BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

Reserved On : 28.02.2025

Pronounced On : 30.04.2025

CORAM

THE HONOURABLE MR.JUSTICE G.R.SWAMINATHAN
and
THE HONOURABLE MR.JUSTICE M.JOTHIRAMAN

A.S(MD)Nos.72, 73, 74, 82, 83 & 84 of 2022

In A.S.(MD)No.72 of 2022

1.Tamil Nadu Agricultural University,
Rep. by its Registrar,
Coimbatore-641 003.

2.The Director,
Tamil Nadu Rice Research Institute,
Tamil Nadu Agricultural University,
Aduthurai,
Thanjavur District. .... Appellants / 3rd Party

Vs.

1.T.Gnanaguru .. 1st Respondent / Claimant

2.The Revenue Divisional Officer,
Kumbakonam,
Thanjavur District. ... 2nd Respondent / Land Acquisition Officer

Prayer : Appeal Suit filed under Section 96 of Civil Procedure Code, to allow this appeal suit and set aside the decree and Judgment dated 31.08.2016 passed by the Principal Sub Court, Kumbakonam in L.A.O.P.No.12 of 2001 with cost.

In A.S.(MD)No.73 of 2022

1.Tamil Nadu Agricultural University,
Rep. by its Registrar,
Coimbatore-641 003.

2.The Director,
Tamil Nadu Rice Research Institute,
Tamil Nadu Agricultural University,
Aduthurai,
Thanjavur District. .... Appellants / 3rd Party

Vs.

1.T.Gnanapandithan .. 1st Respondent / Claimant

2.The Revenue Divisional Officer,
Kumbakonam,
Thanjavur District. ... 2nd Respondent / Land Acquisition Officer

Prayer : Appeal Suit filed under Section 96 of Civil Procedure Code, to allow this appeal suit and set aside the decree and Judgment dated 31.08.2016 passed by the Principal Sub Court, Kumbakonam in L.A.O.P.No.13 of 2001 with cost.

In A.S.(MD)No.74 of 2022

1.Tamil Nadu Agricultural University,
Rep. by its Registrar,
Coimbatore-641 003.

2.The Director,
Tamil Nadu Rice Research Institute,
Tamil Nadu Agricultural University,
Aduthurai,
Thanjavur District. .... Appellants / 3rd Party

Vs.

1.T.Madhusudhanan .. 1st Respondent / Claimant

2.The Revenue Divisional Officer,
Kumbakonam,
Thanjavur District. ... 2nd Respondent / Land Acquisition Officer

Prayer : Appeal Suit filed under Section 96 of Civil Procedure Code, to allow this appeal suit and set aside the decree and Judgment dated 31.08.2016 passed by the Principal Sub Court, Kumbakonam in L.A.O.P.No.14 of 2001 with cost.

For Appellant : Mr.Veerakathiravan
Additional Advocate General
assisted by Mr.A.Thirumurthy

For Respondents : Mr.M.V.Santharaman
for R1
: Mr.K.Balasubramani
Special Government Pleader
(in A.S.(MD)Nos.
72 to 74 of 2022) for R2

In A.S.(MD)No.82 of 2022

The Revenue Divisional Officer,
Kumbakonam,
Thanjavur District. .... Appellant / Land Acquisition Officer / Referring Officer

Vs.

Gnana Guru ... Respondent / Claimant

Prayer : Appeal Suit filed under Section 96 of Civil Procedure Code, to set aside the decree and Judgment made in L.A.O.P.No.12 of 2001 on the file of the Principal Sub Court, Kumbakonam, dated 31.08.2016 and allow the appeal suit.

In A.S.(MD)No.83 of 2022

The Revenue Divisional Officer,
Kumbakonam,
Thanjavur District. .... Appellant / Land Acquisition Officer / Referring Officer

Vs.

Gnana Pandithan ... Respondent / Claimant

Prayer : Appeal Suit filed under Section 96 of Civil Procedure Code, to set aside the decree and Judgment made in L.A.O.P.No.13 of 2001 on the file of the

Principal Sub Court, Kumbakonam, dated 31.08.2016 and allow the appeal suit.

