



WEB COPY

AS No. 822 of 2



IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 13-07-2026

CORAM

THE HON'BLE MR JUSTICE N. SATHISH KUMAR

AND

THE HON'BLE MR.JUSTICE M.JOTHIRAMAN

A.S. No. 822 of 2018, A.S. No. 459 of 2014, A.S. No. 333 of 2017,

A.S.Nos. 103 and 132 of 2021

and

CROS.OBJ No. 48 of 2026

&

CMP Nos. 6633, 7741, 11648, 11644, 11775, 11773 of 2021,

CMP No. 27636 of 2024 and C.M.P.No.17981 of 2026

AS No. 822 of 2018

The Special Tahsildar

Tamil Nadu Housing Board, Cuddalore.

..Appellant(s)

Vs

1.Kumar (died)

S/o Shanmuga Udaiyar (late)

2.The Executive Engineer and Administrative
Officer

I/c Tamil Nadu Housing Board Villupuram Housing Unit
Villupuram

3.Bhuvaneswari

W/o. Kumar

4.Sankarnarayanan

S/o. Kumar

[R2 is impleaded vide Court order dated 01.07.2021
passed in C.M.P.No.6754 of 2019 in A.S.No.822 of
2018 (MMSJ & RNMJ)]

[R1 Died. R3 and R4 are brought on record as LRS
of deceased R1 vide Court order dated 30.06.2026
made in CMP.No.712, 717, 718 of 2025 in
AS.No.822/2018 (NSKJ and MJRJ)]



Appeal filed under Section 54 of the Land Acquisition Act to set aside the decree and judgment passed in LAOP No.99 of 2017 dated 10-02-2016 on the file of the II Additional Subordinate Judge, Villupuram.

For Appellant : Mr.M.Hemanthkumar

Government Counsel

For Respondents : Mr.N.Suresh for R3 and R4

AS No. 459 of 2014

Subramaniam
S/o Snahmugha Udaiar

..Appellant(s)

Vs

The Special Tahsildar
Land Acquisition(I.P)
Tamilnadu Housing Board Scheme
Cuddalore

..Respondent

Appeal filed under Section 96 of CPC against the judgment and decree dated 31.08.2012 made in L.A.O.P.No.97 of 2007 on the file of II Additional Subordinate Judge, Villupuram.

For Appellant : Mr.Kandhan Doraisami

For Respondents : Mr.M.Hemanthkumar

Government Counsel

AS No. 333 of 2017

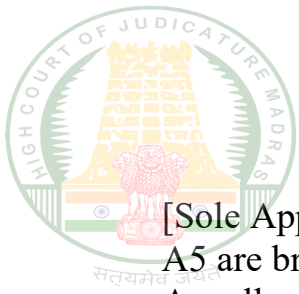
1.Rajeshwari (died)
W/o. Murugan

2.M.Balaji

3.M. Sudha Devi

4.M. Anuradha

5.M Sakthipriya Arul Murugan



[Sole Appellant Namely Rajeshwari Died. A2 to A5 are brought on record as LRS of deceased Sole Appellant vide court order dated 30.06.2026 made in CMP.No's. 22154, 22155, 22158 of 2024 in AS.No.333/2017 (NSKJ and MJRJ)]

..Appellant(s)

Vs

The Special Tahsildar
Land Acquisition (LP),
TNHB Scheme, Cuddalore.

Appeal filed under Section 54 of Land Acquisition Act, 1894 against the award and decree passed in LAOP.No.100/2007 on the file of the II Additional Subordinate Judge, Villupuram dated 31/08/2012.

