IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 12..02..2025

CORAM

THE HONOURABLE MR.JUSTICE N.SATHISH KUMAR

Appeal Suit Nos.52, 20, 22 to 27,
29 to 39, 41 to 43, 47 to 51, 53 to 55, 58, 61 & 62 of 2025
and
C.M.P.Nos.710, 504, 509, 514, 515, 516, 519, 520, 522, 528,
531, 532, 536, 537, 539, 541, 544, 547, 550, 568, 570, 574,
636, 651, 667, 671, 674, 714, 716, 723, 798, 857 & 862 of 2025

.....

The Special Tahsildar(la)
TACID, Oragadam Scheme,
Irungattukottai.

...... Appellant

-Versus-

1. J.Sekar
2. J.Marimuthu
3.The Managing Director,
SIPCOT-TACID Division,
No.19A, Rukumani Lakshmipathy Salai,
Egmore, Chennai – 008.

..... Respondents

**Prayer in A.S.No.52 of 2025:** Appeal filed under Section 54 of the Land Acquisition Act, 1894, praying to set aside the order and decree dated 26.09.2022 made in L.A.O.P.No.1062 of 2008 on the file of the learned Principal Subordinate Judge, Kancheepuram District.

| | | |
|---|---|---|
| For Appellant in A.S.Nos.52, 22 & 23 of 2025 | : | Mrs.R.Anitha,<br>Special Government Pleader |
| For Appellant in A.S.Nos.53, 24, 25, 26 & 27 of 2025 | : | Mr.T.Arunkumar,<br>Additional Government Pleader |
| For Appellant in A.S.Nos.29, 30, 31, 32 & 33 of 2025 | : | Mr.P.Gurunathan,<br>Additional Government Pleader |
| For Appellant in A.S.Nos.43, 47 & 48 of 2025 | : | Mr.R.Siddarth,<br>Additional Government Pleaer |
| For Appellant in A.S.Nos.34, 35, 36, 37 & 38 of 2025 | : | Mr.D.Gopal,<br>Government Advocate |
| For Appellant in A.S.Nos.39, 41 & 42 of 2025 | : | Mr.C.Sathish,<br>Government Advocate |
| For Appellant in A.S.Nos.49, 50 & 51 of 2025 | : | Mr.V.Ramesh,<br>Government Advocate |
| For Appellant in A.S.Nos.20, 58 & 61 of 2025 | : | Mr.N.Muthuvel,<br>Government Advocate |
| For Appellant in A.S.Nos.62, 54 & 55 of 2025 | : | Mr.J.Daniel,<br>Government Advocate |

| | | |
|---|---|---|
| *For 1st Respondent in A.S.Nos.23, 24, 25, 26, 27, 29, 30, 31, 32, 33, 34, 35, 36, 37, 39, 41, 42, 43, 47, 48, 49, 50, 53, 54, 55, 58, 61 and 62 of 2025* | : | *Mr.G.Karthikeyan, Senior Counsel for Mrs.A.Jagadeeswari for RR1 & 2* |
| *For Respondents 1 and 2 in A.S.No.22 & 52 of 2025* | | |
| *For Respondents 1 to 4 in A.S.No.38 & 51 of 2025* | | |
| For 2nd *Respondent in A.S.Nos.20,23, 24, 25, 26, 27,* 29, 30, 31, 32, 33, 34, 35, 36, 37, 39, 41, 42, *43, 47, 48, 49, 50, 53, 54, 55, 58, 61 and 62 of 2025* | | *No Appearance* |
| For 3rd Respondents in A.S.No.22 & 52 of 2025 | | |
| For 5th Respondents in A.S.No.38 & 51 of 2025 | | |

**COMMON JUDGEMENT**

The appellant in these appeals is the State. All these Appeal Suits arise out of the common judgement dated 26.09.2022 and individual decree (s) passed by the Land Acquisition Tribunal (Principal Subordinate Jude) at Kancheepuram [for short, "the Tribunal"] in L.A.O.P.No.1062 of 2008 and batch of cases enhancing the compensation to Rs.2,700/- per cent from

Rs.300/- per cent fixed by the LAO for the land(s) acquired from the land owner(s).

