IN THE COURT OF THE DISTRICT JUDGE AT KARAIKAL

PRESENT: THIRU. K. MOHAN, B.B.A., L.L.M.,
DISTRICT JUDGE (FAC)
KARAIKAL

Friday, the 10th day of July, 2026

L.A.O.P. No. 03/2025

CNR No. PYKL01000060-2025)

1. Union of India, represented by The
   Secretary to Government,
   Revenue Department, Puducherry.
2. The Deputy Collector (Revenue)-
   cum-Land Acquisition Officer,
   Karaikal. …. Referring Officers/

Vs.

Natarajan, S/o Krishnasamy,
No.23, Yadhaval Street,
Poovam, Kottucherry Commune,
Karaikal. …. Respondent/Claimant

This petition coming on 30.06.2025 for final hearing before this Court in the presence of Thiru. A. Senthil Kumar, Government Pleader for the Referring Officers and Thiru. C. Rajasekar, Counsel for the Claimant, upon hearing both sides and on persuing the case records and having stood over the matter for consideration till this day, this court delivered the following:

AWARD

This is a reference under section 30 of the Land Acquisition Act made by the Land Acquisition Officer/Sub-Collector (Revenue) for deciding the quantum of compensation, as the petitioners are not satisfied with the quantum of compensation paid by the Land Acquisition Officer.

2. The Revenue Authority, namely the Sub-Collector-cum-Land Acquisition Officer, Karaikal, initiated land acquisition proceedings pursuant to the requisition made by the Director, Department of Higher and Technical Education, Government of Puducherry, for the establishment of the National Institute of Technology (NIT), Puducherry, at Thiruvettakudy Revenue Village, Karaikal. For the said public purpose, lands measuring a total extent of 88.52.80 hectares were proposed to be acquired. The land comprised in Survey No. R.S.No.84/13, belonging to the present claimant, measuring an extent of 0-11-50 H.A.Ca, also formed part of the acquisition proceedings.

3. The Government of Puducherry approved the proposal for acquisition by issuing G.O. Ms. No. 4, Revenue Department, dated 27.06.2011. Pursuant thereto, a notification under Section 4(1) of the Land Acquisition Act, 1894, was issued and published in the Official Gazette, in one English daily, one Tamil daily, and by public notice in the locality on the respective dates prescribed under the Act. Considering the urgency of the project, the acquisition proceedings were initiated by invoking the urgency provisions of the Land Acquisition Act, 1894, thereby dispensing with the enquiry under Section 5-A of the Act. Thereafter, a declaration under Section 6 of the Act was issued by the Department of Revenue and Disaster Management, Government of Puducherry, in G.O. Ms. No. 7 dated 29.07.2011, and the declaration was duly

published in the Official Gazette, newspapers, and by public notice in the locality on the respective dates in accordance with law.

4. During the course of the acquisition proceedings, the Land Acquisition Officer received a representation from DFL–DCM Shriram Constructions, New Delhi, by letter dated 23.08.2011. In the said representation, it was requested that the acquisition proposal be modified by excluding an extent of 0.29.40 hectares comprised in R.S. No. 201/1B and the land comprised in R.S. No. 207/1B situated in Thiruvettakudy Revenue Village. The request was made on the ground that, if the said lands were acquired, the remaining lands belonging to the company, situated adjoining the proposed acquisition on the Tamil Nadu border, would become landlocked and would have no access.

5. In the meanwhile, a Site Selection Committee meeting was convened on 13.11.2011 at 11.30 a.m., under the chairmanship of the District Collector, Karaikal, to consider the representation submitted by DFL–DCM Shriram Construction in LOP Nos. 3 and 4 of 2025.

6. It is stated that the respondent purchased the subject property under a registered Sale Deed dated 21.05.2004, registered as Document No. 1153 of 2004. Since the date of purchase, the respondent has been the absolute owner in possession and enjoyment of the property. Accordingly, the respondent alone is entitled to receive the compensation in respect of the acquired land covered under LOP Nos. 3 and 4 of 2025.tions, New Delhi. Upon consideration of the representation, the Committee resolved to exclude the land sought to be deleted from the acquisition proceedings. In lieu thereof, an equivalent extent of land comprised in R.S. No. 207/1B of Thiruvettakudy Revenue Village was included in the acquisition proposal.

