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A.S.Nos.469 of 2023 etc.,



IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 21.07.2026

CORAM

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

A.S.Nos.469, 716, 715, 455, 454, 452, 321, 322, 323, 327, 329, 470, 326, 324 & 325 of
2023,
340 of 2022,
371, 370, 372, 181 & 182 of 2024,
685, 688, 689 & 1244 of 2025
& 110 of 2026
and

CMP.Nos.19181, 19175, 19179, 19178, 19172, 19176, 18995, 18994, 18996, 18987,
18986, 18985, 19102, 19100, 19106, 18948, 18951 & 18958 of 2026

A.S.No.469 of 2023

K.Komuru Gounder (Died)

1.Atthayee

Athiannan (Died)

2.A.K.Periyasamy

3.A.Bakkiyam

4.A.Prakash

5.A.Dinesh

[Accepted the cause-title vide order dated 02.06.2023 made in
CMP.Nos.10813 & 10900 of 2023 in A.S.SR.Nos.36822 &
36821 of 2022 (SVNJ & KRSJ)]

... Appellants

-Versus-

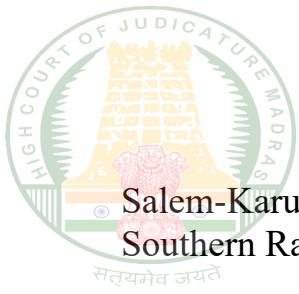
1.The Special Tahsildar (LA)

Salem-Karur Broad Gauge

Railway Line Project

Unit-I, Namakkal

2.The Deputy Chief Engineer (Construction)



A.S.Nos.469 of 2023 etc.,

Salem-Karur Broad Gauge Railway Line Project
Southern Railway, Salem – 636 005

... Respondent(s)

Prayer in A.S.No.469 of 2023: Appeal filed under Section 54 of the Land Acquisition Act, against the judgment and decree dated 27.09.2018 in L.A.O.P.No.65 of 2008 on the file of the learned Sub Judge, Rasipuram.

Appellants : Mr.P.Jagadeesan in all cases

Respondents : Mr.M.Hemanth Kumar for R1 (In all cases)
Government Counsel
Mr.A.R.Sakthivel for R2
in A.S.Nos.324, 325 & 326 of 2023
No appearance for R2 in all other cases

COMMON JUDGEMENT

Memo(s) have been filed by the appellants in AS.Nos.469 & 470 of 2023 stating that the first appellant in the appeals has died and since the legal representatives of the deceased are already on record, they may be recognised as the legal representatives of the deceased Appellant No.1. The memo(s) are accepted and they are recognised as the legal representatives of the deceased Appellant No.1. The memo(s) shall form part of the record.

2. CMP.Nos.19181, 19175, 19179, 19178, 19172, 19176, 18995, 18994, 18996, 18987, 18986, 18985, 19102, 19100, 19106, 18948, 18951 & 18958 of 2026 in A.S.Nos.322, 325, 329 & 454 of 2023 & 370 & 371 of 2024 have been filed to set aside the abatement caused on account of death of respective appellants; condone the delay of respective days in filing the petition to bring on record the legal heirs of the respective



A.S.Nos.469 of 2023 etc.,

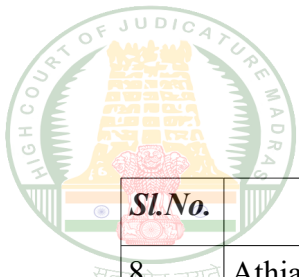
appellants and to bring on record the legal heirs of the respective deceased appellants in the above appeal suits. Being satisfied with the reasons stated in the affidavits filed in support of these petitions, these petitions are ordered, accordingly. Registry is directed to carry out the necessary amendments in the respective cause-title(s).

3. These appeals arose out of land acquisitions made by the Acquiring Authority in Ayeepalayam & Kattanachampatti Villages, Namakkal District. The lands were acquired for the purpose of laying Salem-Karur Broad Gauge line by a shorter route, by the Indian Railways, who are the Requisitioning Body.

4. For the sake of convenience and for easy determination in fixing of compensation, the impugned award(s) are categorised and tabulated into four awards. The award Nos. 1 to 3 relates to Ayeepalayam Village and the fourth award relates to Kattanchampatti Village.

