

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 9TH DAY OF APRIL, 2026

PRESENT

THE HON'BLE MRS. JUSTICE ANU SIVARAMAN

AND

THE HON'BLE MS. JUSTICE TARA VITASTA GANJU

MISCELLANEOUS FIRST APPEAL NO.8679 OF 2024 (LAC)

C/W

MISCELLANEOUS FIRST APPEAL NO.5171 OF 2025 (LAC)

IN MFA NO.8679 OF 2024:

BETWEEN:

- 1 . HEMARAJ K JAIN
S/O LATE KAPOOR CHAND
AGED ABOUT 74 YEARS
#10/3, 2-3RD FLOOR
JIYANI SADAN
SUBRAMANYA SWAMY TEMPLE STREET
OPP. V.V. PURAM COLLEGE
V.V. PURAM, BENGALURU-560 004
- 2 . DINESH SONEGARA
AGED ABOUT 67 YEARS
S/O LATE KASTUR CHAND
RESIDING AT: No.26
KRUMBIGAL ROAD
LALBAGH MAVALLI
BENGALURU-560 004
- 3 . R. RAMESHA
S/O ESHWAR RAO @ ESHWARAPPA
AGED ABOUT 69 YEARS
PRESENTLY AT: 169/2, 1
4TH MAIN ROAD, 7TH CROSS
CHAMARAJPET

BENGALURU-560 018

...APPELLANTS

(BY SRI. PURUSHOTHAM R., ADVOCATE)

AND:

- 1 . THE SPECIAL LAND ACQUISITION OFFICER-02
KIADB, 1ST FLOOR
MAHARSHI ARAVIND BHAVAN
NRUPATHUNGA ROAD
BENGALURU-560 001
- 2 . STATE OF KARNATAKA
REPRESENTED BY TAHSILDAR
KANDAYA BHAVAN,
BENGALURU SOUTH TALUK
K.G. ROAD, BENGALURU-560 009
- 3 . BANGALORE METRO RAIL CORPORATION LTD.
(KIADB), 3RD FLOOR,
BMTc COMPLEX, K.H. ROAD
SHANTHINAGAR, BENGALURU-562 107
- 4 . SRI. BALAJI K.
S/O LATE K. KRISHNAM RAJU
AND MRS. LAKSHMAMMA
AGED ABOUT 47 YEARS
- 5 . SMT. RASHMI. R.S.
AGED ABOUT 37 YEARS
W/O LATE K. SRINIVASAMURTHY
- 6 . MASTER RAKSHITH
S/O LATE K. SRINIVASAMURTHY
AGED ABOUT 17 YEARS
SINCE MINOR,
REP. BY MOTHER/ NATURAL GUARDIAN
RESPONDENT No.5

RESPONDENTS No.4 TO 6 ARE
RESIDING AT No.41, 5TH TEMPLE ROAD

13TH CROSS, MALLESHWARAM
BENGALURU-560 003

...RESPONDENTS

(BY SRI. P.V. CHANDRASHEKAR, ADVOCATE FOR R1;
SMT. RADHA RAMASWAMY, AGA FOR R2;
SRI. A. RAVISHANKAR, ADVOCATE FOR R3;
SRI. SRIHARSHA K.V., ADVOCATE FOR R4 TO R6)

THIS MFA IS FILED U/S.54(1) OF THE LAND ACQUISITION ACT, 1891, AGAINST THE JUDGMENT AND AWARD DATED 21.12.2023 PASSED IN LAC No.126/2022 ON THE FILE OF THE II ADDITIONAL CITY CIVIL AND SESSIONS JUDGE, BENGALURU, (CCH No.17) FILED U/S.30 AND 31 OF THE KARNATAKA INDUSTRIAL AREAS DEVELOPMENT ACT, 1966.

IN MFA NO.5171 OF 2025:

BETWEEN:

LAKSHMAMMA
W/O LATE KRISHNAMRAJU
86, SARJAPURA THINDLU
ANEKAL TALUK
BENGALURU-562 107
SINCE DEAD, BY HER LRS
AT SL. No.1, 2 AND 3 HERE BELOW

- 1 . SRI. BALAJI K.
S/O LATE K. KRISHNAM RAJU
AND MRS. LAKSHMAMMA
AGED ABOUT 47 YEARS
- 2 . SMT. RASHMI R.S.
W/O LATE K. SRINIVASAMURTHY
AGED ABOUT 37 YEARS
- 3 . SRI. RAKSHITH
S/O LATE K. SRINIVASAMURTHY
AGED ABOUT 17 YEARS
SINCE MINOR, REPRESENTED BY
NATURAL GUARDIAN/MOTHER
SMT. RASHMI R.S.

