



A.S. No. 182 of 2019

IN THE HIGH COURT OF JUDICATURE AT MADRAS

RESERVED ON : 28.10.2025
PRONOUNCED ON : 18.12.2025

CORAM

THE HONOURABLE DR.JUSTICE A.D.MARIA CLETE

A.S. No.182 of 2019
and CMP.No.7010 of 2019

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

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

3. The Director
Aadhi Diravidar Welfare Department,
Puducherry.

... Appellants

Vs.

A.Arokiamary
W/o.Anthonyraj
12, Nallathur Road,
Kurumbagaram,
Karaikal.

...Respondent

PRAYER in A.S.: Appeal Suit filed under Section 96 of CPC to set aside the order dated 24.06.2015 in LAOP.No.2 of 2014 passed by the District Judge, Karaikal and to pass such further or other orders.



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Prayer in CMP.: To stay the operation of the impugned award dated 24.06.2015 in LAOP.No.2 of 2014 on the file of the District Judge at Karaikal pending disposal of the above first appeal.

For Appellants : Mr.P.S.Kothandaraman

For Respondent : Mr.T.Saikrishnan

J U D G M E N T

Heard.

2. This Appeal Suit is directed against the judgment and decree dated 24.06.2015 passed in L.A.O.P. No. 2 of 2014 by the learned District Judge, Karaikal, whereby the market value of the acquired land was enhanced from Rs. 1,500/- per Are, to Rs. 5,268/- per Are after deducting 30% with statutory benefits.

3. In this appeal, appellants are the Referring Officers and the respondent is the claimant. For the sake of convenience, the parties will be referred to in the same rank as they stood in the Reference Court.

4. The brief facts leading to the appeal are that the respondent is the owner of land in R.S. No. 302/2 of Kurumbagaram Revenue Village, measuring 01H–



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05A–50Ca, classified as wet land. The said land was acquired under G.O.Ms.No.131 dated 17.10.2005, for the public purpose of providing free house-site pattas to SC/OEBC families. The Section 4(1) Notification was published in newspapers, gazette and by affixture, the last date being 05.12.2005.

5. The Land Acquisition Officer, for determining the market value, examined 70 sale deeds for the one-year period prior to the Notification, rejected 64 of them and retained only 6 low-value transactions. Among these, he particularly relied on the sale in R.S.No.193/4, where the sale value is Rs. 1,092/- per Are and the Guideline Register Value for 2004–2005 is Rs. 1,500/- per Are. Since the GLR Value was higher than the rates disclosed in the retained sale, he adopted the GLR and fixed the value of land at Rs. 1,500/- per Are. The total compensation awarded was Rs. 2,83,558/-, inclusive of solatium and additional amount.

6. The claimant, dissatisfied with the valuation, sought reference under Section 18 of the Act, asserting that the acquired land is located within a fully-developed residential and industrial locality, surrounded by Air City Nagar, Rajiv Gandhi Nagar and Kottapakkam Layout, and proximate to Godrej, Kannan Chemicals and a Carbide Factory. It was submitted that the



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land required no reclamation or earth-filling and the Government itself immediately formed house-site layouts upon acquisition.

7. In support of her claim, the respondent relied upon three sale deeds, Ex.C1 to Ex.C3, all executed within the statutory one-year period and relating to lands situated at distances of 200–300 metres from the acquired land. These sale deeds reflected values of Rs. 7,711/-, Rs. 7,865/- and Rs. 7,000/- per Are respectively.

8. The Reference Court, finding Ex.C1–C3 to be proximate in time and situation and reflective of the true market condition, adopted the average rate of Rs. 7,525/- per Are, applied a 30% deduction for development, and fixed the market value at Rs. 5,268/- per Are. Aggrieved by the enhancement, the Referring Officers filed the present appeal.

9. In the appeal, the appellants contend that the Reference Court wrongly enhanced the compensation from Rs.1,500/- to Rs.5,268/- per Are by relying on Ex.C1 to Ex.C3, which relate to dry/manai lands situated near the main road, unlike the acquired wet land located farther away. They argue that these sales are not comparable, that the Court improperly considered future utilisation of the land, and that only the market conditions as on the date of



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the Section 4(1) Notification should have been considered.

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10. The learned Government Pleader submitted that the LAO undertook a proper sale-data analysis and adopted GLR only because the retained transactions were of lesser value. It was further submitted that Ex.C1–C3 relate to superior lands situated nearer to the main road and therefore cannot be treated as comparable to the acquired wet land. It was also contended that the purpose of acquisition being distribution of house sites requires substantial development, such as formation of internal roads, open spaces and utilities, and therefore a minimum of 33% deduction ought to have been applied, making the 30% deduction insufficient.

11. Per contra, the learned counsel for the respondent submitted that the acquired land lies in the midst of an already developed residential locality with full amenities and is surrounded by established layouts and industrial establishments. It was argued that the Government itself formed house-site layouts on the acquired land without any filling or reclamation, showing that the developmental requirement was minimal. The respondent contended that Ex.C1–C3 are proximate in time and place and truly reflect the market value.