The first award relating to as follows:-

Sl.No.	Name of the claimant(s)	LAOP Nos. of 2008	A.S.Nos.
1	P.Kanagasabapathi	78	340/2022
2	Kali Gounder	66	321/2023
3	A.Sellappan	71	322/2023
4	Yogesh	77	323/2023
5	A.P.Subramaniam	72	327/2023
6	Athiappan (Died)	73	329/2023
7	C.Periysamy	69	452/2023



A.S.Nos.469 of 2023 etc.,

Sl.No.	Name of the claimant(s)	LAOP Nos. of 2008	A.S.Nos.
8	Athianna Gounder (Died)	67	454/2023
9	K.Kandasamy	70	455/2023
10	K.Komuru Gounder (Died)	65	469/2023
11	K.Chokalingam (Died)	74	715/2023
12	P.Krishnamurthy	75	716/2023
13	K.Komuru Gounder (Died)	49	182/2024

The second award relating to as follows:-

Sl.No.	Name of the claimant(s)	LAOP Nos. of 2008	A.S.Nos.
1	C.Periyasamy	185	324/2023
2	Sellappan(Died)	181	325/2023
3	M.Kali Gounder	180	326/2023
4	Komru Gounder (Died)	179	470/2023
5	A.Athappan (Died)	186	370/2024
6	A.Athianna Gounder (Died)	182	371/2024
7	K.Valliammal	184	372/2024
8	M.Ramasamy (Died)	183	688/2025

The third award relating to as follows:-

Sl.No.	Name of the claimant(s)	LAOP No.	A.S.Nos.
1	Komru Gounder (Died) & others	1 of 2010	181/2024

The fourth award relating to as follows:-

Sl.No.	Name of the claimant(s)	LAOP Nos. of 2008	A.S.Nos.
1	K.Selvaraj	50	1244/2025
2	A.Selvaraj	58	685/2025



Sl.No.	Name of the claimant(s)	LAOP Nos. of 2008	A.S.Nos.
3	N.Duraisamy (Died) & others	55	689/2025
4	P.Kandasamy (Died) & others	57	110/2026

5. The facts of the cases would be as follows:

5(a) On requisition from the Indian Railways, the State Government issued notifications under Section 4(1) between 20.03.1999 and 05.09.2001 notifying the lands situated in Ayeepalayam Revenue village and on 04.09.1999 in respect of Kattanachampatti Village. In order to avoid delay, the enquiry under Section 5A was dispensed with by invoking urgency clause and by exercising power under Section 17(2) and Section 17(4) of the Land Acquisition Act. After following due procedure, final awards came to be passed between (01.10.1999,23.09.1999), 04.04.2002, 25.11.2008 and 29.09.1999 respectively. The Acquiring Authority fixed the market rate of compensation for both wet and dry lands at the rate of Rs.2,18,500/-, 2,18,500/-, Rs.2,89,288/- and 1,00,000/- per hectare respectively. In LAOP.No.49/2008, Rs.74,100/- was fixed per hectare. Possession of the lands were taken over by the Railways in the year 1999 itself.

5.(b). Aggrieved land owners objected to the low rate of compensation. Hence, the issues were referred for determination of market value under Section 18 of



A.S.Nos.469 of 2020 etc.,

the Land Acquisition Act by the jurisdictional Reference Court and was assigned to the

learned Sub Judge, Subordinate Court, Rasipuram. The references were registered by the

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Reference Court as referred tabulated above. With regard to the first award, trial was

conducted on the basis of a memo filed by both sides and evidence was recorded in

LAOP No.65 of 2008. With regard to the second award, trial was conducted on the basis

of a memo filed by both sides and evidence was recorded in LAOP No.185 of 2008.

With regard to the third award, trial was conducted on the basis of a memo filed by both

sides and evidence was recorded in LAOP No.1 of 2010. Similarly, with regard to the

fourth award, trial was conducted on the basis of a memo filed by both sides and

evidence was recorded in LAOP No.50 of 2008

5.(c). Before the Reference Court, in the first award, on behalf of the

claimants, 4 witnesses were examined as C.W.1 to C.W.4. On their side, 20 documents

were filed and marked as Exs.C1 to C20. On the side of the Acquiring Authority, Rajesh

Kannan, the then Special Tahsildar, was examined as R.W.1 and on their side 9

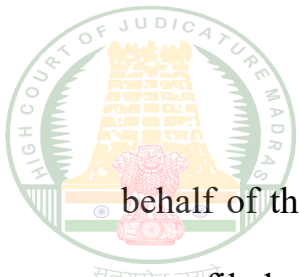
documents were filed and marked as Exs.R1 to R9. With regard to the second award, on

behalf of the claimants, 1 witness was examined as C.W.1. On their side, 2 documents

were filed and marked as Exs.C1 to C2. On the side of the Acquiring Authority, Rajesh

