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C.R.P.(NPD) No.284 of 2025

IN THE HIGH COURT OF JUDICATURE AT MADRAS

Dated : 27.01.2025

Coram

The Hon'ble Mr.Justice N.Sathish Kumar

C.R.P.(NPD)Nos.1070, 1071, 1072, 2235 of 2024

and

284, 285, 287, 288 of 2025

and

C.M.P.Nos.1853, 1857, 1862& 1864 of 2025

- | | |
|-------------------|---|
| 1. Venkatesh | Revision Petitioner in C.R.P.No.1070 of 2024
R-1 in CRP.No.288 of 2025 |
| 2. Narayanappa | Revision Petitioner in C.R.P.No.1071 of 2024/
R-1 in CRP.No.285 of 2025 |
| 3. Munisamy | Revision Petitioner in C.R.P.No.1072 of 2024
R-1 in CRP.No.287 of 2025 |
| 4. Venkataramaiah | Revision Petitioner in C.R.P.No.2235 of 2024/
R-1 inC.R.P.No.284 of 2024 |

Vs.

- | | |
|---|---|
| 1. The District Collector,
Krishnagiri – 635 115. | R-1 in C.R.P.Nos.1070, 1071, 1072 & 2235 of 2024
Revision Petitioner -1 in C.R.P.No.284, 285, 287 & 288, of 2025 |
| 2. The Project Officer,
SIPCOT, Hosur- 635 126 | R-2 in C.R.P.Nos.1070, 1071, 1072 & 2235/2024
R-2 inC.R.P.No.284, 285, 287 & 288 of 2025 |
| 3. The Special Tahsildar (L.A.)
SIPCOT, Hosur- 635 126 | R-3 in C.R.P.Nos.1070, 1072 & 2235 of 2024
Revision Petitioner- 2 in C.R.P.No.284, 285 , 287 & 288 of 2025 |



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Prayer in C.R.P.(NPD) No.1070 of 2024 & 288 of 2025

Civil Revision Petition filed under Article 227 of the Constitution of India to set aside the fair and order passed in E.P.No.194 of 2020 in L.A.O.P.No.69 of 2007, on the file of the Principal Subordinate Court, Hosur dated 16.06.2023.

Prayer in C.R.P.(NPD) No.1071 of 2024 & 285 of 2025

Civil Revision Petition filed under Article 227 of the Constitution of India to set aside the fair and order passed in E.P.No.8 of 2014 in L.A.O.P.No.93 of 1997, on the file of the Principal Subordinate Court, Hosur dated 27.07.2023.

Prayer in C.R.P.(NPD) No.1072 of 2024 & 287 of 2025

Civil Revision Petition filed under Article 227 of the Constitution of India to set aside the fair and order passed in E.P.No.212 of 2020 in L.A.O.P.No.31 of 2007, on the file of the Principal Subordinate Court, Hosur dated 28.06.2023.

Prayer in C.R.P.(NPD) No.2235 of 2024 and 284 of 2025

Civil Revision Petition filed under Article 227 of the Constitution of India to set aside the fair and order passed in E.P.No.199 of 2020 in L.A.O.P.No.98 of 2007, on the file of the Principal Subordinate Court, Hosur dated 27.07.2023.

For Revision Petitioners in C.R.P. (NPD)Nos.

1070 to 1072 and 2235 of 2024 and

R-1 in C.R.P.(NPD)Nos. 284, 285, 287 & 288/2025 : Mr.V.Raghavachari

<https://www.mhc.tn.gov.in/judis>

Senior Counsel

for M/s.V.Srimathi



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For Respondents 1 & 3 in C.R.P. (NPD)Nos

1070 to 1072 and 2235 of 2024 &

Revision Petitioner-1 in

C.R.P.No.284, 285, 287 & 288 of 2025

: Mr.R.Ramanlal,

Additional Advocate General
assisted by Mr.T.Arunkumar
Additional Government Pleader

