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C.R.P.Nos.4009, 4010 of 2022, 3030 and 3033 2023

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 13..06..2025

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THE HONOURABLE MR.JUSTICE N. SATHISH KUMAR

C.R.P.Nos.4009, 4010 of 2022, 3030 and 3033 2023

and

C.M.P.No.18733 of 2023 in C.R.P.No.3030 of 2023

&

C.M.P.No.18783 of 2023 in C.R.P.No.3033 of 2023

C.R.P.No.4009 of 2022:

K.Saravanan

..... Petitioner

-Versus-

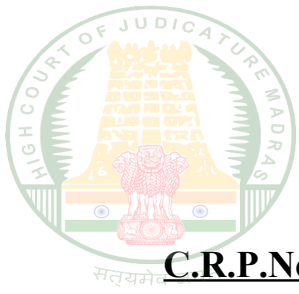
The Special District Revenue Officer (Land Acquisition),
Chennai – Kanyakumari Industrial Corridor Project,
Kumbakonam.

..... Respondent

Petition filed under Article 227 of the Constitution of India, praying to modify the Fair Award and Decretal Award dated 29.08.2022 mad by th learned District Judge, Nagapattinam, in L.A.O.P.No.20 of 2021 and allow the civil revision petition by enhancing the value of the acquired land in terms of Sections 26 and 27 of the the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013.

For Petitioner : *Mr.A.Mohamed Ismail*

For Respondent : *Mrs.R.Anitha,*
Special Government Pleader



C.R.P.Nos.4009, 4010 of 2022, 3030 and 3033 2023

C.R.P.No.4010 of 2022:

K.Sivakumar

..... Petitioner

-Versus-

The Special District Revenue Officer (Land Acquisition),
Chennai – Kanyakumari Industrial Corridor Project,
Kumbakonam.

..... Respondent

Petition filed under Article 227 of the Constitution of India, praying to modify the Fair Award and Decretal Award dated 29.08.2022 made by the learned District Judge, Nagapattinam, in L.A.O.P.No.16 of 2021 and allow the civil revision petition by enhancing the value of the acquired land in terms of Sections 26 and 27 of the the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013.

For Petitioner : Mr.A.Mohamed Ismail

*For Respondent : Mrs.R.Anitha,
Special Government Pleader*

C.R.P.No.3030 of 2023:

The Special District Revenue Officer,
Chennai-Kanyakumari Industrial Corridor Project,
Land Acquisition Officer,
Kumbakonam.

..... Petitioner

-Versus-

K.Saravanan

..... Respondent

Petition filed under Article 227 of the Constitution of India, praying to set aside



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the decree and judgement dated 29.08.2022 made by the learned District Judge,
Nagapattinam, in L.A.O.P.No.20 of 2021.

For Petitioner : *Mrs.R.Anitha,*
Special Government Pleader
For Respondent : *Mr.A.Mohammed Ismail*

C.R.P.No.3033 of 2022:

The Special District Revenue Officer,
Chennai-Kanyakumari Industrial Corridor Project,
Land Acquisition Officer,
Kumbakonam.

..... Petitioner

-Versus-

K.Sivakumar

..... Respondent

Petition filed under Article 227 of the Constitution of India, praying to set aside the decree and judgement dated 29.08.2022 mad by the learned District Judge, Nagapattinam, in L.A.O.P.No.16 of 2021.

For Petitioner : *Mrs.R.Anitha,*
Special Government Pleader
For Respondent : *Mr.A.Mohammed Ismail*



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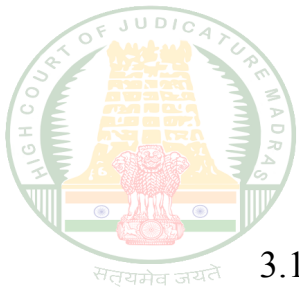
COMMON ORDER

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The revision petitions in C.R.P. Nos. 4009 and 4010 of 2022 have been filed by the claimants challenging the common order dated 29.08.2022 passed by the learned Principal District Judge (Reference Court), Nagapattinam, in L.A.O.P. Nos. 20 and 16 of 2021 respectively, on the ground of inadequacy of compensation awarded for the lands acquired. On the other hand, the revision petitions in C.R.P. Nos. 3030 and 3033 of 2023 have been preferred by the State/Special District Revenue Officer (Land Acquisition), Chennai–Kanyakumari Industrial Corridor Project, Kumbakonam, aggrieved by the enhancement of compensation made by the Reference Court from Rs.41.40 per square meter, as originally awarded by the Land Acquisition Officer, to Rs.61.80 per square meter. The lands in question were acquired under the provisions of the Tamil Nadu Highways Act, 2001 for the purpose of formation of the Chennai–Kanyakumari Industrial Corridor Project.