2. The appellant in these appeal suits is the Referring Officer - Special Tahsildar (LA), TACID, Oragadam Scheme, Irungattukottai, Kanchipuram District. The private respondent(s) are claimants and the Managing Director, SIPCOT TACID Division, the official respondent is the requisitioning body.

3. For the sake of convenience and for easy reference, the appellant in these appeals will be referred to as "the LAO" while the private respondent(s) will be referred to as the claimants and the official respondent will be referred to as the requisitioning body wherever the context so requires.

4. The brief facts leading to the filing of the present Appeal Suits in common are as follows:-

(a) Each of the claimant(s) either individually or jointly owned / possessed varying extents of land at various survey numbers located in Panapakkam village, Sriperumbudur Taluk, Kanchipuram District.

(b) A total extent of 23.85.5 Hectares of land in the said village were proposed to be acquired by the State under the Land Acquisition Act, 1894 (for short, "the LA Act, 1894") at the instance of State Industries Promotion

Corporation of Tamil Nadu (SIPCOT) for setting up of Industrial Development Complex by the SIPCOT and for setting up of Special Economic Zones by TACID.

(c) For the purpose of acquisition of lands, notifications under Section 4(1) of the LA Act, 1894 were issued in the Tamil Nadu Gazette in the instant cases on 14.12.1998 in respect of the acquired lands.

(d) The acquisition was made by invoking the emergency clause under Section 17 of the LA Act, 1894, and hence, after dispensing with the enquiry under Section 5-A of the LA Act, 1894 a declaration under Section 6 was issued on 08.07.1999 in respect of lands comprised in S.Nos.141 to 147 and covered under Award No.1 of 2001 dated 26.07.2021 and 08.07.1999 in respect of lands comprised in S.No.131 to 139 and covered under Award No. 2 of 2001 dated 20.07.2021.

(e) Thereafter, the Land Acquisition Officer (LAO), after due enquiry, determined the compensation payable for the land at Rs.300/- by Award Nos.02 of 2001 dated 20.07.2001 and Award No.01 of 2001 dated 26.07.2001.

(f) Not being satisfied with the compensation so determined by the LAO, the claimant(s) made his/their written objection(s) for enhancement of compensation stating that acquired lands were situated abutting Tambaram –

Walajabad State Highway and Singaperumal Koil – Sriperumbudur State Highway and very close by to Grand Southern Trunk Road (GST Road-NH44) and National Highways (NH4); many Central and State Government Offices are located nearby the lands acquired for the Oragadam Industrial Scheme besides several Nationalized and Multinational Banking Institutions; and at the time of acquisition, the value of the land was Rs.3,000/- per square feet. It was also stated by the claimant(s) that the Government have proposed to form Greener International Airport at Sriperumbudur and there is a proposal from the Government of Tamil Nadu to lay 200 feet road from Mamallapuram to Ennore Port via Oragadam and the ground level work for the above two projects were already complete. On such objections, the LAO as Referring Officer made individual reference(s) under Section 18 of the LA Act, 1894 to the Reference Court (Principal Subordinate Judge) at Kanchipuram in respect of the lands situated at Panappakam village in the following Survey Number(s), Extent(s) covered under Award No.02 of 2001 dated 20.07.2001 and Award No.01 of 2001 dated 26.07.2001 and the Reference Court, in turn, took those reference on file and assigned numbers to the references as mentioned in the below mentioned tabular column.