For Respondent-2 in C.R.P. (NPD)Nos

1070 to 1072 and 2235 of 2024 &

R-2 in C.R.P.No.284, 287 & 288 of 2025 ; M.Abishek Moorthy
Standing Counsel

COMMON ORDER

The Civil Revision Petition Nos.1070, 1071 and 1072 and 2235 of 2024 are filed challenging the orders passed by the Principal Subordinate Court, (viz., Executing Court), in the Execution Petitions filed by the decree holders in the Land Acquisition Proceedings, whereby and whereupon, it is held that the amount deposited by the respondent-Government is proper and appropriation indicated in Form D is correct. Whereas, challenging the findings of the Executing Court in holding that the respondent-Government is liable to pay a sum of Rs.17,97,034/-, Rs.12,40,407/-, Rs.10,79,591/- and Rs.13,89,083 in E.P.Nos.199 of 2020, 8 of 2014, 212 of 2020 and 194 of 2020 respectively, C.RP.(NPD)Nos.284, 285, 287 and 288 of 2025 are filed



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2. As the issue involved in all these Revision Petitions are interconnected and the parties are one and the same, they were taken up together, heard and disposed of by this Common Order. However, for the sake of easy reference and understanding, the landowners shall be hereinafter referred to as 'decree holders' and the judgment debtors, viz., respondent-SIPCOT (State Industries Promotion Corporation of Tamil Nadu), the Land Acquisition Officer and the Government be referred to as such throughout this Common Order.

3. For the sake of brevity, **C.R.P.(NPD) No.1070 of 2024** is taken as a lead case and the facts stated therein in brief are as follows:-

i) The land owned by one Venktaesh was sought to be acquired by the Government under the provisions of Land Acquisition Act (hereinafter, referred to as 'the Act') for the purpose of Hosur Phase II Expansion II Scheme of SIPCOT. Accordingly, a Notification under Section 4 (1) of the Act was issued on 25.08.2000 and the land was acquired. The Land Acquisition Officer passed an award, computing the value of the land at the rate of Rs.1,00,000/- per acre against which, the landowner sought for a reference for enhancement of compensation in L.A.O.P.No.69 of 2007. The

Reference Court enhanced the compensation to Rs.8,00,000/- per acre with solatium and other costs vide order dated 13.11.2009. Based on the same, the decree-holder instituted Execution Proceedings Simultaneously, the



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respondent-SIPCOT preferred Appeal in A.S.No.448 of 2010 challenging the order of the Reference Court.

ii) During the pendency of the Appeal, the respondent-Government was directed to deposit 50% of the enhanced amount and it appears that the said amount of 50% was deposited before the Trial Court on 22.08.2011. Later, the said Appeal was dismissed by this Court vide a Judgement and Decree dated 06.07.2015, and the Special Leave Petition preferred against the said dismissal, was also dismissed vide order dated 15.05.2018. Thereafter, balance 50% of the compensation amount along with interest was deposited before the Subordinate Court into the credit of the Land Acquisition Original Petition. However, the decree holder filed one more Execution Petitions seeking to reopen and re-agitate the entire calculation including the sums already deposited and claimed interest on the principal sum itself.

iii) The Executing Court passed orders in the Execution Petitions. Challenging the same, the present Revision Petitions are filed both by the landowners/decreed holders and the respondents/judgment debtors.