2. For the sake of convenience, the parties in these revision petitions are being referred to as Claimant(s) and Land Acquisition Officer (LAO) based on their positions before the reference court.

3.0 The brief facts which lead to the filing of the civil revision petitions are as follows:



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3.1 An extent of 22201 square metres of land in Perunjeri village, Kuthalam Taluk, Nagapattinam District, was the subject matter of acquisition for the purpose of the formation of the Chennai-Kanyakumari Industrial Corridor Project (for short, “the road project”).

3.2 A piece of agricultural (wet) land owned by the claimant (Saravanan, son of Kumarasamy) in L.A.O.P. No. 20 of 2021, measuring an extent of 3000 square meters of land comprised in S.No.274/2 of Perunjeri Village, Kuthalam Taluk, Nagapattinam District, was sought to be acquired for the purpose of the road project.

3.3 A piece of agricultural (wet) land owned by the claimant (K. Sivakumar, son of Kumarasamy) in L.A.O.P. No. 16 of 2021, measuring an extent of 3015 square meters, comprised in S.No.274/3 of Perunjeri village, Kuthalam Taluk, Nagapattinam District, was sought to be acquired for the purpose of the road project.

3.4 Notification dated 12.06.2020 was issued by the Special District Revenue Officer (LA), Kumbakonam, under sub-section (2) of Section 15 of the Tamil Nadu Highways Act, 2001, for the acquisition of a total extent of 22201 square metres of land in Perunjeri village, Kuthalam Taluk, Nagapattinam District, including a portion of the land owned by the claimants



herein.

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3.5. On 09.01.2021, a final award in Award No.37/2019-20 (RC No.38/2020/A1) was passed by the LAO assessing the compensation amount payable to the claimant(s) for the lands acquired from them at the rate of Rs.41.40 per square meter besides other added benefits as provided under the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 (for short “the RFCTLARR, 2013”).

4. Being aggrieved by the compensation awarded by the LAO, the claimants sought reference to the Principal District Judge (Reference Court) to establish their claim for enhanced compensation.

5. The reference court took the references made by the authority on file and assigned numbers as L.A.O.P.Nos.20 and 16 of 2021 respectively and conducted a joint trial in both the claim petitions. During the trial, on the side of the claimants, the claimant, Saravanan (L.A.O.P. No.20 of 2021), examined himself as C.W.1, and in support of his claim for enhanced compensation, he examined one Murugavel as C.W.2, Janardhan as C.W.3 and Devendran as C.W.4 and marked Ex.C.1 to Ex.C.18. On the side of the LAO, no oral evidence was adduced, nor was any documentary evidence marked.

6. The Reference Court, by its judgement dated 29.08.2022, held that the



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claimants are entitled to compensation at the enhanced market value of Rs.61.80 per square meter, as against the market value of Rs.41.40 per square meter fixed by the Land Acquisition Officer.

7. As already stated supra, not being satisfied with the enhanced compensation awarded by the Reference Court, the claimants have filed C.R.P. Nos.4009 and 4010 of 2022 seeking further enhancement of compensation. Conversely, the State and the Land Acquisition Officer, aggrieved by the enhancement granted by the Reference Court, have filed C.R.P. Nos. 3030 and 3033 of 2023, seeking to set aside the judgement of the Reference Court and to restore the compensation originally awarded by the Land Acquisition Officer.

8. Upon consideration of the grounds raised in the revision petitions and on a careful perusal of the materials available on record, the following points arise for consideration:

(1) Whether the Land Acquisition Officer has correctly determined the market value of the acquired land in accordance with Section 26(1) of the RFCTLARR Act, 2013?

