



IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 23RD DAY OF FEBRUARY, 2026

PRESENT

THE HON'BLE MRS. JUSTICE ANU SIVARAMAN

AND

THE HON'BLE MR. JUSTICE VIJAYKUMAR A. PATIL

MISCELLANEOUS FIRST APPEAL NO.6102/2017

C/W

MISCELLANEOUS FIRST APPEAL NO.9484/2015

MISCELLANEOUS FIRST APPEAL NO.9485/2015

MISCELLANEOUS FIRST APPEAL NO.6103/2017 (LAC)

IN M.F.A. No.6102/2017:

BETWEEN:

1. THE KARNATAKA INDUSTRIAL AREA
DEVELOPMENT BOARD
NO.14/3, 2ND FLOOR, RASTROTHANA
PARISHATH BUILDING
NRUPATHUNGA ROAD
BANGALORE-560 001
REPTD. BY ITS CHIEF EXECUTIVE OFFICER
& EXECUTIVE MEMBER.

THE PRESENT ADDRESS IS AS FOLLOWS:

5TH FLOOR, NO.49, KHANIJA BHAVAN
RACE COURSE ROAD, BANGALORE-560 001.

2. THE SPECIAL DEPUTY COMMISSIONER
THE KARNATAKA INDUSTRIAL AREAS
DEVELOPMENT BOARD
NO.14/3, 2ND FLOOR, RASTROTHANA
PARISHATH BUILDING
NRUPATHUNGA ROAD





BANGALORE-560 001.

THE PRESENT ADDRESS IS AS FOLLOWS:

5TH FLOOR, NO.49, KHANIJA BHAVAN
RACE COURSE ROAD, BANGALORE-560 001.

3. THE SPECIAL LAND ACQUISITION OFFICER
(INTERNATIONAL AIRPORT)
THE KARNATAKA INDUSTRIAL AREAS
DEVELOPMENT BOARD
5TH FLOOR, CHANDRAKIRAN BUILDING
KASTURBA ROAD, BANGALORE-560 001.

NOTE: THE CORRECT DESIGNATION AND
PRESENT ADDRESS IS AS FOLLOWS:
THE SPECIAL LAND ACQUISITION OFFICER-2
THE KARNATAKA INDUSTRIAL AREAS
DEVELOPMENT BOARD
5TH FLOOR, NO.49, KHANIJA BHAVAN
RACE COURSE ROAD, BANGALORE-560 001.

...APPELLANTS

(BY SRI P.V. CHANDRASHEKAR, ADV.,)

AND:

SRI. D.V. LAKSHMAN RAO
S/O LATE D. VENKATASUBBA RAO
MAJOR IN AGE
SINCE DEAD, REP. BY HIS LR'S.

- 1(a). SMT. V.L. HEMAMALANI
AGED ABOUT 73 YEARS
D/O LATE D.V. LAKSHMAN RAO.

- 1(b) SMT. V.L. SRIRANJANI
AGED ABOUT 71 YEARS
D/O LATE D.V. LAKSHMAN RAO.

- 1(c) SMT. V.L. HARINI
AGED ABOUT 69 YEARS



NC: 2026:KHC:11163-DB
M.F.A. No.6102/2017
AND CONNECTED WITH MATTERS

D/O LATE D.V. LAKSHMAN RAO.

1(d) SRI. V.L. VIDYASHANKAR
AGED ABOUT 67 YEARS
S/O LATE D.V. LAKSHMAN RAO.

1(e) SMT. V.L. NALINI
AGED ABOUT 65 YEARS
D/O LATE D.V. LAKSHMAN RAO.

1(f) SRI. V.L. RAVISHANKAR
AGED ABOUT 63 YEARS
S/O LATE D.V. LAKSHMAN RAO

ALL ARE R/AT NO.71
SHANKARA PARK
SHANKARAPURAM
BENGALURU-560 004.

...RESPONDENTS

(BY SMT. SHOBHA BHAVIKATTI, ADV., FOR R-1 (a to e)
R-1(f) SERVED
R-1 (b) SERVICE OF NOTICE IS HELD SUFFICIENT
V.C.O. DTD: 08.11.2025)

THIS MFA IS FILED U/S 54(1) OF LAND ACQUISITION
ACT, 1894, PRAYING TO SET ASIDE THE JUDGMENT AND
AWARD DATED 19.09.2006 PASSED IN LAC NO.178/2006 BY
THE SENIOR CIVIL JUDGE AND JMFC AT DEVANAHALLI. CALL
FOR THE RECORDS FROM THE LOWER COURT & ETC.