4. Mr.V.Raghavachari, learned Senior Counsel for the revision petitioners/decreed holders would mainly contend that it is a trite law that the Government must pay the amount awarded with interest thereon at the rate



of 9% p.a. for a period of one year; that if such compensation or any part thereof is not paid or deposited within a period of one year from the date on which possession is taken, the Government is liable to pay interest at the rate of 15% p.a from the date of expiry of the said period of one year on the amount of compensation, which has not been paid or deposited; that in the present case, possession was taken on 12.11.2006 and award was passed on 22.03.2007, and against the said award, reference was made and Reference Court passed orders on 13.11.2009, against which, Appeal was filed, wherein this Court granted an interim stay on 14.06.2011, requiring the respondent-Government to deposit 50% of the enhanced amount and in compliance of the same, the respondent- Government deposited the 50% of the enhanced amount on 22.08.2011; that thereafter, Appeal was dismissed on 06.07.2015, and the Special Leave Petition filed against the dismissal of the Appeal was also dismissed on 15.05.2018,; that consequent to the dismissal of the Special Leave Petition, on 28.01.2019, the respondent-Government is liable to pay balance amount and in addition to the balance amount payable after the deduction of the amount deposited, the respondent-Government is liable to pay interest for the amount at the rate of 15% from 22.08.2011 to 11.03.2019 the respondent-Government deposited the compensation amount in Court.

4.1 The learned Senior Counsel contended that the apple of discord in the present case is between the well-established position of law



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that any amount deposited by the respondent-Government in land acquisition matters is first considered for realisation of the interest and then only, taken into the account of the principal amount, therefore, the amount deposited by the respondent-Government on 22.08.2011 must be taken into account for the purpose calculating interest alone and not for the principal amount. Further, the learned Senior Counsel contended that it is imperative to state that the question of deduction of TDS does not arise, as it is the duty of the respondent-Government to pay the same in conformity with the orders of the Court that on the date on which, compensation is payable, the TDS amount cannot be deducted by the State Agency. Therefore it is contended that the Executing Court committed a grave error in not following the procedure laid down by the Constitution Bench and arrived at a such conclusion, which is not valid in the eye of law. Thus, by averring so, the learned Senior Counsel prayed for allowing the Revision Petitions filed by the claimants.

5. Per contra, the learned Additional Advocate General for the respondent-Government would submit that when the respondent-Government preferred Appeal as against the order passed by the Reference Court, this Court granted a conditional stay order directing the respondent-

Government to pay 50% of the enhanced amount, accordingly, the respondent-Government complied with the condition by depositing 50% of the enhanced compensation on 22.08.2011, that at the time of depositing



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50% of the award amount, the respondent-Government has shown the appropriation of the amount already paid firstly towards the land cost, then 30% solatium, then 12% interest on the market value, when making the payment towards full and final settlement, the landowners did not challenge the said appropriation, thus, as when the order of the Reference Court attained finality consequent to the dismissal of the Special Leave Petition on 15.05.2018, the respondent-Government paid the balance 50% of the award amount which is in conformity with the law laid down by the Hon'ble Supreme Court in **Gurpreet Singh Vs. Union of India**, reported in **2006 8 SCC 457**, therefore, it is not open to the decree holders to seek further amount from the Government. Therefore, it is contended that the respondent-Government has deposited the entire amount, hence, second Execution ought not to have been filed by the decree holders and according to the respondents/judgment debtors, they are not liable to pay any amount.

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

7. The undisputed facts are that by virtue of Notification under Section 4 (1) of the Act dated 25.08.2000, the lands owned by the decree holders were acquired by the Government under the provisions of Land

Acquisition Act for the purpose of Hosur Phase II Expansion II Scheme of SIPCOT and the Land Acquisition Officer passed an award computing the value of the land at the rate of Rs.50,000/- per acre. Not being satisfied with



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the award passed by the Land Acquisition Officer, the landowners have sought for a reference for enhancement of compensation. The Reference Court enhanced the compensation to Rs.8,00,000/- per acre with solatium and other costs. Based on the same, the landowners/deed holders instituted Execution Proceedings. Simultaneously, the respondent-SIPCOT preferred Appeals challenging the order of the Reference Court.