ALL ARE RESIDING AT No.41
5TH TEMPLE ROAD, 13TH CROSS
MALLESHWARAM
BENGALURU-560 003

...APPELLANTS

(BY SRI. PURUSHOTHAM R., ADVOCATE)

AND:

- 1 . THE SPECIAL LAND ACQUISITION OFFICER-02
KIADB, 1ST FLOOR
MAHARSHI ARAVIND BHAVAN
NRUPATHUNGA ROAD
BENGALURU-560 010
- 2 . STATE OF KARNATAKA
REVENUE DEPARTMENT
VIKASA SOUDHA
AMBEDKAR VEEDHI
BENGALURU-560 010
- 3 . BANGALORE METRO RAIL CORPORATION LTD.
(KIADB), 3RD FLOOR
BMTc COMPLEX, K.H. ROAD
SHANTHINAGAR
BANGALORE-560 027
- 4 . SMT. PREMA A.R.
W/O LATE A.M. RAMARAJU
AGED ABOUT 64 YEARS
- 5 . GAYATHRI A.R.
D/O LATE A.M. RAMARAJU
AGED ABOUT 43 YEARS
- 6 . SHRUTHI A.R.
D/O LATE A.M. RAMARAJU
AGED ABOUT 37 YEARS
RESPONDENTS No.4 TO 6 ARE

RESIDING AT No.536, 10TH MAIN ROAD
5TH BLOCK, BENGALURU-560 041

- 7 . PRADEEP KUMAR B.R.
S/O SRI. RUDREGOWDA
AGED ABOUT 44 YEARS
RESIDING AT No.31234
23RD FLOOR, BUILDING No.3
TOWER-1, PRESTIGE FALCON CITY APARTMENT
KANAKAPURA MAIN ROAD
KONANAKUNTE CROSS
BENGALURU-560 062
- 8 . A. CHENNA REDDY
S/O SRI. GURUVI REDDY
AGED ABOUT 53 YEARS
R/AT No.143, PHASE-2
CLASSIC ORCHARDS
MEENAKSHI TEMPLE
BANNERGHATTA ROAD
BENGALURU SOUTH
BENGALURU-560 076
- 9 . M.V. RAMASWAMY RAJU
S/O VENKATARAMA RAJU
AGED ABOUT 63 YEARS
R/AT. No.401, AKSHAYA PRIDE APT.
KOTHANUR DINNE
J.P. NAGAR 7TH PHASE
BENGALURU-560 076

10 . S. GOPINATH
 S/O LATE SUBBARAJU
 AGED ABOUT 61 YEARS
 R/AT No.661, 6TH MAIN ROAD
 RBI LAYOUT, J P NAGAR 7TH PHASE
 BENGALURU-560 041

...RESPONDENTS

(BY SRI. P.V. CHANDRASHEKAR, ADVOCATE FOR R1;
 SMT. MANASI KUMAR, ADVOCATE FOR R3;
 SMT. RADHA RAMASWAMY, AGA FOR R2;
 V.C.O. DATED 26.09.2025, NOTICE TO R4 TO R10
 IS DISPENSED WITH)

THIS MFA IS FILED U/S.54(1) OF LAND ACQUISITION ACT, 1891 AGAINST THE JUDGMENT AND AWARD DATED 19.03.2025 PASSED IN LAC No.67/2022 ON THE FILE OF THE II ADDITIONAL CITY CIVIL AND SESSIONS JUDGE, BENGALURU, (CCH No.17), PARTLY ALLOWING THE REFERENCE PETITION U/S.30 AND 31(2) OF THE LAND ACQUISITION ACT.