IN M.F.A. NO.9484/2015:

BETWEEN:

SRI. D.V. LAKSHMAN RAO
S/O LATE SRI D. VENKATA SUBBA RAO



(SINCE DECEASED BY HIS LR'S).

1. V.L. PARVATHAMMA
W/O LATE D.V. LAKSHMAN RAO
AGED ABOUT 85 YEARS.
2. V.L. HEMA MALINI
D/O LATE D.V. LAKSHMAN RAO
AGED ABOUT 65 YEARS.
3. V.L. VIDYA SHANKAR
S/O LATE D.V. LAKSHMAN RAO
AGED ABOUT 62 YEARS.
4. V.L. SRIRANJINI
D/O LATE D.V. LAKSHMAN RAO
AGED ABOUT 60 YEARS.
5. V.L. HARINI
D/O LATE D.V. LAKSHMAN RAO
AGED ABOUT 59 YEARS.
6. V.L. NALINI
D/O LATE D.V. LAKSHMAN RAO
AGED ABOUT 54 YEARS.
7. V.L. RAVI SHANKAR
S/O LATE D.V. LAKSHMAN RAO
AGED ABOUT 50 YEARS.

ALL ARE R/AT NO.B-71
SHANKARA PARK
SHANKARAPURAM
BENGALURU-560 004.

...APPELLANTS

(BY SMT. SHOBHA .S BHAVIKATTI, ADV., FOR LR'S)



NC: 2026:KHC:11163-DB
M.F.A. No.6102/2017
AND CONNECTED WITH MATTERS

AND:

1. CHIEF EXECUTIVE OFFICER
AND EXECUTIVE MEMBER
KARNATAKA INDUSTRIAL AREA
DEVELOPMENT BOARD
NO.14/3, II FLOOR
RP BUILDING, NRUPATHUNGA ROAD
BENGALURU-560 001.
2. THE SPECIAL DEPUTY COMMISSIONER
KARNATAKA INDUSTRIAL AREA
DEVELOPMENT BOARD
NO.14/3, II FLOOR, RP BUILDING
NRUPATHUNGA ROAD
BENGALURU-560 001.
3. SPECIAL LAND ACQUISITION OFFICER
(INTERNATIONAL AIRPORT)
5TH FLOOR, CHANDRAKIRANA BUILDING
KASTURBA ROAD, BENGALURU-560 001.

...RESPONDENTS

(BY SRI P.V. CHANDRASHEKAR, ADV., FOR R1 TO R3)

THIS MFA IS FILED U/S.54(1) OF THE LAND ACQUISITION ACT, 1894, PRAYING TO CALL FOR THE RECORDS IN LAC NO.149/2006 ON THE FILE OF THE SENIOR CIVIL JUDGE AND JMFC, DEVANAHALLI AND THE IMPUGNED JUDGMENT AND AWARD DATED 18.09.2015 PASSED IN LAC NO.149/2006 MAY BE MODIFIED AND THIS MISCELLANEOUS FIRST APPEAL BE ALLOWED WITH COSTS, IN THE INTEREST OF JUSTICE AND EQUITY.

IN M.F.A. NO.9485/2015:

BETWEEN:

SRI. D.V. LAKSHMAN RAO
S/O LATE SRI. D. VENKATA SUBBA RAO



(SINCE DECEASED BY HIS LR'S).

- 1) V.L. PARVATHAMMA
W/O LATE D.V. LAKSHMAN RAO
AGED ABOUT 85 YEARS.
- 2) V.L. HEMA MALINI
D/O LATE D.V. LAKSHMAN RAO
AGED ABOUT 65 YEARS.
- 3) V.L. VIDYA SHANKAR
S/O LATE D.V. LAKSHMAN RAO
AGED ABOUT 62 YEARS.
- 4) V.L. SRIRANJINI
D/O LATE D.V. LAKSHMAN RAO
AGED ABOUT 60 YEARS.
- 5) V.L. HARINI
D/O LATE D.V. LAKSHMAN RAO
AGED ABOUT 59 YEARS.
- 6) V.L. NALINI
D/O LATE D.V. LAKSHMAN RAO
AGED ABOUT 54 YEARS.
- 7) V.L. RAVI SHANKAR
S/O LATE D.V. LAKSHMAN RAO
AGED ABOUT 50 YEARS.

ALL ARE R/AT NO.B-71
SHANKARA PARK, SHANKARAPURAM
BENGALURU-560 004.