7. For the purpose of determining the market value of the lands under acquisition, the Revenue Inspector attached to the office of the Land Acquisition Officer collected the statistics of sale transactions that had taken place in Poovam and Thiruvettakudy Revenue Villages during the period of one year immediately preceding the date of publication of the notification under Section 4(1) of the Land Acquisition Act, 1894, namely from 13.08.2010 to 12.08.2011.

8. During the said period, 53 sale transactions pertaining to Poovam Revenue Village and 148 sale transactions pertaining to Thiruvettakudy Revenue Village, aggregating to 201 sale transactions, were collected, item-wise and serially numbered, for the purpose of assessing the prevailing market value of the lands proposed for acquisition. Thereafter, on 19.08.2011, the lands covered under the sale deeds were inspected with the assistance of the Surveyor, and the observations made during the inspection were duly recorded.

9. The assessed market value in respect of Thiruvettakudy Revenue Village was found to be Rs.9,574/- per Are, whereas the Guideline Register (GLR) value was Rs.11,500/- per Are. Since the Guideline Register value was higher than the assessed market value, the Guideline Register value of Rs.11,500/- per Are was adopted as the market value for the acquired lands in accordance with G.O. Ms. No.14 dated 08.02.1989. Consequently, the lands situated in both Poovam and Thiruvettakudy Revenue Villages were valued uniformly at Rs.11,500/- per Are for the purpose of payment of compensation. Thereafter, the Land Acquisition Officer passed an award determining the compensation payable to the respective landowners. Simultaneously, by invoking the provisions of Section 17(3A) of the Land Acquisition Act, 1894, orders were passed directing payment of 80% of the estimated compensation to the

landowners before taking possession of the acquired lands. Subsequently, by proceedings dated 22.02.2023, the Land Acquisition Officer forwarded the present reference to this Court under Section 30 of the Land Acquisition Act, 1894. In the reference, it was stated that a sum of Rs.71,47,258/-, representing the unclaimed compensation amount payable to the concerned landowners in respect of the lands acquired for the establishment of the National Institute of Technology, Puducherry, at Karaikal, had already been remitted into Court through Challan No. 02/1/LA/D1/2014-15, dated 23.02.2015.

10. It was further stated that references under Section 30 of the Land Acquisition Act, 1894, had been made in respect of the following landowners, and the Court was requested to determine the persons entitled to receive the compensation amount deposited before the Court and to order its disbursement to the eligible landowners or other interested persons. Along with the reference, the Land Acquisition Officer enclosed the relevant records relating to the ownership, possession, enjoyment and apportionment of the acquired lands, together with the original treasury challan evidencing the deposit of the compensation amount. The records disclose that, on 23.02.2015, the then Deputy Collector (Revenue)-cum-Sub-Divisional Magistrate, Karaikal, deposited a sum of Rs.71,47,258/- into Court towards the unclaimed compensation amount relating to the acquisition of lands for the establishment of the National Institute of Technology, Puducherry, at Karaikal.

11. Brief particulars of the claim statement filed by the first respondent:

i) It is stated that the respondent purchased the subject property under a registered Sale Deed dated 21.05.2004, registered as Document No. 1153 of 2004. Since the date of purchase, the respondent has been the absolute owner in possession and enjoyment of the property. Accordingly, the respondent alone is entitled to receive the compensation in respect of the acquired land covered under LOP Nos. 3 and 4 of 2025.

ii) It is further stated that the land was acquired by the Land Acquisition Officer for the establishment of the National Institute of Technology, Puducherry, by issuing a notification under Section 4(1) of the Land Acquisition Act, 1894, and the urgency provisions contained in Section 17 of the Act were invoked. According to the first respondent, once the urgency provisions under Section 17 of the Act were invoked, the Land Acquisition Officer was bound to comply with the mandatory requirement under Section 17(3A) of the Land Acquisition Act, 1894, by tendering and paying 80% of the estimated compensation before taking possession of the acquired land. In cases where there was any dispute regarding title to the land or apportionment of the compensation, or where the persons entitled to receive compensation were unable or unwilling to receive the same, the Collector was required, under Section 31(2) of the Act, to deposit the compensation amount before the competent Court.