| Sl. No. | Name of the Claimant | LAOP Number | Appeal Suit Number | Survey Number | Extent of land acquired |
|---|---|---|---|---|---|
| | | **2008** | **2025** | | |
| 1 | 1.J.Sekar<br>2.J.Marimuthu | 1062 | 52 | 139/8 | 0.03.0 |
| 2 | V.Nachiyappan | 1054 | 48 | 139/11 | 0.02.0 |
| 3 | R.Alagammal | 1055 | 23 | 131/3 | 0.03.5 |
| 4 | Shanmugavadivu | 1056 | 20 | 139/1A1A | 0.02.0 |
| 5 | K.Varadharajan (Died)<br>1.V.Santha<br>2.V.Kuppuswamy | 1058 | 22 | 134/2A1 | 0.52.0 |
| 6 | S.P.Kasi Chetty | 1059 | 31 | 137/1A1 | 0.04.5 |
| 7 | Arayee | 1060 | 30 | 139/10 | 0.02.0 |
| 8 | M.Devadoss | 1061 | 29 | 134/2A1 | 0.02.0 |
| 9 | K.Subramaniam | 1063 | 58 | 139/1A1A | 0.02.0 |
| 10 | N.Muthu | 1064 | 61 | 137/1A1<br>137/1A1A | 0.04.5<br>0.06.5<br>**0.11.0** |
| 11 | Rahima Bee | 1065 | 62 | 133/1D3 | 0.04.0 |
| 12 | Ayub Basha.P | 1067 | 37 | 132/4 | 0.01.0 |
| 13 | L.Thamayandhi (Died)<br>1.Sundaramoorthi<br>2.Gnanamoorthi<br>3.Sekar | 1068 | 38 | 132/1A1A<br>146/2A | 0.02.0<br>0.32.0<br>**0.34.0** |

| Sl. No. | Name of the Claimant | LAOP Number | Appeal Suit Number | Survey Number | Extent of land acquired |
|---|---|---|---|---|---|
| | 4.Sundhari<br>5.Deivasigamani | | | | |
| 14 | K.Muniammal | 1069 | 39 | 132/2 | 0.02.0 |
| 15 | S.Balakrishnan | 1070 | 36 | 139/9 | 0.03.0 |
| 16 | Vasantha.J | 1071 | 35 | 131/1E1 | 0.02.0 |
| 17 | T.Vimala | 1072 | 34 | 144/3 | 0.02.0 Hec |
| 18 | Rajammal(f)<br>1. Mohanasundaram | 1073 | 50 | 144/1, 2 | 0.02.0 Hec |
| 19 | Ambujam | 1074 | 49 | 144/1A | 0.05.0 Hec |
| 20 | Vasantha | 1075 | 47 | 143/1A1G | 0.08.0 Hec |
| 21 | Thulasi(Died)<br>1.Vimalavathi<br>2.Santhi<br>3.Damodaran<br>4.Mohan<br>5.Latha | 1076 | 51 | 141/1A1A | 0.02.0 Hec |
| 22 | C.Arabindow Baskaran | 1078 | 33 | 141/1A | 0.04.5 Hec |
| 23 | S.Ramasubbu | 1079 | 32 | 141/1A2 | 0.02.0 Hec |
| 24 | N.Amirtha Gowri | 1080 | 25 | 143/1 | 0.01.0 Hec |
| 25 | N.ManiMekalai | 1081 | 27 | 143/1 | 0.01.0 Hec |
| 26 | G.Chandra Sekar | 1082 | 26 | 142/1B | 0.04.0 Hec |
| 27 | D.Gajalakshmi | 1083 | 24 | 142/2 | 0.40.5 Hec |
| 28 | Arumugam | 1085 | 41 | 143/1,2 | 2400 sq.ft. |
| 29 | Riasuddin Ahmed | 1086 | 54 | 144/1A1 | 4800 sq.ft |

| Sl. No. | Name of the Claimant | LAOP Number | Appeal Suit Number | Survey Number | Extent of land acquired |
|---|---|---|---|---|---|
| | | | | A | |
| 30 | G.R.Parimalammal | 1088 | 53 | 142/1 | 5426 sq.ft. |
| 31 | Javid Hassan | 1089 | 55 | 144/1 | 4800 sq.ft. |
| 32 | Mothi Begum | 1091 | 42 | 131/7 | 4710 sq.ft. |
| 33 | S.Sri Rangamma | 1092 | 43 | 143/1 | 4380 sq.ft. |

5.1 The Referring Officer opposed the claim petitions stating that the awards were passed strictly in accordance with law. The counter affidavit filed by the LAO was adopted by the requisitioning body.

5.2 The LAO *inter alia* contended in his counter that the awards were passed considering the various aspects and features of the lands acquired that were projected by the claimants. The public interest outweighs the private interest. Since the compensation for the acquired lands was fixed on the existing statistics, the claim of land owners that the value of the acquired lands should be above the value determined by the LAO is incorrect and untenable.