Kannan, the then Special Tahsildar, was examined as R.W.1 and on their side 5

documents were filed and marked as Exs.R1 to R5. With regard to the third award, on



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behalf of the claimants, 1 witness was examined as C.W.1. On their side, 3 documents were filed and marked as Exs.C1 to C3. On the side of the Acquiring Authority, Rajesh Kannan, the then Special Tahsildar, was examined as R.W.1 and on their side 3 documents were filed and marked as Exs.R1 to R3. Similarly, with regard to the fourth award, on behalf of the claimants, 3 witness was examined as C.W.1 to C.W.3. On their side, 52 documents were filed and marked as Exs.C1 to C52. On the side of the Acquiring Authority, Ayyavu, the then Special Tahsildar, was examined as R.W.1 and on their side 4 documents were filed and marked as Exs.R1 to R4.

5(d)The Reference Court on an analysis of evidences (both oral and documentary) fixed the compensation at Rs.15/- per sq.ft., for the first award; Rs.18/- per sq.ft., for the second award; Rs.47/- per sq.ft., for the third award and Rs.23/- for the fourth award. In addition, severance compensation was granted at Rs.50,000/-.

6. Aggrieved by the compensation fixed by the Reference Court, the land owners have come up with these appeal suits contending that the compensation fixed by the Reference Court was on a lower side. No cross appeal/cross objections are filed by the State.

7. In view of the interconnectivity between all these matter, they are heard together and a common judgment is passed.

8. The learned counsel for the appellants, by referring to the grounds of



A.S.Nos.469 of 2007 etc.,

appeals, would submit that the lands even at the time of notification under Section 4(1) were capable of being converted into the house sites and as per Ex.C5, the lands were sold at sq.ft., basis more than the amount fixed by the Trial Court, however, the Trial Court has failed to take into consideration of the said sale exemplar which according to them is the closest sale deed. That apart, it is also the contention of the learned counsel that the severance compensation awarded by the Reference Court is very meagre and that should also be enhanced. He also submitted that in respect of the very same acquisition of the land in Vengampatti Village, this Court in *A.S.Nos.198 of 2007 etc., cases dated 30.08.2010 (The Special Tahsildar (LA) Salem-Karur Broad Gauge Line Project, Salem vs. Kaliammal and others)* has fixed Rs.50/- per sq.ft., hence, there was no reason why the claimants in the Ayeepalayam and Kattanachampatti Village should be denied the right to get the same rate of compensation especially when the purpose for acquisition was the same. The said judgment is not challenged and the same has reached finality. Hence, seeks for similar treatment for the present claimants also. The learned counsel also fairly submitted that in respect of the first award, the claimants have sought Rs.30/- per sq.ft., hence, in respect of the first award, Rs.30/- may be fixed and with respect to the other awards, Rs.50/- may be fixed. In all, the learned counsel for the appellants sought for enhancement in the award(s) passed by the Reference Court.

9. Conversely, the learned Government Counsel submitted that the claimants



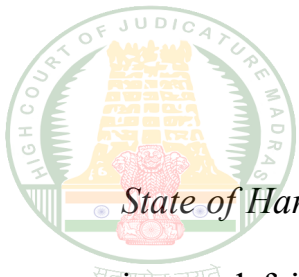
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themselves in the first award have sought compensation at the rate of Rs.30/- per sq.ft., there cannot be excess compensation and with respect to other awards, he has no objection in ordering Rs.50/- per sq.ft., as ordered by this Court in a similar matter. Hence, seeks for appropriate orders.

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

11. It is settled law that when a person is deprived of his land, which was the source of his livelihood, he must be compensated adequately by way of just and fair compensation. “Just” compensation means fair market value. The person from whom the land was acquired must be compensated for sustenance of their livelihood. If the lands were not acquired, the landowner would have certainly made many improvements on the lands, and even if the land is kept as it is as agricultural land, just by rearing the cattle, one can easily make their livelihood.

12. The State, being eminent domain while depriving a property from a citizen, is obligated to compensate such a person adequately. Merely because the LAO had fixed a minimum compensation ignoring all the sale transactions, 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 legal principle is that the amount of compensation will always be determined by the particular facts and circumstances of the case. The 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.”