iii) The first respondent contended that neither was 80% of the estimated compensation paid nor was the amount deposited before the competent Court prior to taking possession of the land. It is further alleged that the notice under Section 9 of the Land Acquisition Act was not served upon the first respondent and that possession of the land was taken on 22.11.2011 without complying with the mandatory provisions of the Act. Aggrieved by the said action, the first respondent submitted several representations to the authorities and also approached the Hon'ble High Court of Madras by filing writ petition. The Hon'ble High Court quashed the proceedings and directed the Land Acquisition Officer to pass an award within three months from the date of receipt of the order and to determine the compensation in accordance with the provisions of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 (Act 30 of 2013). It was further observed that, if the landowner was aggrieved by the quantum of compensation so determined, he would be at liberty to seek enhancement before the competent authority in accordance with law.

iv) According to the first respondent, despite the specific directions of the Hon'ble High Court, the award was not passed within the stipulated period of three months but came to be passed only after about three and a half years, namely on 30.11.2021 (date to be verified from records). It is also alleged that even after passing of the award, the compensation was neither tendered nor paid in the manner contemplated under Sections 17(3A) and 31 of the Land Acquisition Act, 1894. Consequently, the first respondent submits that he was deprived of the statutory benefits available under the Act and was prevented from seeking a reference for enhancement of compensation in accordance with law.

12. In a nutshell, the case of the respondent/claimant is as follows:

i) According to the respondent, the acquisition proceedings were initiated by the issuance of the notification under Section 4(1) of the Land Acquisition Act, 1894, on 23.06.2011, and possession of the acquired land was taken by the Land Acquisition Officer by invoking the urgency provisions under Section 17 of the Act. However, the mandatory requirement under Section 17(3A) of the Land Acquisition Act, 1894, namely, payment or tender of 80% of the estimated compensation before taking possession of the land, was not complied with. Instead, the compensation amount was deposited only on 23.02.2015, nearly three years after possession had been taken.

ii) It is the further contention of the respondent that the amount was initially remitted into the Government Treasury instead of being deposited before the Court, with the result that the amount did not earn any interest for the benefit of the respondent. Consequently, the respondent claims entitlement to statutory interest and all other statutory benefits on the sum representing 80% of the estimated compensation from the date of taking possession until the date of actual payment.

iii) The respondent further contends that, since possession was taken without complying with the mandatory provisions of Section 17(3A) of the Land Acquisition Act, 1894, the acquisition proceedings were not carried out in accordance with law. It is therefore claimed that the respondent is entitled to the benefits of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013, including the enhanced compensation and other statutory benefits available under the said enactment.

iv) The respondent also relies upon the orders passed by the Hon'ble High Court in the earlier writ proceedings, wherein directions were issued for determination of compensation in accordance with the provisions of the Act of 2013. According to the respondent, the authorities failed to comply with the said directions, which constrained the respondent to initiate contempt proceedings before the Hon'ble High Court. Though the contempt petition came to be dismissed, the Hon'ble High Court observed that such dismissal would not preclude the respondent from working out his remedies before the appropriate forum in accordance with law. On the above grounds, the respondent claims that the petitioner is liable to deposit the 80% of the estimated compensation before the competent Court together with all statutory benefits and statutory interest payable under Section 34 of the Land Acquisition Act, 1894, and the corresponding provisions of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013, from the date of taking possession of the land until the date of actual payment.

13. Brief particulars of the objection statement filed by the Land Acquisition Officer/Referring Authority:

i) The Land Acquisition Officer filed a detailed objection statement narrating the entire course of the acquisition proceedings and the various statutory steps undertaken from the issuance of the notification till the passing of the award. The factual background relating to the acquisition proceedings has already been discussed in the preceding paragraphs and, therefore, the same is not repeated herein.

ii) The principal objection raised by the Land Acquisition Officer is that the allegation of the claimant that the compensation amount was not properly deposited is wholly incorrect. According to the Land Acquisition Officer, the statutory procedure contemplated under the Land Acquisition Act, 1894, was strictly followed while dealing with the compensation amount. It is contended that, although notices were issued to the interested persons, the claimant did not come forward to receive the compensation. Consequently, in accordance with Section 31(2) of the Land Acquisition Act, 1894, the compensation amount was deposited before the competent Court, and a reference under Section 30 of the said Act was also made to this Court for adjudication regarding the entitlement and apportionment of the compensation. Hence, the allegation that the compensation amount was improperly deposited is denied.

iii) The Land Acquisition Officer further contended that the allegation regarding deliberate delay in passing the award is also devoid of merit. According to the referring authority, the delay occurred due to administrative reasons, including the acquisition of large extents of land for the project, the processing of claims relating to several landowners, and the subsequent change in the statutory regime following the enactment of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013.