6. Since the issue was common and the awards relate to one single village, the Reference Court had proceeded to try all the claim petitions jointly and recorded common evidence. Accordingly, during enquiry, common

evidence was recorded in L.A.O.P.No.1062 of 2008. During enquiry, on the side of the claimant(s), one J.Sekar, the sole claimant in L.A.O.P.1062 of 2008 was examined as C.W.1 and Ex.C.1 to Ex.C.7 were marked while, on the side of the LAO and Requisition Body, Tmt.Thenmozhi, Special Tahsildar (LA) was examined as R.W.1, however, no document was marked on the side of the LAO and Requisitioning Body.

7.1 Upon considering both oral and documentary evidence brought on record by the parties, the reference court, by its common order dated 26.09.2022, enhanced the compensation to Rs.2,700/- per cent from Rs.300/- per cent as fixed by the LAO. It is relevant to note here that though the reference court had to hold that the market value of the land in the locality was at Rs.3,000/- per cent, for the acquired lands, after making a deduction of 10% towards development charges, the reference court determined the market value of the acquired land at Rs.2,700/- per cent.

7.2 As per the reference court, exemplar sales under Ex.C.5 and Ex.C.6, the value of the land sold at the relevant point of time was Rs.12/- per square foot and, in other words, Rs.5,232/- per cent. Though the sale deeds marked under Ex.C.5, a sale deed dated 13.01.1999, executed by one Raman, Power Agent of Krishnaveniammal and others in favour of Kalaiselvi and Ex.C.6, another sale deed dated 13.01.1999 executed by one Raman, Power Agent of Krishnaveniammal and others in favour of Minor Shoba represented by her father Ramalingam were heavily relied upon by the claimants, the reference court had rejected those sale deeds on the ground that those sales had taken place after the publication of 4(1) Notification and that the claimants have not proved how the lands sold under Ex.C.5 and Ex.C.6 sale deeds are comparable to the acquired lands, when they were already rejected by the LAO from consideration. It is relevant to be noted here that the sales under Exs.C.5 and C.6 had taken place after the publication of 4(1) Notification in the Tamil Nadu Government Gazette.

7.3 Challenging the enhancement of compensation made by the reference court by common judgement dated 30.09.2021 in L.A.O.P.No.192 of 2008 and batch of cases, the LAO has come up with the present appeal suits.

8.1 Heard the law officers appearing on behalf of the LAO and the learned counsel appearing on behalf of the claimant.

8.2 These appeals arise against the common judgment dated 30.09.2021 in L.A.O.P.No.192 of 2008 and a batch of cases enhancing the compensation fixed by the LAO for the lands acquired from the respective claimants. These appeals were originally filed in June, 2023 and the appellant/LAO could not get the appeal suits numbered because of various reasons. The appellant/LAO was able to number the appeals only recently in January, 2025. Till this day, as verified from the registry, no appeals were filed by the requisitioning body.

8.3 Considering the nature of the judgment that is to be passed, this court is of the view that no notice is necessary to the requisitioning body.

9. The law officers appearing on behalf of the respective appellants would submit that the LAO had, himself, taken into account a number of sale deeds, about 49 different sale transactions that had taken place in a period of three years immediately preceding the date of the 4(1) notification, of which 41 sale transactions were rejected by the LAO, finding those transfers relate to housing sites, and the LAO had taken note of a sale transaction dated 04.03.1996 which related to the transfer of agricultural land in S.No.83/1C measuring an extent of 0.29 cents, and based on such sale deed, the LAO determined the market value for the acquired land at Rs.300/- per cent. However, the reference court, going by the house site value, fixed the market value of the lands acquired from the claimants to be of Rs.2,700/- after giving a deduction towards development charges at 10%.

10. The learned law officers appearing on behalf of the LAO would, in support of their contention that the market value determined by the reference

court based on the sale instances, which were in respect of individual plots of land being much smaller in comparison to the land acquired in Panapakkam village and for the deduction of 1/3rd towards development charges, placed much reliance on the judgement of the Hon'ble Supreme Court in the case of **Union of India v. Premlata and others [(2022) 7 SCC 745]**.

