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A.S. No.385 of 2026

IN THE HIGH COURT OF JUDICATURE AT MADRAS

RESERVED ON : 17.03.2026

PRONOUNCED ON : 23.06.2026

CORAM

THE HONOURABLE MR. JUSTICE C.V. KARTHIKEYAN

And

THE HONOURABLE MR. JUSTICE K.RAJASEKAR

A.S. No.385 of 2026

1. A. Ammasiammal (Died)
2. N. Padmanabhan
3. Maithili
4. Vasuki
5. N. Chandrasekaran

... Appellants

(Appellants 2 to 5 brought on record as LR's of the deceased sole Appellant, viz., A. Ammasiammal, vide Court order dated 15.11.2017 made in M.P.No.1/2024 in A.S. (SR) Nos.110224, 110226, 126869 of 2003 and 126862 of 2003)

-VS-

1. The Special Tahsildar,
Land Acquisition,
Salem-Karur Broad Gauge,
Railway Line Project,
Rajaram Nagar, Salem-7.
2. The Deputy Chief Engineer,
(Construction),
Salem- Karur Broad Gauge
Railway Line Project, Salem – 636 005.

... Respondents



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Prayer: This appeal is filed under Section 54 of the Land Acquisition Act, to set aside the lower Court Judgment and Decree of the learned Additional District Judge & Fast Track Court No.I, Salem in L.A.O.P. No.64 of 2002, dated 31.01.2003.

For Appellants : Mr. P. Jagadeesan

For R1 : Mr. G. Nanmaran
(Special Government Pleader)

For R2 : Mr. M. Vijay Anand
(Standing Counsel for Railway)

JUDGMENT

[Judgment made by K. RAJASEKAR, J.]

This appeal is filed challenging the Judgment and Decree of the learned Additional District Judge & Fast Track Court No.I, Salem in L.A.O.P. No.64 of 2002, dated 31.01.2003, for enhancement of compensation for the lands acquired for Salem – Karur Railway Line Project.

2. For the sake of convenience, the parties are referred herein according to their litigative status and rank before the Tribunal. The brief facts leading to filing of this appeal are as follows:

2.1 On the requisition from the Indian Railways, for laying BG Railway

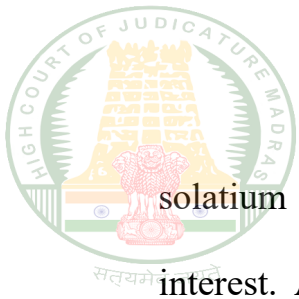


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line between Salem and Karur, the Tamil Nadu State Government had approved a draft notification u/s 4(1) of the Land Acquisition Act, 1874 and published in the Tamil Nadu Government Gazette on 21.01.1999, thereby acquired lands situated at Para Nattamangalam Village in Salem Taluk and District. The Lands acquired are classified as agricultural land, as per the revenue records. The Land Acquisition Officer (hereinafter LAO), who is the first respondent herein, after enquiry, fixed the compensation towards the lands acquired from the appellant herein as Rs.1,14,490/- by an Award in 3/1999-2000 dated 19.07.1999.

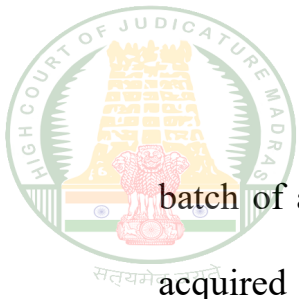
2.2. Aggrieved over the quantum of compensation, the land owners/claimants filed original petitions, seeking enhancement of compensation before the Additional District Judge & Fast Track Court No.I, Salem (Land Acquisition Tribunal). Before the Tribunal, the claimants were examined as C.W.1 to C.W.3 and Exs.C.1 to C.14 were marked and on the side of the respondents, R.W.1 and R.W.2 were examined and Exs.R.1 to R5 were marked. Though the claimants have demanded Rs.150/- per square feet as compensation, the Land Acquisition Tribunal, after examining the witnesses and documents placed on record and after elaborate enquiry, fixed Rs.10/- per square feet i.e., Rs.4,36,000/- per acre or Rs.10,76,920/- per hectare, as just compensation. Further, the Tribunal has also ordered 30%



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solatium and other compensations under various heads along with applicable interest. Aggrieved over the compensation awarded by the Additional District Judge & Fast Track Court No.I, Salem (Land Acquisition Tribunal), the claimant has preferred this appeal suit, for enhancement. The respondent have not filed any separate appeal.