iv) It is further contended that the present acquisition proceedings were initiated under the provisions of the Land Acquisition Act, 1894, and possession of the acquired lands was taken by invoking the urgency provisions contained in Section 17 of the said Act. Therefore, the claimant is not entitled to claim the benefits which are exclusively applicable to acquisitions initiated under the Act of 2013. Consequently, the claimant is not entitled to seek the additional benefits claimed under the provisions of the Act of 2013, including the additional compensation claimed under Section 40 of the said Act, as those provisions have no application to the present acquisition.

v) The Land Acquisition Officer further submitted that the compensation was initially determined in accordance with the provisions of the Land Acquisition Act, 1894, and thereafter the remaining compensation was determined and paid to the claimant in compliance with the directions issued by the Hon'ble High Court in Writ Appeal No.1704 of 2017 and Writ Appeal Nos.27 to 36 of 2018, by order dated 07.08.2018. It is therefore contended that the authorities have fully complied with the statutory requirements as well as the directions issued by the Hon'ble High Court.

vi) On the above grounds, the Land Acquisition Officer contended that the claim made by the claimant is devoid of merit, both on facts and in law. Since the acquisition proceedings were conducted strictly in accordance with the provisions of the Land Acquisition Act, 1894, and the subsequent determination of compensation was made in accordance with the directions of the Hon'ble High Court and the applicable statutory provisions, the claim petition is liable to be dismissed and the reference deserves to be answered accordingly.

14. To substantiate the case, the 1st claimant, namely Packirisamy examined himself as PW1 and marked Ex.P1 to P4. On the resident of Referring Officers, Ex.R1 to R3 and no oral evidence was adduced.

<u>15. The Points for Consideration under this reference and the claim are as follows:</u>

<u>Points for Consideration is :</u>

1. Whether the deposit made by the Land Acquisition Officer was a valid deposit under the Land Acquisition Act, 1894; and
2. Whether the absence of interest in the Civil Court Deposit account entitles the claimant to claim statutory interest from the Land Acquisition Officer. These are the principal issues that the Court must decide on this aspect.
3. Whether the claimant is entitled to statutory interest or any additional compensation on account of the alleged delay in payment or deposit of compensation?
4. To what other relief, if any, is the claimant entitled?

<u>Answer to the Points:</u>

16. Before entering into the merits of the present reference, it is necessary to clarify certain factual aspects relating to the institution of the reference before this Court. According to the referring authority, the reference under the Land Acquisition Act, 1894, together with the original treasury challan evidencing the deposit of 80% of the compensation amount, was forwarded to the District Court as early as in the year 2015. However, the records of this Court do not

disclose that the said reference was taken on file or assigned any reference number at the relevant point of time. Likewise, there is no material to show that summons were obtained by the Land Acquisition Officer from this Court and served upon the claimant, thereby enabling the claimant to enter appearance and submit his claim statement. It is further seen that the referring authority relies upon Treasury Challan No. 02/DCR/LA/B1/2014-15, dated 20.03.2015, to contend that a sum of Rs.71,47,258/-, representing 80% of the estimated compensation, had been deposited into the Civil Court Deposit. However, neither the original treasury challan nor any connected record evidencing such deposit was found available in the records of this Court. Even the Challan Register maintained by this Court does not reflect the pendency of any such reference during the relevant period.

17. The Land Acquisition Officer contended that, as per the dispatch register maintained in his office, the reference along with the original treasury challan had been dispatched to the District Court, Karaikal. However, except the entry in their dispatch register, no material has been produced to establish that the reference and the original treasury challan were actually received in the office of the District Court. There is also no acknowledgment or other contemporaneous record evidencing receipt of the reference by the Court. Ordinarily, upon receipt of a reference under the Land Acquisition Act, the same would be scrutinized and assigned a reference number by the Court. Thereafter, the Land Acquisition Officer is required to obtain summons from the Court, effect service upon the interested persons, and file proof of such service before the Court. Upon completion of service and after the claimants enter appearance and file their claim statements, the reference proceeds for adjudication in accordance with law.

18. In the present case, no material has been placed before this Court to establish that the reference was ever numbered, that summons were obtained from the Court, that service was effected upon the claimant, or that proof of such service was filed before the Court. Therefore, even assuming that the reference was dispatched by the office of the Land Acquisition Officer, the subsequent statutory procedure necessary for prosecuting the reference before this Court was admittedly not followed. Be that as it may, it is also evident from the records that, during the interregnum, several proceedings concerning the very same acquisition, including the claims of the present claimant and other similarly placed landowners, were pending before the Hon'ble High Court of Madras.