11. The learned counsel appearing on behalf of the claimant(s) would submit that Panappakkam village is close by Oragadam village which is a developed area and is on the peripheries of the City of Chennai. In the instant cases, the LAO had rejected more than 95% of exemplar sales on the ground they relate to housing sites. The compensation based on the market value arrived at by the reference court cannot be said to be arbitrary or excessive and the Supreme Court of India has been consistently held that the highest value among the exemplar sales must be taken into account in determining the market value for the acquired land.

12. I have considered the rival submissions and perused the available records carefully.

13. Now, the only point that arises for consideration in these appeal suits is as follows:

Whether the common order under appeal(s) enhancing the compensation awarded by the LAO was without any evidence and material?

14. The fact that a large parcel of land was acquired in Panapakkam village for the development of industrial park is not in dispute and the subject lands were acquired invoking the emergency clause under Section 17 of the LA Act, 1894. After dispensing with an enquiry under Section 5A of the LA Act, 1894, a declaration under Section 6 of the LA Act, 1894 was issued on 08.07.1999.

15. It is relevant to note that the LAO took into consideration 49 sale transactions that had taken place in Panappakkam and its surrounding villages in a period of 3 years immediately preceding the date of notification under Section 4(1) of the LA Act, 1894, of which, he rejected 41 sale transactions on the ground that they relate to house sites. The LAO had taken into consideration only a transfer of agricultural land by sale deed dated 08.11.1996 which indicates that 29 cents of land was sold for Rs.8,700/-.

16.1 It is relevant to note that before the reference court, Ex.C.1 to Ex.C.8 were filed. The reference court rejected Ex.C.5 & Ex.C.6 sale deeds on the ground that the sale transactions under those sale deeds had taken place much after the issuance of 4(1) Notification. The reference court, while holding that the claimants have not established the market value of the acquired lands, taking into account the admission made by the R.W.1 in her cross-examination that the areas around the acquired lands were already well developed and the lands acquired were not agricultural lands, the reference court based its finding to determine the market value for the acquired land at Rs.3,000/- per cent as against Rs.300/- per cent fixed by the LAO.

16.2 The reference court, however, having taken note of the fact that the lands which were acquired from each of the claimants were house sites and the same are situated in an already developed locality and also considering the fact that smaller extent of lands acquired from each of the claimants, applied only 10% deduction from the market value towards development charges on the market value so determined by it for the acquired land. Accordingly, the reference court fixed the market value at Rs.2,700/- per cent (Rs.3,000/- per cent less 10% towards development charges).

17. In a similar matter, wherein the land situated in Oragadam village was acquired for the industrial development purposes **[The Special Tahsildar v. Mahaveer Chand Bora - A.S.No.397 of 2015 judgement dated 10.09.2015]** a Division Bench of this court has held that the land acquired formed part of urban agglomeration and the village is already developed into

an industrial satellite city; if more than 90% of the transactions had taken place in the very same village in a three year period immediately preceding the date of the notification under Section 4(1), it is not permissible for the land acquisition officer to reject all those sale deeds on the ground that they related to the sale of house sites. It would be relevant to extract hereunder the relevant paragraphs of the judgement which read as follows:-

> "9. The Tribunal found that under Ex.C.1 - the sale deed dated 30.1.1997, the land of an extent of 2,400 sq.ft., was sold for Rs.24,000/-. Therefore, rate indicated was Rs.4,363/- per cent. Under Ex.C.2, the land together with a shop measuring an extent of 3099 sq.ft., was sold for Rs.43,864/-, which worked out to Rs.6,178/- per cent. Under Ex.C.3, a house site measuring an extent of 2,400 sq.ft was sold for Rs.30,000/- working out to Rs.5,454/- per cent.
>
> 10. In view of the decision of the Supreme Court that out of the exemplar sales, the sale deed, which indicates the highest rate, is to be taken into account, the Tribunal took Ex.C.3 as the indicator after rejecting Ex.C.2, as it related to the sale of a site with a building. On this amount of Rs.5,454/- per cent, the Tribunal allowed deduction of 30% and fixed the compensation at Rs.3,820/- per cent.