For Appellant : Mr.K.Sukumaran

For Respondents : Mr.M.Hemanthkumar

Government Counsel

AS No. 103 of 2021

The Special Tahsildar
Land Acquisition, TNHB, Cuddalore

..Appellant(s)

Vs

1.S.Sivanantham
S/o Shanmuga Udaiyar

2.The Executive Engineer
Tamil Nadu Housing Board, Villupuram

Appeal filed under Section 54 of Land Acquisition Act, 1894 to set aside the judgment and decree passed in LAOP NO.95 of 2007 dated 28-04-2018 on the file of the 1st Additional Subordinate Judge, Villupuram

For Appellant : Mr.M.Hemanthkumar



Government Counsel
For Respondents : Ms.G.P.Darsini Priya
for R.Parthasarathy for R1

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AS No. 132 of 2021

The Special Tahsildar
Land Acquisition, TNHB Cuddalore

..Appellant(s)

Vs

1.Sivanantham
S/o Shanmuga Udiyar

2.The Executive Engineer
Tamil Nadu Housing Board, Villupuram

..Respondent(s)

Appeal filed under Section 54 of Land Acquisition Act, 1894 to set aside the judgment and decree passed in LAOP NO.222 of 2013 dated 16-07-2018 on the file of the 1st Additional Subordinate Judge, Villupuram.

For Appellant(s):

Mr.M.Hemanth Kumar
Government Counsel

For Respondent(s):

Ms.G.P.Darsini Priya
for Mr. R.Parthasarathy for R1

CROS.OBJ No. 48 of 2026

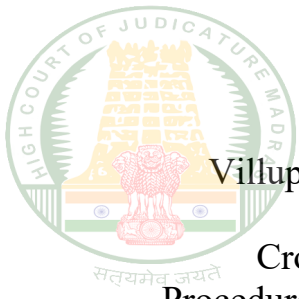
Sivanantham

... Cross Objector

Vs.

1. The Special Tahsildar
Land Acquisition
TNHB, Cuddalore

2. The Executive Engineer
Tamil Nadu Housing Board



Villupuram

AS No. 822 of 2



... Respondents

Cross Objection filed under Order XLI Rule 22 of the Code of Civil Procedure against the decree and judgment dated 16.07.2018 as amended by order dated 20.11.2020 in L.A.O.P.No.222 of 2013 of the learned 1st Additional Subordinate Judge, Villupuram insofar as the trial Court fixing Rs.340/- per sq.ft as the market value of the subject property.

For Cross Objector : Ms.G.P.Darsini Priya
for Mr.R.Parthasarathy

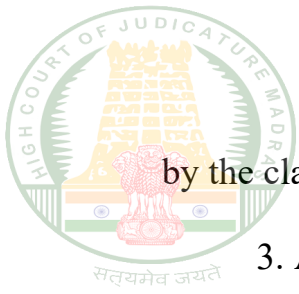
For Respondents : Mr.M.Hemanthkumar
Government counsel for R1
No Appearance for R2

COMMON JUDGMENT

(Judgment of the Court was delivered by N.Sathish Kumar J.)

A.S.No.822 of 2018 and A.S.No.103 of 2021 have been filed by the State challenging the order of the reference Court fixing a sum of Rs.500/- per square feet as compensation for the lands acquired by the Tamil Nadu Housing Board for developing the house sites and A.S.No.132 of 2021 has been filed by the State challenging the fixation of compensation at Rs.340/- per sq.ft by the Reference Court. In this appeal, cross-objection has been filed by the claimant in Cross-objection No.48 of 2026 for enhancement of compensation.

2. A.S.No.333 of 2017 and A.S.No.459 of 2014 have been filed by the claimants challenging the order of the reference court fixing the compensation at the rate of Rs.30/- per sq.ft and seeking enhancement of the compensation. In A.S.No.459 of 2014, an application in C.M.P.No.17981 of 2026 has been filed



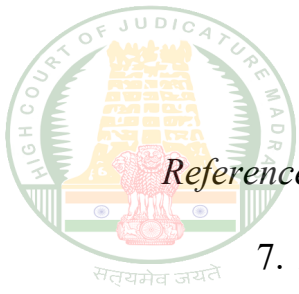
by the claimant with a prayer to accept the payment of additional Court fee.

3. As all these appeals are arising out of the same acquisition proceedings made pursuant to Section 4(1) notification issued in G.O.Ms.No.536, Housing and Urban Development Department, dated 05.04.1991, we are inclined to dispose of the appeals by this common judgment.