19. The claimants had initially challenged the acquisition proceedings by filing a batch of writ petitions as early as the year 2012. The Hon’ble Single Judge allowed the writ petitions and quashed the acquisition proceedings.Aggrieved by the said common order, the Government preferred a batch of writ appeals before the Division Bench of the Hon'ble High Court. All the writ appeals were heard together and disposed of by a common judgment, whereby the judgment of the Hon’ble Single Judge quashing the acquisition proceedings was set aside.

20. Before proceeding further, it is necessary to refer to paragraph No. 19 of the judgment of the Hon'ble Division Bench in the batch of writ appeals, which has a direct bearing on the controversy involved in the present reference. The relevant portion reads as follows:

> 19. In view of the enactment of Act 30 of 2013, in the interregnum, we had posed the question to the learned Additional Goverment pleader as to how the compensation will be determined. The learned Additional Government pleader pointing out the ground No.12, of the grounds of

appeal would submit that the Government had conceded that Section 24 (1) of the Act would apply and it would pass an award, in terms of Section 24 (1A) of the Act 30 of 2013. We therefore make it clear that the Government should pass an award in terms of Section 24 (1A) of to and Transparency in Land The the Right. Fair Compensation Acquisition, Rehabilitation and Resettlement Act, 2013. said award shall be passed within a period of 3 months from the date of receipt of a copy of this order and the compensation so to the respondents per as the determined shall be paid provisions of Act 30 of 2013. Needless to say that if the land owners are not satisfied with the award they would at liberty to as per the seek appropriate relief for enhanced compensation, provisions of the Act 30 of 2013.

21. A careful reading of the above direction makes it clear that the Hon'ble Division Bench, while upholding the acquisition proceedings, specifically directed the Government to determine the compensation under the provisions of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013, and further preserved the right of the landowners to seek enhancement of compensation under the provisions of the said Act. It is in the light of the above directions that the rival contentions in the present reference are required to be examined.

22. It is further evident from the records that the Government of Puducherry, represented by the Land Acquisition Officer, and the claimant-landowners were actively contesting the validity of the acquisition proceedings before the Hon'ble High Court of Madras by way of writ petitions and the connected writ appeals till the year 2018. During the entire period, no proceedings were pending before this Court for adjudication of the present reference, as the reference had neither been taken on file nor numbered. Significantly, though the Land Acquisition Officer now contends that the reference had already been forwarded to this Court in the year 2015, no such fact was disclosed before the Hon'ble High

Court either in the writ petitions or in the writ appeals. Had the reference actually been received by this Court and been pending for adjudication, the said fact would naturally have been brought to the notice of the Hon'ble High Court. On the contrary, no pleading or record has been placed before this Court to show that the pendency of the reference before the District Court was ever disclosed in the proceedings before the Hon'ble High Court.

23. The omission assumes significance because the principal contention of the claimants before the Hon'ble High Court was that no award had been passed, no compensation had been paid, and possession of the acquired lands had been taken illegally. In such circumstances, if a valid reference had already been instituted before this Court, the Land Acquisition Officer would have been expected to specifically disclose the same before the Hon'ble High Court.

24. Further, except producing an entry in the dispatch register to show that the reference was dispatched from the office of the Land Acquisition Officer, no satisfactory evidence has been produced to establish that the reference was actually received by the District Court. Equally, there is no material to show that, after the alleged dispatch, the Land Acquisition Officer took any follow-up steps by obtaining summons from this Court, effecting service upon the claimants, and filing proof of such service, which is the normal and accepted procedure for prosecuting a reference under the Land Acquisition Act.

25. In the absence of any material establishing that the reference was received, numbered, and proceeded with by this Court, this Court is constrained to hold that the referring authority has failed to establish that a valid reference had, in fact, been instituted before this Court in the year 2015. Consequently, this Court is of the considered view that no valid reference was pending before this Court for adjudication during the said period.

26. The common judgment in the batch of writ appeals was delivered on 07.08.2018. By the said judgment, the Hon'ble Division Bench specifically directed the Sub-Collector (Revenue)-cum-Land Acquisition Officer to pass an award within a period of three months from the date of receipt of a copy of the judgment and to determine the compensation in accordance with the provisions of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013.