13. Similarly, the Hon'ble Supreme Court in the case of *Atma Singh vs. State of Haryana* reported in 2008 (2) SCC 568 has observed that the market value is the price that a willing purchaser would pay to a willing seller for the property having due regard to its existing condition with all its existing advantages and its potential possibilities when led out in most advantageous manner excluding any advantage due to carrying out of the scheme for which the property is compulsorily acquired. The relevant paragraphs reads as follows:-

“ 4... The expression “market value” has been the subject-matter of consideration by this Court in several cases. The market value is the price that a willing purchaser would pay to a willing seller for the property having due regard to its existing condition with all its existing advantages and its potential possibilities when led out in most advantageous manner excluding any advantage due to carrying out of the scheme for which the property is compulsorily acquired. In considering the market value disinclination of the vendor to part with his land and the urgent necessity of the purchaser to buy should be of hypothetical willing vendor who would offer the land and a purchaser in normal human conduct would be willing to buy as a prudent man in normal market conditions but not an anxious dealing at arm's length nor facade of sale nor fictitious sale brought about in quick succession or otherwise to inflate the market value is the

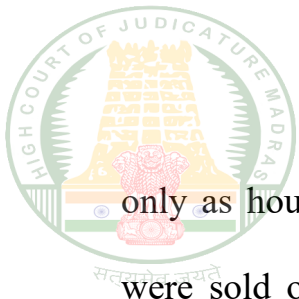


prediction of an economic event viz. a price outcome of hypothetical sale expressed in terms of probabilities.”

WEB COPY14. The learned counsel for the claimants placed reliance upon a judgment of the Hon'ble Supreme Court in the case of *Bhim Singh and others vs. State of Haryana and another* reported in (2003) 10 SCC 529 for the proposition that when the Court had fixed rates in respect of earlier acquisitions for the same purpose, it was better to adopt those rates with suitable increases than to rely upon sale instances.

15. In light of the above legal precedents and factual matrix, this Court is of the considered view that the compensation fixed by the Reference Court is not commensurate with the market value of the lands acquired and it requires further enhancement since this Court had fixed a uniform rate at Rs.50/- per sq.ft., for the very same acquisition and the said judgment has reached finality. In this regard, it is also relevant to note that in *Special Land Acquisition Officer vs. Karigowda and others* reported in (2010) 5 SCC 708, the Hon'ble Supreme Court has held that the purpose for which land is acquired and the valuation in the adjoining villages also can be considered.

16. In the very same railway line project for the lands taken over from Vengampatti Village, an uniform rate of Rs.50/- was approved by this Court in *A.S.Nos.198 of 2007 etc., cases dated 30.08.2010 (The Special Tahsildar (LA) Salem-Karur Broad Gauge Line Project, Salem vs. Kaliammal and others)* considering the fact that the substantial sale transactions in that area had taken place and the lands were sold



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only as house sites. Admittedly, in the instant cases also, substantial sale transactions were sold only as house sites, therefore, the same yardstick has to be applied in the present cases also. It is also to be pointed out that the common judgment in A.S.Nos.198 of 2007 has reached finality and is followed by this Court in *A.S.No.480 of 2023 dated 29.01.2025 (Amuthavalli vs. The Special Tahsildar (LA) Salem-Karur Broad Gauge Line Project, Salem)*. That apart, RW1 in his evidence has clearly admitted that the acquired lands are abutting to the National Highways and there are huge textiles and spinning mills and some of the lands were sold in square foot basis preceding the notice under Section 4(1) of the Act.

17. With regard to the claim of the claimants seeking enhancement in severance compensation, the relevant provision in this regard is Section 23(1) of the erstwhile Land Acquisition Act, 1894, which reads as under :

"23. Matters to be considered in determining compensation.

(1) In determining the amount or compensation to be awarded for land acquired under this Act, the Court shall take into consideration- first, the market-value of the land at the date of the publication of the notification under section 4, sub- section (1);

secondly, the damage sustained by the person interested, by reason of the taking of any standing crops or trees which may be on the land at the time of the Collector's taking possession thereof;

thirdly, the damage (if any) sustained by the person interested, at the time of the Collector's taking possession of the land, by reason of severing such land from his other land;

fourthly, the damage (if any) sustained by the person interested, at the time of the Collector's taking possession of the land, by reason of the acquisition



injuriously affecting his other property, movable or immovable, in any other manner, or his earnings;

fifthly, if, in consequence of the acquisition of the land by the Collector, the person interested is compelled to change his residence or place of business, the reasonable expenses (if any) incidental to such change, and sixthly, the damage (if any) bona fide resulting from diminution of the profits of the land between the time of the publication of the declaration under section and the time of the Collector's taking possession of the land

18. The third clause provide for compensation for severance of land.

Severance compensation is awarded for the separation of the unacquired land from the acquired land to the claimants at the time the Collector takes possession of the acquired land. The entitlement to severance compensation must be assessed in the context of the loss suffered by the claimant as a result of the acquisition. It is relevant to note that there need not be an opinion of an expert to appreciate the problems faced by the claimants in doing their agricultural works.