...APPELLANTS

(BY SMT. SHOBHA S. BHAVIKATTI, ADV., FOR LR'S)



NC: 2026:KHC:11163-DB
M.F.A. No.6102/2017
AND CONNECTED WITH MATTERS

AND:

1. CHIEF EXECUTIVE OFFICER
AND EXECUTIVE MEMBER
KARNATAKA INDUSTRIAL AREA
DEVELOPMENT BOARD
NO.14/3, II FLOOR, R.P BUILDING
NRUPATHUNGA ROAD
BANGALORE-560 001.
2. THE SPECIAL DEPUTY COMMISSIONER
KARNATAKA INDUSTRIAL AREA
DEVELOPMENT BOARD
NO.14/3, II FLOOR, R.P. BUILDING
NRUPATHUNGA ROAD
BANGALORE-560 001.
3. SPECIAL LAND ACQUISITION OFFICER
(INTERNATIONAL AIRPORT)
5TH FLOOR, CHANDRAKIRANA BUILDING
KASTURBA ROAD, BANGALORE-560 001.

...RESPONDENTS

(BY SRI P.V. CHANDRASHEKAR, ADV., FOR R1 TO R3)

THIS MFA IS FILED U/S.54(1) OF THE LAND ACQUISITION ACT, 1894, PRAYING TO CALL FOR THE RECORDS IN LAC NO.178/2006 ON THE FILE OF THE SENIOR CIVIL JUDGE AND JMFC, DEVANAHALLI AND THE IMPUGNED JUDGMENT AND AWARD DATED 19.09.2015 PASSED IN LAC NO.178/2006 MAY BE MODIFIED AND THIS MISCELLANEOUS FIRST APPEAL BE ALLOWED WITH COSTS, IN THE INTEREST OF JUSTICE AND EQUITY.



IN M.F.A. NO.6103/2017:

BETWEEN:

1. THE KARNATAKA INDUSTRIAL AREA
DEVELOPMENT BOARD
NO.14/3, 2ND FLOOR, RASTROTHANA
PARISHATH BUILDING
NRUPATHUNGA ROAD
BANGALORE-560 001
REPTD. BY ITS CHIEF EXECUTIVE OFFICER
& EXECUTIVE MEMBER.

THE PRESENT ADDRESS IS AS FOLLOWS:

5TH FLOOR, NO.49, KHANIJA BHAVAN
RACE COURSE ROAD, BANGALORE-560 001.

2. THE SPECIAL DEPUTY COMMISSIONER
THE KARNATAKA INDUSTRIAL AREAS
DEVELOPMENT BOARD
NO.14/3, 2ND FLOOR, RASTROTHANA
PARISHATH BUILDING
NRUPATHUNGA ROAD
BANGALORE-560 001.

THE PRESENT ADDRESS IS AS FOLLOWS:

5TH FLOOR, NO.49, KHANIJA BHAVAN
RACE COURSE ROAD, BANGALORE-560 001.

3. THE SPECIAL LAND ACQUISITION OFFICER
(INTERNATIONAL AIRPORT)
THE KARNATAKA INDUSTRIAL AREAS
DEVELOPMENT BOARD
5TH FLOOR, CHANDRAKIRAN BUILDING
KASTURBA ROAD, BANGALORE-560001.

NOTE: THE CORRECT DESIGNATION AND
PRESENT ADDRESS IS AS FOLLOWS:

THE SPECIAL LAND ACQUISITION OFFICER-2
THE KARNATAKA INDUSTRIAL AREAS



DEVELOPMENT BOARD
5TH FLOOR, NO.49, KHANIJA BHAVAN
RACE COURSE ROAD, BANGALORE-560 001.

...APPELLANTS

(BY SRI. P.V. CHANDRASHEKAR, ADV.,)

AND:

SRI. D.V. LAKSHMAN RAO
S/O LATE D. VENKATASUBBA RAO
MAJOR IN AGE.
SINCE DEAD REP BY HIS LR'S.

1(a). SMT. V.L. HEMAMALANI
AGED ABOUT 73 YEARS
D/O LATE D.V. LAKSHMAN RAO.

1(b) SMT. V.L. SRIRANJANI
AGED ABOUT 71 YEARS
D/O LATE D.V. LAKSHMAN RAO.

1(c) SMT. V.L. HARINI
AGED ABOUT 69 YEARS
D/O LATE D.V. LAKSHMAN RAO.

1(d) SRI. V.L. VIDYASHANKAR
AGED ABOUT 67 YEARS
S/O LATE D.V. LAKSHMAN RAO.

1(e) SMT. V.L. NALINI
AGED ABOUT 65 YEARS
D/O LATE D.V. LAKSHMAN RAO.

1(f) SRI. V.L. RAVISHANKAR
AGED ABOUT 63 YEARS
S/O LATE D.V. LAKSHMAN RAO.