7.1. During the pendency of the Appeal, the respondent-Government obtained an conditional stay order, whereby, the respondent-Government was directed to deposit 50% of the enhanced amount and it appears that the said amount of 50% was deposited before the Trial Court on 22.08.2011 and the Execution Petitions were closed. Later, the said Appeal was dismissed by the Appellate Court (this Court) and challenging the said dismissal, the respondent-Government filed Special Leave Petition before the Hon'ble Supreme Court and the same was also dismissed. Once the order passed by the Reference Court attained finality, balance 50% of the compensation amount along with interest was deposited before the Subordinate Court into the credit of the respective Land Acquisition Original Petitions. At this stage of the matter, the decree holders filed another Execution Petitions seeking to reopen and re-agitate the entire calculation including the sums already deposited and claimed interest on the principal sum itself.



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7.2. On a perusal of the impugned orders passed by the Executing Court, it is seen that the Executing Court by merely relying on the statement of the respondent-Government, in Form D wherein, it is stated that the amount has been appropriated towards land costs, held that the amount deposited by the respondent-Government is proper and appropriation indicated in Form D is correct, and based on the same, arrived at a conclusion and fixed the compensation by restricting to certain amounts in all the execution proceedings and appropriation has been done towards land costs, solatium etc., which is incorrect.

7.3 Thus, as rightly pointed out by the learned Senior Counsel for the landowners/decreed holders, the Executing Court has not even gone into the settled position of law. In this connection, it would be apposite to refer to a judgment of the Constitution Bench, rendered *in re Gurpreet Singh Vs. Union of India*, reported in (2006) 8 SCC 457, wherein, the Hon'ble Supreme Court has referred to its intra Court's decision rendered *in re Prem Nath Kapur Vs. National Fertilizers Corporation of India Ltd.*, reported in 1996 2 SCC 71 and held as follows:-

"47. On the scheme of the Act, the above conclusions, with respect, are justified. But, it is argued that when a reference court or the appellate court awards enhanced compensation, the operative award is that of the court and going by the doctrine of merger



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also, the operative decree is that of the appellate court. Thus, the award of the ultimate Court, in the given case, would be the amount payable for acquisition and it is open to the decree holder to proceed to calculate the amount due to him on that basis and seek a re-appropriation based on such a calculation and reckoning the payment or payments already made. In other words, it is contended that a recalculation and adjustment would be called for every time there is an enhancement. In answer, it is contended that the Act provides for determination of compensation at different stages, the stage of the award, the stage of reference and the stage of appeal and provides for payment of interest and solatium based on the award and thereafter, only on the excess compensation awarded and in such a situation, a re-opening of the satisfaction recorded at the earlier stage is not contemplated or warranted. It is submitted that the ratio of **Prem Nath Kapur & Anr. Vs. National Fertilizers Corporation of India Ltd. & Ors.** (supra) also supports this position and that in the context of the relevant provisions, the position adopted in that decision on this aspect deserves acceptance.

48. We may say with respect that the decision in **Mathunni Mathai** (supra) does not answer the question. That case was concerned with the question of the point of time of cessation of interest, whether it would be the date of deposit or whether the date of notice of the deposit. It did not specifically refer to the relevant sections of the Act and did not consider their possible impact on the question, **Prem Nath Kapur** (supra) dealt with this aspect to the extent of



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holding that the Act provides for a mode of appropriation not consistent with that in Order XXI Rule 1 of the Code or the general law and to that extent, the scheme of the Act would prevail.

49. Though, a decree holder may have the right to appropriate the payments made by the judgment-debtor, it could only be as provided in the decree if there is provision in that behalf in the decree or, as contemplated by Order XXI Rule 1 of the Code as explained by us above. The Code or the general rules do not contemplate payment of further interest by a judgment debtor on the portion of the principal he has already paid. His obligation is only to pay interest on the balance principal remaining unpaid as adjudged either by the court of first instance or in the court of appeal. On the pretext that the amount adjudged by the appellate court is the real amount due, the decree-holder cannot claim interest on that part of the principal already paid to him. Of course, as indicated, out of what is paid he can adjust the interest and costs first and the balance towards the principal, if there is a shortfall in deposit. But, beyond that, the decree-holder cannot seek to re-open the entire transaction and proceed to recalculate the interest on the whole amount and seek a re-appropriation as a whole in the light of the appellate decree.