27. The present reference, however, is stated to have been forwarded by the Land Acquisition Officer as early as the year 2015, much prior to the aforesaid judgment of the Hon'ble High Court. Despite the specific directions issued by the Hon'ble High Court, the referring authority has not produced before this Court any material to establish that a fresh award was passed within the stipulated period of three months in compliance with the directions contained in the judgment dated 07.08.2018. No copy of such award has been annexed to the reference nor has any other contemporaneous record been placed before this Court evidencing compliance with the directions of the Hon'ble High Court. In the absence of any such material, this Court is constrained to hold that the referring authority has failed to establish that an award was passed within the time stipulated by the Hon'ble High Court in accordance with the provisions of the Act of 2013.

28. It is pertinent to note that the directions of the Hon'ble Division Bench were issued after the Government of Puducherry had conceded before the Hon'ble High Court that the compensation would be determined under the provisions of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013. Such concession formed part of the basis of the judgment rendered by the Hon'ble High Court.

Consequently, the Sub-Collector (Revenue)-cum-Land Acquisition Officer was bound to faithfully comply with the directions contained therein by passing the award in accordance with the provisions of the Act of 2013 within the time granted by the Hon'ble High Court.

29. As already discussed, the Hon'ble Division Bench, by its judgment dated 07.08.2018, specifically directed the Sub-Collector (Revenue)-cum-Land Acquisition Officer to pass a fresh award within a period of three months from the date of receipt of a copy of the judgment and to determine the compensation in accordance with the provisions of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013.

30. In view of the said categorical direction, any award or proceedings relied upon by the referring authority prior to the judgment of the Hon'ble Division Bench cannot, by themselves, be treated as the operative award governing the rights of the parties pursuant to the directions issued by the Hon'ble High Court. Consequently, a reference founded solely on the earlier proceedings cannot be regarded as one made in compliance with the judgment of the Hon'ble High Court.

31. It is also pertinent to note that the acquisition proceedings had earlier been quashed by the Hon’ble Single Judge, and the matter remained sub judice before the Hon'ble High Court during the pendency of the writ appeals until the common judgment dated 07.08.2018. During the said period, the legality of the acquisition proceedings itself was under challenge and had not attained finality. Therefore, this Court is of the considered view that the Sub-Collector (Revenue)-cum-Land Acquisition Officer ought to have acted strictly in accordance with the final directions issued by the Hon'ble Division Bench after the disposal of the writ appeals. Any steps taken contrary to, or without due

regard to, the final directions of the Hon'ble High Court cannot govern the rights of the parties in the present reference. Accordingly, the validity of the present reference and the entitlement of the parties have to be examined in the light of the judgment of the Hon'ble Division Bench dated 07.08.2018 and the consequential proceedings taken thereafter, rather than on the basis of the earlier proceedings initiated during the pendency of the writ litigation.

32. Pursuant to the directions issued by the Division Bench of the Hon'ble High Court of Madras, the Land Acquisition Officer proceeded to pass Award No. 2 of 2021–2022 under the provisions of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013. While determining the compensation under the said award, the Land Acquisition Officer adjusted the 80% of the compensation amount, which had already been deposited before the competent Civil Court on 23.02.2015.

33. The records further disclose that the said amount had been deposited before the Civil Court in accordance with the procedure contemplated under the Act. The Land Acquisition Officer, by proceedings dated 22.02.2023, furnished the particulars of the deposits made in respect of the various Land Acquisition Original Petitions (LAOPs) pending before this Court. The details of such deposits are as follows:

Sl. No.	LAOP No.	Name of the Claimant	T.S/R.S No.	Extent of Land H-A-CA	Amount of Compensation is awarded
1.	1/2025	Egambaram	80/1A	0-31-00	Rs.4,86,422/-
2.	3/2025	Natarajan	84/13	0-11-50	Rs.1,80,446/-
3.	4/2025	Natarajan	84/14	0–9-50	Rs.1,49,064/-
4.	7/2025	Vedhavalli	81/11	0-27-00	Rs.4,23,658/-