ALL ARE R/AT NO.71
SHANKARA PARK



NC: 2026:KHC:11163-DB
M.F.A. No.6102/2017
AND CONNECTED WITH MATTERS

SHANKARAPURAM
BENGALURU-560 004.

...RESPONDENTS

(BY SMT. SHOBHA S. BHAVIKATTI, ADV., FOR R-1 (a to e)
R-1(f) SERVED)

THIS MFA IS FILED U/S 54(1) OF LAND ACQUISITION ACT, 1894, PARYING TO SET ASIDE THE JUDGMENT AND AWARD DATED 18.09.2006 PASSED IN LAC NO.149/2006 BY THE SENIOR CIVIL JUDGE AND JMFC AT DEVANAHALLI. CALL FOR THE RECORDS FROM THE LOWER COURT & ETC.

THESE APPEALS HAVING BEEN HEARD AND RESERVED ON 09.02.2026, COMING ON FOR PRONOUNCEMENT OF JUDGMENT, THIS DAY **VIJAYKUMAR A. PATIL J.**, DELIVERED THE FOLLOWING:

CORAM: HON'BLE MRS. JUSTICE ANU SIVARAMAN
and
HON'BLE MR. JUSTICE VIJAYKUMAR A. PATIL

CAV JUDGMENT

(PER: HON'BLE MR. JUSTICE VIJAYKUMAR A. PATIL)

MFA No.6102/2017 is filed by the Karnataka Industrial Areas Development Board and others and MFA No.9485/2015 is filed by the claimant challenging the judgment and award dated 19.09.2015 passed in LAC



No.178/2006 by the Senior Civil Judge and JMFC, Devanahalli (hereinafter referred to as the '**Reference Court**').

MFA No.6103/2017 is filed by the Karnataka Industrial Areas Development Board (KIADB) and others. MFA No.9484/2015 is filed by the claimant challenging the judgment and award dated 18.09.2015 passed in LAC No.149/2006 by the Senior Civil Judge and JMFC, Devanahalli

2. For the sake of convenience, the parties are referred as per their ranking before the Reference Court.

3. Brief facts leading to filing of these appeals are that the State Government issued preliminary notification under Section 28(1) of the Karnataka Industrial Areas Development Act, 1966 (for short, '**the Act**') to acquire 2481 acres 10 ½ guntas of land for establishment of Bengaluru International Airport. The lands covered in these appeals are situated at Bhuvanahalli Village and



Udayagiri Village of Devanahalli Taluk. The final notification was issued on 08.08.1996. The lands of the claimant measuring 38 acre 28 guntas in Sy.No.1 to 6 and Sy.No.76 of Udayagiri Village and land measuring 7 acre 4 guntas in Sy.No.40 of Bhuvanahalli Village were acquired, which are the subject matter of these appeals. The claimant challenged the acquisition proceedings in W.P.25795/2000 which came to be dismissed vide order dated 20.11.2000 by directing the Special Land Acquisition Officer (for short, '**SLAO**') to pay interest at the rate of 6% per annum from 08.08.1998 till the date of passing of the award. Insofar as the lands in LAC No.178/2006, the SLAO determined the market value at Rs.2,40,000/- per acre vide award dated 21.11.2001, the possession of the land was taken on 22.11.2001. The claimant sought the reference under Section 18 of Land Acquisition Act, 1894 (for short, '**LA Act**'). The claimant adduced oral evidence and examined himself as PW-1 and got marked Exs.P-1 to P-23. Insofar as the lands in LAC No.149/2006, the SLAO



determined the market value at Rs.2,40,000/- per acre vide award dated 27.04.2002, the possession of the land was taken on 18.05.2002. The claimant sought reference under Section 18 of the Act. The claimant adduced oral evidence and examined himself as PW-1 and got marked Exs.P-1 to P-22. The KIDAB did not adduce any evidence. The reference Court enhanced the market value from Rs.2,40,000/- per acre to Rs.8,96,000/- per acre with statutory benefits and interests as per the provisions of the LA Act and additional interest at 6% as ordered by this Court in W.P.25795/2000. Being aggrieved, the claimants are seeking for higher compensation and the KIADB is seeking for reduction of compensation.