In A.S.(MD)No.84 of 2022

The Revenue Divisional Officer,
Kumbakonam,
Thanjavur District. .... Appellant / Land Acquisition Officer / Referring Officer

Vs.

Madhusoothanan ... Respondent / Claimant

Prayer : Appeal Suit filed under Section 96 of Civil Procedure Code, to set aside the decree and Judgment made in L.A.O.P.No.14 of 2001 on the file of the Principal Sub Court, Kumbakonam, dated 31.08.2016 and allow the appeal suit.

For Appellant : Mr.K.Balasubramani
Special Government Pleader

For Respondents : Mr.M.V.Santharaman

(in A.S.(MD)Nos.
82 to 84 of 2022)

COMMON JUDGEMENT

(Judgment of the Court was made by **G.R.SWAMINATHAN, J.)**

These appeals are directed against the common award dated 31.08.2016 passed by the Principal Sub Judge, Kumbakonam under Section 18 of the Land

Acquisition Act, 1894 in L.A.O.P.Nos.12, 13 & 14 of 2001. One set of appeals has been preferred by the beneficiary institution for whom the acquisition was made. The other set of appeals have been filed by the revenue.

2. The learned Additional Advocate General appearing for the appellants reiterated all the contentions set out in the grounds of appeal and called upon this Court to set aside the impugned order and restore the award passed by the land acquisition officer.

3. Per contra, the learned counsel appearing for the land owners whose lands were acquired submitted that the impugned order is well reasoned and that it does not call for interference. The learned counsel relied on a catena of decisions in support of his contentions.

4. We carefully considered the rival contentions and went through the evidence on record.

5. Notification under Section 4(1) of the Land Acquisition Act, 1894 for acquiring 2.59.0 hec of land was issued on 30.12.1996. After passing the declaration under Section 6 of the Act, the award dated 10.06.1999 was passed

fixing the land value per cent at Rs.767.05/-. Since the compensation amount fixed by the land acquisition officer was not acceptable to the land owners, they sought reference under Section 18 of the Act. Thereupon, reference was made and it was taken on file as L.A.O.P.Nos.12, 13, 14 of 2001 by the learned Principal Sub Judge, Kumbakonam. The claim statements were filed and the land owners examined themselves as witnesses. As many as four registered documents were marked as exhibits. On the side of the department, three documents were marked. The land acquisition officer examined himself as R.W.1. After considering the evidence on record, the reference Court vide order dated 31.08.2016 enhanced the market value per cent to Rs.13,068/-. The claimants were also held entitled to the other statutory benefits. The point for consideration is whether the enhancement made by the reference Court is in consonance with the statutory provisions set out in the Land Acquisition Act, 1894. Section 23(1) of the Land Acquisition Act, 1894 is as follows:-

> "***23. Matters to be considered in determining compensation-(1)*** In determining the amount of compensation to be awarded for land acquired under this Act, the Court shall take into consideration-
>
> -First, the market value of the land at the date of the publication of the notification under Section 4, Sub-Section (1);
>
> -secondly, the damage sustained by the person interested, by reason of the taking of any standing crops or trees which may be on the land at the time of the Collector's taking possession thereof;
>
> -thirdly, the damage (if any) sustained by the person interested, at

the time of the Collector's taking possession of the land, by reason of severing such land from his other land;

-fourthly, the damage (if any) sustained by the person interested, at the time of the Collector's taking possession of the land, by reason of the acquisition injuriously affecting his other property, movable or immovable, in any other manner, or his earnings;

-fifthly, if, in consequence of the acquisition of the land by the Collector, the person interested in compelled to change his residence or place of business, the reasonable expenses (if any) incidental to such change; and

-sixthly, the damage (if any) bona fide resulting from diminution of the profits of the land between the time of the publication of the declaration under Section 6 and the time of the Collector's taking possession of the land."

