, reflecting the actual market price. The learned counsel would further submit that the lower Court ought not to have taken into account Exs.C1 & C2 in order to ascertain the market value of the property concerned. Further, the Tribunal has fixed the compensation by taking into account of Exs.C1 and C2 which are relating to smaller extent of land and the said lands cannot be taken into account for the larger land. Thus, according to the learned counsel, the order of the lower Court is liable to be set aside.

6. The learned counsel for the Cross Objectors/land owners submitted that the contiguous land in S.No.762/5, wherein, 3 cents of land was sold for Rs.15,000/-, i.e., Rs.5,000/- per cent vide sale deed dated 26.11.1979 and the said sale deed is the closest sale deed that should have been considered by the Tribunal while fixing the compensation to the landowners. Whereas, the Tribunal has fixed the compensation at Rs.4000/- per cent which according to the learned counsel for the landowners requires to be enhanced. Hence, seeks for interference in the order of the Trial Court.

7. Heard both sides and perused the materials placed on record.

8. It is settled law that the burden of establishing the market value of the lands is always on the claimants. Equally, the State must have been fair and reasonable in



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compensating the uprooted claimants. The legal principle is that the amount of compensation will always be determined by the particular facts and circumstances of the case.

9. In the case of *Mahabir Prasad Santuka v. Collector*, (1987) 1 SCC 587, the Hon'ble Supreme Court has held that market value means, the price which a purchaser is willing to pay for the similar land to a willing seller and further held the concessional rate offered to the industrialist does not indicate the market value and compensation must accurately reflect the market value and the court must ensure that the landowners are justly compensated in alignment with prevailing market conditions. The relevant paragraph of the judgement of the Hon'ble Supreme Court reads as follows:-

“4. It is well settled that the owner of the acquired land is entitled to compensation on the basis of its market value. Section 23 of the Act lays down principles for determining compensation according to which the owner is entitled to receive market value of the land. Market value means what a willing purchaser would pay to a willing seller for the property having regard to the advantages available to the land and the development activities which may be going on in the vicinity and the potentiality of the land. On the evidence on record it is apparent that the land in dispute is adjacent to the industrial area of Charbatiya where a large number of factories including Orissa Textile Mills, Kalinga Tubes Ltd., and a number of other factories are situated. The evidence on record further indicates that even though the land was being used for agriculture purposes but it was fit for non-agricultural purposes and it had potentiality for future use as factory or building site. The learned Subordinate Judge on perusal of the oral and documentary evidence on record determined the market value of the land at the rate of Rs 15,000 per acre. The High Court held that since the State Government had been offering land situate in the adjacent Industrial Area to the industrialists at



the rate of Rs 7500 per acre, the appellants were entitled to compensation at that rate. In our opinion the High Court committed error in taking that approach, as it had itself observed that the State Government had offered land to the industrialists to enable them to set up industries and the price of the land was offered to them at a concessional value with a view to induce them to set up factory. After making that observation High Court was not justified in determining the market value of the land at Rs 7500 per acre, as the offer of land to industrial entrepreneurs at concessional rate could not reflect the market value of the land.”

10. Similarly, Hon'ble Supreme Court in *Ashok Kumar and another vs. State of Haryana [(2016) 4 SCC 544]*, has held that the duty of the Court qua awarding just and fair compensation has been emphasised in no uncertain terms. The relevant passage from the said judgment is usefully extracted hereunder:

“ 7 It is the duty of the Court to award just and fair compensation taking into consideration the true market value and other relevant factors irrespective of the claim made by the owner.”