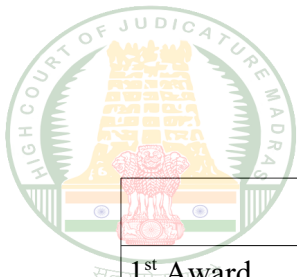
19. In *Walchandnagar Industries VS State of Maharashtra and another* reported in (2022) 5 SCC 71, the Hon'ble Supreme Court considered the parameters for the grant of severance compensation and held that the benefit under the third clause of Section 23(1) of the Land Acquisition Act 1898 cannot be read in isolation with that of the fourth clause. Both the clauses have to be read together.

20. However, we must note that while determining the compensation under clause thirdly of Section 23(1) of the Land Acquisition Act 1894, there is no definite



guidelines. Compensation can go up to 50-60% of the amount fixed by the court as market value. Be that as it may, on facts we feel that since the remaining extent of land are affected due to the acquisition, it may not be expedient in granting severance compensation fixing at Rs.50,000/-. It must be remembered that in such cases the determination becomes purely factual depending upon the plea of the claimant to prove the entitlement of the severance compensation. Thus, when the lands are equipped with well and that now majority of the lands were acquired, it would be extremely difficult to the claimants to carry on agricultural operations in the residual lands. Consequently, the claimants have suffered loss on account of such severance, therefore, we are of the considered view that the severance compensation has to be enhanced to Rs.1,00,000/- in respect of the first award. Accordingly, the severance compensation is enhanced and fixed at Rs.1,00,000/- in respect of the first award.

21. In all, the claimants in the first award themselves has claimed only Rs.30/- per sq.ft., In such a situation, this Court cannot grant more compensation than what was claimed by the claimants. Similarly, though the claimants in the fourth award had claimed Rs.100/- per sq.ft., they themselves in the appeals have restricted their claim to Rs.50/- per sq.ft., Hence, by consent of both sides, this Court is inclined to fix the compensation as follows:-



A.S.Nos.469 of 2022 etc.,

<i>Award Nos</i>	<i>Fixation of Compensation</i>
1 st Award	Rs.30/- per sq.ft.,
2 nd Award	Rs.50/- per sq.ft.,
3 rd Award	Rs.50/- per sq.ft.,
4 th Award	Rs.50/- per sq.ft.,

In addition, the severance compensation is enhanced and fixed at Rs.1,00,000/- in respect of the first award only. It is made clear the claimants who have not filed any appeal are not entitled to get the same rate of compensation as ordered by this Court in these appeal suits.

22. Except the above enhancements, the awards of the Reference Court stands confirmed. The respondents are directed to deposit the entire enhanced award amount after deducting the amount already deposited, if any, within a period of three months from the date of receipt of a copy of this Order. The claimants are directed to pay the court fee for the enhanced compensation amount, if any.

23. Accordingly, these appeal suits are disposed of. No costs. Consequently, connected miscellaneous petition(s) stands closed, if any.

24. Though a common judgment is pronounced, the learned Government Counsel and the learned counsel for the second respondent are entitled to get separate set of fees.



A.S.Nos.469 of 2025 etc.,

[N.S.K.J]

[M.J.R.J]

21.07.2026

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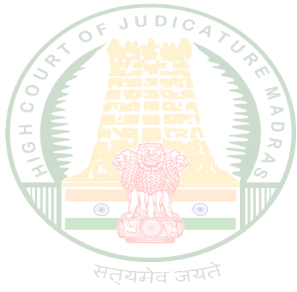
To,

1. The Sub Judge
The Subordinate Court, Rasipuram

2.The Section Officer
VR Section
Madras High Court

3.The Special Tahsildar (LA)
Salem-Karur Broad Gauge
Railway Line Project
Unit-I, Namakkal

4.The Deputy Chief Engineer (Construction)
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Southern Railway, Salem – 636 005



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A.S.Nos.469 of 2023 etc.,

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

dhk

COMMON JUDGEMENT

in
Appeal Suit Nos.469 of 2023 etc., cases

21.07.2026