THESE APPEALS HAVING BEEN HEARD AND RESERVED FOR JUDGMENT ON 03.03.2026 AND COMING ON FOR PRONOUNCEMENT OF JUDGMENT THIS DAY, **ANU SIVARAMAN J.**, PRONOUNCED THE FOLLOWING:

CORAM: HON'BLE MRS. JUSTICE ANU SIVARAMAN
 and
 HON'BLE MS. JUSTICE TARA VITASTA GANJU

CAV JUDGMENT**(PER: HON'BLE MRS. JUSTICE ANU SIVARAMAN)**

MFA No.8679/2024 and MFA No.5171/2025 are filed against the Judgments dated 21.12.2023 and 19.03.2025 passed by the II Additional City Civil and Sessions Judge, At Bangalore (C.C.H.No.17) passed in Land Acquisition Cases No.126/2022 and 67/2022, respectively.

2. We have heard Shri. Purushotham R, learned counsel appearing for the appellants, Shri. P. V. Chandrashekar, learned counsel appearing for respondent No.1/Karnataka Industrial Areas Development Board (KIADB), Smt. Radha Ramaswamy, learned Additional Government Advocate, appearing for respondent No.2/State, Shri. A. Ravishankar, learned counsel appearing for respondent No.3/Bangalore Metro Rail Corporation Limited's (BMRCL) in MFA No.8679/2024 and Smt. Manasi Kumar, learned counsel appearing for respondent No.3/BMRCL in MFA No.5171/2025 and Shri. Sriharsha K.V, learned counsel appearing for respondents No.4 to 6 in MFA No.8679/2024 .

3. The appellants claimed to be the absolute owners of property bearing Sy.No.87/3 and Sy.No.87/4 of Kothanur Village, Uttarahalli Hobli, Bangalore South Taluk. The properties were proposed for acquisition for the construction of the BMRCL Reach 6 Depot for the maintenance of metro trains. From the recitals in the General Award dated 11.09.2018, it is noticed that the Preliminary Notification was issued on 22.09.2015 under Section 28(1) of the Karnataka Industrial Areas Development Act, 1966 ('KIAD Act' for short). The appellants challenged the Notification by filing W.P.No.26244/2017. During the pendency of the writ petitions, this Court passed an interim order on 21.11.2017 directing the KIADB to deposit the entire compensation amount before the Court. Thereafter, the Final Notification was issued under Section 28(4) of the KIAD Act on 22.02.2018. Even thereafter, in spite of the directions issued, the KIADB passed a general award fixing a nominal compensation on 11.09.2018. The possession of the land in question was taken over on 21.04.2018. Thereafter, by an order dated 07.02.2022, this Court directed the KIADB to

make reference under Sections 30 and 31 of the KIAD Act to the Reference Court with a further direction to take back the amount deposited pursuant to the earlier order.

4. Thereafter, it is submitted that a package compensation was arrived at and the BMRCL transferred the entire package compensation amount in terms of Section 29(2) of the KIAD Act to the KIADB, as early as on 28.07.2018. Writ Petition No.11878/2023 was filed by the appellants seeking to quash the general award and direct the KIADB to substitute the same with the package compensation award in terms of Section 29(2) of the KIAD Act. The writ petition was allowed by order dated 19.06.2023.

5. The learned counsel appearing for the appellants submits that in almost identical circumstances, this Court in its Judgment dated 18.09.2025 passed in MFA.No.7804/2023 and connected matters had clearly held that landowners are entitled for interest at the rate of 9% per annum from the date of taking physical possession of the land till the date of actual deposit of the package

compensation. It is submitted that in the instant case also the appellants are entitled to interest on the unpaid package compensation from the date of taking possession to the date on which such package compensation was actually deposited.

6. The beneficiary of the acquisition, that is, the BMRCL has filed objections in the appeals. It is contended that the BMRCL had sent the package compensation amount of Rs.43,38,32,248/- to the Special Land Acquisition Officer (SLAO), KIADB on 31.07.2018 as provided under Section 29(2) of the KIAD Act. The SLAO sent notice on 28.08.2018 requiring the appellants to communicate their acceptance or otherwise of the offered package compensation amount before 05.09.2018. However, an order was passed by the Assistant Commissioner on 26.05.2017 holding that the entire land in Sy.No.87 of the Kothanur Village measuring 67 acres and 9 guntas is B-Kharab land belonging to the Government and the name of the Government is to be entered in the revenue records. However, the order of the Assistant Commissioner was set aside on 07.02.2022 in Writ

Petition No.24533/2017 and connected cases. Thereafter, the possession of the acquired property was taken over by the SLAO on 21.04.2018.