11. A perusal of the records would show that Exs.C1 and C2 relate to the property comprised in S.Nos.762/5 and 768/6. These two documents relate to a smaller extent of land. This Court is of the view that though these sale instances relates to smaller extent, that itself cannot be a ground to reject such sale instances as the potentiality of the lands were admitted by the RW1 itself. RW1 in the evidence has admitted that the property covered under Exs.C1 and C2 are situated very nearer to the acquired lands and the vast extent of lands were converted into house sites and huge buildings have come up, the acquired lands are situated in Bhavani Municipality near the



Bhavani-Mettur State Highway and some of the lands were sold in square foot basis preceding the notice under Section 4(1) of the Act. The price of the land has increased manifold. Thus, the Trial Court had taken note of the potentiality of the land and had fixed the compensation at Rs.4000/- per cent. That apart, it is also relevant to note that the RW1 in the evidence has categorically stated that while fixing the market value of the acquired lands, they have taken into consideration of the sale deeds of a nearby village namely Ooratchikottai Village and the same is 1 kilometre far than the acquired land. This strategy adopted by the LAO, in the view of this court, was solely to minimise compensation to the greatest extent feasible.

12. In paragraphs 13 onwards, the Reference Court has dealt with the most material piece of evidence placed on record by the claimants viz., the sale instances of the adjoining land and came to the finding that the sale instances relied upon by the claimants can be relied on and acted upon and fixed the market value considering the documents filed by the claimants. It is relevant to note that the State has not let in rebuttal evidence, therefore, the transaction covered therein can be relied upon and acted upon to determine the market value of the land. Accordingly, the reference court has considered the sale instances and had awarded the compensation.

13. The State, being eminent domain while depriving a property from a citizen, is obligated to compensate such a person adequately. Merely because the LAO



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had fixed a minimum compensation ignoring the sale transactions of the adjoining lands and considering the lands which are situated 1 kilometre far than the acquired lands which would be beneficial to the landowners to suit his convenience, it cannot be said that the compensation awarded by the LAO was just and reasonable. The reference court took note of and considered the sales transactions under Exs.C1 and C2 and other factors such as vast extent of conversion of house sites and other emerging developmental activities had enhanced the compensation. In fact, the Tribunal has found that Ex.C1/sale instance was sold at Rs.15,000/-, viz., Rs.5000/- per cent. This Court is of the view that once the Tribunal in a reference has found that Ex.C1 was sold at such rates and has also considered the potentiality of the land, the Tribunal could have enhanced the compensation at Rs.4,500/- per cent. In such view of the matter, we are inclined to increase the compensation at Rs.4,500/- per cent from Rs.4000/- per cent. However, we make it clear that with regard to the other aspects, the judgment of the Trial Court does not require interference in the hands of this Court. The learned Government Counsel for the State is not able to make out a case to show that the amount fixed by the Trial Court is exorbitant or unreasonable.

14. For the foregoing discussion, we are of the view that the appeal suit filed by the State is completely devoid of merits and the same is liable to be dismissed and the Cross Objections are partly allowed as indicated above :-

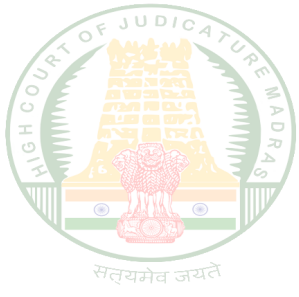


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15. In the result, the appeal suit is dismissed. The Cross Objections are partly allowed, enhancing the compensation to Rs.4,500/- per cent. With regard to the other aspects, the judgment of the Trial Court stands confirmed. No costs. Consequently, connected miscellaneous petitions are closed.

[N.S.K.J] [M.J.R.J]
02.07.2026

Index : yes / no
Neutral Citation : yes / no
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A.S.No.783 of 2009 etc.,

N.SATHISH KUMAR.J.,
and
M.JOTHIRAMAN, J.,

dhk

To

1. The Additional District Judge (Fast Track Court-I), Erode.
The Additional District Court (Fast Track Court-I), Erode.

2.The Section Officer
VR Section, Madras High Court

COMMON JUDGEMENT
in
Appeal Suit Nos.783 of 2009 etc., cases

02.07.2026