11. We do not find anything wrong with the reasoning given by the Tribunal. The Land Acquisition Officer himself took note of the fact that out of 485 sale transactions that had taken place in a period of three years preceding the Notification under Section 4(1), 344 related to sale of lands in the very same village namely Oragadam. Out of these 344 transactions, 326 admittedly related to house sites.

12. Oragadam Village is actually on the peripheries of the city of Chennai. It forms part of the urban agglomeration. The village has already developed into an industrial satellite city. Therefore, the Tribunal was right in holding that the rate indicated in the sale of house sites cannot be ignored. If more than 90% of the transactions had taken place in the very same village during the period immediately preceding the date of the notification under Section 4(1), it is not permissible for the Land Acquisition Officer to reject all those sale deeds on the ground that they related to the sale of house sites. In view of the above, we find that the award of the Tribunal does not call for any interference."

18. In the case of **The Special Tahsildar (LA), Krishna Water Supply Project-III, Tiruvallur v. Rathina Reddi** (2003) 1 MLJ 781, a Division Bench of this Court relying upon the earlier judgement, reiterated the position

of law that the land owner would be entitled to the compensation fixed on the basis of the exemplar sale deed which reflects the highest value.

19. As admitted by R.W.1 the lands acquired from each of the claimants are not agricultural lands and they are house sties and situated in an already developed area. This court has also seen that the LAO had fixed the compensation selectively by relying upon the value indicated in the sale deed in respect of sale of agricultural land, rejected 41 sale transactions out of 49 which relate to house sites. This strategy adopted by the LAO, in the view of this court, was solely to minimise compensation to the greatest extent feasible. As already discussed supra, in an identical matter involving the acquisition of land in Oragadam village, which is very close to Panappakkam village, the market value fixed by the LAO at Rs.300/- per cent was enhanced by the reference court in L.A.O.P.No.1217 of 2008 to Rs.5,454/- per cent but after giving a deduction of 30% towards development charges, the reference court fixed the market value at Rs.3,820/- per cent. That was taken on appeal by the LAO and the Division Bench of this Court by its judgement dated 10.09.2015 dismissed the appeal suit.

20. It is relevant to note that for the very same industrial development purposes, a vast extent of land situated at Oragadam village was acquired.

Oragadam village is actually on the peripheries of the City of Chennai and forms part of the urban agglomeration. The above said Orgadam village has already developed into an industrial satellite city. As already discussed supra, R.W.1 has categorically admitted that the area where the subject lands are situated is already developed area and that the lands acquired from Panapakkam village are situated close by Oragadam village which is already developed and many of the sale transactions that had taken place three years prior to the 4(1) notification relate to housing sites.

21. Be that as it may, earlier, when for the lands in a surrounding village were acquired for the same industrial development scheme at the instance of the requisitioning body herein, the enhancement of compensation granted by the reference court in respect of the lands acquired from Oragadam village had already been confirmed by a Division Bench of this Court, the State cannot now say that the market value of the lands acquired from Panapakkam village was only Rs.300/- per cent.

22. Further, it is also to be taken note of 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.

23. 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. Though the reference court had rejected Ex.C.5 and C.6 on the ground that the sale had taken place after the publication of 4(1) notification, yet the reference court did not go by the market value determined by the LAO as the LAO had taken into consideration to determine the market value of the agricultural land since most of the acquired lands are house sites. However, the reference court taking note of the development around Panapakkam village particularly, around Orgadam village, determined the market value for the acquired lands at Rs.3,000/- per cent and after giving a deduction 10% towards development charges, the reference court has fixed the market value at Rs.2,700/- per cent. This, in the considered view of this court, appears to be just and fair

compensation and based on proper consideration. Thus, the common judgement impugned in the appeal suits does not require any interference at the hands of this court.

24. At this juncture, the learned law officers appearing on behalf of the respective appellants would bring to the notice of this court a judgement in the case of **The Special Tahsildar v. Mahaveer Chand Bora (cited supra),** wherein a Division Bench of this Court, in the appeal at the instance of the LAO challenging the enhancement of compensation, had upheld the deduction of 30% towards development charges and therefore, they urged this court at least to enhance the quantum of deduction towards development charges from 10% to 30%.