4. An extent of 2.72.82 Hectares in T.S.No.50/1, Kilperumbakkam Village in Villupuram Taluk was acquired for development of house sites by the Tamil Nadu Housing Board for implementation of neighbourhood schemes. The Land Acquisition Officer has passed an award fixing the compensation at Rs.8.80 per sq.ft. On reference, the Reference Court in L.A.O.P.No.95 of 2007 in and vide order dated 28.04.2018 fixed the compensation at Rs.500/- per sq.ft whereas in common award dated 31.08.2012 in L.A.O.P.No.100 of 2007, the Land Acquisition Officer has fixed compensation at Rs.30/- and deducted Rs.20/- towards developmental charges.

5. The learned counsel appearing for the claimants would submit that the land is adjacent to the Villupuram - Pondicherry Highways and it has potential value. It is further submitted that many developments have taken place in that area and schools and theatres also have come up there. The learned counsel would therefore submit that if the parity is adopted, fixing Rs.500/- per sq.ft as compensation will meet the ends of justice.

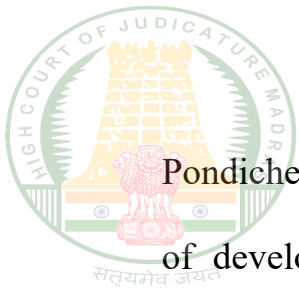
6. In the light of the above submission, the point that arises for consideration in this appeal is "*whether the compensation fixed by the*



Reference Court is just and fair and in accordance with the market value?"

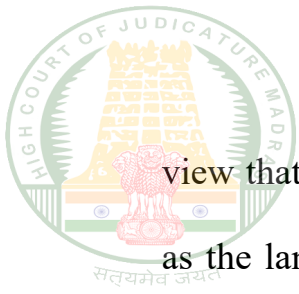
7. A perusal of the award it is seen that an extent of 2.72.82 Hectares comprised in T.S.No.50/1, Kilperumbakkam Village in Villupuram Taluk was acquired pursuant to the notification issued in G.O.Ms.No.536, Housing and Urban Development Department, dated 05.04.1991 and a draft declaration under Section 6 was approved vide G.O.Ms.No.1378, Housing and Urban Development Department, dated 24.10.1991. The same has been published in an extra ordinary issue of the Tamil Nadu Government Gazettee on 04.12.1991. The Land Acquisition Officer has collected 27 sample sale deeds for the period from 24.04.1990 to 25.04.1991 and it is found that in one of the sale deeds, an extent of 2400 sq.ft in T.S.No.33/2B has been sold for Rs.31,500/- and the same is within 12 meters from the land, which is subject matter of acquisition in these appeals.

8. It is relevant to note that various sample sale deeds were filed by the claimants and in L.A.O.P.No.99 of 2007, the claimants relied upon the sale deed dated 24.09.1988 wherein the land has been sold for Rs.387/- per sq.ft. The same is also recorded in the sale deed dated 26.12.1986. Evidence has also been adduced to the effect that the acquired lands are very near to the Villupuram-Pondicherry Highway and there are schools and cinema theaters around that area and Government has also fixed the rate at Rs.387/- per sq.ft as the market value on 26.12.1986. It is also seen from Ex.P3 filed by the claimant that Housing Board has given advertisement for sale of the lands near Villupuram-