(2) Whether there are valid and comparable sale exemplars available within the meaning of Section 26(1)(b) of the RFCTLARR Act, 2013 so as to determine the average sale price for fixing the market



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value of the acquired land?

(3) What is the appropriate market value that the claimants are entitled to, having regard to the statutory criteria and materials placed on record?

9. This court heard Mr.A.Mohamed Ismail, learned counsel for the claimants and Mrs.R.Anitha, learned Special Government Pleader for LAO.

10.1 The learned counsel for the claimants submitted that sub-section (1) of Section 26 of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 mandates that, for determining the market value of the acquired land, the Reference Court must assess both the market value notified under the Indian Stamp Act (commonly referred to as the guideline value) and the average sale price of comparable lands situated in the nearest village or nearest vicinity area, ascertained from valid sale transactions. It was further submitted that the Reference Court is required to adopt the higher of the two as the base market value. However, in the present case, the Reference Court failed to properly apply the mandate of Section 26(1), resulting in an erroneous determination of compensation. Such a fundamental failure, according to the learned counsel, vitiates the award and calls for the intervention of this Court in exercise of its revisional jurisdiction.

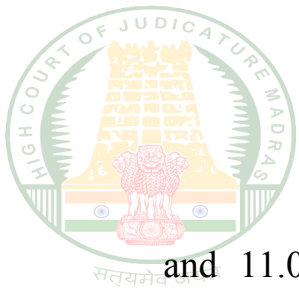
10.2 The learned counsel further contended that both the Land



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Acquisition Officer and the Reference Court misconstrued the statutory scheme under Section 26(1), particularly clause (b), which requires the calculation of the average sale price by taking into account one-half of the highest sale prices from the recorded sale deeds of lands of similar type in the relevant vicinity within the three-year period preceding the notification under Section 15(2) of the Tamil Nadu Highways Act, 2001. However, both authorities erroneously rejected the sale exemplars relating to Pandaravadai and Thathangudi villages, which are proximate to the acquired land and relevant for determining comparability. The learned counsel therefore urged this court to assess the average sale price to be computed based on the top one-half of comparable transactions from the said villages, and to compare the result with the applicable guideline value and adopt whichever is higher, in accordance with the statutory mandate under Section 26(1) of the Act to determine the base market value of the acquired lands.

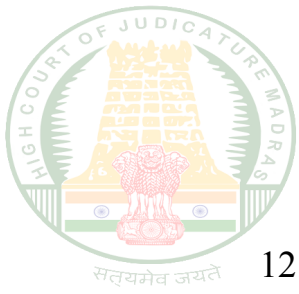
11.1 The learned Special Government Pleader, on the other hand, submitted that the total extent of land acquired from Perunjeri Village was 22,201 square feet. It was contended that no sale transactions involving similar types of land had taken place either within Perunjeri Village or within a 1600-meter radius thereof during the statutory reference period between 12.06.2017



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and 11.06.2020. The sale deeds produced by the claimants pertaining to Pandaravadai and Thathangudi Villages, it was argued, related to housing sites and not to agricultural or similarly situated lands, and therefore, the Land Acquisition Officer had rightly discounted them from consideration.

11.2 The learned Special Government Pleader further submitted that, while it is undisputed that Section 26(1) of the RFCTLARR Act, 2013 lays down the methodology for determining market value, including both clauses (a) and (b), the application of Clause (b) is inapplicable in the present case due to the absence of sale exemplars of comparable lands in the nearest vicinity, particularly in Perunjeri Village or its adjoining villages, as required under Explanations (1) and (2) to Section 26(1). It was pointed out that the guideline value applicable to 'Nanja' (wet agricultural) lands in Perunjeri Village was Rs.41.40 per square meter. However, the Reference Court, instead of relying on this classification, erroneously adopted the higher guideline value applicable to house sites in the same village, thereby fixing the market value of the acquired land at Rs.61.80 per square meter. Such an approach, it was contended, is contrary to the statutory scheme and unsupported by the nature of the acquired land. Therefore, it was urged that the award passed by the Reference Court warrants interference by this Court in exercise of its revisional jurisdiction.



