



A.S. No. 77 & 78 of 2019

IN THE HIGH COURT OF JUDICATURE AT MADRAS

RESERVED ON : 28.10.2025
PRONOUNCED ON : 18.12.2025

CORAM

THE HONOURABLE DR.JUSTICE A.D.MARIA CLETE

A.S. Nos.77 & 78 of 2019
and CMP.Nos.3197 & 3221 of 2019

D.P.Ramamurthy
S/o.Pandurangan
No.10, Salai Street,
Muthiyalpet, Puducherry.

... Appellant
in A.S.No.77 of 2019

G.Sundararajalu @ Sundaram
S/o.P.Gopalakrishnan
Plot No.11, Sai Gokilambal Nagar,
Ammal Chathiram,
Karaikal.

... Appellant
in A.S.No.78 of 2019

Vs.

1. Union Of India
Rep.by The Secretary
To Government (Revenue)
Puducherry.

2. The Deputy Collector (Revenue)
Cum Land Acquisition Officer,
Karaikal.

3. The Director Of Survey & Land Records
Puducherry.

...Respondents
in both appeals



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COMMON PRAYER in A.S.: Appeal Suit filed under Section 96 of CPC to set aside the award of the District Court at Karaikal in L.A.O.P.No.65 & 64 of 2017 dated 31.07.2018 in as much as it fixes the compensation for the Appellant's lands at Rs.4,750/- per acre and to consequently enhance the compensation in respect of the appellant's lands to Rs.7,475/- per acre.

Common Prayer in CMP.Nos.3197 & 3221 of 2019.: To direct the respondents to deposit the compensation amount in respect of the petitioners lands as per the award of the District Court, Karaikal in L.A.O.P.No.64 of 2017 dated 31.07.2018 pending disposal of the main appeal suit.

For Appellants : Mr.T.Saikrishnan
in both appeals

For Respondents : Mr.P.S.Kothandaraman
in both appeals

COMMON JUDGMENT

Heard.

2. These two appeals are directed against the judgments and decrees of the III Additional District Judge, Karaikal, in L.A.O.P. Nos. 65 and 64 of 2017 dated 31.07.2018, pertaining to the enhancement of compensation for the compulsory acquisition of the claimants' lands.



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3. In this appeal, the appellants are the claimants before the Reference Court . For the sake of convenience, the parties will be referred to in the same rank as they stood in the Reference Court.

4. The essential facts leading to these appeals are: The lands belonging to the claimants situate in R.S. No. 360/1 of Kurumbagaram Village, Karaikal, were acquired by the Government for a public purpose, namely providing free house sites to landless labourers. The Section 4(1) Notification issued on 01.12.2005, followed by the passing of an Award no. 5474/B1/2004 dated 23.12.2009 by the Land Acquisition Officer (LAO) whereby he determined the market value at Rs. 3,428/- per Are by adopting sale statistics restricted to the period of one year prior to the notification in terms of G.O. Ms. 14 dated 08.02.1989. The claimants contended before the Reference Court that this valuation was wholly inadequate, particularly because the LAO had ignored a far superior and highly relevant sale transaction—Ex.C4, a certified sale deed dated 06.06.2003, involving a transaction of the very same survey field now acquired, reflecting a market rate of Rs. 7,475/- per Are. According to the claimants, Ex.C4 represented a genuine, arm's-length transaction that truly reflected the prevailing market value.



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5. The Reference Court, however, rejected Ex.C4 solely on the ground that it was more than one year old and enhanced the compensation only marginally to Rs. 4,750/- per Are, relying once again strictly on sales falling within one year before the Notification. Aggrieved by this, the claimants have preferred these appeals, seeking full and fair compensation based upon Ex.C4.

6. In these appeals, the claimants contend that the Reference Court erred in fixing a low valuation of Rs. 4,750 per Are, despite clear evidence showing that the land was worth Rs. 7,475 per Are. They argue that Ex.C4, a genuine sale deed pertaining to the very same property, was wrongly rejected even though it accurately reflects the true market value. The learned counsel for the claimants argued that the Reference Court held in their favour that the data sale was not created in anticipation of acquisition, yet the Trial Court suddenly reduced the valuation of Rs. 7475/- per are to that of Rs. 4750/- per are without any reason. They further highlight that Guideline Values were not revised during 2004–2005 due to the Tsunami, making a narrow one-year assessment unreliable. The claimants also avers that other relevant sale deeds, Ex.C1 to Ex.C3, which indicated higher values, were ignored without justification. They maintain that land purchased by them for Rs. 7,475 per Are could not have depreciated by the time of acquisition.



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They submit that the entire approach of the reference Court resulted in serious undervaluation. Accordingly, they seek enhancement of compensation to Rs. 7,475 per Are along with all consequential statutory benefits.

7. The Learned Government counsel submitted that it is settled law that large areas do not attract the same price as is offered for the small plots of lands. Hence, deduction of at least 10% has to be applied to determine the market value.