5.	9/2025	Vennila	85/3/B	0-49-25	Rs.7,72,783/-
6.	10/2025	Packirisamy	80/5	0-18-50	Rs.2,90,284/-
7.	12/2025	Packirisamy	84/5	0-08-50	Rs.1,33,373/-
8.	15/2025	Jayabalan	86/1	0-25-00	Rs.3,92,276/-
9.	19/2025	Packirisamy	88/4	0-35-50	Rs.5,57,031/-
10.	11/2025	K.S.Durgaram	84/16	0-09-50	Rs.1,49,064/-
11.	13/2025	Rajendiran	80/2	0-62-00	Rs.9,72,844/-
12.	17/2025	Shanmugavelu	87/3	0-20-50	Rs.3,21,666/-
13.	8/2025	Vedhambal	80/3	0-36-00	Rs.5,64,877/-
14.	16/2025	Shanmugavelu	87/4	0-18-00	Rs.2,82,438/-
15.	2/2025	Harikrishnan	84/10	0-06-00	Rs.94,146/-

34. As could be seen from the communication dated 22.02.2023 addressed by the Land Acquisition Officer to this Court, the amounts were stated to have been deposited on the basis of the estimated compensation determined in the year 2012. The said communication does not indicate that any interest was calculated or deposited along with the estimated compensation. Therefore, the claimants would be entitled to claim interest on the compensation amount in accordance with law.

35. As discussed earlier, the records relating to the alleged reference proceedings have not reached this Court. Further, the original challans or any other documentary evidence to establish that the amount was in fact credited into the Civil Court Deposit have not been produced by the Land Acquisition Officer.As could be seen from the communication dated 22.02.2023 addressed

by the Land Acquisition Officer to this Court, the amounts were stated to have been deposited on the basis of the estimated compensation determined in the year 2012. The said communication does not indicate that any interest was calculated or deposited along with the estimated compensation. Therefore, the claimants would be entitled to claim interest on the compensation amount in accordance with law.

36. As discussed earlier, the records relating to the alleged reference proceedings have not reached this Court. Further, the original challans or any other documentary evidence to establish that the amount was in fact credited into the Civil Court Deposit have not been produced by the Land Acquisition Officer. This Court has also verified the Challan Register maintained for the period from January 2015 to December 2015 and could not find any entry evidencing receipt and accounting of the alleged deposit.

37. In the above circumstances, merely asserting that the amount had been deposited into the Civil Court Deposit cannot, by itself, be treated as a valid deposit in the eye of law. The learned counsel appearing for the claimants rightly contended that payment of compensation may either be by actual payment to the landowners or by a valid tender followed by deposit in accordance with law. Where the acquiring authority chooses to make a tender and deposit, it is under a corresponding obligation to notify the landowners of such tender and deposit so that they may receive the compensation without unnecessary delay.

38. In the present case, no material has been placed before this Court to show that the claimants were informed that the compensation amount had been deposited before the Civil Court. Likewise, although it is claimed that references were forwarded to the Civil Court, no records have been produced to

establish that such references were duly processed or that notices were issued to the claimants enabling them to withdraw the amount.

39. It is also relevant to note that the land acquisition proceedings remained the subject matter of litigation before the Hon'ble High Court and that the writ appeal continued to remain pending till the end of the year 2018. During the pendency of the said proceedings, the acquiring authority itself represented before the Hon'ble High Court that a fresh award would be passed under the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013. Ultimately, pursuant to the directions of the Division Bench, a fresh award came to be passed under the 2013 Act, thereby superseding the earlier proceedings.

40. It is true that there is no material to attribute any mala fides to the Land Acquisition Officer in adjusting the amount which had earlier been deposited. However, the earlier deposit was made only in connection with the award passed under the previous proceedings. Once the earlier award ceased to govern the rights of the parties and a fresh award was passed under the 2013 Act, the earlier deposit could not, by itself, absolve the acquiring authority of its statutory liability to pay interest, particularly when the claimants had neither received the amount nor were they informed of its alleged deposit. Accordingly, this Court is of the considered view that the claimants are entitled to interest on the said 80% of the compensation amount, notwithstanding the plea of the Land Acquisition Officer that the amount had been deposited before the Civil Court. In the absence of proof of a valid deposit, effective notice to the claimants, and availability of the amount for withdrawal, the statutory liability to pay interest continues until lawful payment or a legally sustainable deposit is established.

Accordingly, this point is answered in favour of the claimants. The interest payable is calculated in the following table.