6. The details of the lands acquired from the claimants are as follows:-

L.A.O.P.No.12 of 2001

S.No.	**Survey No.**	**Character of land**	**Extent**	**Value per Are (Rs.)**
1.	189/8	Nanjai	0.59.5	1,894.49/-
1.	191/1A	Nanjai	0.50.5	1,894.49/-

L.A.O.P.No.13 of 2001

S.No.	**Survey No.**	**Character of land**	**Extent**	**Value per Are (Rs.)**
1.	184/2	Nanjai	0.26.5	1,894.49/-

L.A.O.P.No.14 of 2001

S.No.	Survey No.	Character of land	Extent	Value per Are (Rs.)
1.	189/3	Nanjai	0.19.5	1,894.49/-
2.	189/6	Nanjai	0.05.5	1,894.49/-
3.	189/7	Nanjai	0.22.5	1,894.49/-
4.	191/10	Nanjai	0.65.0	1,894.49/-

7. The Hon'ble Supreme Court in its decision reported in **(2015) 2 SCC 262 (vide *Kapil Mehra v. Union of India*)**, held as follows:

> **"10.**The first question that emerges is, what would be the reasonable market value which the acquired lands are capable of fetching. While fixing the market value of the acquired land, the land acquisition officer is required to keep in mind the following factors : (*i*) existing geographical situation of the land; (*ii*) existing use of the land; (*iii*) already available advantages, like proximity to National or State Highway or road and/or developed area; and (*iv*) market value of other land situated in the same locality/village/area or adjacent or very near to the acquired land.
>
> **12.** In ***Viluben Jhalejar Contractor v. State of Gujarat [(2005) 4 SCC 789]***, this Court laid down the following principles for determination of market value of the acquired land :
>
> *"20.* **The amount of compensation cannot be ascertained with mathematical accuracy. A comparable instance has to be identified having regard to the proximity from time angle as well**

as proximity from situation angle. For determining the market value of the land under acquisition, suitable adjustment has to be made having regard to various positive and negative factors vis-à-vis the land under acquisition by placing the two in juxtaposition."

The character of the land has been mentioned as "நஞ்சை" i.e., wetlands. The said lands have been acquired for the expansion of Rice Research Institute. R.W.1 admits in his cross examination that the the said lands are located amidst the lands that had already been acquired for the purpose of constructing a Rice Research Institute. He also admitted that the subject lands are situated near Aduthurai Railway Station and veterinary hospital. The court below has duly taken note of the said aspects. The claimants have marked Ex.P1 to Ex.P4. The said documents pertain to Survey No.115. The said survey number is also found in Ex.R3 / Topo Sketch marked by the revenue. The particulars in respect of the relied upon sale deeds has been captured in the following table:-

"16. கோரிக்கைதாரர்கள் தரப்பில் தாக்கல் செய்யப்பட்டுள்ள கோ.சா.ஆ.1 முதல் கோ.சா.ஆ4 ஆவணங்களில் கண்டுள்ள சொத்துக்களின் சந்தை மதிப்பு கீழே உள்ள அட்டவணையில் காட்டப்பட்டுள்ளது.

சான்றாவணம்	கிரய தேதி	புல எண்	நிலத்தின் தன்மை	பரப்பளவு	கிரய மதிப்பு	சந்தை மதிப்பு	சதுர அடி மதிப்பு
கோ.சா.ஆ.1	20.8.95	புல எண்.208/1A	நஞ்சை	2700 சதுர அடி	ரூ.60000/-	ரூ.121500/-	ரூ.45/-
கோ.சா.ஆ.2	21.8.95	புல எண்.208/2	நஞ்சை	1800 சதுர அடி	ரூ.18000/-	ரூ.81000/-	ரூ.45/-
கோ.சா.ஆ.3	20.2.94	புல எண்.122/47	மனை	1675 சதுர அடி	ரூ.87100/-	ரூ.87100/-	ரூ.52/-
கோ.சா.ஆ.4	21.9.96	புல எண்.115/4, 7	புஞ்சை	3084 சதுர அடி	ரூ.13800/-	ரூ.185040/-	ரூ.60/-

8.In ***Kapil Mehra*** case, the Hon'ble Supreme Court endorsed the adoption of comparable sales method in the following terms:

> "**13.** The courts adopt comparable sales method for valuation of land while fixing the market value of the acquired land. Comparable sales method of valuation is preferred rather than methods of valuation of land such as capitalisation of net income method or expert opinion method, because it furnishes the evidence for determination of the market value of the acquired land at which the willing purchaser would pay for the acquired land if it had been sold in the open market at the time of issuance of notification under Section 4 of the Act."