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12. I have considered the rival submissions carefully.

13. There can be no dispute that individual landowners who are deprived of their property rights for public purposes must be adequately and fairly compensated for their sacrifice in the larger interest of society. The object of the RFCTLARR Act, 2013, is to ensure that such acquisition does not result in unjust enrichment of the acquiring authority at the cost of the dispossessed landowners. The compensation must, therefore, reflect the real value of the land so acquired.

14. In this context, it is relevant to refer to the decision of the Hon'ble Supreme Court in *Mahabir Prasad Santuka v. Collector* [(1987) 1 SCC 587], wherein the Court held that the market value of land represents the price which a willing purchaser would offer to a willing seller for similar land in the open market. The Court further emphasized that concessional or subsidised rates offered to industrial units or specific entities do not reflect the true market value and, hence, cannot be relied upon for determining compensation. The Court underscored that the compensation awarded must accurately reflect the prevailing market conditions to ensure that the landowners are justly recompensed for their loss.

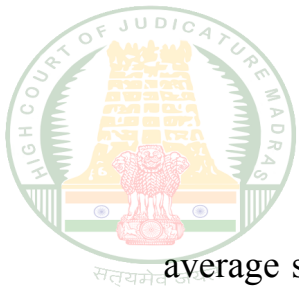
15. Thus, for the purpose of determining the compensation payable to the



landowners, the market value of the acquired land must be computed in accordance with Section 26 of the RFCTLARR Act, 2013. This necessarily involves the application of Clauses (a) and (b) of sub-section (1) of Section 26. Clause (c), which relates to consent-based acquisitions, would have no application in the present case, as the acquisition has been made for a public purpose, without consent, under the regular provisions of the Act.

16. It is a well-settled principle of law that the burden of establishing the market value of the acquired land primarily rests with the claimants. At the same time, the State bears an equally important responsibility to act fairly and reasonably in awarding compensation, ensuring that the displaced landowners are not subjected to injustice. In *Special Land Acquisition Officer v. Karidowda and Others*, [(2010) 5 SCC 708], the Hon'ble Supreme Court underscored this dual obligation, observing that while the claimants must lead credible evidence to establish the prevailing market value, the State is equally duty-bound to assist the court in arriving at a just and fair determination of compensation, rather than merely opposing the claim on technical grounds.

17. The assessment and determination of market value under Section 26(1) of the RFCTLARR Act 2013, mandates a comparative analysis of two key components: (i) the market value as per the guideline value, and (ii) the



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average sale price of land for similar types in the vicinity, computed by taking into account one half of the highest-priced sale deeds executed in the three years preceding the date of notification. The higher of these two must be adopted as the base market value. However, in the present case, it is evident that the Reference Court did not adhere to the mandatory procedure prescribed under Section 26(1). Instead, it has determined the market value solely on the basis of the normative guideline value, without undertaking the requisite comparative assessment. This omission constitutes a legal infirmity, and therefore, the award passed by the Reference Court warrants interference by this Court in exercise of its revisional jurisdiction.

18. With regard to the market value, as reflected in the guideline value notified under the Indian Stamp Act for the registration of sale deeds in the relevant area, it is not in dispute that the guideline value in respect of wet lands (Nanja) situated in Perunjeri Village stood at Rs.41.40 per square metre as on the date of notification for acquisition under the Tamil Nadu Highways Act, 2001. The Land Acquisition Officer (LAO) has challenged the award of the Reference Court on the specific ground that the Reference Court erroneously adopted a normative guideline value of Rs.61.80 per square metre, which pertains to house sites, and not to the nature of land acquired in this case, which



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is classified as agricultural land (Nanja).

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19. The reference court, it is contended, applied the nominative value applicable to house plots without proper justification or supporting material, resulting in a flawed determination of compensation. Upon perusal of Ex.P.2, which contains the list of guideline values prevailing for immovable properties in Perunjeri Village during the statutory reference period between 12.06.2017 and 11.06.2020, it is evident that the applicable guideline value for wet land was Rs.41.45 per square metre. The lands acquired from the claimants form part of S.Nos. 274/2 and 274/3 of Perunjeri Village. In view of the documentary evidence and the nature of the land acquired, this Court is of the considered opinion that the correct guideline value to be adopted, as notified by the Office of the Sub-Registrar, Mayiladuthurai Joint-II, Tanjavur Division, was Rs.41.45 per square metre.