25. In reply to the above, the learned counsel appearing for the claimants would further contend that though the said sale deeds relied upon by the reference court are in respect of the transactions of small plots, those could be used as comparable sale instances, as the land under acquisition is located in a developed area. No deduction towards development was essential. Therefore, according to learned Counsel, the Reference Court ought to have granted compensation to the claimant at the rate of Rs.3,000/- per cent and as the area

is already developed area, the deduction at the rate of 10% towards development charges ought not to have been applied by the reference court.

26. In the case of **The Special Tahsildar (LA) Unit – IV, Outer Ring Road Project, CMDA, Koyambedu, Chennai v. J.Jayaraman and another** (A.S.Nos.423 to 425, 429 to 434 of 2021 judgement dated 11.07.2023), a Division Bench of this Court relied upon the case in Nelson Fernandes v. Special Land Acquisition Officer, South Goa [(2007) 9 SCC 447] and has held that no developmental charges need be deducted in a project where laying of railways and roads are undertaken. The relevant paragraph of the judgement reads as follows:-

> "10. In Nelson Fernandes and others v. Special Land Acquisition Officer, South Goa and others, [2007 (9) SCC 447], the Hon'ble Supreme Court held that no developmental charges need be deducted in a project where laying of railways and roads are undertaken. In this very ORR project, a Division Bench of this Court in The Special Thasildhar, Land Acquisition, Outer Ring Road Project, Chennai Metropolitan Development Authority, Egmore, Chennai -8 -Vs- Palin Reshma Jacob & others, judgement dated 31-08-2015 made in A.S.Nos:574 to 583 of 2011 (Batch) had held that no deduction should be made, since the purpose of

acquisition is for laying a road and in all these cases, only smaller extents have been acquired from all the land owners. The Hon'ble Supreme Court in Civil Appeal 269 and 270 of 2023 by order dated 10-01-2023 had confirmed the view of the Division Bench of this court referred to supra. Therefore, the deduction of 20% made by the Reference Court cannot be sustained."

In Nelson Fernandes's case cited supra the acquisition of lands was for the purpose of laying a railway line and therefore, it was held by the Hon'ble Supreme Court that no deduction towards development charges could be made. Therefore, the proposition laid down by the Hon'ble Supreme Court in Nelson Fernandes's case cannot be made applicable to the facts of the present case.

27. In the case of ***C.R. Nagaraja Shetty (2) v. Land Acquisition Officer and Estate Officer*, (2009) 11 SCC 75,** the Hon'ble Supreme Court has held that in cases where the acquisition is for setting up of industries or setting up of housing colonies or other such allied purposes, the acquiring body would be entitled to deduct some amount from the payable compensation on account of development charges, however, it has to be established by positive evidence that such development charges are justified. At para 13, the Hon'ble Supreme Court has held as follows:-

> "**13.** It is true that where the lands are acquired for public purpose like setting up of industries or setting up of housing colonies or other such allied purposes, the acquiring body would be entitled to deduct some amount from the payable compensation on account of development charges, however, it has to be established by positive evidence that such development charges are justified. The evidence must come for the need of the development contemplated and the possible expenditure for such development. We do not find any such discussion in the order of the High Court."

28. In the case of **Kasturi and others v. State of Haryana [(2003) 1 SCC 354]**, the Hon'ble Supreme Court has held that in cases of some lands where there are certain advantages by virtue of the developed area around, may help in reducing the percentage of cut to be applied, as the developmental charges required may be less on that account. The relevant paragraph of the judgement reads as follows:-