12. The respondent made submission to invoke the **Order 41 Rule 33**
5/11



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CPC, submitting that even in the absence of a separate appeal or cross-objection, this Court has wide powers to enhance the compensation, if warranted, to Rs. 7,475/- per Are, without the deductions being the rate reflected in Ex.C1-C3, a prior sale deed pertaining to the same survey number. It was argued that this power enables the appellate court to pass any decree or order which ought to have been passed by the trial court, to ensure complete justice.

13. The points arise for consideration:

- (i) Whether Ex.C1–C3 constitute proper comparables?
- (ii) Whether 30% deduction is sustainable?

POINT NO 1:

14. On the first point, the Reference Court observed that although the Land Acquisition Officer had collected 70 sale deeds for the relevant one-year period and ultimately retained 6 of them, he ought to have determined the market value on the basis of one of those sale instances, or any other truly comparable sale, rather than adopting the Government Guideline Register Value of Rs.1,500/- per Are

15. In **BSNL v. Nemichand Damodardas (Civil Appeal No. 3478 of 2022)**,



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the Hon'ble Supreme Court reiterated that Guideline Value/Ready Reckoner is meant only for stamp duty purposes and cannot form the basis for compensation under the Land Acquisition Act, and that genuine comparable sale transactions must prevail, which held in para 9 as follows:

“9. The aforesaid decision in the case of Jawajee Nagnatham (supra) has been subsequently followed in a subsequent decision of this Court in the case of Lal Chand (supra) and it is observed that the market value of the land under Section 23 of the Land Acquisition Act cannot be fixed on the basis of the rates mentioned in the Basic Valuation Registers' maintained for the purpose of collection of proper stamp duty.”

16. Applying this binding ratio, the Land acquisition officer's adoption of GLR-based market value is contrary to law and the reference court correctly rejected the GLR value for fixing the compensation. . It concluded that the true market value must be arrived at only on the basis of genuine sale transactions for the relevant period, namely the sale deeds produced by the claimant and marked as Ex.C1 to Ex.C3.

17. However, the Reference Court found that the lands covered under Ex.C1 to Ex.C3 are all situated at roughly the same distance of about 250 metres from the acquired land. Though they differ in revenue classification as wet



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land, manai and dry land, their close proximity to the acquired land and the clear potential of the acquired land to be converted into a housing layout can be legally inferred. On that basis, the Court held that the market value reflected in these three sale deeds can be legally adopted as the market value for the acquired land.

18. It is evident that, Ex.C1–C3 fall within the statutory one-year period and relate to lands situated within 200–300 metres of the acquired land. Their price variation is consistent, and they reflect bona fide transactions. Ex.C1 to Ex.C3 are all bona fide sale transactions, executed within one year prior to the Section 4(1) Notification, relating to lands situated within about 200–300 metres from the acquired land, and the rates reflected therein (Rs.7,000/-, Rs.7,711/- and Rs.7,865/- per Are) lie within a narrow and consistent range. There is no evidence to show that any one of these sales is abnormal, speculative or otherwise unfit to be taken as a comparable. The method of averaging multiple genuine and proximate sale deeds has been recognised in several decisions as a permissible mode of valuation under Section 23 of the Land Acquisition Act, and its application in the present case does not call for interference. Applying the principles laid down in *Chimanlal Hargovinddas* (1988) 3 SCC 751 and reiterated in *BSNL v. Nemichand Damodardas*,



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Ex.C1–C3 constitute proper comparable sales.

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POINT NO 2:

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

20. In view of the above discussions and following the judgments of Apex Court, all points for consideration are answered against the appellants. This Court finds that L.A.O.P. No. 2 of 2014 dated 24.06.2015 warranting interference and the compensation is enhanced from Rs. 5,268/- per Acre to Rs.6,773/- per Acre.



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21. In the result, the Appeal Suit is dismissed; however, in exercise of the powers conferred under Order 41 Rule 33 CPC, the deduction is reduced from 30 % to 10% and the compensation amount is enhanced to **Rs.6,773/- per Are**. The claimant shall be entitled to all statutory benefits on the enhanced compensation, including 12% additional amount under Section 23(1A), 30% solatium under Section 23(2), and interest at 9% per annum for the first year and 15% per annum thereafter until the date of deposit under Section 28 of the Land Acquisition Act. The judgment and decree dated 24.06.2015 in L.A.O.P. No. 2 of 2014 passed by the learned District Judge, Karaikal stands modified to the above extent. There will be no order as to costs. Consequently, connected miscellaneous petition is also closed.

18.12.2025

dpq

Index: Yes / No

Speaking Order / Non-speaking Order

Neutral Citation: Yes / No

To

1. The Learned District Judge,
Karaikal.



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DR. A.D. MARIA CLETE, J

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Pre-Delivery Judgment in
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