4. Sri.P.V.Chandrashekar, learned counsel for the appellant-KIADB submits that the Reference Court has committed a grave error in enhancing the compensation to Rs.8,96,000/- per acre without considering the evidence on record in its proper perspective. It is submitted that the sale deeds produced by the claimant are much prior to the



date of acquisition and they are of different village, hence, the same cannot be taken into consideration to determine the market value. It is further submitted that the Reference Court enhanced the market value to Rs.8,96,000/- per acre by considering the judgment of Reference Court in LAC No.151/2006 and LAC Nos.180/2006 to 188/2006. It is also submitted that the appellant-KIADB challenged the judgments passed in the aforementioned LACs in W.P.34664/2017 and the learned Single Judge of this Court vide order dated 20.11.2018 allowed the writ petition and quashed the judgments and awards of the Reference Court and the matters were remitted back with a direction to dispose of the same after hearing the contentions of all the parties. It is contended that after remand, the Reference Court, vide common judgment dated 14.06.2021 in the aforementioned LACs, re-determined the market value at Rs.7,60,000/- per acre. It is further contended that 95% of land owners, whose lands have been acquired under same notification, have



consented to the acquisition and the consent award under Section 29(2) of KIAD Act was passed by determining the market value at Rs.5,00,000/- per acre and such an award is the best piece of evidence to determine the compensation in the case on hand. In support of his contentions he relied on the following decisions:

- i. ***V.M.Salgoacar & Brothers LTD. vs. Union of India¹.***
- ii. ***The Special Land Acquisition Officer and another vs. Sri Siddappa Omannu Tumari and others².***
- iii. ***State of Maharashtra vs. Gurappa Hirojirao and others³***

Hence, he seeks to allow the appeals filed by KIADB by dismissing the appeals filed by the claimants.

5. *Per contra*, Smt.Shobha Bhavikatti., learned counsel appearing for the appellants-claimants submits that the Reference Court has committed error in

¹ (1995) 2 SCC 302

² AIR 1995 SC 840

³ (1994) 2 SCC 331



appreciating the evidence on record. It is submitted that the claimant has produced the sale deeds, more particularly, Ex.P-11, the order of competent authority for Undervaluation, wherein the sale deed of the year 1995 was the subject matter and as per the said order, the sale consideration is Rs.22,01,400/- for 1 acre 20 guntas. Hence, by considering the same the Reference Court ought to have at least awarded Rs.18,00,000/- per acre after deducting 25% towards the development cost. It is further submitted that the Reference Court has recorded the finding that no evidence is placed to seek for higher compensation for *malkis* without appreciating that in the acquired lands there were fruit bearing trees, sheds, bore well and pump house. The KIADB officials have not made available the report referred to in the award with regard to the *malkis* to the claimant and also to the Reference Court. It is also submitted that the Reference Court has awarded interest at 9% p.a. on the enhanced compensation amount for first year from the date of taking



possession and thereafter 15% p.a. for subsequent years till the deposit is made. It is for the KIADB to clarify to this Court whether they have made any deposit pursuant to the impugned order and in the absence of such information, it would be difficult for this Court to consider these appeals. It is contended that the judgment relied on by learned counsel for KIADB dated 14.06.2021 passed by the Reference Court in LAC No.183/2006 and connected matters has no application to the cases on hand as the said cases are decided after remand from this Court. It is further contended that the lands acquired are adjacent to National Highway and adjacent lands are fully developed and these factors were not considered by the Reference Court in the impugned judgment and award. Hence, she seeks to allow the appeals filed by the claimants by dismissing the appeals filed by the KIADB by re-determining the market value at Rs.15,00,000/- per acre and Rs.50,00,000/- for the *malkis*.



6. We have heard the learned counsel for the appellant-KIADB, learned counsel for the appellants-claimants and perused the material available on record. We have given our anxious consideration to the submissions advanced on both the sides.

7. The point that arises for consideration in these appeals are

"Whether the impugned judgments and awards of the Reference Court calls for any interference in these appeals?"

8. Before advertng to the issue involved in these appeals, it would be useful to refer to the relevant paragraphs of the decision of the Hon'ble Supreme Court in the case of ***Chimanlal Hargovinddas v. Special Land Acquisition Officer***⁴, wherein it was held as under:

4. The following factors must be etched on the mental screen:

⁴ (1988) 3 SCC 751



- (1) A reference under Section 18 of the Land Acquisition Act is not an appeal against the award and the court cannot take into account the material relied upon by the Land Acquisition Officer in his award unless the same material is produced and proved before the court.*
- (2) So also the award of the Land Acquisition Officer is not to be treated as a judgment of the Reference court open or exposed to challenge before the court hearing the reference. It is merely an offer made by the Land Acquisition Officer and the material utilised by him for making his valuation cannot be utilised by the court unless produced and proved before it. It is not the function of the court to sit in appeal against the award, approve or disapprove its reasoning, or correct its error or affirm, modify or reverse the conclusion reached by the Land Acquisition Officer, as if it were an appellate court.*
- (3) The court has to treat the reference as an original proceeding before it and determine the market value afresh on the basis of the material produced before it.*
- (4) The claimant is in the position of a plaintiff who has to show that the price offered for his land in the award is inadequate on the basis of the materials produced in the court. Of course the materials placed and proved by the other side can also be taken into account for this purpose.*
- (5) The market value of land under acquisition has to be determined as on the crucial date of publication of the notification under Section 4 of the Land Acquisition Act (dates of notifications under Sections 6 and 9 are irrelevant).*
- (6) The determination has to be made standing on the date line of valuation (date of publication of notification under Section 4) as if the valuer is a*



hypothetical purchaser willing to purchase land from the open market and is prepared to pay a reasonable price as on that day. It has also to be assumed that the vendor is willing to sell the land at a reasonable price.