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Pondicherry Highway at Rs.2,00,000/- for 775 sq.ft in the year 2007 itself. Lot of developments had also taken place and the value of the land has also increased potentially, which is not disputed by the State. It is also not in dispute that the lands were acquired for a housing scheme. It is also brought to the notice of this Court that vide sale deed dated 20.01.2021, the Housing Board has sold an extent of 10241 sq.ft for a sum of Rs.4,05,00,000/-. This sale deed is also not disputed by the Government Pleader. Though it is not the guideline value, the fact remains that the land value has increased 200%. Only a small extent of 2.72.82 Hectares of land has been acquired. When a small extent of land is acquired for the development of house sites and the lands are adjacent to the Highways, no further development is required. These facts are also to be taken into consideration while fixing the market value. Though normally deduction is permissible, since these lands were acquired in the year 1991, more than 30 years back, we are of the view that no further deduction is required towards development charges as the land price has increased manifold and the Housing Board has gained huge profits. In this regard, it is useful to refer to a judgment of Hon'ble Supreme Court in ***Revenue Divisional Officer V.Ismail Bhai reported in 2023 SAR (Civ) 49:2022 SCC OnLine SC 1612***, wherein the Supreme Court in fact has not granted deduction of development charges on the ground that the lands were acquired 40 years back and the compensation was decided by the Land Acquisition Officer after litigating in Courts only at Rs.6/- per square yard for the lands in the heart of city of Hyderabad. We are of the



view that the said judgment will apply squarely to the facts of the instant cases as the land was acquired by the Housing Board for the purpose of developing house sites 30 years back and hence, no deduction need to be made towards development charges . Admittedly, for the lands sold in the year 1986, the State has fixed the guideline value at the rate of Rs.387/- per square feet. The same cannot be ignored altogether.

9. With regard to fixation of market value, in ***Bhopendra Singh and Others Vs. Awas Evam Vikas Perishad and others*** reported in **2005 (2) Uttaranchal Decision, 295: MANU/UC/0270/2005**, it has been held as follows:

“4.Learned reference court has assessed the market value of similar land @ Rs.6% per square feet on the ground that other land of the same area which was acquired with land in question was also valued at the said rate by the Special Land Acquisition Officer. However, learned Counsel for the Appellants argued that the land in question is adjoining to the main road unlike the land which was taken into consideration by the reference court. It is further argued that the land in question should not have been valued less than Rs.50 square feet. On perusal of the oral evidence adduced by the parties we found that P.W.-1 Smt.Raj Dulari has stated that in the year 1976 value of land in question was Rs.505 per square feet. P.W.-2 Arvind Singh, P.W.-3 Ranvir Singh and P.W.-4 Harpal Singh have also made the similar statements. But in the matters of Land Acquisition, best way to assess the market value is to examine the value in the light of price paid by the purchaser of similar land in



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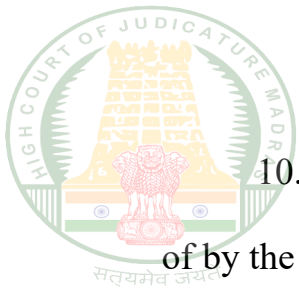
the neighbourhood of the land in question. Such transaction if nearer the date of notification of acquisition, facilitates the court to assess the more accurate market value of the land. However, in the present case none of the above witnesses have adduced any evidence as to the exemplar sale deed pertaining to the nearby similar land. In absence of such sale deeds we are compelled to see the valuation of the surrounding land made by the Collector Nainital under Rule 340-A of the U.P. Stamp (first amendment) Rules, 1976. Paper No.44-c/1 is copy of the Circle rate showing market value assessed by the Collector for the purposes of registration of instrument of sale. The said documents shows that the circle rate of the land in question for imposing the stamp duty over the documents is Rs.95/- to Rs.135/- per sq.meter as market value of the land adjoining to road and Rs.67/- to Rs.80/- per sq.meter for the land away from the road. From the evidence on record, it is clear that the land in question was near the main road. As such the market value as per the circle rate was treated for the purpose of realizing stamp duty not less than Rs.95/- per sq.meter. It would be injustice to the owner of the land if for realizing the stamp duty we apply the circle rate and deny at least the said rate in making payment of compensation on acquisition of his land. The total area of land in question is 2900 sq.yard. The learned reference Court has erred in law by multiplying the rate mentioned per sq.feet with area in terms of sq.yard. That is why due to miscalculation the amount has been stuck at meager Rs.17,400/-. Area measuring 0.6 acre is equal to 2900 sq.yard which is equal to 2397 sq.meter. If we assess the market value relying on the circle rate it would be Rs.95 per sq.meter, the market value of the land in the year 1976 comes out to be Rs.95/-A-2397.80



sq.meters=2,27,791/-.