8. The rival contentions give rise to the following issues:

- (i) Whether Ex.C4—the sale deed concerning the same land—ought to have been adopted for fixing market value and the restriction of comparable sale instances to one year prior to the 4(1) Notification is justified?
- (ii) To what extent are the appellants entitled to further compensation?

Issue 1:

9. On the first issue regarding Ex.C4, the claimant contend that the Reference Court erred significantly by rejecting Ex.C4, the sale deed pertaining to the identical land, which should have been utilized for value as the most precise exemplar. They also contend that the one-year restriction



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relied upon by the Land Acquisition Officer is only directory in nature and cannot justify excluding a superior and genuine sale deed such as Ex.C4, especially when the Guideline Register values for 2004–2005 were not revised due to the Tsunami, resulting in artificially depressed market data within that one-year window. The claimants place reliance upon judgments of this Court, which, when read together, decisively support their case. In A.S. No. 599 of 2015, dated 31.01.2018, the Division Bench held that a sale deed relating to the very same survey number as the acquired land constitutes the most reliable and authoritative exemplar for determining market value. In A.S. No.111 of 2005, this Court held that, for fixing market value, the safest guide is bona fide sale deeds of similar lands in the locality executed within a reasonable period prior to the Section 4(1) Notification—ordinarily up to about three years, since remote or stale transactions may not reflect the true market rate as on the date of notification.

11. The legal principles governing the present case now stand settled by the Hon'ble Supreme Court in **Manohar v. State of Maharashtra (2025 INSC 900)**, which has emphatically held that a sale instance cannot be rejected solely on the ground that it predates the Section 4(1) Notification, that the highest bona fide exemplar must be adopted, and that a transaction relating to the very land acquired enjoys the highest probative value.



12. Thus, certified sale deeds under Section 51A of Land Acquisition Act, 1894 must be accepted unless their genuineness is impeached; that averaging inferior exemplars to dilute a superior exemplar is impermissible; and that ignoring the best exemplar without cogent justification constitutes an error of law. These principles directly apply to the present case and compel adoption of Ex.C4 as the governing exemplar.

13. The Supreme Court in *Manohar v. State of Maharashtra (2025 INSC 900)* further affirms that the highest bona fide transaction must be adopted, that certified sale deeds must be accepted unless proved otherwise, and that ignoring a superior exemplar constitutes an error of law. In this light, Ex.C4 emerges as the best and most reliable exemplar, and its rejection by the Reference Court is legally unsustainable.

14. With respect to the first issue regarding Ex.C1 to Ex.C3 were wrongly rejected—that although the claimants did rely on these documents as supporting higher values, the decisive factor is that Ex.C4 is itself a same-land transaction and superior to all other exemplars. Even if Ex.C1–C3 were ignored, it would not alter the outcome because the legal principles require the Court to prefer the highest bona fide and most



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comparable exemplar, which is Ex.C4. Once Ex.C4 is accepted, the question of the other exemplars becomes secondary and does not affect the determination of proper compensation.

Issue 2:

15. In determining the appropriate deduction to be applied, this Court finds substantial support in the settled legal position emanating from a series of binding precedents. The Hon'ble Supreme Court in *Manohar & Others v. State of Maharashtra & Another (2025)*, reiterated that when land enjoys proximity to town, access to roads, civic amenities and pre-existing development, only a substantially reduced deduction is justified. Applying the principles laid down in the above decisions to the facts of the present case—this Court is of the considered view that only a minimal deduction of **10%** is warranted.

16. The valuation is computed as follows:

Market value under Ex.C4: Rs. 7,475.00;

Less 10% development deduction: Rs. 747.50;

Fair value: Rs. 6,727.50 and Rounded: Rs. 6,728/- per Are.

This valuation accords with Section 23 of the Land Acquisition Act and all binding judicial precedents.



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17. In view of the above discussions, and following the judgments of Apex Court, this Court finds that the LAOP Nos 65 and 66 of 2014, dated 31.07.2018 warranting interference and the compensation is enhanced from Rs. 4750/- to Rs. 6728/- per Are. The appellants are also entitled to all statutory benefits under Sections 23(1A), 23(2) and 28 of the Land Acquisition Act, 1894.

18. In the result, the common judgment and decree dated 31.07.2018 made in L.A.O.P. Nos. 65 and 64 of 2017 are modified. The market value of the acquired lands is re-fixed at Rs. 6,728/- (Rupees Six Thousand Seven Hundred and Thirty only) per Are. The respondents shall deposit the enhanced compensation together with all statutory benefits. The appeals are disposed of accordingly. There shall be no order as to costs. Connected CMPs closed, if any, stand closed.

18.12.2025

dpq

Index: Yes / No

Speaking Order / Non-speaking Order

Neutral Citation: Yes / No



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To

1. The District Court
Karaikal

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



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DR. A.D. MARIA CLETE, J

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Pre-Delivery Judgment in

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