(7) In doing so by the instances method, the court has to correlate the market value reflected in the most comparable instance which provides the index of market value.

(8) Only genuine instances have to be taken into account. (Sometimes instances are rigged up in anticipation of acquisition of land.)

(9) Even post-notification instances can be taken into account (1) if they are very proximate, (2) genuine and (3) the acquisition itself has not motivated the purchaser to pay a higher price on account of the resultant improvement in development prospects.

(10) The most comparable instances out of the genuine instances have to be identified on the following considerations:

(i) proximity from time angle,

(ii) proximity from situation angle.

(11) Having identified the instances which provide the index of market value the price reflected therein may be taken as the norm and the market value of the land under acquisition may be deduced by making suitable adjustments for the plus and minus factors vis-à-vis land under acquisition by placing the two in juxtaposition.

(12) A balance-sheet of plus and minus factors may be drawn for this purpose and the relevant factors may be



evaluated in terms of price variation as a prudent purchaser would do.

(13) The market value of the land under acquisition has thereafter to be deduced by loading the price reflected in the instance taken as norm for plus factors and unloading it for minus factors.

(14) The exercise indicated in clauses (11) to (13) has to be undertaken in a common sense manner as a prudent man of the world of business would do. We may illustrate some such illustrative (not exhaustive) factors:

<i>Plus Factors</i>	<i>Minus Factors</i>
<i>1. smallness of size</i>	<i>1. largeness of area</i>
<i>2. proximity to a road</i>	<i>2. situation in the interior at a distance from the road</i>
<i>3. frontage on a road.</i>	<i>3. Narrow strip of land with very small frontage compared to depth</i>
<i>4. nearness to a development area</i>	<i>4. lower level requiring the depressed portion to be filled up</i>
<i>5. regular shape</i>	<i>5. remoteness from developed locality</i>
<i>6. level vis-à-vis land under acquisition</i>	<i>6. some special disadvantageous factor which would deter a purchaser.</i>
<i>7. special value for an owner of an adjoining property to whom it may have some very special advantage</i>	



(15) The evaluation of these factors of course depends on the facts of each case. There cannot be any hard and fast or rigid rule. Common sense is the best and most reliable guide. For instance, take the factor regarding the size. A building plot of land say 500 to 1000 sq. yds. cannot be compared with a large tract or block of land of say 10,000 sq. yds. or more. Firstly while a smaller plot is within the reach of many, a large block of land will have to be developed by preparing a lay out, carving out roads, leaving open space, plotting out smaller plots, waiting for purchasers (meanwhile the invested money will be blocked up) and the hazards of an entrepreneur. The factor can be discounted by making a deduction by way of an allowance at an appropriate rate ranging approximately between 20 per cent to 50 per cent to account for land required to be set apart for carving out lands and plotting out small plots. The discounting will to some extent also depend on whether it is a rural area or urban area, whether building activity is picking up, and whether waiting period during which the capital of the entrepreneur would be locked up, will be longer or shorter and the attendant hazards.

(16) Every case must be dealt with on its own fact pattern bearing in mind all these factors as a prudent purchaser of land in which position the judge must place himself.

(17) These are general guidelines to be applied with understanding informed with common sense.

9. The pleading and material on record indicate that the State Government issued preliminary notification under Section 28(1) of the Act to acquire 2481 acres 10 ½ guntas of land for establishment of Bengaluru



International Airport. The lands covered in these appeals are situated at Bhuvanahalli Village and Udayagiri Village of Devanahalli Taluk. The final notification was issued on 08.08.1996. The lands of the claimant measuring 38 acre 28 guntas in Sy.No.1 to 6 and Sy.No.76 of Udayagiri Village and land measuring 7 acre 4 guntas in Sy.No.40 of Bhuvanahalli Village were acquired which are the subject matter of these appeals.

10. The claimant/land owner challenged the acquisition proceedings in W.P.No.25795/2000. The acquisition proceedings were upheld, however, the SLAO was directed to pay interest at 6% p.a. from 08.08.1998 till the date of passing of the award.