50. It is true that the understanding of the expression "compensation awarded" for the purpose of Section 28 of the Act in *Prem Nath Kapur* (supra) was modified. To that extent one strand of reasoning in *Prem Nath Kapur* (supra) also stands



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discredited. But as we see it, on the question of appropriation, the decision in [Sunder](#) (supra) does not have such an impact as to compel us to jettison the reasoning adopted in [Prem Nath Kapur](#) (supra). Slightly deviating from the reasoning in [Prem Nath Kapur](#) (supra) we have indicated earlier that even going by Order XXI Rule 1 of the Code, the position would be as envisaged in [Prem Nath Kapur](#) (supra). That apart, we are inclined to respectfully agree with the reasoning in [Prem Nath Kapur](#) (supra) that on the wording of [Section 34](#) and [Section 28](#) of the Act read with and understood in the light of the stages of the award of compensation, the question of appropriation would be at different stages and a decree holder would not be entitled to reopen the entire transaction to claim a reappropriation of the amounts already received by him and appropriated at that particular stage. The reliance on the doctrine of merger does not enable the decree-holder to get over the scheme adopted by the Act."

8. Thus, in view of the above settled position of law, merely because, some part amount has been deposited pursuant to the direction of the Appellate Court, it cannot be stated that the entire amount has been paid. Only a portion of the amount is deposited, pending the Appeal, that amount has to be appropriated first towards interest and in-part towards principal, as the landowners are entitled to the interest that remains unpaid. However, the Executing Court has merely relied upon the submission made by the respondent-Government that the amount is appropriated first towards land



costs, therefore, there was proper appropriation, which, in view of this Court is not correct. Merely because, 50% of the amount is deposited in pursuance of the direction of the Appellate Court, as per the settled position of law, after the Appeal is disposed of in favour of the landowners, the decree-holders certainly would be entitled to appropriate the amount already received by them pursuant to the interim order, first towards interest and then towards costs and balance towards principal as on the date of the withdrawal of the amount, and claiming interest on the balance for enhanced compensation by laying onceagain execution on that part appropriated towards principal, interest would cease from the date, on which, interest is received by the awardee. Admittedly, when the Appellate Court granted a conditional stay order, it is not brought to the notice of the Court by the respondent-Authorities, as to in what manner, the amount has to be appropriated.

9. In such view of the matter, the dictum laid down by the Hon'ble Supreme Court in **Prem Nath Kapur's case (referred to supra)** has to be scrupulously followed, whereas, the Executing Court by merely relying on the statement of the respondent-Government, in Form D wherein, it is stated that the amount has been appropriated towards land costs, held

that the amount deposited by the respondent-Government is proper and appropriation indicated in Form D is correct. Thus, it is clear that the Executing Court failed to note that in the said Form D, there was no



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indication as to whether the amount has to be appropriated towards interest/cost/principal, and in the absence of any such indication, findings of the Executing Court that the appropriation as indicated in Form D is correct, is held to be untenable.

10. Accordingly, the impugned orders of the Executing Court are set aside and the matters are remanded to the Executing Court for re-consideration of the issue, and the Executing Court shall receive the fresh calculation memo from the both sides and decide the issue by strictly adhering to the procedures in accordance with the law laid down by the Hon'ble Supreme Court in **Prem Nath Kapur's case (referred to supra)** and such exercise has to be completed within a period of two months from the date of receipt of a copy of this order.

11. With the above observations and directions, the Revision Petitions are disposed of Consequently, connected Miscellaneous Petitions are closed. No costs.

27.01.2025

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To

The Principal Subordinate Court, Hosur.



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N.Sathish Kumar,J.,

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