12. The market value determined for the circle, is the minimum statutory market value, in accordance with the statutory rules framed under the Stamp Act, amended by the U.P. Act, on the basis of which, stamp duty is paid as per schedule appended to Section 3 and sale deed is to be entertained only after the payment of the stamp duty paid on the said minimum market value and if in the opinion of the Registering Authority the value of the property is more than the minimum value determined as per the rules, he may refer the matter to the Authority who may further proceed to require the vendee to pay more stamp duty. And if not paid they may impound the sale deed. Thus, the basis of exercise of power, is the minimum market value determined according to rule. If for the augmentation of the revenue, government fixes the market value determined according to rule. If for the augmentation of the revenue, government fixes the market value of the property in a circle why that not be taken as minimum market value of the property for the purpose of Land Acquisition Act. **The procedure of determination of market value provided under Section 23 of Land Acquisition Act is pari-materia to the rules framed under the Stamp Act. Therefore, we hold that while avoiding compensation for land acquired under the Land Acquisition Act, the compensation cannot be paid at a lesser rate than that of market value determined for the purpose of payment of stamp duty under the Stamp Act."**

(emphasis supplied)



10. Though sample sale deeds relate to small extent has been taken note of by the Land Acquisition Officer, the fact remains that in one of the sale deeds dated 26.12.1986 filed by the claimant in LA.O.P.No.99 of 2007 it is seen that the guideline value has been fixed by the Government at Rs.387/- per square feet. The acquisition was in the year 1991 and since the lands in question are very appurtenant to national highways leading to Pondicherry and several development had also taken place and schools and commercial establishments are very much available and taking into consideration the fact that the trial Court has fixed Rs.500/- per cent in one of the land owners, the same should be applied to all the land owners whose lands have been acquired in the same survey number and hence, we are inclined to fix the market value at Rs.500/- per square feet.

Accordingly, the appeals filed by the claimants in A.S.Nos.459 of 2014 and 333 of 2017 and CROS.OBJ No. 48 of 2026 are allowed by fixing the compensation at the rate of Rs.500/- per square feet. The appeals filed by the State in A.S.No.822 of 2018, A.S.No.103 of 2021 and A.S.No.132 of 2021 are dismissed. The other statutory compensation fixed by the trial Court is confirmed. The claimants /appellants in A.S.Nos.459 of 2014 and 333 of 2017 and petitioner in CROS.OBJ No. 48 of 2026 are directed to pay the additional Court fee, if any, for the enhanced amount within two months from the date of receipt of a copy of this order, as held by the Supreme Court in ***Chandrashekhar and others Vs. Additional Special Land Acquisition Officer***



reported in *(2009) 14 SCC 441*. The Registry is directed to draft a decree upon ensuring payment of additional Court fee as directed. The State is directed to deposit the compensation amount with accrued interest within a period of two months from the date of receipt of a copy of this order. There shall be no order as to costs. Consequently, the connected miscellaneous petitions are closed.

(N.S.K.,J.) (M.J.R.,J.)
13-07-2026

Index: Yes/No

Speaking/Non-speaking order

Neutral Citation: Yes/No

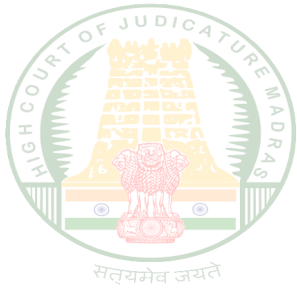
Note: Registry to note the underlined portion.

gpa

To

1. II Additional Subordinate Judge
Villupuram

2. The Section Officer
VR Section
Madras High Court



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AS No. 822 of 2



**N.SATHISH KUMAR J.
AND
M.JOTHIRAMAN J.**

gpa

**A.S. No. 822 of 2018, A.S. No. 459 of 2014,
A.S. No. 333 of 2017, A.S.Nos. 103 and 132 of 2021
and
CROS.OBJ No. 48 of 2026**

13-07-2026