11. In LAC No.178/2006, the SLAO determined the market value at Rs.2,40,000/- per acre. The possession of the land was taken on 22.11.2001. The claimant sought the reference under Section 18 of the LA Act. In order to prove the correct market value of the acquired land, the



claimant examined himself as PW-1 and got marked the documents as Exs.P-1 to P-23 before the Reference Court.

12. In LAC 149/2006, the SLAO determined the market value at Rs.2,40,000/- per acre. The possession of the land was taken on 18.05.2002. In order to prove the correct market value of the acquired land, the claimant examined himself as PW-1 and got marked Exs.P-1 to P-22 before the Reference Court.

13. The appellant-KIDAB did not adduce any evidence. The Reference Court, after considering the oral and documentary evidence, by mainly relying on judgments in LAC No.151/2006 and LAC Nos.180/2006 to 188/2006, enhanced the market value from Rs.2,40,000/- per acre to Rs.8,96,000/- per acre with statutory benefits and interests as per the provisions of the Act and an additional interest at 6% p.a. is awarded as per the order of this Court in W.P.25795/2000.



14. The oral evidence of PW-1 in both the cases indicates that the acquired lands were owned by the claimant through partition between the family and thereafter revenue records were mutated in his name. It is not in dispute that the lands acquired was for formation of international airport and the compensation claimed by the claimant was at the rate of Rs.25,00,000/- per acre. The oral evidence of the claimant indicate that the acquired lands are situated beside National Highway-7, the land is situated at the distance of 28km from Bengaluru City, surrounding lands were totally developed with infrastructure, communication facility, transport facility, educational institutions and multinational companies have come up near the acquired lands. PW-1 further deposed that in the notified land, valuable trees, pakka building, sheds, bore well and open wells were situated and approximate value of *malkis* is more than Rs.50,00,000/- as on the date of issuance of preliminary notification.



15. It is also deposed that Doddasanne, Yarthaganahalli, Arisinakunte, Chikkanahalli, Mylahalli, Betkote, Begur, Gangamuthanahalli villages are situated at a distance of 2 to 5 kms from the acquired lands and the lands acquired are adjacent to National Highway, the SLAO has not considered any aspects and awarded Rs.2,40,000/- per acre. It is deposed that MNC companies like ITC Filerona, ITC resorts, M.S.Ramaiah Farm, Central Government Organizations like Indian Air Force, Border Security Force are situated adjacent to the lands in question. The claimant got marked the certified copies of the sale deeds dated 25.02.1993 as Ex.P-1, sale deed dated 25.01.1994 as Ex.P-2, sale deed dated 22.04.1994 as Ex.P-3, sale deed dated 10.04.1992 as Ex.P-4, sale deed dated 15.11.1993 as Ex.P-5, sale deed dated 19.08.1993 as Ex.P-6, sale deed dated 29.12.1993 as Ex.P-7, sale deed dated 25.05.1998 as Ex.P-8, sale deed dated 23.09.1999 as Ex.P-9, sale deed dated 23.09.1999 as Ex.P-10. The aforesaid sale deeds are either prior to



preliminary notification in question or later in point and the lands in the aforesaid sale deeds are situated at different places and there is no evidence on record to come to the conclusion that the lands covered under Exs.P-1 to P-10 are adjacent to the acquired lands and having same potentiality, hence, those documents cannot be considered to determine the market value of the lands in question. It is to be noticed that the sale deeds produced of later in point of preliminary notification cannot be considered as the acquisition was for International Airport and generally post notification sale would be on higher rates on account of resultant improvement in development prospects. Ex.P-11 is the interim order dated 15.07.1996 passed by the District Registrar of Undervaluation, Bengaluru in case No.DVL.283/1995-96. The said interim order indicates that the market value is determined at Rs.22,01,400/- for 1 acre 20 guntas. It is not forthcoming from the evidence that the order of the District Registrar at Ex.P-11 has attained finality. Ex.P-11 does not provide sufficient



material to come to a conclusion that the market value of the acquired lands was prevailing at Rs.14,67,000/- on the date of preliminary notification, hence, the said document also cannot be accepted. Similarly, Exs.P-12 to P-16 are the orders of the District Registrar of Undervaluation. Exs.P-12 to P-16 does not provide correct market value of acquired land as they are the orders of adjudicating authority of Undervaluation. The claimants have not produced the copies of sale deeds covered under those orders nor provided any materials particulars nor examined the officials, author of the orders and in the absence of such evidence it would be difficult to consider these orders to determine the market value. The Reference Court, considering the oral and documentary evidence, has assigned detailed reasons for non-consideration of exhibits referred *supra*. We do not find any error in the said finding.