3. The learned counsel appearing on behalf of appellants/ claimants submitted that the compensation fixed for the lands acquired, by the Tribunal is only Rs.10/- per square feet, which is very minimal. He also submitted that the Court below failed to appreciate the evidence placed on record in fixing the market value of the lands acquired and further, the Court below has fixed only Rs.10,000/- as severance compensation, which is also very minimal. He further submitted that deduction of 50% of the compensation value towards development charges is exorbitant, the Court below also failed to appreciate that on the north, west and south of P.Nattamangalam Village, Amani Kondalampatty Village is situated and the lands thereon have all infra structures such as road, electricity, etc., hence deduction of 50% of the value as development charges is high exorbitant. He also submitted that the lands acquired from the Amani Kondalampatty Village for the very same railway project, a Division Bench of this Court in judgment dated 16.07.2009 in



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batch of appeals in A.S.No.430 of 2007, has determined the compensation for the acquired lands as Rs.100/- per square feet, similarly the lands acquired in this case is surrounded by this Amani Kondalampatti village. He prays that Rs.75/- per square feet may be fixed as compensation and prays to enhance the compensation fixed by the Tribunal.

4. The learned counsel for the respondents submitted that the first respondent selected a data land for fixing the compensation for the acquired lands, which are similar in nature in all aspects, compared to the acquired lands. Further the acquired lands are only agricultural land and do not have any building potentiality, as alleged by the claimant. He also submitted that there is no developed residential area or commercial establishments near the acquired lands and based on the categorical guidelines prescribed in the Act, the market value of the lands were fixed, hence prays to dismiss the appeal.

5. We have considered the submissions made on both sides and perused the materials available on record:

6. A Division Bench of this Court, while deciding the market value for



the lands acquired for the very same Railway Line Project from the Amani

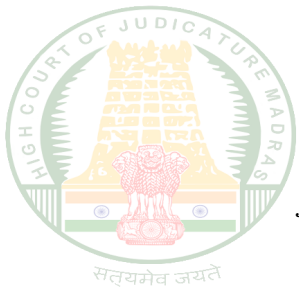
Kondalampatti Village, Salem Taluk in A.S.No.430 of 2007 dated 16.07.2009 has

fixed the uniform rate of Rs.100/- per square feet and also while deciding the cost

deducted towards development charges has held in paragraph No.11 as follows:

“11. We are not able to sustain the argument of the learned counsel for the second respondent, that the enhancement of Rs.25/- over and above the value of the land in SI.No.476, because SI.No.476 was sold on 15.04.1998, but the 4(1) notification is dated 23.02.1999. Hence, there must be some escalation in the price of the house sites. As per Section 23 of the Land Acquisition Act, the value has to be determined by taking into consideration the market value of the land on the date of publication of the notification under Section 4(1) of the Act. As the date of the notification under Section 4(1) of the Act is nearly one year after the date of sale of land under SI.No.476, the enhance of Rs.25/-, in our view, would reflect the fair market value. If that be so, we are of the view that the determination of the value of the land at Rs.125/- per sq.ft., is a fair market value of the land and it cannot be regarded as on the higher side. An attempt was made to contend that no amount was deducted from the value determined towards development charges, by relying on the Supreme Court decision in the cases of Basavva vs. Spl. Land Acquisition Officer, (1996) 9 SCC 640 and Land Acquisition Officer, Kammarapally Village vs. Nookala Rajamallu, AIR 2004 SC 1031. Here again, we are not able to concur with the argument. The public purpose for which the land was acquired in the present case is for formation of railway track from Salem to Karur, which require no development except strengthening the track land and laying the rail track. It is apt, we think to quote certain observations made by the apex Court in the case of Nelson Fernandes vs. Special land Acquisition Officer, 2007 (9) SCC 447:

“We are not, however, oblivious of the fact that normally 1/3rd deduction of further amount of compensation has to be directed in some cases. However, the purpose for which the land acquired must also be taken into consideration. In the instant case the land was acquired for the construction of new B.G. line



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for Konkan Railway. This Court, in Hasanali Khanbahi & sons vs. State of Gujarat, (1995) 2 SCC 422 and Land Acquisition Officer vs. Nookala Ramamallu, 2003 (12) SCC 334 had, noticed that where lands are acquired for specific purposes deduction by way of development charges is permissible. In the instant case, acquisition is for laying a railway line. Therefore, the question of development charges thereof would not arise.”

But the Reference Court has not taken into consideration the largeness of the area which has been acquired, while arriving at the value with reference to small piece of land in SI.No.476. The extent of lands sold by document dated 15.04.1998 in S.No.476 is 398 sq.m., (4187 sq.ft), whereas the land acquired is an extent of 2.01.0 hectares. Hence, definitely certain percentage in the value has to be deducted towards the largeness of the area acquired.”

7. This Court recently in A.S.Nos.599 of 2017 (batch) dated 02.03.2026 and A.S.No.611 of 2017 (batch) dated 09.06.2026 and, while deciding the compensation for the lands acquired for the very same railway line project from the Keeranoor village and Komarapalayam village, respectively has followed the comparison method and fixed the compensation value for the acquired lands, based on the proximity of the adjoining villages. The Apex Court in ***Special Land Acquisition Officer V. Karigowda and others reported in [(2010) 5 SCC 708]***, has approved the above method and held that the purpose for which land is acquired and the valuation in the adjoining villages also can be considered. In paragraphs 75 to 77 the Supreme Court held as follows:

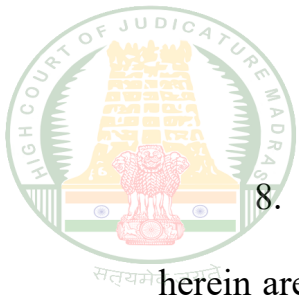


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“75. It is a settled principle of law that lands of adjacent villages can be made the basis for determining the fair market value of the acquired land. This principle of law is qualified by clear dictum of this Court itself that whenever direct evidence i.e., instances of the same villages are available, then it is most desirable that the Court should consider that evidence. But where such evidence is not available Court can safely rely upon the sales statistics of adjoining lands provided that instances are comparable and the potentiality and location of the land is somewhat similar. The evidence tendered in relation to the land of the adjacent villages would be a relevant piece of evidence for such determination. Once it is shown that situation and potential of the land in two different villages are the same then they could be awarded similar compensation or such other compensation as would be just and fair.

76. The cases of acquisition are not unknown to our legal system where lands of a number of villages are required for the same public purpose or different schemes but on the commonality of purpose and unite development. The parties are expected to place documentary evidence on record that price of the land of adjoining villages has an increasing trend and the Court may adopt such a price as the same is not impermissible. Where there is commonality of purpose and common development, compensation based on statistical date of adjacent villages was held to be proper. Usefully, reference can be made to the judgments of this Court in Kanwar Singh vs. Union of India and Union of India vs. Bal Ram.

77. In this regard we may also make a reference to the judgment of this Court in Kanwar Singh vs. Union of India where sale instances of the adjacent villages were taken into consideration for the purpose of determining the fair market value of the land in question and their comparability, potential and acquisition for the same purpose was hardly in dispute. It was not only permissible but even more practical for the Courts to take into consideration the sale statistics of the adjacent villages for determining the fair market value of the acquired land.”