Particulars	2013 Act (RFCTLARR)
Interest provision	Section 80
First year	9% p.a.
After first year	15% p/a.
Starts from	02/23/12
	02/23/13
Ends on	07/09/26
Compensation Amount	**180446**
Possession Date	02/23/12
Payment Date	07/09/26
Days for interest for 1 yr	366(Days)
Days for interest for 13 yrs	4884(Days)
Interest (1st year)	16284.63
Interest (after 1 year)	362177.37
Total Interest	Rs.5,58,908.00

41. This Court considers it appropriate to record the procedure relating to Civil Court Deposits as prevailing in the Union Territory of Puducherry during the relevant period. Unlike the practice followed in the State of Tamil Nadu, there was no separate Treasury account maintained in the name of each Court. All amounts intended for Civil Court Deposits were remitted into the general Government Treasury account through the District Accounts Treasury (DAT).

Consequently, the mere remittance of an amount into the Treasury did not automatically result in the credit of the amount to the account of any particular case pending before the Court.

42. It was incumbent upon the person making the deposit to produce the original Treasury challan before the concerned Court. Only upon receipt of the challan would the Court verify the particulars, make necessary entries in the Challan Register and Civil Court Deposit Register, and thereafter treat the amount as having been credited to the particular case. Subsequently, the Court would periodically reconcile its records with those of the District Accounts Treasury. Unless the challan was produced and acted upon in the above manner, the Court had no mechanism to identify or verify that any amount had been deposited in respect of a particular proceeding.

43. The practice followed in the State of Tamil Nadu is materially different. There, each Court has a separate Treasury account, and any amount deposited into that account is automatically reflected in the Treasury records of the concerned Court. Even if the depositor fails to produce the challan immediately, the credit remains traceable in the Court's Treasury account and can be reconciled during the periodical verification between the Court and the Treasury. Any discrepancy on account of a missing challan or omitted entry can ordinarily be rectified through such reconciliation.

44. However, no such mechanism existed in Puducherry during the relevant period. The Treasury maintained only the consolidated account of the Government and not institution-wise or Court-wise deposit accounts. Therefore, in the absence of production of the original challan, it was virtually impossible for the Court to identify or verify whether any particular amount had been

deposited in respect of a specific case. This appears to be the very source of the discrepancy that has arisen in the present matter.

45. This Court further notices that, during the relevant period up to the year 2015, amounts lying in Civil Court Deposits did not automatically earn interest. Had the challan been produced before the Court and the deposit been duly accounted for, the amount would have been available for such further orders as were then permissible under the prevailing procedure. The present system is materially different. Under the existing practice, particularly in land acquisition matters, the Land Acquisition Officer files the deposit schedule before the Court, whereupon the Court issues appropriate directions for the amount to be invested in a fixed deposit with a nationalised bank for a specified period. The fixed deposit receipt is thereafter produced before the Court and forms part of the judicial record. Admittedly, such a procedure was not in force during the period relevant to the present case.

In the result, it is held that the claimant/respondent is entitled to the compensation amount of Rs.5,58,908.00/-, together with further interest at the rate of 15% per annum from the date it became payable until the amount is either deposited before the Court or disbursed to the claimant/respondent, as the case may be. The Land Acquisition Officer shall disburse the amount in terms of this Reference Order.

Typed to my dication, corrected and pronounced by men in open court on this the 10th day of July, 2026.

JUDGMENT
MOHAN Digitally signed by MOHAN
Date: 2026.07.10 18:53:48 +0530

(K. MOHAN)
DISTRICT JUDGE(FAC)
KARAIKAL

LIST OF RESPONDENTS' SIDE WITNESS: Nil

LIST OF RESPONDENTS' SIDE EXHIBITS:

Ex.R1	11.01.2015	-	Copy of Despatch Register
Ex.R2	22.02.2022	-	Copy of Letter of 2nd respondent/referring officer submitted to the Hon'ble District Judge, Karaikal.
Ex.R3	20.03.2015	-	Copy of Challan signed by 2nd respondent /referring officer

List of Claimant side witnesses:

PW1	17.06.2026	-	K. Natarajan(Claimant)

List of Claimant side Exhihits:

Ex.P1	21.05.2004	-	Certitified copy of Sale Deed executed by Rethinasamy Chettiar in favour of Natarajan
Ex.P2	17.09.2025	-	Copy of Certificate of Encumbrance on Property
Ex.P3	26.09.2022	-	Letter sent by Natarajan to 2nd respondent/ referring officer
Ex.P4	--	-	Copy of Aadhaar Card of Natarajan.

MOHAN JUDGMENT Digitally signed by MOHAN Date: 2026.07.10 18:53:54 +0530

(K. MOHAN)
DISTRICT JUDGE(FAC)
KARAIKAL