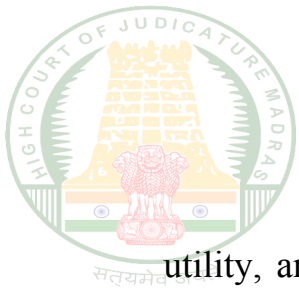
20. As rightly pointed out by the learned counsel for the claimants although the Reference Court had made a passing reference to the sale exemplars relating to Pandaravadai and Thathangudi villages, it failed to assign any cogent or specific reasons for discarding those sale transactions from consideration while assessing the average sale price. According to the learned counsel, in the absence of comparable sales from the acquired village, it is



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permissible under Explanation (1) to sub-section (1) of Section 26 of the RFCTLARR Act, 2013, to rely upon sale instances of small-sized housing plots from neighbouring villages, provided appropriate deductions are made to account for the smaller extent and nature of the plots. He further submitted that where no other sale exemplars are available, the Reference Court is empowered to determine compensation on a square metre basis, after making reasonable deductions. Therefore, if the sale exemplars from the adjacent villages of Pandaravadai and Thathangudi were taken into account in accordance with the statutory framework, the claimants would be justly entitled to enhanced compensation in the range of Rs.90/- to more than Rs.100/- per square metre.

21. At this juncture, the learned Special Government Pleader, placing strong reliance upon the judgment of the Hon'ble Supreme Court in ***Union of India v. Premlata***, [(2022) 7 SCC 745], vehemently contended that, even if this Court were to consider the sale exemplars pertaining to Pandaravadai and Thathangudi Villages, a reasonable deduction in the range of 20% to 40% ought to be applied. It was submitted that the said sale deeds relate to small-sized housing plots, and in accordance with the principle laid down in ***Premlata's case (cited supra)*** and the well-established jurisprudence on land acquisition, appropriate deductions are necessary to account for the difference in character,



utility, and size between developed plots and larger extents of agricultural or undeveloped land. The learned Special Government Pleader thus argued that failure to apply such deductions would lead to an inflated and unrealistic compensation, which would be inconsistent with the statutory scheme and settled precedents governing land acquisition.

22. In response, the learned counsel for the claimants submitted that the sale exemplars from Pandaravadai and Thathangudi Villages are proximate, relevant, and legally admissible under Section 26(1)(b) of the RFCTLARR Act, 2013. He further submitted that the claimants do not dispute the principle that reasonable deductions may be applied when comparing smaller, developed plots with larger extents of agricultural land. However, it was argued that a uniform deduction in the range of 20% to 40%, as suggested by the learned Special Government Pleader, would be excessive and arbitrary in the facts of the present case. The learned counsel for the claimants submitted that, in the light of the settled legal position, a reasonable deduction may be made, considering the small extent of the exemplar sale plots and the fact that the acquired land was not extensive, measuring only 22,201 square metres. However, it was contended that such deduction should not exceed 10%, which would fairly balance the comparative valuation and avoid any inflation of

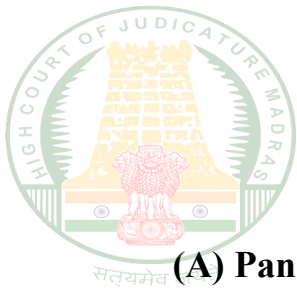


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compensation.

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23. Turning to the issue of average sale price, it is noted that neither the claimants nor the Land Acquisition Officer have produced any sale exemplars pertaining to lands situated in Perunjeri Village. It is an admitted position that the sale exemplars heavily relied upon by the claimants pertain to Pandaravadai and Thathangudi villages. These exemplars were rejected by the Reference Court on the ground that they relate to house sites and not to agricultural lands. The total extent of land acquired for the public purpose project was 22,201 square metres. In the absence of any comparable sale instances from the village where the land is situated, this Court is of the view that it becomes necessary to consider the sale transactions from the nearest villages, as permissible under Explanation (1) to Section 26(1) of the Act, provided appropriate deductions are made in line with judicial precedents. Accordingly, the relevant sale exemplars pertaining to the neighbouring villages of Pandaravadai and Thathangudi, which were available during the reference period, are tabulated as follows:



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(A) Pandaravadai Village:

Sl. No.	Doc. No.	Survey Number	Extent conveyed	Sale price (in Rupees)	Rate per square foot (in Rupees)	Rate per square meter (in Rupees)
1	62/2018	145/2 & 145/24	2400	121000	50.00	538.00
2	63/2018	145/2 & 145/24	1200	121000	101.00	1088.00
3	2153/2018	145/2A1A1A1 & 145/3A1	2400	243000	101.25	1090.00
4	2400/2019	142/21B1A, 144/1A1A1A1 A1A & 145/2A1	2400	243000	101.25	1090.00
5	1460/2018	502/B1A1A	1110	100000	90.00	969.00

(B) Thathangudi Village:

Sl. No.	Doc. No.	Survey Number	Extent conveyed	Sale price (in Rupees)	Rate per square foot (in Rupees)	Rate per square meter (in Rupees)
1	1173/2018	169/32	1800	145000	80.55	867.36
2	203/2019	169/4C	1800	144000	80.00	861.44



Sl. No.	Doc. No.	Survey Number	Extent conveyed	Sale price (in Rupees)	Rate per square foot (in Rupees)	Rate per square meter (in Rupees)
3	204/2019	169/4C	1800	144000	80.00	861.44
4	206/2019	169/4C	1800	144000	80.00	861.44
5	207/2019	169/4C	1800	144000	80.00	861.44
6	3349/2019	169/1A1A1A	1800	146000	81.00	872.22

The Court has carefully examined these exemplars to assess whether they qualify as comparable sale instances under Section 26(1)(b).

24. It is not in dispute that the land acquired in the present case is agricultural in nature and not fully developed. However, the claimants have not produced any exemplar sale deeds relating to large extents of similar agricultural lands sold in acres or cents, either in the acquired village or in the nearest vicinity, as required under Clause (b) of sub-section (1) of Section 26 of the RFCTLARR Act, 2013. Instead, the sale exemplars relied upon by the claimants pertain to very small housing plots situated in the neighbouring



villages of Pandaravadai and Thathangudi.

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25. This Court finds that the claimants have also failed to establish any distinguishing features or special characteristics to demonstrate that the lands covered by the sale exemplars are comparable to the acquired lands. In the absence of such evidence, it becomes difficult to draw a fair and reliable comparison between the acquired agricultural land and the housing plots cited in support.

26. In *Premlata v. Union of India* [(2022) 7 SCC 745], the Hon'ble Supreme Court reaffirmed the settled position that small plots or parcels of land cannot command the same market value as large tracts of land acquired for public purposes. The Court observed that when a large extent of land is acquired, the compensation cannot be mechanically determined based on the price fetched by smaller, fragmented housing plots, as such small parcels generally reflect a higher per unit value. It was further held that, as a general rule, compensation for acquired land should not be determined on a square foot basis, particularly when the acquisition pertains to agricultural or undeveloped land. However, the Court clarified that, in the absence of comparable sale instances of similar large tracts, it is permissible for the court to adopt a square foot rate derived from small plot sales, provided a reasonable deduction is made



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towards development costs and other relevant factors. This flexibility is intended to strike a balance between the lack of comparable sales and the need to ensure just compensation in accordance with Section 26(1) of the RFCTLARR Act, 2013.

27. As per Explanation (2) to sub-section (1) of Section 26 of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013, for the purpose of determining the average sale price referred to in Explanation (1), one-half of the total number of sale deeds wherein the highest sale prices have been recorded shall be taken into account. If that be so, out of 11 sale exemplars, the top one-half (i.e., 5 sales) are tabulated hereunder:

Sl. No.	Doc. No.	Survey Number	Extent conveyed	Sale price (in Rupees)	Rate per square foot (in Rupees)	Rate per square meter (in Rupees)
1	2153/2018	145/2A1A1A1 & 145/3A1	2400	243000	101.25	1090.00
2	2400/2019	142/21B1A, 144/1A1A1A1A1 A & 145/2A1	2400	243000	101.25	1090.00
3	63/2018	145/2 & 145/24	1200	121000	101.00	1088.00
4	1460/2018	502/B1A1A	1110	100000	90.00	969.00
5	1173/2018	169/32	1800	145000	80.55	867.36
				Total	474.05	5104.36



The average sale price works out to Rs.94.81 per square foot, which is accordingly rounded off to Rs.95.00 per square foot. Likewise, the average sale price of Rs.1020.87 per square metre is rounded off to Rs.1021.00 per square metre. Applying the statutory formula under Section 26(1)(b) of the RFCTLARR Act, 2013, to the sale exemplars from the neighbouring villages, this Court computes the average sale price at Rs.1021.00 per square metre. When converted to square foot, it corresponds to Rs.95.00 per square foot.

28. Upon careful examination of the documentary evidence produced, including the sale exemplars pertaining to lands situated in the nearby villages, and having regard to the statutory mandate under Section 26(1)(b) of the RFCTLARR Act, 2013, this Court is of the considered view that the average sale price computed from the top one-half of such transactions is higher than the guideline value notified under the Indian Stamp Act for lands in Perunjeri village. Accordingly, this Court concludes that the average sale price shall be adopted as the base market value for the purpose of determining compensation, as it more accurately reflects the prevailing market conditions and ensures that the claimants receive just and fair compensation in accordance with law.

29. On the aspect of deduction towards development charges, it is pertinent to note that the land in question has been acquired for the purpose of

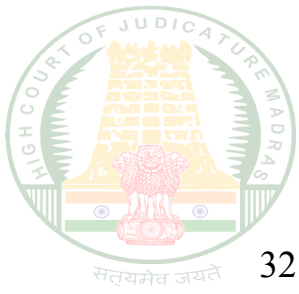


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road formation. It is well settled that when land is acquired for such infrastructural purposes that do not require any further development, no deduction towards development charges is warranted.

30. It is also the settled principle of law that sale exemplars pertaining to small plots of land cannot be directly applied to determine the market value of large tracts of acquired land without applying reasonable deductions. This is because small plots, typically situated within developed areas, tend to fetch a higher price due to their immediate utility for residential or commercial purposes, better location, or existing infrastructure. Conversely, acquired lands are agricultural or they are undeveloped.

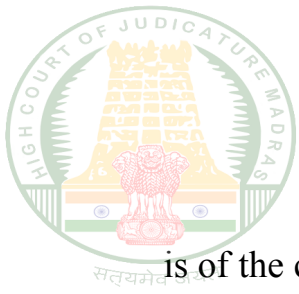
31. In a very recent judgement in **Manilal Shamalbhai Patel (Died) through his LRs v. Officer on Special Duty (Land Acquisition) and another**, 2025 SCC OnLine SC 634 [Civil Appeal No.14670 OF 2015 dated 25.03.2025], the Hon'ble Supreme Court has held that it is a settled principle of law that large extents of land do not command the same unit price as small plots. Therefore, when the compensation is determined based on sale exemplars of smaller plots, a reasonable deduction is normally permissible on account of the largeness of the acquired area. A deduction of at least 10% is thus warranted to ensure a just and equitable assessment of market value.



32. In the present case, the acquired land is suitable and directly utilizable for the notified purpose without any requirement of internal development, plotting, or infrastructure provisioning. As held in ***Land Acquisition Officer v. L. Kamalamma***, [(1998) 2 SCC 385], deductions towards development cost are not justified in acquisitions made for roads, irrigation canals, or similar public utilities where the land is not intended to be developed into housing or commercial layouts.

33. Though the sale exemplars relate to housing plots, the land acquired from each of the claimants measures only about 3,000 square meters and, though agricultural in nature, does not constitute a relatively large tract. In fact, the total extent of land acquired from the entire village was only 22,001 square meters. Therefore, having regard to the modest extent of both the individual and overall acquisitions, and the smallness of the exemplar plots, a limited deduction is justifiable solely on that ground.