> **7.** It is not debated that the sale transaction covered by Ext. P-7 relates to a small plot and the land in question acquired is about 84 acres. This land comprising of a large area is not developed although it has potential value for residential and commercial purposes. In order to develop this land,

roads were to be laid, provision for drainage was to be made and certain area was to be earmarked for other civic amenities. Thus, after leaving the area in the land required for the purposes mentioned above, plots were to be made for residential and commercial purposes by incurring expenditure for other developmental works, such as providing electricity, water etc. The acquired land is not a small plot located in such a way that no other development was required at all and it could be utilized as it is as a developed building site. It is well settled that in respect of agricultural land or undeveloped land which has potential value for housing or commercial purposes, normally 1/3rd amount of compensation has to be deducted out of the amount of compensation payable on the acquired land subject to certain variations depending on its nature, location, extent of expenditure involved for development and the area required for roads and other civic amenities to develop the land so as to make the plots for residential or commercial purposes. A land may be plain or uneven, the soil of the land may be soft or hard bearing on the foundation for the purpose of making construction; maybe the land is situated in the midst of a developed area all around but that land may have a hillock or may be low-lying or may be having deep ditches. So the amount of expenses that may be incurred in developing the area also varies. A claimant who claims that his land is fully developed and nothing more is required to be done for developmental purposes must show on the basis of evidence that it is such a land and it is so located. In the absence of such evidence, merely saying that the area adjoining his land is a developed area is not enough particularly when the extent of the acquired land is large and even if a small portion of the land is abutting the main road in the developed area, does not give the land the character of a developed area. In 84 acres of land acquired even if one portion on one side abuts the main road, the remaining large area where planned development is required, needs laying of internal roads, drainage, sewer, water, electricity lines, providing civic amenities etc. However, in cases of some land where there are certain advantages by virtue of the developed area around, it may help in reducing the percentage of cut to be applied, as the developmental charges required may be less on that account. There may be various factual factors which may have to be taken into consideration while applying the cut in payment of compensation towards developmental charges, maybe in some cases it is more than 1/3rd and in some cases less than 1/3rd. It must be remembered that there is difference between a developed area and an area having potential value, which is yet to be developed. The fact that an area is developed or adjacent to a developed area will not ipso facto make every land situated in the area also developed to be valued as a building site or plot, particularly when vast tracts are acquired, as in this case, for development purpose. "

29. In the case of **Union of India v. Premlata and others [(2022) 7 SCC 745]** upon which much reliance was placed by the learned law officers for the LAO, the Hon'ble Supreme Court relying upon its judgement in the case of **Pitambar Hemlal Badgujar v. Sub-Divisional Officer [(1996) 7 SCC 554]** has held that the courts may determine the compensation on square foot basis on case to case basis, if there are no other sale instances available, however, subject to a reasonable deduction towards development charges.

30. Thus, there is no straight-jacket formula for the deduction of development charges and it is now well settled that if the value of small

developed plots should be the basis, appropriate deductions will have to be made therefrom towards the development charges.

31. In the instant cases, a vast extent of agricultural land which was already converted into house sites are the subject matter of land acquisition. Admittedly, house sites were acquired for the purpose of setting up an industrial development complex, and the lands under acquisition not only had potential value but were also developed and situated in the developed area. The adjacent areas were also already developed. Neither the LAO nor the Requisitioning Body established the need for development contemplated and the possible expenditure of such development by positive evidence to show that such development charges were justifiable. Yet, none of the claimants is found to be aggrieved by either the deduction of development charges or the quantum thereof because there was no appeal or cross appeal from them against the deduction of development charges, and therefore, this court does not want to go into the issue of the deduction of development charges. Therefore, the arguments advanced on behalf of the LAO as well as the requisitioning body in this regard shall stand rejected, and this court does not find any error in the deduction of 10% applied by the reference court towards development charges and the same shall stand confirmed.

32. For the foregoing discussion, this court finds that the common award passed by the reference court does not call for any interference at the hands of this court. The appeal suits fail and they are liable to be dismissed.

**In the result,** all the appeal suits are dismissed. The common order and decree(s) of the reference court are confirmed. No costs. Consequently, connected Civil Miscellaneous Petitions are also closed.

The Law Officers will be entitled to separate fee for each appeal.

Index : yes / no **12-02-2025**
Neutral Citation : yes / no

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Note: The Registry is directed to type out cause title for all the appeal suits and issue certified copy.

To

1.The Principal Subordinate Judge, Kancheepuram, Kancheepuram District.

N.SATHISH KUMAR.J.,

kmk

Common Judgement
in
Appeal Suit Nos.52 of 2025
and batch of cases

12..02..2025