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8. In this case, it is also submitted that the lands, which were acquired

herein are situated at P. Natamangalam village and this village is surrounded by the Amani Kondalampatti village on three sides, thereby it has been established that the acquired lands for the very same railway line project are from the same region, though the name of the villages are different. The Division Bench of this Court in A.S.No.430 of 2007 (batch) dated 16.07.2009 had determined the value for the lands situated at Amani Kondalampatti village as Rs.100/- per square feet and in this appeal, the claimants/ appellants herein claim Rs.75/- per square feet as compensation towards the acquired lands situated at P.Natamangalam village. We have also perused the village map produced and there is no dispute regarding the fact that, this village is adjacent village of Amani Kondalampatti, the respondents have paid the compensation to the land owners of Amani Kondalampatti, as determined by this Court and same reached its finality. Hence, we are of the view that it is reasonable and permissible to modify the market value of the land fixed by the Tribunal to uniform rate of Rs.75/- per square feet.

9. The Tribunal has also ordered 50% of the value of compensation towards development charges, this Court in A.S.No.430 of 2007 dated 16.07.2009 has held that, deduction of 50% of the value towards development charges for the



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lands acquired for laying a railway line is not proper. We are of the view that 50% of the value of compensation, deducted towards development charges, ordered by the Tribunal is liable to be cancelled.

10. The Tribunal has also taken note of the fact that, some of the lands are entitled to severance compensation and accordingly, the Tribunal has fixed severance compensation as Rs.10,000/- for the extent of 0.10.05 hectares. This Court in ***“The Special Tahsildar (LA), Salem vs. V.K. Periyasami and another” in A.S.Nos.599 to 609 of 2017 (batch) vide judgment dated 02.03.2026***, while deciding the compensation for the severed lands in Keeranoor village for the very same railway line project has determined the value of the land as Rs.25/- per square feet and severance compensation as Rs.10 lakhs per hectare. In proportion to the above compensation fixed, we are of the view that fixing the severance compensation for the present lands (i.e.,) in this case as Rs.30 lakhs per hectare (Rs.12.14 lakhs per acre) would be appropriate. Accordingly, the appellant herein is entitled for enhanced compensation in the same proportion for his land i.e., 0.10.5 hectares.

11. As observed in the earlier paragraph, the market value for lands is



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enhanced to uniform rate of Rs.75/- per square feet. Similarly, in proportion to the above compensation fixed, the severance compensation is also hereby enhanced in proportion to the lands acquired from the appellant herein to Rs.3,15,000/- (Rupees Three lakhs and Fifteen Thousands only). Further, the 50% deduction towards the value of compensation towards development charges is hereby cancelled. As far as the compensation awarded by the Tribunal under various other heads and the interest rates are hereby confirmed. The respondents herein are directed to deposit the enhanced compensation along with interest to the credit of L.A.O.P. No.64 of 2022 on the file of the learned Additional District Judge & Fast Track Court No.I, Salem, within a period of six weeks from the date of receipt of copy of this order.

12. In the result, this appeal is allowed. Consequently, connected civil miscellaneous petition, if any stands closed. There shall be no order as to costs.

(C.V. KARTHIKEYAN, J.) (K. RAJASEKAR, J.)

23-06-2026

Index : Yes/No

Internet: Yes/No

Speaking order/Non-Speaking order

Neutral Citation : Yes/No

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C.V. KARTHIKEYAN, J.
AND
K.RAJASEKAR, J.

stn

To

1. The Additional District Judge & Fast Track Court No.I, Salem.
2. The Special Tahsildar,
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Railway Line Project,
Rajaram Nagar, Salem-7.
3. The Deputy Chief Engineer,
(Construction),
Salem- Karur Broad Gauge
Railway Line Project, Salem – 636 005.
4. The Section Officer,
V.R. Section,
High Court of Madras.

**Pre-delivery Judgment made
in A.S. No.385 of 2026**

23-06-2026