34. Accordingly, this Court holds that no deduction shall be made towards development charges, and the only permissible deduction in the present case shall be confined to the smallness of the extent of the acquired land. However, in so far as the smallness of extent is concerned, having regard to the facts and circumstances of the case and the discussion on this aspect, this Court



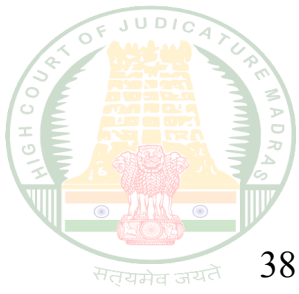
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is of the considered view that a deduction of 10% would be just and equitable to award fair compensation to the landowners.

35. After adopting the base market value of Rs.1,021.00 per square metre (equivalent to Rs.95.00 per square foot) and applying a deduction of 10% towards the smallness of the exemplar plots and the relatively larger extent of the land acquired, the net market value is determined as Rs.918.90 per square metre, which is rounded off to Rs.920.00 per square metre. On conversion, this corresponds to Rs.85.50 per square foot, which is accordingly rounded off to Rs.86.00 per square foot.

36. As rightly pointed out by the learned counsel for the claimants, the order of the Reference Court is silent with regard to the other statutory benefits as contemplated under the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013. However, it is pertinent to note that the award passed by the Land Acquisition Officer had already incorporated all such statutory benefits.

37. In the absence of any specific denial or contrary finding regarding the other statutory benefits, this Court is inclined to pass an appropriate direction to ensure that the claimants are extended all consequential benefits in accordance with the said Act.



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38. In accordance with Sections 30 and 31 of the RFCTLARR Act, 2013, the claimants are entitled to additional compensation at the rate of 12% per annum on the market value so determined, from the date of publication of the notification under Section 15(2) of the Tamil Nadu Highways Act till the date of the award or the date of taking possession, whichever is earlier. The claimants are entitled to have the market value so determined subjected to a multiplier of 1.25, as prescribed under Schedule I of the RFCTLARR Act, 2013. In addition, the claimants are entitled to solatium at 100% of the compensation amount, along with interest and other statutory benefits as applicable.

In the result, (1) Civil Revision Petition in C.R.P.Nos.4009 & 4010 of 2022 are partly allowed in the following terms:

(i) The common order passed by the reference court, impugned in these revision petitions, is modified to the extent of the determination of market value. Accordingly, the market value of the acquired lands is enhanced and fixed at Rs.920/- per square meter [equivalent to Rs.86/- per square foot] in the place market value of Rs.61.80 per square meter [Rs.5.75 per square foot] as originally awarded by the reference court in the references under revision.

(ii) The claimant(s) are entitled to get enhanced compensation for the



lands acquired from them calculated at the enhanced rate of market value.

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(iii) The market value determined above shall be subject to a multiplier of 1.25, as prescribed under Schedule I of the RFCTLARR Act, 2013.

(iv) The claimants shall be entitled to solatium at 100% of the total compensation amount, in terms of Section 30(1) of the Act.

(v) The respective claimants shall also be entitled to additional compensation at 12% per annum on the market value so determined, from the date of publication of the notification under the Tamil Nadu Highways Act till the date of the award or the date of taking possession, whichever is earlier, in accordance with the RFCTLARR Act, 2013.

(vi) The respective claimants shall further be entitled to interest at 9% per annum for the first year from the date of taking possession, and 15% per annum thereafter until the date of deposit of the enhanced compensation amount, as provided under RFCTLARR Act, 2013

(vii) Any amount of compensation already received by the claimant shall be deducted from the total amount payable pursuant to this judgement.

(viii) The respondent is directed to deposit the differential amount along with along with admissible components within a period of two months from the date of receipt of a copy of this order.

(2) Civil Revision Petition in C.R.P.Nos.3030 and 3033 of 2023 are



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dismissed.

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(3) Considering the facts and circumstances both parties are directed to bear their respective costs incurred on these revision petitions. Consequently, connected CMPs are closed.

Index : yes / no
Neutral Citation : yes / no

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To

1.The District Judge, Nagapattinam, Nagapattinam District.



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N.SATHISH KUMAR.J.,

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Common Order
in
C.R.P.Nos.4009, 4010 of 2022, 3030 and 3033 2023

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