The acquisition proceedings were initiated in 1997. Therefore, the aforesaid transactions in Ex P1 to Ex P4 dated 20.08.1995, 21.08.1995, 20.02.1994 and

21.09.1996 respectively can very much be considered as comparable in nature. The Hon'ble Supreme Court in ***Mehrawal Khewaji Trust v. State of Punjab*** reported in **(2012) 5 SCC 432** held as follows**:**

> "**17 .....**when there are several exemplars with reference to similar lands, it **is the general rule that the highest of the exemplars, if it is satisfied that it is a bona fide transaction, has to be considered and accepted. When the land is being compulsorily taken away from a person, he is entitled to the highest value which similar land in the locality is shown to have fetched in a bona fide transaction entered into between a willing purchaser and a willing seller near about the time of the acquisition.** In our view, it seems to be only fair that where sale deeds pertaining to different transactions are relied on behalf of the Government, the transaction representing the highest value should be preferred to the rest unless there are strong circumstances justifying a different course. It is not desirable to take an average of various sale deeds placed before the authority/court for fixing fair compensation."

Thus the authority was not justified in arriving at the land value per cent at Rs. 767.05 by ignoring Ex P1- Ex P4 sale deeds that reflected a higher value for the suit subject land.

9.The court below rightly considered the aforesaid sale deeds in respect of land classified as "Nanjai"/Wetlands . Since the subject land was an agricultural land, after effecting 1/3rd deduction towards development costs, the court below fixed the market value of the land at Rs.30/- per square feet. In that view of the matter, the value of the land per cent was arrived at Rs. 13,068/-. The Apex Court in ***State of Maharashtra v. Digamber Bhimashankar Tandale*** reported in **(1996) 2 SCC 583** held as follows:

> "3... It is settled law that the determination of compensation on square-foot basis is an illegal principle followed by the courts. The reference court on feats of imagination has done it. When 12.50 acres of land is sought to be acquired, no reasonable prudent purchaser would come forward to purchase the land on square-foot basis. It would be incredulous to believe such a purchase. Therefore, the premise on which the reference court and the High Court had proceeded to determine the compensation is obviously illegal."

In *Pitambar Hemlal Badgujar v. Sub-Divisional Officer* reported in **(1996) 7 SCC 554,** the Hon'ble Supreme Court reiterated the above position in the following terms:

> 4. "It is settled by a series of this Court's judgments that determination of the compensation in respect of the lands acquired on the square foot basis is an obvious illegal principle being adopted by the courts only to inflate the market value and

> no reasonable prudent purchaser would be willing to purchase the land on the square foot basis when large extent of land is offered for sale. Same is the case when land is acquired for public purpose. The courts are required to consider, sitting in the armchair of the prudent purchaser acting in normal conditions prevailing in the open market, whether, when offered to purchase the land by a willing vendor, he would purchase the same in an open market. The Court on that touchstone should evaluate the market value".

10.Though we are largely in agreement with the approach of the court below insofar as it enhances the compensation, we have to note that when a larger extent of the land is acquired, it ought not to have quantified the value on a square feet basis. The determination of the prevalent market value of the acquired land is not an algebraic formula and that cannot be determined in a precise or an accurate manner. (vide **Manilal Shamalbhai Patel v. Officer on Special Duty (Land Acquisition), 2025 SCC OnLine SC 634**) We are of the view that the market value of the land can be fixed at Rs.10,000/- per cent after effecting deductions on account of development and largeness in area in line with ***Manilal case***. The impugned order of the court below is accordingly modified. The claimants will be entitled to the other usual statutory benefits.

11. The Appeal Suits are partly allowed. No costs.

[G.R.S., J.] [M.J.R., J.]
30.04.2025

Index : Yes / No
Internet : Yes/ No
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To:

The Principal Sub Court, Kumbakonam.

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Madurai Bench of Madras High Court, Madurai.

A.S(MD)Nos.72, 73, 74, 82, 83 & 84 of 2022

G.R.SWAMINATHAN, J

and

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