16. The Reference Court re-determined market value at Rs.8,96,000/- per acre placing reliance on the



judgments rendered in LAC Nos.151/2006 and 180/2006 to 188/2006. The learned counsel for appellant-KIADB has placed reliance on the judgment rendered by the Reference Court in the aforesaid LACs after remand and contend that the claimants in these appeals cannot claim more compensation than Rs.7,60,000/- per acre. The Reference Court after remand in LAC No.183/2006 c/w LAC Nos.151/2006, 180/2006 to 182/2006, 184/2006 to 188/2006 vide judgment dated 14.06.2021 considered the evidence available on record and re-determined the market value at Rs.7,60,000/- per acre after remand by this Court in W.P.No.34669/2017. The finding of Reference Court in the aforesaid LACs clearly demonstrates that the lands covered in those proceedings are situated at Bhuvanahalli Village of Devanahalli Taluk and the lands are adjacent to National Highway and the surrounding lands are fully developed. It is further noticed that the lands in these appeals and lands covered in the aforesaid LACs are acquired under the same notification



and for the same purpose. Having taken note of the fact that the potentiality of the lands in both sets of cases is identical and the subject matter in the aforesaid LACs and in these appeals are one and the same, the claimants in these appeals are also entitled to compensation at the rate of Rs.7,60,000/- per acre.

17. The contention of appellant-KIADB that the consent award received by 95% of land owners is best piece of evidence to award the compensation as held by Hon'ble Supreme Court in the case of ***Siddappa Omanna Tumari*** referred *supra* cannot be considered for the simple reason that the Reference Court, in the case of similarly placed land losers, after remand, re-determined market value at Rs.7,60,000/- per acre which is considered as the basis to re-determine the market value in the cases on hand. The other judgments relied on by the learned counsel for the appellant-KIADB has no application to the facts of the cases on hand.



18. The Hon'ble Supreme Court in the case of ***Chimanlal Hargovinddas*** referred supra has held that The claimant is in the position of a plaintiff who has to show that the price offered for his land in the award is inadequate on the basis of the materials produced in the court. In the case on hand, the appellant-claimant has failed to produce acceptable evidence to enhance the compensation. In the absence of legally acceptable evidence, we are of the view that the reasoning of the Reference Court in its judgment and award dated 14.06.2021 passed in LAC No.183/2006 and connected matters are squarely applicable to the cases on hand. The Reference Court in the said judgment analyzed the nature of lands, its potentiality, it has also considered that the lands are adjacent to National Highway and surrounding lands are developed as on the date of issuance of preliminary notification and re-assessed the compensation at Rs.7,60,000/- per acre. We are of the clear opinion that the cases on hand and the cases referred to by the



Reference Court referred supra are similar, hence, in the absence of any independent evidence for the relevant period to assess the market value by considering plus and minus factors, we are of the view that the lands covered in these appeals fetches similar market value.

19. Insofar as the contention of appellants-claimants that the value of *malkis* is more than Rs.50,00,000/- and the Reference Court has not considered the said aspect, we have perused the oral and documentary evidence on record, there is no cogent and acceptable material on record to disbelieve the valuation arrived in the award by the SLAO. In the absence of any evidence before the Reference Court to enhance the compensation for the *malkis*, the Reference Court is fully justified in recording the finding on point No.2 under the impugned judgment with regard to *malkis*. We do not find any error or perversity in the finding recorded by the Reference Court. The contention insofar as non deposit of compensation amount, benefit and interest is concerned,



the claimants, shall work out their remedies in the execution proceedings, hence we are not recording any reasoning on the same.

20. For the aforementioned reasons, we proceed to pass the following:

ORDER

- i. MFA No.6102/2017 and MFA No.6103/2017 filed by KIADB are ***allowed in part with costs.***
- ii. MFA No.9484/2015 and MFA No.9485/2015 filed by the claimants are ***dismissed.***
- iii. The impugned judgments and awards dated 19.09.2015 passed in LAC No.178/2006 and 18.09.2015 passed in LAC No.149/2006 by the by the Senior Civil Judge and JMFC, Devanahalli, respectively, are modified only to the extent of fixing the market value at Rs.7,60,000/- per acre with all statutory benefits.



NC: 2026:KHC:11163-DB
M.F.A. No.6102/2017
AND CONNECTED WITH MATTERS

- iv. The impugned judgments and awards in respect of solatium, interest, is upheld.

Sd/-
(ANU SIVARAMAN)
JUDGE

Sd/-
(VIJAYKUMAR A. PATIL)
JUDGE

BSR/List No.: 3 Sl No.: 1