7. The learned counsel appearing for the KIADB submits that the award of package compensation is under the provisions of Section 29(2) of the KIAD Act. It is submitted that package compensation under Section 29(2) of KIAD Act does not contemplate the payment of interest to persons who consent to such package compensation. It is submitted that once the package compensation is accepted, there would be no further question of payment of interest. It is submitted that it is only on account of the pending litigations that the package compensation amount was not deposited within time. It is stated that the amount covered by the general award was deposited well in time and that there is absolutely no reason why the KIADB should be forced to pay interest on the compensation which is arrived at with the consent of the parties. The learned Additional Government Advocate appearing for the State also supports the said contention of the KIADB.

8. We have considered the contentions advanced. We notice that the appellants in these appeals are similarly situated as the private parties in MFA No.7804/2023 and connected cases decided by this Court by its judgment dated 18.09.2025. This Court, considering the decision of a co-ordinate Bench in the case of ***Akkayamma v. Deputy Commissioner and Others*** passed in ***Writ Petition No.46860/2018 dated 12.07.2023***, held that the landowners are entitled for interest at the rate of 9% per annum from the date of taking possession till the date of payment of the package compensation amount.

9. Section 29 of KIAD Act reads as follows:-

"29. Compensation.- (1) Where any land is acquired by the State Government under this Chapter, the State Government shall pay for such acquisition compensation in accordance with the provisions of this Act.

(2) Where the amount of compensation has been determined by agreement between the State Government and the person to be compensated, it shall be paid in accordance with such agreement.

(3) Where no such agreement can be reached, the State Government shall refer the case to the Deputy Commissioner for determination of the amount of

compensation to be paid for such acquisition as also the person or persons to whom such compensation shall be paid.

(4) On receipt of a reference under sub-section (3), the Deputy Commissioner shall serve notice on the owner or occupier of such land and on all persons known or believed to be interested herein to appear before him and state their respective interests in the said land."

10. Section 30 of the KIAD Act provides that the provisions of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 will apply in respect of enquiry and award, reference and apportionment of compensation in respect of lands acquired under the KIAD Act. Therefore, the provision with regard to interest on unpaid compensation also forms a part of the KIAD Act. If the amount of compensation is determined by agreement between the KIADB and the person to be compensated, the said amount is to be paid in accordance with such agreement. Therefore, if the amount is arrived at by consensus, then, such amount must be paid at the earliest to the land losers. If such amount is not paid, then, obviously the land losers would be

entitled to interest on the amount of compensation so arrived at as well.

11. The learned counsel for appellants have placed for our consideration the judgment in ***Writ Petition No.51023/2013 and connected matters*** disposed of on ***03.04.2014***, which is referred to in ***Akkayamma's*** case as well. In ***Akkayamma's*** case (supra), this Court specifically found that 9% of interest is liable to be paid to land losers even on a deemed consent award if the amount is not deposited immediately. In the common judgment passed in ***Miscellaneous First Appeal No.7894/2023 and connected matters*** disposed of on ***18.09.2025***, this Court found that interest has been awarded to land losers in several cases, even where what was awarded was package compensation.

12. In the instant case, since the possession was admittedly taken over on 21.04.2018 and since the package compensation has not been deposited by the KIADB in full till date, we are of the clear view that the landowners are

entitled to interest from 21.04.2018 till the date of actual deposit of the package compensation.

13. Having given our anxious consideration to the pleadings and the materials on record, we are of the opinion that since the package compensation was arrived at on 05.09.2018 and has not been deposited in full till this date, the contention that no interest is payable on package compensation cannot hold good.

14. In the result:-

- (i) The appeals are ***allowed***.
- (ii) The judgment and award under appeal are modified by awarding interest at the rate of 9% per annum on the package compensation awarded from the date of possession, that is, 21.04.2018 till the date on which such package compensation is deposited in full.
- (iii) The amount due to the appellants herein as package compensation will be deposited by the KIADB within a period of two months from the date of receipt of a copy of the judgment.

- (iv) In case, the appellants have received any amounts as compensation in the interregnum, the said amount shall be deducted from the principal to which they are entitled as package compensation and the balance amount due will be calculated with interest accordingly.
- (v) If no amount has been released to the appellants herein, they will be entitled to the package compensation with interest as at 9% per annum as directed.

All pending interlocutory applications shall stand *disposed of*.

**Sd/-
(ANU SIVARAMAN)
JUDGE**

**Sd/-
(TARA VITASTA GANJU)
JUDGE**

cp*